



**Legco Members**  
**Legco Panel on Health Services**  
**Financial Secretary**

26<sup>th</sup> January 2012

Dear Members,

Effective tobacco control requires effective staffing levels of the enforcement and cessation bodies.

The current funding allocated to tobacco control and treatment in Hong Kong is frankly pathetic and shows the current Government has no political will to effectively enforce breaches of the legislation.

The current anti smoking law is defective in that unlike other first world countries, the enforcement is against the smoker inside workplaces and licensed premises whereas overseas the licensee of the premises is held responsible if smoking or evidence of smoking is found on the premises. This can cost the licensee the trading / liquor licence of the premises. Accordingly the licensees become extra enforcers of the legislation.

Hong Kong has 107 Tobacco Control Office (TCO) staff to cover the whole of HKI, KLN, NT and Islands over two shifts in a territory with 7.2 million population and 42 annual million tourists, more than half of which come from the Mainland where 60% of males smoke.

Macau's new Tobacco Control body has 70 officers and they are recruiting 25 auxiliaries – Macau has 514,000 population and less tourists than Hong Kong. It seems the Government tactic is to finally issue flawed legislation then deliberately fail to supply sufficient enforcement personnel. They have done the same with the engine idling law.

The result is that TCO can only act on complaints from the public and make inspections of the reported premises some days later. If no-one is smoking at the time of the visit, even if the place is covered in ash trays and smoke in the air there is nothing they can do. Even so the TCO issued 7,952 FP Notices and 93 Summonses last year earning Government HK\$11.98 million. Legco can help fix this situation by simply amending condition 7 of the existing liquor licence conditions which states:

**7. The licensee shall not permit any person to occupy or use any portion of the premises for any immoral or illegal purpose.**

**8/F Eastwood Centre - 5, A Kung Ngam Village Road - Shaukeiwan, Hong Kong**

**Tel: (+852) 2579 9398 Fax: (+852) 2565 9537 Website: [www.cleartheair.org.hk](http://www.cleartheair.org.hk)**



To this:

7. The licensee shall not permit any person to occupy or use any portion of the premises for any immoral or illegal purpose **including the permitting of persons to carry or use lit tobacco products within.**

This simple **amendment** will allow the Liquor Licensing Board (LLB) to make informed decisions on the renewal or continuance of Liquor Licences. At present persons can smoke at will in premises where the licensee does not object (or encourages smoking) with limited chance of the offenders being caught. The LLB has already imposed a similar condition on one bar only (see below) which would seem manifestly unfair not to impose the like condition on all licensed premises (in a level and fair playing field competitive marketplace).

**‘Magic’**

酒牌續期申請

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同意續發為期 9 個月的酒牌，並修訂原有的附加持牌條件及附加新持牌條件如下：

- i) 持牌人須於每天下午 6 時至翌晨 3 時留駐處所當值，每週星期日例假除外；(修訂)
- ii) 晚上 11 時至翌日下午 6 時，處所的所有門窗必須保持關閉；及(新增)
- iii) 持牌人須確保處所內無人吸煙或攜帶燃着的香煙、雪茄或煙斗。(新增)

*Premises "Magic"*

*Agreed to a nine-month renewal of liquor license, and to amend existing licensing conditions attached and additional new licensing conditions are as follows:*

- i) the licensee is required every day from 6 pm to 3:00 am the following morning except Sunday; (Amendment)*
- ii) 11 pm to 6 pm the next day, the premises must remain with all doors and windows closed ; and (New)*
- iii) The licensee shall ensure no smoking or carrying a lighted cigarette, cigar or pipe in the premises. (New)*

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### **How much is their annual Funding from Government ?**

TCO and COSH combined get HK\$113.3 m.

### **What else does Government fund ?**

For smoking cessation, the total sum is HK\$42m for DH and community based services.

Hospital Authority has an additional HK\$19.5M on top of their baseline for smoking cessation services.

