

**立法會**  
**Legislative Council**

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the Administration)

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**LegCo Panel on Food Safety and Environmental Hygiene**

**Minutes of Meeting**  
**held on Friday, 30 November 2001 at 8:30 am**  
**in Conference Room A of the Legislative Council Building**

**Members Present** : Hon Fred LI Wah-ming, JP (Chairman)  
Hon Tommy CHEUNG Yu-yan, JP (Deputy Chairman)  
Hon James TO Kun-sun  
Hon CHEUNG Man-kwong  
Hon Jasper TSANG Yok-sing, JP  
Hon Andrew CHENG Kar-foo  
Hon LEUNG Fu-wah, MH, JP  
Hon WONG Sing-chi

**Members Absent** : Dr Hon David CHU Yu-lin, JP  
Hon WONG Yung-kan  
Dr Hon YEUNG Sum  
Hon CHOY So-yuk  
Hon Michael MAK Kwok-fung  
Dr Hon LO Wing-lok

**Public Officers Attending** : Item III  
Mrs Stella HUNG  
Deputy Secretary for the Environment and Food (A)  
  
Mr David LAU  
Principal Assistant Secretary for the Environment and Food (A) 2  
  
Mrs Ingrid YEUNG  
Principal Assistant Secretary for the Environment and Food (A) 1

Mrs Rita LAU  
Director of Food and Environmental Hygiene

Dr S P MAK  
Deputy Director (Food & Public Health)  
Food and Environmental Hygiene Department

Dr Gloria TAM  
Assistant Director (Food Surveillance & Control)  
Food and Environmental Hygiene Department

Dr Y Y HO  
Consultant (Community Medicine)(Risk Assessment  
and Communication)  
Food and Environmental Hygiene Department

Item IV

Mrs Stella HUNG  
Deputy Secretary for the Environment and Food (A)

Mr David LAU  
Principal Assistant Secretary for the Environment and Food (A) 2

Mrs Ingrid YEUNG  
Principal Assistant Secretary for the Environment and Food (A) 1

Mrs Rita LAU  
Director of Food and Environmental Hygiene

Dr S P MAK  
Deputy Director (Food & Public Health)  
Food and Environmental Hygiene Department

Dr Gloria TAM  
Assistant Director (Food Surveillance & Control)  
Food and Environmental Hygiene Department

Item V

Mrs Stella HUNG  
Deputy Secretary for the Environment and Food (A)

Mr David LAU  
Principal Assistant Secretary for the Environment and Food (A) 2

Mrs Ingrid YEUNG  
Principal Assistant Secretary for the Environment and Food (A) 1

Mr W H CHEUK  
Deputy Director (Environmental Hygiene)  
Food and Environmental Hygiene Department

Ms Winnie SO  
Assistant Director (Headquarters)  
Food and Environmental Hygiene Department

Ms Shirley LAU  
Chief Treasury Accountant

**Clerk in Attendance** : Mrs Constance LI  
Chief Assistant Secretary (2)5

**Staff in Attendance** : Miss Yvonne YU  
Senior Assistant Secretary (2)7

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**I. Date of next meeting and items for discussion**  
(LC Paper No. CB(2)517/01-02 (01) and (02))

Members agreed that the following items be included in the agenda for the next regular meeting which had been re- scheduled for 18 December 2001 at 2:30 pm-

- (a) Briefing by Secretary for the Environment and Food on the work of the Environment and Food Bureau (EFB) in relation to food safety and environmental hygiene in 2002;
- (b) Review of hawker control operations; and
- (c) Labelling system for genetically modified food.

On item (c) above, the Chairman requested the Administration to provide information on the progress and latest position of the proposed labelling system for genetically

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modified food, since the consultation period on the proposal had expired on 31 May 2001.

## **II Information paper(s) issued since the last meeting**

2. Members noted that no information paper had been received from the Administration since the last special meeting.

## **III Risk assessment studies on food and food surveillance programme**

(LC Paper No. CB(2)517/01/02(03) and CB(2)517/01-02(06))

3. The Chairman informed members that the LegCo Secretariat had prepared a background paper on "Food Surveillance Programme" (LC Paper No. CB(2)517/01-02(06) which was issued vide LC Paper No. CB(2)551/01-02 on 29 November 2001) summarizing the discussions of the Panel on issues relating to food surveillance for members' reference.

