

立法會
Legislative Council

LC Paper No. CB(2)2519/11-12

Ref : CB2/PL/FE

**Report of the Panel on Food Safety and Environmental Hygiene
for submission to the Legislative Council**

Purpose

This report gives an account of the work of the Panel on Food Safety and Environmental Hygiene during the 2011-2012 Legislative Council ("LegCo") session. It will be tabled at the Council meeting of 11 July 2012 in accordance with Rule 77(14) of the Rules of Procedure.

The Panel

2. The Panel was formed by resolution of the Council on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining Government policies and issues of public concern relating to food safety, environmental hygiene and agriculture and fisheries. The terms of reference of the Panel are in **Appendix I**.

3. The Panel comprises 11 members in the 2011-2012 session. Hon Tommy CHEUNG Yu-yan and Hon WONG Yung-kan were elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is in **Appendix II**.

Major Work

Review of liquor licensing

4. During the session, the Panel continued to monitor the review of liquor licensing and was briefed on the outcome of the public consultation on the review conducted by the Administration and its way forward on various proposals.

Demerit points system

5. Members queried about the reasons for the Administration's reservations about the suggestion of a demerit points system ("DPS") (similar to the one applicable to food business licences) for liquor licensee proposed by the community and District Councils ("DCs"). According to the Administration, the considerations in granting a liquor licence were different from those for food business licences and could be difficult to quantify under a points system. The value added by such a system was also questionable as it should not be a mechanical tool to obviate the need for the Liquor Licensing Board ("LLB") to exercise its discretion under the Dutiable Commodities (Liquor) Regulations (Cap. 109B) ("DCLR"). At present, when LLB considered granting a liquor licence under DCLR, factors including whether the applicant was a fit and proper person to hold the licence; whether the premises were suitable for selling or supplying intoxicating liquor; and whether the grant of the licence was not contrary to public interest were examined. These considerations, especially elements of public interest, could hardly be quantified and replaced by a simple DPS.

Liquor-licensed premises

6. Members were concerned about the reasons for not setting a limit on the number of liquor-licensed premises in a particular district especially in a residential area, the enforcement action to be taken if a liquor-licensed premises did not comply with the licensing requirements during the extended licence period of a maximum of two years, and the contingent measures when complaints against liquor-licensed premises were received during the validity period of the licence. Some members considered that the Administration should adopt a more flexible approach to impose site-specific restrictions on the number of liquor-licensed premises and their business hours to address the local residents' concern about nuisances caused to the nearby residents.

7. According to the Administration, since LLB had to consider the merits of each application having regard to the factors referred to in paragraph 5 above, the Administration had reservations about the suggestion on imposing any inflexible restriction of the number of liquor-licensed premises in a district. Under the existing mechanism, if LLB received a major and substantiated complaint, it could immediately conduct a review and revoke the concerned liquor licence or refuse the renewal of licence. To complement the proposal to extend the maximum duration of liquor licences, the Administration would

discuss with LLB the establishment of a review mechanism to enable LLB to tackle any negative developments of licensed premises (e.g. sudden increase in complaints).

8. The Administration also explained that LLB assessed the unique factors of each application for liquor licence, which included the geographical environment, situation of the neighbouring areas, etc. to impose site-specific restrictions on the premises. There were cases where new liquor licences were not granted as a large number of upstairs bars had been operating in the buildings concerned. Additional licensing conditions, such as restrictions on business hours and liquor-selling hours, had been imposed by LLB in order to minimize the nuisances caused to the nearby residents.

Upstairs bar

9. Regarding public order, safety and nuisance of upstairs bars, the Panel was advised that when LLB considered liquor licence applications, its members would be satisfied themselves that the premises were suitable for selling or supplying intoxicating liquor having regard to, among others, the fire safety and hygienic conditions in the premises pursuant to Regulation 17(2) of DCLR. In view of the legislative requirements already in place which empowered LLB to vet each application from upstairs bars according to the circumstances of the case, the Administration did not propose to impose additional across-the-board statutory restriction on such bars in certain areas or buildings, which could be unnecessarily restrictive and lacked flexibility. However, LLB might consider adopting more stringent criteria in assessing liquor licence applications from upstairs bars to address the public concern about public order, safety and nuisance. In this regard, LLB might consider drawing up a set of guidelines on the vetting of upstairs bar applications. To enhance transparency, LLB might consider publicizing such guidelines in an appropriate manner and publishing, on a regular basis, buildings and locations of rejected upstairs bar applications. The Administration would convey to LLB members' request for consulting the Panel on LLB's draft guidelines.

