

立法會
Legislative Council

LC Paper No. CB(2)2810/11-12
(These minutes have been seen
by the Administration)

Ref : CB2/PL/FE

Panel on Food Safety and Environmental Hygiene

Minutes of meeting
held on Tuesday, 8 May 2012, at 2:00 pm
in Conference Room 3 of the Legislative Council Complex

Members present : Hon WONG Yung-kan, SBS, JP (Deputy Chairman)
Hon Fred LI Wah-ming, SBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, MH
Dr Hon Joseph LEE Kok-long, SBS, JP
Hon KAM Nai-wai, MH
Dr Hon LEUNG Ka-lau
Hon Alan LEONG Kah-kit, SC
Hon WONG Yuk-man

Member absent : Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)

Public Officers attending : Item IV

Mr Philip CHAN Kwan-yee
Deputy Secretary for Food and Health (Food) 2

Dr Constance CHAN Hon-ye, JP
Controller, Centre for Food Safety
Food and Environmental Hygiene Department

Dr Teresa CHOI Man-yan
Principal Medical Officer (Risk Assessment and Communication)
Food and Environmental Hygiene Department

Item V

Ms Kitty CHOI Kit-yu, JP
Deputy Secretary for Food and Health (Food) 1

Dr LEUNG Siu-fai, JP
Deputy Director of Agriculture, Fisheries and Conservation

Dr Thomas SIT
Assistant Director of Agriculture, Fisheries and
Conservation (Inspection and Quarantine)

Dr Howard WONG Kai-hay
Principal Veterinary Officer (Acting)
Agriculture, Fisheries and Conservation Department

Dr Mary CHOW Ka-wai
Senior Veterinary Officer (Animal Management) Development
Agriculture, Fisheries and Conservation Department

Item VI

Ms Kitty CHOI Kit-yu, JP
Deputy Secretary for Food and Health (Food) 1

Ms Ava CHIU Wai-fan
Deputy Director of Food and Environmental Hygiene
(Administrative and Development)

Ms CHU Lan-ying
Assistant Director of Food and Environmental Hygiene
(Operations) 3

Item VII

Ms Kitty CHOI Kit-yu, JP
Deputy Secretary for Food and Health (Food) 1

Ms CHU Lan-ying
Assistant Director of Food and Environmental Hygiene
(Operations) 3

Mr YUEN Ming-chi
Pest Control Officer-in-charge
Food and Environmental Hygiene Department

Clerk in attendance : Miss Flora TAI
Chief Council Secretary (2) 3

Staff in attendance : Mr Jove CHAN
Senior Council Secretary (2) 8

Ms Mina CHAN
Council Secretary (2) 7

Ms Camy YOONG
Clerical Assistant (2) 7

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I. Confirmation of minutes

(LC Paper No. CB(2)1871/11-12)

As the Chairman was out of town, the Deputy Chairman took the chair.

2. The minutes of the meeting held on 13 March 2012 were confirmed.

II. Information paper(s) issued since the last meeting

(LC Paper Nos. CB(2)1688/11-12(01), CB(2)1688/11-12(02) and CB(2)1779/11-12(01))

3. Members noted that the following papers had been issued since the last meeting -

- (a) Submission from K CHAN on the food safety report issued by the Centre for Food Safety;
- (b) Submission from Greenpeace on the abuse of pesticide; and
- (c) Referral from the meeting between Legislative Council Members and Yau Tsim Mong District Council members on 12 April 2012 on matters relating to environmental hygiene and hawkers management at tourist spots in Yau Tsim Mong district.

III. Items for discussion at the next meeting

(LC Paper Nos. CB(2)1870/11-12(01) and (02))

4. Members agreed that, subject to the concurrence of the Chairman, the following items would be discussed at the next meeting to be held on 12 June 2012 -

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- (a) Review of avian influenza risk in Hong Kong and latest development on avian influenza vaccines for local chicken farms;
- (b) Outcome of public consultation on hawker management;
- (c) Regulation of pesticide residues in food; and
- (d) Hung Hom Public Funeral Parlour (paragraph 22 below refers).

(Post-meeting note: The Chairman concurred with the proposed discussion items and the agenda was issued to members vide LC Paper No. CB(2)2024/11-12 on 15 May 2012.)