4. Consultant (Community Medicine)(Risk Assessment and Communication) of the Food and Environmental Hygiene Department (Consultant (CMRAC)) gave a powerpoint presentation on the risk assessment studies on food and food surveillance programme. He said that the food safety control framework in Hong Kong consisted of several main components, namely food safety legislation, safety control of imported food, food surveillance, risk assessment, safety control of live food animals, management of food incidents and risk communication.

5. Consultant (CMRAC) said that the Public Health and Municipal Services Ordinance (Cap. 132) stipulated that all food on sale must be wholesome, unadulterated and fit for human consumption. There were also a total of 10 sets of subsidiary regulations which stipulated the standards for specific food products. The objectives of food surveillance were to assess whether the food on sale was fit for human consumption and to ascertain whether prepackaged food was properly labelled in accordance with the labelling requirements prescribed in law.

6. Consultant (CMRAC) said that there were mainly four categories of food analyses. Chemical analysis involved the testing of natural toxin, food additives and contaminants in food samples. Microbiological analysis assessed the hygienic quality of food samples and the presence of specific pathogens such as Salmonella and Listeria Monocytogenes. The other two categories of analysis were radioactivity analysis and composition analysis. Consultant (CMRAC) advised that the results of such analyses was mainly to facilitate enforcement of the legislative requirement, and enforcement action would be taken against those who imported or sold food not complying with the statutory standards.

7. Consultant (CMRAC) said that in 2000, 59 400 food samples were collected for analysis, of which 35 300 and 19 000 food samples were collected for chemical

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analysis or microbiological analysis respectively. The remaining 5 100 food samples were collected for radioactivity analysis and composition analysis. Apart from the regular food surveillance programme, sampling priority was given to those related to food incidents, complaints, international food standard developments and food items which were of public concern including seasonal food and pop food. The volume of food samples taken depended on the manpower resources of Food and Environmental Hygiene Department (FEHD) and the workload of the Government Laboratory.

8. Consultant (CMRAC) further said that there were over 730 types of food on sale in Hong Kong, and they were classified into 30 main categories under the food surveillance programme. A risk-based approach had been adopted for according priority to the sampling of these food items.

9. Consultant (CMRAC) also explained the enforcement framework for food safety control. He said that FEHD would review the food surveillance strategies from time to time based on sampling results and operational experience. As regards risk assessment studies, Consultant (CMRAC) advised that the results of such studies were widely publicised through holding press conferences and distributing publicity materials to the trade, stakeholders and the press with a view to informing customers of the associated risk factors and ways to reduce such risks. The information was also posted at FEHD's website.

10. In concluding his presentation, Consultant (CMRAC) stressed that food surveillance was one important aspect of the food safety regime, and that food safety was a tripartite responsibility among the Government, the trade and the consumers.

11. Mr CHEUNG Man-kwong asked whether the existing food surveillance system was adequate in ensuring that the food on sale was safe, since the Administration only took a few samples of certain food items for testing. He said that farmers and traders often wanted to boost the supply of seasonable food such as hairy crabs, moon cakes within a very short period of time, and there had been concerns about their safety standards. As the Administration adopted a risk-based approach for food safety control, Mr CHEUNG asked how the Administration could guarantee that the seasonal food samples taken for testing covered all places of origin, and the sample size was adequate enough to ensure the food safety in Hong Kong.

12. Director of Food and Environmental Hygiene (DFEH) responded that given the great variety of food items on sale, it was neither practicable nor cost effective to conduct pre-tests on every food item before they were put out for sale in the market. It was sensible for the Administration to adopt a risk-based approach in food surveillance which was in line with international practices. She said that food safety control was always best carried out at source, for example, during food production at the place of export. The Administration was therefore particularly concerned about the health certification system of the exporting authorities.