Reserve licensee mechanism

10. Some members expressed worry about the abuse of the proposed reserve licensee mechanism in such a way that in case of default, the reserve licensee would be designated to bear the liability and the liquor licensee could evade their responsibility. According to the Administration, there would be a clear delineation of responsibility at any one time during the licence period. Only the

liquor licensee would be liable for the management of the licensed premises. The reserve licensee proposal was a business facilitation measure to minimize the disruption to the business by shortening the time for taking over licence when the original licensee quitted the job or departed due to serious illness.

11. While welcoming the proposed reserve licensee mechanism, some members expressed concern that there might still be a gap of a few days for the reserve licensee, who was a natural person, to take over the licence, giving rise to the possibility that the liquor-selling business would be unlawfully run without a valid licence. This might affect the application for renewal of liquor licence. In these members' view, the reserve licensee should be able to take over the licence immediately upon the departure of the original licensee.

Notices of liquor licence applications

12. Pointing out that residents might not be aware of the public notices of applications for liquor licences at neighbouring areas, some members queried how the residents would be notified of such applications. According to the Administration, at present, a liquor licence applicant was required to advertise his application on newspapers. The proposal of allowing applicants to advertise their applications on the Internet would be considered by LLB. The Food and Environmental Hygiene Department ("FEHD") would post notices in conspicuous places of the buildings in which the premises under application were located. Further, the Home Affairs Department ("HAD") would consult local resident groups, including the owners' corporations and mutual aid committees of the buildings in neighbouring areas, and refer their views to LLB. HAD would consider the uniqueness of the district to decide on the areas and the buildings to be covered when consulting the residents nearby.

Management of fixed hawker pitches

13. On 30 November 2011, a fatal No. 4 alarm fire broke out at Fa Yuen Street, resulting in nine deaths and 34 injuries. The Chief Executive announced on the same day that he had directed the Chief Secretary for Administration to convene and chair an inter-departmental working group to ensure and coordinate services available to the victims and families, as well as to consider measures to enhance public safety in the Fa Yuen Street area.

14. According to the Administration, in the wake of the fire tragedy on 30 November 2011, FEHD immediately strengthened enforcement regarding non-compliance in the hawker area at Fa Yuen Street and all hawker areas in

Hong Kong. The two fire incidents (on 6 December 2010 and 30 November 2011) at Fa Yuen Street had revealed that irregularities including oversized stall canopies, street obstruction by commodities and overnight storage of commodities beyond the stall area might aggravate any fire which broke out in the area. To improve the management of and prevent fire at fixed hawker pitches, the Administration proposed introducing a mechanism for cancellation of hawker licences. The consultation with the relevant stakeholders on the proposed mechanism started in mid-December 2011 and lasted until the end of March 2012. The Administration also launched a three-month public consultation on the management of fixed pitch hawker areas from 8 February to 7 May 2012.

15. At its meetings held in December 2011, and February, April and June 2012, the Panel discussed with the Administration its proposed measures and outcome of the public consultation. The Panel also received views from deputations.

Cancellation of licences

16. Members were gravely concerned about the proposed mechanism under which a hawker licence might be cancelled if the licensee was convicted of contravention of any hawker-related provisions in the Public Health and Municipal Services Ordinance (Cap. 132) or its subsidiary legislation for six times within three months. Members noted that the hawking trade strongly opposed the proposed mechanism for cancellation of hawker licences. Deputations of hawking trade pointed out that a hawker would not be able to obtain his hawker licence again once it was cancelled. Members considered the proposed mechanism too harsh, and called on the Administration to withdraw the proposal.

17. According to the Administration, the proposed mechanism had been put forward after making reference to the existing licensing requirements for other trades, such as the termination of licence/tenancy for restaurant operators/market stall tenants and DPS for funeral parlours. As some fixed stall hawkers persisted in blatantly contravening regulations despite repeated prosecutions, the mechanism was intended to achieve greater deterrent effect. Fixed pitch hawkers who complied with the law and licence conditions would face no risk of cancellation of their licences.

18. At its special meeting on 11 April 2012, the Panel passed a motion urging the Government to withdraw its proposal to introduce the mechanism for

cancellation of hawker licences.