Of the 5 DH Smoking Cessation Clinics, **only the Ngau Tau Kok Clinic is open to the public. The other 4 DH clinics serve civil servants only.**

The Hospital Authority is the main provider for smoking cessation services in the public sector. Tung Wah Group of Hospitals operates 6 community based smoking cessation clinics. Pok Oi Hospital operates mobile clinics covering 90 sites and provide free acupuncture and counselling smoking cessation services.

We make that a paltry **HK\$ 174.8 million** per year's funding in total.

So how much tobacco income goes into the General Fund ?

In 2011 the Government received **HK\$ 4,372,179,964** from tobacco Excise duties and **HK\$ 11.98 million** from smoking Fixed Penalty contraventions.

We make that HK\$ 4.384 billion+ or HK\$ 12 million per day revenue.

The Government spend only 15 days' tobacco income on tobacco control and cessation.

This is manifestly inadequate. We need sufficient TCO officers to enable them to patrol and more cessation clinics. We have the money and Government must be made to spend it on tobacco control and cessation rather than pouring more concrete white elephants.

Yours sincerely,

*James Middleton*

Chairman

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Effect of excise tax hike on consumption of duty paid cigarettes in Hong Kong - products remain too affordable								
No Tax hike 2010				2011 after Feb Budget 41.45% Tax hike				
2010	('000) Sticks	Excise \$ (m)		2011	('000)sticks	Excise \$ (m)		
Jan-10	251,595	303.42		Jan-11	563,888	680.05	stockpiling by convenience chains	
Feb-10	548,395	661.36		Feb-11	612,197	738.32	stockpiling by convenience chains	
Mar-10	53,932	65.04		Mar-11	6,152	10.49		
Apr-10	113,966	137.44		Apr-11	45,206	77.06		
May-10	225,751	272.25		May-11	75,554	128.8		
Jun-10	267,910	323.1		Jun-11	164,305	280.3		
Jul-10	234,212	282.46		Jul-11	206,423	352.16		
Aug-10	259,777	313.29		Aug-11	238,979	407.7		
Sep-10	319,381	385.17		Sep-11	238,572	407	Source: HK Customs Dept	
Oct-10	255,420	308.04		Oct-11	237,731	405.57		
Nov-10	295,978	356.95		Nov-11	229,933	392.27		
Dec-10	311,145	375.24		Dec-11	258,190	440.47		
<b>Total</b>	<b>3,137,462</b>	<b>3783.76</b>		<b>Total</b>	<b>2,877,130</b>	<b>4320.19</b>		
					(down 260.322m sticks on 2010)	(+\$536.43m on 2010)		
Tobacco Excise Tax Received Hong Kong			Chinese	Other	HK\$ paid to Govt general fund	Excise HK\$ per day	Comments	
Tax received	Cigarettes HK\$ tax	Cigars \$	prepared tobacco	mfhd tobacco	Total HK\$ (per year)	Total HK\$ (per day)		
2006	2,078,711,482	19,665,277	891,399	1,853,738	2,701,121,896	7,400,333	Pre smoking ban	
2007	2,810,568,481	20,958,679	790,386	1,771,023	2,834,088,771	7,764,626	Smoking ban with exemptions	
LeapYear 2008	3,047,334,915	20,611,449	649,905	1,943,275	3,070,539,544	8,398,452	Smoking ban with exemptions	
2009	3,109,968,392	26,805,693	944,488	2,310,599	3,140,029,172	8,602,819	Full smoking ban July 1st Budget 50% tax increase	
2010	3,783,775,407	29,284,465	1,067,551	3,260,630	3,817,388,053	10,458,597	Full smoking ban No tax increase	
2011	4,320,186,492	41,580,204	1,008,160	8,805,049	4,372,179,964.00	11,978,575	Full smoking ban 41.45% tax increase	
Daily cigarette smokers (2011) 657,000			<a href="http://www.smokefree.hk/en/content/web.do?page=news20110825">http://www.smokefree.hk/en/content/web.do?page=news20110825</a>					
Annual Cost to HK society for health treatment of tobacco related illness + loss of productivity - HK\$ 5.3 billion (at 1998 rates) <a href="http://sph.hku.hk/upload/news/941975592233.pdf">http://sph.hku.hk/upload/news/941975592233.pdf</a>								

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