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13. As regards sampling test of hairy crabs, DFEH said that the Administration had accumulated years of experience in testing and analysing the risks and the trend of risks, and these information provided the basis for formulating the sampling strategies for chemical analysis. She added that it was also necessary for the Administration to react promptly to press reports and issues of public concern. In the case of hairy crabs, despite the past satisfactory test results of hairy crabs, the Administration had taken 27 additional samples for testing after the publication of the press reports on hairy crabs.

14. Mr CHEUNG Man-kwong was of the view that the greatest drawback of a risk-based approach was that sample tests would only be taken after the occurrence of food incidents and not beforehand. He said that the safety of imported food depended on the food safety assurance system at the place of origin, the notification mechanism between the importing and exporting authorities, and the food surveillance measures such as sampling tests taken by the importing authorities. He pointed out that as the first two factors could not be controlled by the importing countries, people would have to rely on the food surveillance measures at the import and retail level. He considered that the present notification system and the risk-based approach system for food safety control could not guarantee food safety in Hong Kong.

15. DFEH disagreed that FEHD had no control over the health certification system of the exporting countries. She said that for imports of food to Hong Kong, the exporting country had to provide information, to the satisfaction of FEHD, on their food safety control and health certification system. She further explained that under the import control food system, the health certificates accompanying each consignment arriving at Hong Kong had to be checked and verified. Depending on the type and track record of the imported food items, the consignments could be put on "hold and test" whereby the consignment would only be released if the test result was satisfactory. As regards the safety of hairy crabs imported from the Mainland, DFEH informed members that she had recently paid a site visit to Yangcheng Lake and Tai Lake to observe the rearing process of hairy crabs. She said that the Mainland authorities had adopted stringent standards including the registration of crab farms, strict control over the use of feeding materials/chemicals and the rearing/farming process. Health certificates would only be issued after inspection by the Inspection Quarantine officials of the Provincial Government, and such certificates would enable the tracing of the origin of the farm produce. She added that other exporting countries also adopted similar food safety and health certification standards.

16. DFEH further said that an integrated approach had been adopted, which included both food surveillance and inspection, in ensuring the food safety in Hong Kong. Moreover, FEHD had provided consumers with information on food safety risks on topical concern, to assist consumers to assess whether their physical or health conditions were suitable for taking certain kinds of food.

17. Mr LEUNG Fu-wah said that following the outbreak of avian flu in 2001, the Administration had enhanced the surveillance system to monitor the presence of H5

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virus in the wholesale and retail markets. He asked whether the Administration had evaluated the impact of the enhanced measures on the trade, for example, whether there were changes in the number of market stalls selling chickens and the number of employees in the trade before and after implementation of the enhanced surveillance measures. Mr LEUNG also asked about the time required for conducting a risk assessment study and the frequency for reviews of these studies.

18. DFEH said that she did not have the statistics at hand on changes in the number of market stalls and the employees in the poultry trade. However, there was not necessarily a causal relationship between the outbreak of avian flu and termination of poultry stalls. She pointed out that the trade generally welcomed the enhanced surveillance system and hygiene measures, such as the Rest Day, as these measures had helped restore public confidence in the consumption of chickens.

19. Deputy Secretary for the Environment and Food (DSEF) added that the supply of live chickens had remained rather steady; about 80 000 chickens were imported daily into Hong Kong from the Mainland, and about 20 000 chickens were supplied from local farms. The retail price of live chicken was stable and the level of consumption was more or less the same as that before the avian flu incident. She believed that the poultry trade had resumed normal and public confidence restored.

20. As regards the time required for conducting a risk assessment study, Deputy Director (Food & Public Health) of the Food and Environmental Hygiene Department (DD(F&PH)) said that it depended on the kind of food hazard and the information available, and the time taken varied from case to case. Generally speaking, it would take about one to two months to complete a simple study, but a complicated study would take a longer time to complete. She also added that in respect of food surveillance, weekly review meetings were held to discuss the surveillance results and the strategy for food surveillance. New food items would be added onto the list for sampling tests as appropriate.

21. Mr Jasper TSANG asked whether there was any international standard or definition on "food safety", for example, whether there was a safety threshold for a food hazard, for example, the level of antibiotics or hormones in hairy crabs. He said that if the threshold was exceeded, FEHD might need to alert the consumers about the increased risks associated with that particular kind of food. Mr TSANG also asked about the division of responsibilities between the Department of Health (D of H) and FEHD on food safety matters, for example, the control of "health" food. He further asked which department was responsible for preventing food accidents, such as those given rise by food which could cause swallowing difficulties in young children and old people.