IV. Implementation of the Nutrition Labelling Scheme

(LC Paper Nos. CB(2)1870/11-12(03) and (04))

5. Deputy Secretary for Food and Health (Food) 2 ("DSFH(F)2") briefed members on the implementation of the Nutrition Labelling Scheme ("the Scheme"), which came into effect on 1 July 2010. Controller, Centre for Food Safety, Food and Environmental Hygiene Department ("Controller, CFS") gave a powerpoint presentation on the "Trade Guidelines on Preparation of Legible Food Label" ("the Guidelines").

(Post-meeting note: The presentation notes were issued to members vide LC Paper No. CB(2)1934/11-12(01) on 9 May 2012.)

6. Mr WONG Kwok-hing expressed concern that the Guidelines were only "paper tigers", exerting no deterrent effect on non-compliant traders. He asked whether there were penalties for those who failed to comply with the Guidelines. He also pointed out that there were a large number of public complaints and media reports criticizing the sale of nutrition products carrying "best before" and "use by" date marks. Retailers took advantage of loopholes in the legislation to confuse consumers and put the products that had actually passed their expiry dates on supermarket shelves. He enquired about the inspection work and prosecution of the non-compliant cases since the implementation of the Scheme.

7. DSFH(F)2 assured members that the Guidelines would not become "paper tigers". The Administration had consulted the stakeholders on the Guidelines and they considered the content acceptable. The Centre for Food Safety ("CFS") would make reference to the Guidelines in assessing the legibility of nutrition label of the prepackaged products during its

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surveillance. At present, traders were required by the law to ensure the legibility of food labels of their products. CFS would take appropriate enforcement action if prepackaged food was found not legibly marked or labelled. DSFH(F)2 said that breaches of the Guidelines and subsequent enforcement action would be dealt with on a case-by-case basis.

8. DSFH(F)2 stressed that since the implementation of the Scheme, there had been no slackening of enforcement action against non-compliance. As at 13 April 2012, CFS had checked the nutrition labels of 19 340 prepackaged food products with 188 found not complying with the Scheme. Of the 188 non-compliant cases, 121 were identified by visual checking for not complying with the statutory "1+7" labelling requirements and 67 by chemical analysis on the inaccuracy of the nutrition labels and nutrition claims.

9. As regards the enforcement action concerning the indication of "use by" or "best before" date on pre-package food product, Controller, CFS advised that in the previous year, CFS had checked the labels of 55 180 prepackaged food items with 25 found not complying with the legal requirements. Of which, 24 were found neither displaying nor properly indicating their shelf lives and one was sold after its expiry date. These 25 non-compliant cases were being prosecuted.

10. Pointing out that there was recent public concern over the capsules of medicines and nutrition products that were found unsuitable for human consumption, Mr WONG Kwok-hing asked whether there was inspection and prosecution arising from the incident. Controller, CFS advised that the Department of Health was carrying out the inspection of medicines. For the food in capsular form, CFS had taken samples for testing.

11. Noting that the Consumer Council and non-government organizations always found expired food items for sale, Mr Fred LI queried whether the Administration had performed inspection regularly. Regarding the implementation of the Guidelines, Mr LI pointed out that due to package design, the labelling of some food products such as biscuits was provided in the form of a fold out label, which might not be legible to consumers. He enquired about the handling of such cases and the consequences for not complying with the Guidelines.

12. Mr Fred LI was delighted to know that the three-phase survey showed that the implementation of the Scheme did not have any apparent impact on the total number of prepackaged food products in the market. Mr LI asked whether the Administration had instituted prosecutions and issued warning letters under the Small Volume Exemption ("SVE") scheme, and how the

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Administration monitored those SVE products with valid exemption in the market.

13. Mr Fred LI pointed out that the Audit Commission had criticized that CFS's inspection on nutrition labels was focused on large supermarket chains only. He asked whether the Administration had taken the Audit Commission's advice to change its sampling strategy. Mr LI also cast doubt on whether the number of retail outlets to be contained by the database which was being developed by CFS (i.e. 2 300 retail outlets) was far from enough given that the major supermarket chains had already have a few hundred branches throughout Hong Kong.

14. DSFH(F)2 explained that the Food and Drugs (Composition and Labelling) Regulations (Cap. 132W) required the information marked on the food label of all prepackaged food to be legible. However, the legibility of the required information shown in food labels was not defined in the legislation. In this connection, after consultation with the relevant stakeholders, the Guidelines had been drafted to provide the trade and consumers with principles and examples of legible food labels for reference. If a non-compliant case was found, CFS would make reference to the Guidelines in determining whether the offender should be prosecuted. On whether the Administration had instituted prosecution against any offender, DSFH(F)2 advised that with the increasing public concern about the Scheme, there was a call for clarification on the legibility requirements stipulated in the legislation. The Guidelines were then devised to facilitate the food trade and would be issued after consultation with the Panel at this meeting.