19. The Panel was subsequently briefed on the Administration's revised proposal by introducing a mechanism for suspension of hawker licences against repeated offenders. Under the revised proposal, the Director of Food and Environmental Hygiene ("DFEH") might consider suspending a hawker licence if the licensed hawker was convicted for six times within three months for breaching any fire risk-related provisions under the Hawker Regulation (Cap. 132AI). If the licensed hawker was subsequently convicted again for six times within three months for breaching any related hawker regulations, the number of licence suspension days would increase so as to achieve a deterrent effect. If the licensee had violated any one of the three serious offences (i.e. making false declaration to obtain a hawker licence, illegal connection of electricity and stall subletting), the Administration might still consider immediate cancellation of his licence. Members generally welcomed the revised proposal.

Other improvement measures

20. Members were of the view that the proposed measure of dismantling of stalls and removal of all commodities after the close of business was unlikely viable and might be inapplicable to certain hawker areas. Members urged the Administration to further enhance communication with the hawking trade and consider site-specific measures for different fixed pitch hawker areas. According to the Administration, there would not be a one-size-fits-all package of measures which could be implemented across the board in all hawker areas. Different situations of fixed pitch hawker areas in the 18 districts and views of stakeholders would be taken into account in considering ways to reinforce the local characteristics and facilitate the business of the hawker areas.

21. On members' suggestion of building standardized pitches with fire resisting materials at a larger size instead of installing sprinkler system as proposed in the public consultation document, the Administration responded that the increase in pitch size depended on the availability of space. The number of stalls might be reduced to allow more space for other hawkers. Another option was to develop new hawker areas to accommodate the existing hawkers in order to create room for bigger stalls at their original hawker areas for other hawkers. The Administration would consider building standardized stalls and hawkers would be requested to pay the construction cost by installments. However, flexibility should be given to hawkers of different merchandizes who might need different stall designs.

22. Members considered the three feet times four feet stall too small for the diversified commodities nowadays, and called for an increase in stall size to improve hawkers' business environment. The Administration explained that the specification of three feet times four feet was set to accommodate itinerant hawkers who usually sold unique commodities in those days. The stall could be enlarged only if space was available by extending the hawker areas or reducing the number of stalls. Discussion with the relevant DCs and stakeholders on the details was needed.

23. In the view of the hawking trade, the Hawker Regulation was obsolete; the size of fixed pitch approved by FEHD (i.e. 3 feet × 4 feet or 4 feet × 6 feet) was too small; and trading outside the permitted hawker area was unavoidable. The deputations urged the Administration to review the existing requirements for stall size. They also criticized that the enforcement standard against obstruction during operating hours was unclear and that increasing the stall size could ensure that hawkers would not be prosecuted and reduced the uncertainty arising from the discretion in enforcement.

24. Members were disappointed that the Administration did not include in the public consultation document any proposal to facilitate the development of the hawking trade, and pointed out that the proposed voluntary licence surrender scheme was throttling fixed pitch hawkers. The Administration stressed that it had no intention to phase out fixed pitch hawkers. The low hawker licence fee was already an aid to the development of the hawking trade. Besides, the Administration had been encouraging hawking trade by re-issuing Itinerant (Frozen Confectionary) Hawker Licences and new bootblack hawker licences in recent years.

25. At its special meeting on 11 April 2012, the Panel passed a motion urging the Government to formulate a comprehensive and consummate hawker policy.

26. The Administration subsequently advised the Panel that the Government believed that the best way to preserve the hawking trade was to maintain the current flexible, low cost environment, so as to cultivate vitality. On the other hand, the Government had a duty to regulate on-street hawking activities to maintain proper order to reduce environmental nuisance and to minimize fire risks to nearby residents. Having regard to the views and comments collected during the consultation period, the Administration would adopt a district-based approach in considering the medium and long-term options to be implemented in

each district. A Steering Committee on Hawker Management would be set up, chaired by DFEH and comprising officials of the Fire Services Department, Buildings Department and HAD. To establish a partnership and collaborative relationship with all stakeholders, FEHD would set up for each major hawker area a Hawker Management Consultative Committee ("HMCC"), comprising representatives of licensed hawkers, relevant DC and District Fire Safety Committee members. HMCC would provide a platform for two-way communication and for FEHD district staff to discuss day-to-day management, regulatory measures and safety issues, as well as to encourage self-compliance and good practices among hawkers.