22. DFEH responded that the food safety standards for specific food products were stipulated in the relevant subsidiary legislation under the Public Health and Municipal Services Ordinance, Cap. 132. Moreover, the Public Health (Animals and Birds) (Chemical Residues) Regulation and the Harmful Substances in Food (Amendment)

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Regulation 2001 had recently been passed to prohibit the use of certain chemicals by farmers and food animal traders and the sale of food containing these prohibited chemicals. In addition, Hong Kong also made reference to the standards set by the Codex Alimentarius Commission and the World Health Organisation, and could devise its own standard on microbiological level in food based on the advice of the expert committees. She stressed that such standards must be objective and based on scientific evidence.

23. On the division of responsibilities between FEHD and D of H, DFEH said that D of H would investigate if people contracted diseases due to the food taken. As for the "health" food, DFEH advised that if the food did not contain any Chinese or western medicine, it would fall within the responsibility of FEHD. She added that FEHD had assumed the overall responsibility for ensuring food safety after the re-organisation of the municipal services in January 2000. She assured members that FEHD and D of H worked closely in the protection of public health. For example, both FEHD and D of H regularly published "healthy tips" in brochures and the information was also put on the website. In this connection, she informed members that FEHD recently provided information on the consumption of mini-cap jelly products which might cause swallowing problems in young children.

24. Mr Jasper TSANG asked whether it would be outside the jurisdiction of FEHD where the design or packaging of the food was dangerous. DFEH explained that the main duty of FEHD was to ensure that all compositions of food on sale were fit for human consumption. However, the packaging and design of the food were very much commercial considerations which were outside the purview of FEHD. Nevertheless, FEHD would also advise the public of any problem related to food, including any risk associated with the way the food was consumed.

25. The Chairman asked whether the Consumer Council would be responsible for informing the public of the risk of food packaging or design, such as mini-cup jelly products. DFEH said that if there were food accidents, all relevant departments including D of H and FEHD would be concerned and would take action to prevent recurrence of such accidents. As far as FEHD was concerned, it would concentrate on the risks associated with the components or substances contained in the food. Mr TSANG Yok-sing said that he was concerned that it appeared that there was no designated department to take care of the safety aspects of food other than the components or chemical substances. The Chairman shared Mr TSANG's concern and requested the Administration to consider designating a department to be responsible for food safety to prevent food accidents, such as baby food and "toy" food. DFEH noted the request.

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26. Mr Andrew CHENG noted that according to paragraph 3(a) of the Administration's paper (CB(2)517/01-02(03)), one of the objectives of the food surveillance programme was to protect public health against unsafe food. He considered that the Administration seemed to have focussed only on the immediate food hazard and ignored the importance of healthy food. He pointed out that some



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states in the United States were formulating regulations to ban the use of vending machines selling potato chips. He urged the Administration to adopt a broader perspective in food safety matters, and should develop an awareness of healthy lifestyle and quality food in the community.

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27. DFEH shared Mr Andrew CHENG's concern about a healthy lifestyle and quality food. She advised that D of H played an important role in promoting the pursuit of a healthy life, for example, by organising the "New Era of healthy life" campaign. She said that FEHD would further explore ways to work with D of H in this direction. Mr Andrew CHENG hoped that FEHD could take the lead in organising more educational campaigns on the potential risk of unhealthy food. The Chairman concurred with Mr CHENG.

28. Mr Tommy CHEUNG expressed appreciation that the Administration had dealt with the recent hairy crab incident most efficiently. Nevertheless, he wished to know whether the current sampling test methods adopted by the Administration were already the most advanced and efficient. He was also concerned whether there was adequate control over the safety of seasonal food. He pointed out that while Hong Kong imported a great variety of food from different places, people generally had greater confidence in food imported from certain countries such as Japan or Australia. Given the current resources, he asked whether the Administration would be prepared to conduct more tests on food imported from high-risk places.