15. Regarding the SVE scheme, DSFH(F)2 explained that prepackaged food with annual sales volume not exceeding 30 000 units which did not carry nutrition claims was exempted from the nutrition labelling requirements. Each exempted product would be assigned a number. Officers of CFS would verify the exemption number of the product during inspection. The exemption might be renewed for the following year if the 30 000-unit exemption limit was not exceeded at the end of one year. CFS would keep track of the annual sales volume of the exempted products to prevent the SVE scheme from being abused.

16. Concerning the Audit Commission's observations of CFS's work in the regulatory control of food labelling, DSFH(F)2 responded that due to limited resources, during the initial stage of the implementation of the Scheme, CFS focused on checking food samples from supermarkets, which took up a major share of prepackaged food sold in the market. Taking into account the recommendations of the Audit Commission and the Independent Commission

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Against Corruption, CFS had adopted a risk-based enforcement approach, targeting at higher-risk retail outlets such as small-scale operations with history of non-compliance.

17. DSFH(F)2 stressed that CFS had conducted inspection on "use by" and "best before" dates of food products and had received reports of non-compliance occasionally. The Administration welcomed reports of instances from members of the public and would continue to step up its inspection. With regard to the database coverage, Controller, CFS explained that the database was created to contain mostly the information of retail outlets that were not required to register with the Food and Environmental Hygiene Department ("FEHD"), but selling prepackaged food.

18. While supporting the introduction of the Scheme, Mr Vincent FANG expressed worry that the Scheme would bring significant impact on the commercial sector. He asked whether there were food operators who had to wind up their business due to the implementation of the Scheme. Although the Market Survey commissioned by CFS showed that there was no apparent impact on the total number of prepackaged food products in the market since the Scheme had come into operation, he expressed concern as to whether the Scheme had limited the food choice of consumers, in particular the introduction of health products into Hong Kong. For the ethnic shops, Mr FANG pointed out that they might carry a relatively higher-risk of non-compliance. He was concerned whether the food choices of ethnic groups might be significantly reduced as a result of the stepped-up surveillance efforts in small-scale operations.

19. Regarding the SVE scheme, Mr Vincent FANG was pleased to note that CFS was reviewing the SVE fees. He asked whether there was room for further reduction in the SVE fees if they were set on a full-cost recovery basis. Mr FANG also pointed out that there had been grumblings from the trade that the SVE quota was always taken up by large supermarket chains. He requested the Administration to look into the matter.

20. DSFH(F)2 responded that the Administration had not studied whether the introduction of the Scheme had led to business closure. However, the Market Survey suggested that there was no considerable impact on the food choices available in the market after the commencement of the Scheme. He pointed out that the annual Food Expo had been regarded as a testing ground for bringing new prepackaged food products to the Hong Kong market. The Administration had thus commissioned survey in the Food Expos of both 2010 and 2011 to assess the impact of the Scheme on new-to-market prepackaged food products introduced at Food Expo. The results of the Food Expo Survey indicated that the implementation of the

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Scheme had not brought any significant impact on the introduction of new prepackaged food products to Hong Kong via Food Expo.

21. Concerning the SVE scheme, DSFH(F)2 said that the Administration was reviewing the SVE fees and studying whether the use of online application could achieve more savings. The review result was expected to be available in the second half of 2012. DSFH(F)2 also clarified that there was no quota setting for the SVE application, and no exemption priority would be given to large-scale operations. All food manufacturers/importers could make application if they considered that their food products might satisfy the conditions for SVE exemptions.

22. While understanding members' worries about the possible impact of the Scheme on the food choices available in ethnic shops, DSFH(F)2 said that the Scheme had come into operation for nearly two years, and the Administration hoped that smaller food outlets such as ethnic shops could comply with the Scheme requirements. DSFH(F)2 stressed that CFS had all along proactively managed communications with the trade. Although the number of prepackaged food products in ethnic shops was found to have reduced after the commencement of the Scheme, CFS would take appropriate actions to assist the traders in complying with the requirements of the Scheme.

