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中華人民共和國香港特別行政區政府總部食物及衛生局
Food and Health Bureau, Government Secretariat
The Government of the Hong Kong Special Administrative Region
The People's Republic of China

Our ref : FHB/F/6/22/6
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Legislative Council Secretariat
Legislative Council Complex
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Central, Hong Kong
(Attn: Miss Josephine SO)
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Dear Miss SO,

**LegCo Panel on Food Safety and Environmental Hygiene
Co-operative Societies Ordinance and Relevant Policy Support**

Thank you for your letter dated 14 December 2016. We have consulted the Financial Services and the Treasury Bureau (FSTB), Government Logistics Department (GLD) and Environmental Protection Department (EPD) in respect of the Panel's request for the Government to respond to the views of Hon CHU Hoi-dick on the Co-operative Societies Ordinance (Cap. 33) and relevant policy support. Our consolidated response is as follows.

Co-operative society is an autonomous association formed voluntarily by members of the community for pooling together their manpower and capital to provide services and support to its members under the principle of joint ownership and management. Its concept is to promote shared responsibility among members to reduce operating costs (e.g. rent, equipment and other fixed costs), with a view to achieving greater cost effectiveness. To meet the above objectives, the Co-operative Societies Ordinance stipulates that a co-operative society must consist of at least ten persons to ensure that it has a substantial

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number of members to run its business and maintain the operation of its committee. The requirement on the number of members also provides effective "check and balance" on the committee, enabling the co-operative society to effectively implement the principle of joint management.


Co-operative society provides an alternative channel, other than incorporating companies, for members of the public to set up a body corporate for conducting commercial activities such as sales and marketing business. At present, there are 177 co-operative societies in Hong Kong, of which mostly are agriculture and fisheries co-operative societies (112) and building co-operative societies (49). There are two workers co-operative societies engaging in sales activities, one of which involves in the sale of green products. Since there is no significant difference between the operations of co-operative societies and other commercial entities, co-operative societies are not provided with any operating subsidies or other benefits by the Government on the basis of fairness. Nonetheless, as the Registrar of Co-operative Societies, the Director of Agriculture, Fisheries and Conservation provides assistance including organising talks and providing sample by-laws of co-operative societies to those who wish to form co-operative societies, in addition to his responsibilities for registering and regulating matters relating to co-operative societies. Staff of the Co-operative Section of the Agriculture, Fisheries and Conservation Department also pay regular visits to co-operative societies or attend their committee meetings, and provide them with advice on the management and keeping of accounting records.

As regards procurement, the Government has been setting a good example and taking the lead in adopting green procurement policy. In this regard, EPD plays a leading role in formulating and updating green specifications and guidelines for items used by all government bureaux and departments. It also works with GLD to explore the feasibility of applying green specifications to more items procured by the Government. Same as other suppliers, co-operative societies can also bid for government contracts under the principles of fairness and open competition. There is sufficient flexibility under the existing procurement system for bureaux and departments to include consideration factors such as environmental protection or remuneration for non-skilled workers in tender documents or marking schemes according to their policy objectives and operational needs.

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Furthermore, as part of its long-term commitment to environmental protection and conservation, the Government injected \$5 billion to the Environment and Conservation Fund (ECF) in 2013 to support local non-profit making organisations to organise green projects and activities. Interested organisations can apply for funding support under the ECF for organising environmental education programmes and activities in the community. The previously funded projects cover themes on source separation of waste, clean recycling, food waste reduction, etc. EPD has also set up a Recycling Fund of \$1 billion to support small and medium enterprises to undertake recycling projects, and to assist the recycling industry in upgrading its operational capability and efficiency for sustainable development. A total of 25 small scale standard projects have been approved so far under this fund, involving mainly street-corner recycling shops carrying out recycling operations in the community where they locate. Co-operative societies engaging in related business and meeting their eligibility requirements can also make use of the above funds to undertake projects relating to environmental protection and recycling.

Yours sincerely,



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