29. DFEH responded that the Government Laboratory adopted stringent standards and enjoyed high international reputation. She believed that the test methods adopted were of the highest standard and most efficient, and that the Government Laboratory would keep its technology in pace with international scientific developments. She pointed out that some bacteria tests would however need a longer time to obtain the results. DFEH further said that the current food surveillance system was effective and adequate, but FEHD welcomed views and suggestions from the public on the review of the food surveillance programme. As regards adopting a discriminative approach for food imported from certain places, DFEH said that Hong Kong had to follow the standard of the World Trade Organisation (WTO) in applying a fair and consistent policy to all exporting countries. She added that Hong Kong could adjust, but not relax, the frequency of inspections and sample tests based on the past performance of the sample tests of the food imported from different countries. Moreover, Hong Kong maintained close contact with the consulates so that it could keep abreast of the developments and food incidents in other countries.

30. The Chairman raised the following questions:

- (a) The reasons why FEHD did not take a prompt decision in banning the import of beef from Japan after it had become known that there was a mad cow disease incident in Japan;

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- (b) The mechanism for releasing the results of the risk assessment studies to the public; and
- (c) The timetable for introducing the food recall legislation.

31. DFEH made the following response-

- (a) A decision to ban the import of certain food from a country must be based on very clear, objective scientific evidence and confirmation of the incident from the exporting authorities concerned, otherwise Hong Kong might be criticised for banning imports without justifications. Regarding the recent mad cow disease incident in Japan, DFEH said that the subject cow was a dairy cow and the beef from that province had never been imported into Hong Kong. FEHD had requested the Japanese consulate to confirm the incident within seven days. A prompt decision was subsequently taken to ban the Japanese beef from importing into Hong Kong in light of the subsequent developments and public concern.
- (b) FEHD had carried out seven topical risk assessment studies on several types of high risk/seasonal food. The results of these assessment studies were widely published in the publicity materials directly distributed to the trade, stakeholders and the press. In addition, the results were also posted at FEHD's website so that all consumers could have handy tips on food safety.
- (c) The Administration was still studying the feasibility of the food recall legislation. The Administration would consult the trade and revert to the Panel once it was in a position to do so.

Admin In concluding the discussion, the Chairman requested the Administration to provide a response to the concerns raised by Mr Andrew CHENG, Mr LEUNG Fu-wah and Mr TSANG Yok-sing.

**IV. Notification mechanism on food safety matters between HKSAR and the Mainland**

(LC Paper No. CB(2)517/01-02(04))

32. The Chairman said that he raised this item for discussion because there were public concerns as to whether any mechanism existed for Hong Kong authorities to be notified of any unsafe or poisonous food, such as poisonous candied dates, imported from the Mainland.

33. Referring to paragraph 8 of the Administration's paper, Mr LEUNG Fu-wah requested the Administration to elaborate on the training and academic conferences to

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be organised for FEHD and the Import and Export Food Safety Bureau of the Mainland.

34. DFEH said that the Import and Export Food Safety Bureau (IEFSB) was newly established in August 2001 under the State General Administration of the People's Republic of China for Quality Supervision and Inspection and Quarantine (AQSIQ). She said that during her recent duty visit to Beijing, she had reached agreement with IEFSB on the setting up of a mechanism for notification and liaison between the two sides. FEHD and IEFSB would each appoint a liaison officer so that each side would promptly notify the other side of any food-related incident that might affect the other side. DFEH advised that the Mainland had already put in place a stringent food registration and surveillance system for food items exported to Hong Kong. She added that the Mainland authorities had recently stepped up their efforts in food surveillance and monitoring, and there had been increased transparency and publicity in the Mainland on efforts made to tackle the problem of unsafe food such as poisonous candied dates.

35. DFEH further said that there had been increased cooperation between Hong Kong and IEFSB to ensure that consistent standards were adopted by both sides for the implementation of the Public Health (Animals and Birds) (Chemical Residues) Regulation and the Harmful Substances in Food (Amendment) Regulation 2001. In this connection, FEHD would, with the support of AFCD and Government Laboratory organise a seminar in Shenzhen for some 70 representatives from 35 Provincial CIQs to brief and familiarise them with the provisions of the new Regulations. She said that it was always more effective to deal with food safety problems at source, and such exchanges would help ensure that consistent food safety standards would be applied to food imported from different provinces in the Mainland.