23. Mr Alan LEONG said that the Guidelines were developed to provide information to assist in the interpretation of legibility requirements of food label as stipulated in the legislation. CFS would take enforcement action if prepackaged food was not legibly marked or labelled under the food labelling regulation. He noted that the Administration had made no prosecution so far. Nevertheless, if there were traders who persistently failed to comply after the Guidelines had been implemented for a period of time, he asked whether consideration would be given to legitimizing the principles of legible food labels as set out in the Guidelines in order to facilitate the enforcement of the legibility requirements. Mr LEONG also enquired whether the problem food item was still allowed to remain on shelves during the 60-day enquiry period; if this was the case, how consumer interest could be protected in the meantime.

24. DSFH(F)2 responded that the existing legislation had required traders to provide legible information on food label. The relevant stakeholders, including the trade and consumer groups, had been consulted on the Guidelines and they found the content explicit and acceptable. If traders adhered to the Guidelines when preparing food labels for their prepackaged products, the irregularities currently found in some non-compliant cases could be significantly improved. The Administration hoped that after

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consultation with the Panel, the Guidelines could be put in place to help the trade comply with the legibility requirements of food label. DSFH(F)2 indicated that the Administration would not deny the possibility of making further legislative efforts to address the problem if the situation remained unimproved, but it would not be considered as long as the Guidelines could serve their purpose.

25. Regarding the 60-day enquiry period, DSFH(F)2 advised that since July 2011, CFS had tightened up its enforcement strategy, taking into account that the trade had become familiar with the operation of the Scheme after the first year of implementation. He explained that upon detection of irregularities such as incomplete nutrition label, CFS would issue a warning letter to the trader concerned requiring actions to comply with the requirements of the Scheme within 60 days. For discrepancy between the actual nutrient content based on test result and the stated value on the nutrition label, CFS would issue a letter to the trader concerned requiring an explanation within 21 days. If the explanation was not accepted by CFS, a warning letter requiring actions to comply with the requirements of the Scheme within 39 days would then be issued. DSFH(F)2 pointed out that traders had been co-operative so far. Where irregularities were identified, they would either withdraw the product in question from the shelf or rectify the nutrition label according to the statutory requirements of the Scheme. The Administration considered the current status of implementation of the Scheme satisfactory.

26. Controller, CFS added that for cases where the food was contaminated by chemicals, which would pose immediate threat to public health and safety, the trader concerned would not be given the 60-day enquiry period and was required to remove the problem food from the shelf immediately.

27. Mr Vincent FANG pointed out that there might be an established trade practice in the packing and labelling of prepackaged food products sold in ethnic shops. The traders of such country food might find it difficult to meet the Scheme requirements. He requested the Administration to be lenient in dealing with the non-compliant food items for ethnic minorities given its insignificant share of the prepackaged food market. Mr FANG further said that the information in the nutrition labels of prepackaged products was shown in detail, but members of the public were not well aware of the content. He recommended that more efforts should be made to promote the use of information on nutrition labels and to assist consumers in making healthier food choices.

28. DSFH(F)2 responded that the Administration had maintained communication with ethnic shops before the commencement of the Scheme.

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To enable them to comply with the legal requirements on nutrition label, the Administration would give them as much advice as it could. DSFH(F)2 agreed with Mr Vincent FANG that with the implementation of the Scheme, it was important to educate the public on how to make use of the information on nutrition labels to make healthier food choices. The Administration had made publicity and public educational efforts to promote the use of nutrition information. To this end, CFS had launched a mobile phone application known as "Nutrition Calculator", which could work out the amount of a prepackaged food item that one could consume without exceeding the upper limit for the daily intake of the nutrients.

29. Mr Fred LI asked whether the Scheme would be extended to alcoholic beverages. Controller, CFS responded that drinks with an alcoholic strength by volume of more than 1.2% were exempted from some labelling requirements as stipulated in the legislation. Apart from making reference to the information on nutrition labels, the public should be aware that consumption of alcohol carried a risk of adverse health and thus it was important to take a balanced diet.

30. The Deputy Chairman said that the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") supported the Scheme. He hoped that the Guidelines could help the trade achieve good practice in providing legible information on food label. He also called for the Administration's attention to some festive food such as rice dumpling, which was not only available during festival season.