27. On the issue of stall size, the Panel was advised that on-street hawking was intended for small scale business and on-street hawker stalls took up street space in high density areas which very often was also major passageways for other road users. Unless the number of streets that could be set aside to accommodate hawking activities could be increased or the number of licensed stall area would be substantially reduced, increasing the size of the licensed stall area would seriously aggravate the problem of obstruction and would have adverse fire safety and environmental hygiene implications. In practice, FEHD had exercised flexibility to allow hawkers to display their goods outside the approved stall areas during business hours. Balancing all factors, the Administration did not consider it practicable to increase the licensed stall size. Nevertheless, FEHD would consider any proposal from HMCCs on ways to enhance transparency in enforcement during trading hours provided that fire risks and other environmental nuisance could be satisfactorily managed.

Rental adjustment of Cheung Sha Wan Whole Food Market and Western Wholesale Food Market

28. In February 2012, the Administration announced to traders' representatives of the Cheung Sha Wan Whole Food Market ("CSWWFM") and Western Wholesale Food Market ("WWFM") a rental increase of 8.04% for stalls in the two markets with effect from 1 April 2012. The Panel shared the trade's concern about the proposed rental increase.

29. Members pointed out that the rentals for stalls in CSWWFM and WWFM had been increased in 2008 by 11.42%. In addition to the deteriorating business environment faced by the trade, a series of food safety measures, such as the import control of poultry eggs and the registration scheme for food importers and food distributors, implemented by the Administration had placed extra burden on wholesalers. Although the Administration had offered one

month's rental waiver to tenants of CSWWFM and WWFM during the last rental rise, members considered that such measure had failed to address their operating difficulties. Given that rental freeze had been granted to public market stalls, members strongly called for a rental freeze on the two wholesale markets and participation of representatives of the trade in the market consultation mechanism. Noting the concern about the principle of full cost recovery in rental adjustments raised by tenants of CSWWFM and WWFM, members queried whether the Administration would review its rental policy.

30. The Administration responded that in the light of historical background, a sustainable rental adjustment mechanism for public market stalls was still under discussion with the trade. Unlike CSWWFM and WWFM which had a well-established rental adjustment mechanism, a rental freeze was implemented for public market stalls at present. Given the differences in the scale of operations between public market stalls and wholesale food markets, a direct comparison of their rental adjustment mechanism should not be drawn. In view of the changing economic environment of Hong Kong over the years, the Administration had offered the tenants of wholesale food markets rental freeze in 2010 and 2011 as well as rental reduction or waiver up to four times. The Administration stressed that any change to the rental adjustment mechanism of CSWWFM and WWFM would entail extensive implications on other wholesale food markets. A long-term and sustainable rental adjustment for wholesale food markets would be formulated.

31. The Administration confirmed that traders' representatives had participated in the Market Management Consultation Committees. To ensure a transparent process that involved trade participation, tenants would be consulted whenever there was tendering for contracts relating to large improvement works in their markets. The Administration undertook to explore ways to achieve more savings and reduce the tender prices so that the tenants of CSWWFM and WWFM could enjoy the resulting benefits.

32. Having considered members' grave concerns over the rental rise for stalls in CSWWFM and WWFM, the Administration decided to put on hold the effective date of the new rentals which was originally scheduled for 1 April 2012. The Administration stressed that it was committed to reviewing the rental increase and striving for a consensus on the issue in communication with the trade.

33. The Panel welcomed the Administration's decision to freeze the rental increase for CSWWFM and WWFM in 2012.

Regulation of pet trade

34. The Panel was briefed on the measures proposed by the Administration to further regulate the pet trade and the sources of pet animal offered for sale. While members in general supported the proposed measures, members sought information on whether the Administration would include in the codes of practice for pet business the requirements for a minimum breeding age of female dogs and the maximum number of births for a female animal to give per annum as proposed by animal welfare groups with reference to overseas experience. Members were concerned whether the Agriculture, Fisheries and Conservation Department ("AFCD") would analyze the sources of cats sold by licensed pet shops as cats was the second most popular pet animal in Hong Kong. Some members suggested that the codes of practice should be included in the relevant subsidiary legislation, which would be subject to LegCo's scrutiny. Members were also concerned about possible loopholes that persons who kept four or less entire female animals could claim themselves as hobby breeder and they gave out the offspring of the breeding animals in return for red packets, but in fact they were making profit by selling the animals.