V. Trap-Neuter-Release Scheme

(LC Paper Nos. CB(2)1870/11-12(05) and (06))

31. Deputy Secretary for Food and Health (Food) 1 ("DSFH(F)1") gave an overview on the Administration's proposed "Trap-Neuter-Release" ("TNR") trial programme for stray dogs. Assistant Director of Agriculture, Fisheries and Conservation (Inspection and Quarantine) ("AD(I&Q)/AFCD") briefed members on the implementation details of the trial programme with the aid of powerpoint presentation.

(Post-meeting note: The presentation notes were issued to members vide LC Paper No. CB(2)1934/11-12(02) on 9 May 2012.)

32. Mr Fred LI hoped that the trial programme could gain support from the relevant District Councils. If the Administration could achieve success in its implementation of the trial programme, the TNR concept should be widely promoted. He said that one non-profit group called the Non-Profit Making

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Veterinary Services Society ("NPV") had neutered nearly 200 stray dogs in the Wong Tai Sin area and rehomed about half of them. Its operation had run for a few years.

33. Mr Fred LI suggested that complaints against the trial programme should be classified according to their seriousness. The Administration should consider the nature of the complaint when determining whether the trial programme should be suspended. He said that it was important for the Administration to maintain its transparency in the operation of the trial programme by providing information on, for example, the number of volunteers participating in the project and regular report on the number of neutered dogs. Apart from the Society for the Prevention of Cruelty to Animals ("SPCA") and the Society for Abandoned Animals ("SAA"), smaller animal welfare organizations ("AWOs") should also be invited to take part in the trial programme.

34. DSFH(F)1 responded that given that the proposal was implemented on a trial basis, the Administration had invited only two AWOs (i.e. SPCA and SAA) that had been advocating the TNR concept to coordinate the trial programme. If the trial programme was found successful, other partner organizations might be invited to join the operation in future. DSFH(F)1 added that at this stage, support from the local community was critical to the implementation of the trial programme. Whether the trial programme would be terminated depended not only on the number of complaints received but also on the seriousness of the incidents. She assured members that the Administration would pay attention to the issue of transparency when operating the trial programme.

35. AD(I&Q)/AFCD said that the Administration had met with NPV on some occasions, and was aware that NPV had conducted neutering operation on dogs in the Wong Tai Sin area. The Administration had not been advised of the details such as the handling of neutered dogs under the care of NPV. He hoped that NPV could provide further information about its neutering operation so that the Administration could assess its effectiveness in reducing the number of stray dogs. He added that the Administration was willing to co-operate with NPV should its neutering operation prove to be successful in controlling the stray dog population.

36. Mr WONG Kwok-hing raised the following enquiries -

- (a) whether the target of achieving, under the trial scheme, an average 10% annual decrease in the stray dog population within the trial zone could catch up with the birth rate of stray dogs;

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- (b) how the Administration would go about containing the number of stray dog in the trail zone given that stray dogs were free to move in and out of the designated area;
- (c) whether the TNR programme would indirectly encourage pet owners to abandon their dogs in the trial zone; and
- (d) whether there were measures to penalize such irresponsible dog owners.

37. Deputy Director of Agriculture, Fisheries and Conservation ("DD/AFCD") explained that the target of achieving an average 10% annual decrease in the population of stray dogs in the trial zone had taken into account the birth rate and the death rate of stray dogs. The programme coordinators (i.e. the participating AWOs) were required to catch at least 80% of stray dogs in the trial zone during the first six months of the trial programme. Stray dogs caught by the programme coordinators and selected to be kept in the trial programme would be neutered, microchipped and given anti-rabies vaccination before they were released back to the trial zone.

38. DD/AFCD further said that the programme coordinators would closely monitor whether there were new dogs entering the trial zone. The new dogs would undergo the same treatment as those already in the trial zone at the beginning of the trial programme. The programme coordinators were expected to continue with the catching and neutering of dogs throughout the trial period. For the dogs that were abandoned in the trial zone by their owners, they could be traced back to their owners with their microchips. Prosecution would be instituted against the owner of the abandoned dog in accordance with the legislation if there was sufficient evidence.

39. DSFH(F)1 added that according to the Rabies Ordinance (Cap. 421), a keeper of animal who, without reasonable excuse, abandoned that animal committed an offence and was liable to a fine of \$10,000 and to imprisonment for six months. Mr WONG Kwok-hing called on the Administration to enhance its promotion of responsible pet ownership.

40. Mr Alan LEONG said that the Civic Party welcomed the Administration's proposed TNR trial programme for stray dogs and hoped that it would be successful. For other AWOs which had experience in conducting TNR operation, he took the view that the unavailability of the details of their operations should not become a reason for denying their participation in the trial programme. He asked whether the Administration could exercise flexibility in dealing with the matter. Mr LEONG also enquired whether the Administration would, when briefing the relevant

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District Councils in mid-May on how the number of stray dog in the trial area would be controlled, provide information including, for example, a snapshot of the initial stray dog population in the three selected sites.

41. DSFH(F)1 responded that, when consulting the relevant District Councils, the Administration would explain the implementation details of the trial programme in collaboration with the programme coordinators and a consultant to be commissioned by AFCD. To ensure an independent assessment on the outcome of the trial programme, the consultant would conduct a baseline population survey in collaboration with the programme coordinators before the commencement of the programme. The survey could help the Administration monitor the monthly progress of the trial programme by collecting data on changes in the number, distribution and ecology of stray dogs in the trial zone during the trial period.

42. DSFH(F)1 reiterated that the Administration would not deny participation of other AWOs in the trial programme. However, it must exercise prudence when selecting the sites for trial programme. She expressed reservations about the suitability of Wong Tai Sin area as a trial zone given that the district was densely populated. To ensure the success of the trial programme and in the interest of gaining local support, the Administration considered it more desirable to pursue the trial programme in areas that were far away from schools and hospitals, relatively free from busy traffic conditions, and not densely populated. The Administration would consider extending the TNR operation to other districts subject to the outcome of the trial programme.

43. Mr Alan LEONG shared the view of Mr Fred LI that to raise the transparency of the trial programme, the Administration should invite more AWOs to join the operation so that their concerns on the project could be addressed.

44. The Deputy Chairman said that DAB supported the proposed trial programme for stray dogs. However, he was concerned whether the Administration would provide assistance to the volunteers/carers when they were bitten by the dogs under the trial programme. He enquired whether neutering would change the temperament of a dog. He pointed out that there was a sudden increase in the number of stray dogs and cats in Tai Po District after the Severe Acute Respiratory Syndrome incident. Residents of the North District had complained that many large dogs were usually not fitted securely with muzzles by their owners. He asked how the Administration could ensure public safety while promoting the care and kindness to stray dogs.

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45. The Deputy Chairman further said that as stray dogs were free to move in and out of the trial zone, the Administration should study how to factor in the possible fluctuation in stray dog number arising from such movements. Noting that the proposed trial programme would last for three years, he requested the Administration to report to the Panel the implementation progress of the trial programme in due course.

46. AD(I&Q)/AFCD advised that some overseas studies suggested that neutering made dogs less aggressive by affecting their sex hormones level. The volunteers/carers would be provided with proper training on animal behaviour by the programme coordinators before joining the trial programme. In ensuring public safety, the current legislation provided that all dogs must be under proper control at public places and any dog over 20 kg in weight must be held on a leash, and any person in breach of these regulations would be subject to a fine. A few hundred cases were prosecuted every year on average. He explained that as dogs regulated their body heat through panting, their health might be at risk particularly during the hot summer months if they were required by law to wear muzzle in Hong Kong.

47. Regarding the problem of abandoned dogs, AD(I&Q)/AFCD pointed out that the Administration's statistics showed that the number of stray dog had decreased significantly, thanks in part to efforts spent on the promotion of responsible pet ownership in recent years.

48. In closing, the Deputy Chairman concluded that the Panel supported the proposed trial programme for stray dogs.

VI. Tendering arrangement for the provision of services at Hung Hom Public Funeral Parlour

(LC Paper Nos. CB(2)1870/11-12(07) and (08))

49. DSFH(F)1 briefed members on the tendering arrangement for the provision of services at Hung Hom Public Funeral Parlour ("HHPFP") as detailed in the Administration's paper. She added that no quota was set for the provision of low cost funeral package service to the specific groups of people covered by referrals from the Social Welfare Department ("SWD") or FEHD. The new contract was effective on 1 April 2012 and the new operator had commenced operation.

50. Mr WONG Kwok-hing expressed disappointment that the accountable Bureau Secretary did not turn up at the meeting. He said that the information provided by the Administration was less than complete. Information on the price of the contract offered to the South China Memorial Park & Funeral

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Service Limited was conspicuously absent. He pointed out that the rental of a small mourning hall at HHPFP would be increased from \$4,200 to \$8,700. Consequentially, other private funeral parlours raised their mourning hall rental by 30% to 50%.