35. According to the Administration, two sets of codes of practice respectively for commercial animal breeders and home animal breeders would be developed in consultation with relevant stakeholders. The codes of practice would be issued to animal breeders as reference at the beginning. In the long run, the Administration might consider including these codes in the licensing conditions to provide guidance to pet traders, breeders and keepers as well as potential pet owners on the welfare needs of animals. In addition, the Administration would introduce codes of practice for pet animal raisers regarding the requirements for space, ventilation, lighting and exercise of animals.

36. The Administration further advised the Panel that while most illegal animal selling and breeding activities involving dogs, the proposed model for regulating dogs breeding and sale might also be applicable to cats. This could be considered after the model for dogs had been implemented. The Administration intended to include the giving out offspring of breeding animals for any returns, such as red packets and other presents, in the definition of sale of animals. Appropriate wording would be used to avoid creating loopholes.

37. Some members queried why the proposed measures for dogs could not

be introduced to cats at the same time, and whether the Administration had a timetable for extending the proposed measures to cover the breeding and sale of cats.

38. The Administration responded that having considered the practical difficulties in and impact of implementing the proposed measures for dogs and cats simultaneously, the Administration decided to first introduce the regulatory measures for dogs. A model for cats and other pet animals would be devised with reference to the experience gained on the implementation of the proposed measures for dogs. Noting members' view on immediate extension of the regulatory measures to cats, the Administration would proceed with mapping out the proposed measures for cats after the tightened measures for dogs had been implemented.

Regulation of pesticide residues in food

39. Arising from media reports about the abuse of pesticides and the problem of pesticide residues in food produce, the Panel discussed with the Administration its measures regulating pesticide residues in food in Hong Kong.

40. Noting the testing results of pesticide residues in vegetable samples collected from three local supermarkets between February and March 2012 provided by Greenpeace, members sought information on the follow-up actions taken by the Administration.

41. According to the Administration, since the public statement made by Greenpeace in May 2012, CFS had studied the testing results provided by Greenpeace in detail. As CFS did not have the vegetable samples tested by the Greenpeace for verification, CFS could only analyze the data provided by the Greenpeace which could not be used as evidence for enforcement actions. According to information provided by Greenpeace, some samples might contravene the standards stipulated in the Pesticide Residues in Food Regulation ("Regulation") or pose long-term health risks. Accordingly, CFS had worked with retailers concerned and the Mainland authorities to trace the sources and collect follow-up samples from relevant retailers for testing. All follow-up samples collected were satisfactory. CFS had reminded the retailers concerned of the safety of food products sold and the requirements under the Regulation that would come into force in future. In addition, CFS was arranging with the Mainland authorities to inspect the relevant registered vegetable farms for exporting vegetables to Hong Kong.

42. Given that Mainland was a major supplier of food to Hong Kong, members were concerned about the Administration's monitoring and inspection of vegetables and fruits imported from the Mainland. Members also queried whether surprise visits to relevant Mainland farms would be conducted by the Administration.

43. According to the Administration, it had maintained close liaison with the State General Administration of Quality Supervision, Inspection and Quarantine ("AQSIQ") and the respective entry-exit inspection and quarantine bureaux. Under its administrative arrangements with AQSIQ, all vegetables imported from the Mainland must come from registered vegetable farms. Every year, officers of CFS inspected registered farms on the Mainland to ensure that the agricultural products supplied to Hong Kong were wholesome and safe at source. The scope of inspection covered crop production; the application and storage of pesticides and fertilizers; the environment of vegetable farms; field management; water supplies and quality of soil; and testing of produce and management of farms.

44. Regarding accredited farms on the Mainland, the Administration advised the Panel that the Vegetable Marketing Organization ("VMO") and the Federation of Vegetable Marketing Co-operative Societies Limited, with the technical support from AFCD, inspected all accredited farms on the Mainland regularly every year. Inspection items included horticultural practice of farms as well as records of storage and usage of pesticides. Inspectors would also disseminate information on the safe use of pesticides to the farms, offer advice to them on the use of pesticides and collect vegetable samples for testing of pesticide residues. In addition, VMO regularly commissioned independent auditors to review the performance of the farms concerned.