51. Mr WONG Kwok-hing criticized that the high rental and funeral services charges were resulting from the collusion between business and the Government. He expressed grievance that the poor could not afford the high expenses and were forced to use the crude funeral service at hospitals, which, in their view, was rush and not solemn. Mr WONG strongly requested the Administration to explain its policy on public and private funeral services.

52. DSFH(F)1 responded that the Administration was committed to providing low-cost and complete basic funeral package services for the needy at a price pitched at the burial grant under the Comprehensive Social Security Assistance ("CSSA") Scheme of SWD. She advised members that in addition to HHPFP, other funeral parlours also provided basic funeral service packages at a price as low as about \$11,000. DSFH(F)1 said that the open tender arrangement for the provision of funeral services at HHPFP had been in place since 2002. The basic contract price for the service agreement for 2012 to 2017 was set in accordance with the recommendations of the Rating and Valuation Department.

53. DSFH(F)1 said that the funeral services at hospitals had been enhanced and the mourning halls had also been renovated in recent years. At present, funeral services were available at 14 hospitals, all of them being offered free-of-charge except those at the Hong Kong Buddhist Hospital. The family of the deceased only needed to arrange for the transportation of corpses to the crematorium. She added that decent mourning halls were also available at the crematoria managed by FEHD. DSFH(F)1 further stressed that consumers were provided with a choice of services at different price levels at funeral parlours.

54. Mr TAM Yiu-chung said that the prevailing funeral service charges were expensive, subject to the scale of the services. He understood the grievance of Mr WONG Kwok-hing as the Administration had adopted an approach whereby the service contract was awarded to the tenderer who offered the highest price. He opined that the Administration should have considered its effect on the service charges of the funeral trade in general. Mr TAM noted that the utilization rate of the seven licensed funeral parlours in Hong Kong was only 70%. He enquired -

- (a) whether market competition was so limited that the parlour operators could afford not to reduce the price to promote the

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utilization rate;

- (b) how the Administration would enhance market competition;
- (c) how the facilities at funeral parlours could be enhanced in order to reduce the cost of the services; and
- (d) whether the Administration would invite non-profit-making charity groups to operate HHPFP instead of granting the service contract through tendering.

55. DSFH(F)1 responded that it was observed that the increase in charges for funeral services in the private sector had no relation with the price of the HHPFP contract. Operators in the private sector coincidentally raised their charges, possibly to reflect the cost of the renovation works that had been conducted at these funeral service parlours in the last few years. Services of enhanced value were provided as a result of the renovation works.

56. DSFH(F)1 said that owing to low usage of funeral service at HHPFP, the former Urban Council had decided to withdraw its participation in the provision of funeral service in 1982. Since then, the funeral trade had been largely market-driven. Competition among operators in the trade provided consumers with choice of services which were usually tailored to meet the consumers' needs. The overall service charges were tied not only to the rental of the mourning hall but also other traditional funeral etiquette. Therefore, it was questionable whether the consumers would benefit even if HHPFP was operated by non-profit-making charity group as it only offered the venue for funeral services. She added that it would be a major policy change if the Administration were to impose price control on funeral services. DSFH(F)1 further said that, it remained the view of the Administration that the current provision in the tender document (whereby the operator of HHPFP was bound to provide low-cost funeral service) was the best way to protect public interest.

57. Mr Fred LI noted that only about 400 cases were referred by SWD to patronize the low-cost funeral service at HHPFP during the last five-year contract period. He enquired whether the operator of HHPFP had imposed restrictions on the choice of timeslots for low-cost funeral service to those who were considered unfavourable consumers, and whether an upper limit for cases referred by SWD had been set in the tender.

58. DSFH(F)1 responded that that no quota was set for the provision of low cost funeral package service to the specific groups of people covered by referrals from SWD or FEHD. In addition to HHPFP, other funeral parlours

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also provided similar low-cost funeral service packages. Consumers who received a burial grant under the CSSA scheme might choose to patronize funeral services at funeral parlours other than HHPFP. Assistant Director of Food and Environmental Hygiene (Operations) 3 said that there was no restriction on the choice of timeslots for low-cost funeral services at HHPFP. She added that certain receivers of burial grant might choose to pay extra for relatively more lavish funeral ceremonies.