45. The Administration also informed members that it was necessary to discuss with the relevant Mainland authorities the appropriate arrangements for surprise visits to Mainland farms.

46. To ensure food safety, the Panel urged the Administration to closely monitor pesticide residues in food in Hong Kong.

Columbarium policy

47. One of the major concerns of the Panel is the provision of columbarium facilities and regulation of private columbaria. On 13 December 2011, the Food and Health Bureau published a consultation document on a proposed licensing

scheme for private columbaria ("the Scheme") for public consultation until 30 March 2012. The Panel was briefed on the proposals under the Scheme.

Information on Private Columbaria

48. Members noted that the Development Bureau had published information on private columbaria ("the Information") known to the Planning Department and the Lands Department. Those columbaria pending checking for compliance with the relevant requirements for inclusion in Part A of the Information, or had been confirmed not compliant with the user restrictions in the land lease and/or statutory town planning requirements and/or were illegally occupying Government land, would be included in Part B. Members commented that Part A and Part B of the Information were ambiguous and did not clearly indicate whether the columbaria could genuinely meet the licensing requirements. Members considered the Information insufficient to help consumers make their choice.

Acceptance of rented premises for running columbaria

49. Concern was raised about the acceptance of rented premises with rental contract of five years or above, instead of premises owned by the operators, for running columbaria as proposed in the consultation document. Members were advised that as there were some pre-existing private columbaria currently operating at rented premises, the Administration had to consider their situations. The Scheme emphasized the long-term commitment of the operators in providing columbarium services. Certain pre-existing private columbaria were operating in non-self-owned premises, but they had sound track record of business practices and could provide proof on their rights to continue to use the premises/site involved for at least five years. It was neither reasonable nor pragmatic to cease their business merely because they were not the owner of the premises.

Proposed exemption from the Scheme

50. In the view of members, the proposed exemption from the Scheme was too lenient in that only private columbaria which posed obvious or imminent danger in terms of building and fire safety would not be exempted from the Scheme. Members considered that the pre-existing private columbaria which breached the regulations, broke the laws or occupied Government lands should not be exempted as they would not be licensed. According to the Administration, the exemption arrangement would only be considered for the

pre-existing private columbaria in existence for a long time, which met specified criteria though they were not in compliance with all the relevant statutory and administrative requirements.

Protection of consumer rights

51. Members considered that although the Scheme would require the licensee to handle interred cremains before the cessation of the columbarium operation under different situations, consumers would not be able to get their money back if the operator went bankrupt. Members were advised that under the Scheme, a licensee would be required to apply for licence renewal once every five years and the Administration would examine whether the columbarium could continuously meet the licensing requirements. The licensing criteria on protecting the interests of consumers included the contract with consumers, handling of cremains upon business cessation, register of patrons, management plan and maintenance fund, etc. As many private columbaria did not have these good practices in place, implementing such licensing criteria would go a long way in ensuring the sustainable development of private columbaria. These criteria could help ensure the columbaria to sustain their operation. If a columbarium was found not to have met any of these criteria at the stage of licence renewal, the Licensing Board would require the operator to immediately rectify the non-compliance, or else the renewal of the licence might be in jeopardy.

Supply of columbarium facilities

52. Members noted that to address the concern of insufficient provision of niches, the construction of a new public columbarium at Kiu Tau Road, Wo Hop Shek would be completed in July 2012, providing about 43 000 niches. The Administration had identified 24 potential sites in 18 districts for columbarium development. Together with the supply of niches in Chinese Permanent Cemeteries, the Administration estimated that there would be about 120 000 new niches in the coming five years, and hundreds of thousands of niches in the medium to long run.

Legislative timetable

53. Members in general expressed support for the proposed Scheme and urged the Administration to expedite the introduction of legislation into LegCo.

Policy on public and private funeral services

54. Noting the substantial increase in the contract price of the provision of funeral services at Hung Hom Public Funeral Parlour ("HHPFP") awarded in February 2012 at \$278 million, which was nearly 14-fold when compared with that in 2002, the Panel raised concern about the consequential increase in the rental of mourning halls of private parlours by 30% to 50% since 1 April 2012.

Provision of low-cost funeral package service

55. Some members criticized that the high rental and funeral services charges were resulted from the high contract price of HHPFP. They were concerned that the poor could not afford the high expenses and were forced to use the crude funeral services at hospitals, which, in their view, was inconvenient and not solemn.