59. Mr Fred LI sought information on the criteria under which FEHD provided assistance for non-CSSA recipients to obtain low-cost funeral services. He also asked how the availability of such assistance was made known to the public. Deputy Director of Food and Environmental Hygiene responded that non-CSSA recipients who needed such assistance might approach SWD and certain charity organizations for referral to charitable / trust fund such as Tang Shiu Kin and Ho Tim Charitable Fund, Li Po Chun Charitable Trust Fund, etc. for cash grant. Providers of low-cost funeral services, e.g. Diamond Hill Funeral Parlour and International Funeral Parlour under the Tung Wah Group of Hospitals, would also be introduced to the needy. She said that HHPFP would enhance its promotion of the low-cost funeral services to charity groups. The operator of HHPFP was also required to enhance transparency by displaying the availability of low-cost funeral services with details at a conspicuous place of the funeral parlour, as well as setting up a website to provide information.

60. The Deputy Chairman said that the charges for funeral services could vary significantly. The most important point was that low-cost funeral services were available for the needy.

61. Dr LEUNG Ka-lau said that certain members of the funeral trade alleged in media interviews that they were following the footsteps of Grand Peace Funeral Parlour in raising their services charges. This did not seem to tally with the picture presented by the Administration. DSFH(F)1 said that she believed that those who had been interviewed were undertakers of burials. Due to keen competition, certain undertakers might not be able to rent mourning halls at timeslots they desired. When formulating their pricing strategies, the undertakers were facing a set of considerations that were quite different from those that the operators of funeral parlours had to take into account. She said that the increase in charges for funeral services in the private sector had no direct correlation with the price of the HHPFP contract. In response to Dr LEUNG's enquiry on the possibility of collusive pricing among funeral parlours, DSFH(F)1 observed that the Competition Bill would also apply to the funeral trade after its enactment by the Legislative Council.

62. Mr WONG Kwok-hing criticized that the Administration's response to

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the concerns and queries raised by members was inaccurate and unreasonable. He suggested that the provision of services at HHPFP be discussed again at the next Panel meeting. He requested the Administration to provide the following information -

- (a) the contract price of the new operator of HHPFP, tariff lists of funeral services (including the rental of mourning halls and mortuary body refrigerator, salvation ceremonies, remains make-up, etc.) of the new and the former operators, and the rate of the increase in charges;
- (b) the details of the tender for the provision of services at HHPFP in 2012;
- (c) the tariff lists of funeral services (including the rental of mourning halls and mortuary body refrigerator, salvation ceremonies, remains make-up, etc.) of the other six licensed funeral parlours after the current service contract of HHPFP was awarded and the rate of the increase in their charges;
- (d) the statistics of funeral ceremonies held in hospitals in the past five years; and
- (e) the Administration's policy on the provision of public and private funeral services.

63. The Deputy Chairman and members present supported Mr WONG Kwok-hing's suggestion.

VII. Mosquito Control

(LC Paper Nos. CB(2)1870/11-12(09) and (10))

64. DSFH(F)1 briefed members on the up-to-date progress of the dengue vector surveillance programme and the Anti-mosquito Campaign 2012 of FEHD as detailed in the Administration's paper.

65. Mr TAM Yiu-chung raised the following queries -

- (a) whether there was a trend of dengue fever becoming endemic in Hong Kong;
- (b) whether the scope of the dengue vector surveillance programme would be further expanded; and

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- (c) whether FEHD would step up anti-mosquito activities at schools, community centres, hospitals and elderly homes.

66. DSFH(F)1 responded that -

- (a) according to the data available from the Centre for Health Protection, there was no indication that dengue fever had become an endemic disease in Hong Kong;
- (b) 44 areas were currently covered under the surveillance programme and there was no apparent need for further increasing its coverage at present; and
- (c) special attention would be paid to areas in close proximity to schools, elderly homes, etc.

67. The Deputy Chairman said that in addition to mosquito, complaints on insect bites caused by biting midges had been received in recent years, particularly in countryside districts. He enquired how the biting midges would be suppressed.

68. Pest Control Officer-in-charge/Food and Environmental Hygiene Department advised that biting midges bred in humid places with decaying vegetation. Their flight distance was short (usually less than 100 feet from their breeding grounds). Keeping the moisture content of soil surface low (by measures such as regular removal of rotten vegetation, ploughing of wet soil, and combing of branches and leaves to allow more sunshine on soil) could prevent breeding of biting midges and help reduce the nuisances.

VIII. Any other business

69. There being no other business, the meeting ended at 4:27 pm.