56. Members were advised that to ensure the provision of low-cost funeral package services for the needy, the Administration had required the operator of HHPFP to provide services pegged with the burial grant under the Comprehensive Social Security Assistance Scheme of the Social Welfare Department. The fee was to cover all expenses and outgoings of a basic but complete service for the disposal of a dead body, including the collection of the dead body from a hospital or mortuary to a funeral parlour, procurement of a coffin, conduct of a funeral ceremony at the funeral parlour, delivery of the dead body from the funeral parlour to a crematorium and the cremation fee. The Administration reserved the right to direct the operator to upgrade the standard of low-cost funeral services if such services were found to be unsatisfactory or inadequate. The operator was also required to maintain records of the low-cost funeral services during the agreement period. Such records should be made available for inspection on demand by FEHD at all times. Furthermore, FEHD required the operator 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 including the list of charges of low-cost funeral services.

57. According to the Administration, in addition to HHPFP, other funeral parlours also provided basic funeral service packages at the price as low as about \$11,000. At present, funeral services were available at 14 hospitals and all of them were offered free-of-charge except those at the Hong Kong Buddhist Hospital. The family of the deceased only needed to pay for the transportation of corpses to the crematorium. Decent mourning halls were also available at the

crematoria managed by FEHD.

Market competition of funeral services

58. Members expressed concern that the high contract price might be resulted from the limited market competition of funeral services. The Administration explained that HHPFP was operated by the former Urban Council since 1978, but the usage rate had declined continuously over time. As the private sector as well as different organizations had expressed interest to lease the HHPFP to provide funeral services, the Administration decided to grant the operation of HHPFP to the private sector through open tender for every five years since 2002. At present, there were 103 licensed undertakers and seven licensed funeral parlours in Hong Kong. The funeral trade had always been market-driven. Competition among the operators in the trade provided consumers with choice of services at different price levels. Funeral services provided by the private sector were more flexible and could better meet the different needs of members of the public.

59. In the view of the Administration, the increase in charges for funeral services in the private sector had no relation with the price of HHPFP contract. Operators in the private sector coincidentally raised their charges since renovation works had been conducted at these funeral service parlours in the last few years, and enhanced value-added services were provided.

60. The Administration assured members that it would closely monitor the quality and service level of the funeral trade as a whole from various aspects, including equipment maintenance, environmental hygiene, environmental protection and service improvement, etc. and provide the necessary impetus and encouragement to the trade. In the long run, the Administration planned to develop one-stop funeral services in the Sandy Ridge cemetery. According to the Administration's preliminary estimation, the site would provide 25 hectares of land and would be able to accommodate 30 funeral halls, as well as other crematorium and columbarium facilities in the medium and long term. The project was expected to be completed by phases from 2022 onwards.

61. Some members were of the view that the Administration had changed its policy on the provision of public and private funeral services and requested the Administration to further consult the Panel on the policy.

Other issues

62. The Panel had discussed other issues with the Administration during the session. These included organic food, announcement mechanism of the Food Surveillance Programme implemented by CFS, implementation of the Nutrition Labelling Scheme, Trap-Neuter-Release Scheme, review of avian influenza risk in Hong Kong and latest development on avian influenza vaccines for local chicken farms, rodent control, implementation of the Food Safety Ordinance (Cap. 612), review of the moratorium on issue of fish culture, report on the Food Surveillance Programme of 2011, and mosquito control measures.

63. The Panel was also consulted on a number of legislative and financial proposals. These included the review of ex-gratia allowance mechanism for fishermen affected by marine works, review of ex-gratia allowance mechanism for mariculturists affected by marine works, fisheries loans for fishermen, and proposals to amend Schedule 2 to the Veterinary Surgeons Registration Ordinance (Cap. 529).

Meetings held

64. During the session, the Panel held a total of 13 meetings.

Legislative Council

Panel on Food Safety and Environmental Hygiene

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to food safety, environmental hygiene and agriculture and fisheries.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Legislative Council

Panel on Food Safety and Environmental Hygiene

Membership list for 2011 - 2012 session

Chairman Hon Tommy CHEUNG Yu-yan, SBS, JP

Deputy Chairman Hon WONG Yung-kan, SBS, JP

Members 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

(Total : 11 members)

Clerk Mrs Sharon TONG

Legal adviser Miss Carrie WONG

Date 13 October 2011