36. Mr CHEUNG Man-kwong said that there had been media reports on seizure of poisonous candied dates in different provinces of the Mainland. He asked whether these incidents had been reported to Hong Kong through the notification mechanism on food safety matters between Hong Kong and the Mainland. He also asked about the coverage and effectiveness of the notification mechanism and the frequency of communication between the two sides.

37. DFEH assured members that the authorities of Hong Kong and the Mainland worked in close partnership on food safety matters, and both sides exchanged information almost every day. She added that IEFSB had only been established for a few months. She said that FEHD mainly liaised with the IEFSB Head Office in Beijing and the liaison officer there coordinated all necessary information from its 35 Provincial CIQs in different provinces or cities. She informed members that the notification system covered the whole range of food items exported to Hong Kong, including live stock, poultry, vegetables, etc. As regards reports of poisonous candied dates, DFEH said that it was necessary to establish whether such kind of food had been imported to Hong Kong. In this connection, Hong Kong had taken the initiative to make enquires with IEFSB and was well informed of the incidents.

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38. Mr CHEUNG Man-kwong expressed concern that Hong Kong was not immediately informed by the Mainland of the food incidents, but had to rely on media reports and take the initiative to obtain the information. He said that it reflected that there were shortcomings in the present notification system. He considered that for an effective notification system, the exporting place should take the initiative to report promptly any food incidents that might affect the other side.

39. The Chairman shared Mr CHEUNG's views. He pointed out that Hong Kong depended heavily on food imported from the Pearl River Delta area. If Hong Kong had to rely on media reports on food incidents instead of the notification system on food matters, it would undermine Hong Kong's capabilities to tackle food problems in time. The Chairman also expressed doubts whether it was possible for IEFBSB to ensure the safety standards of all food products exported to Hong Kong, given IEFBSB's wide span of control and the great variety of food exported to Hong Kong.

40. DFEH responded that the IEFBSB Head Office had assured her that IEFBSB would promptly notify Hong Kong of any food matters if these involved food products exported to Hong Kong. Despite the fact that Hong Kong was informed that no poisonous candied dates had been exported to Hong Kong, FEHD had still taken samples of candied dates from retail shops for testing. The test results had not indicated any problems with those candied dates on sale in Hong Kong. DFEH further said that she would keep the notification system under review and see what improvements would be required in the light of operational experience.

41. Mr LEUNG Fu-wah said that he appreciated the difficulties for the Mainland to regulate food safety in an area of over 9.6 million square kilometres and a population of 1.3 billion. He welcomed the establishment of a notification system on food matters between the Mainland and Hong Kong, which would definitely enhance the communication between the Mainland and HKSAR to prevent food incidents.

42. The Chairman reiterated his concern as to whether the current regulatory regime could effectively cover all food produce, since over 40% of the fresh food produce of Hong Kong was imported from different provinces in the Mainland. DFEH responded that IEFBSB adopted a vertical approach in the control of all food items exported to Hong Kong. She stressed that all food exported to Hong Kong required certification by IEFBSB, and that Hong Kong had put in place a stringent food surveillance system to monitor the safety of food items imported.

43. The Chairman asked whether Hong Kong would notify the Mainland if there were food incidents in Hong Kong caused by the food (e.g. barbecued ducks) brought in from the Mainland. DFEH said that she was aware that barbecued ducks were sold at the Lo Wu Footbridge. She advised that FEHD and the Customs would take enforcement actions if food was brought in illegally for sale in Hong Kong. Should there be evidence that food items brought in from the Mainland posed a hazard, Hong

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Kong would promptly notify the Mainland through the notification system and take necessary follow-up actions.

**V. Alignment of fees and charges under the purview of the Food and Environmental Hygiene Department**

(LC Paper No. CB(2)469/01-02(01) and CB(2)517/01-02(05))

44. DS(EF) said that during the reorganisation for the provision of municipal services in late 1999, the Administration had undertaken to review within two years the various fees and charges of the two former Provisional Municipal Councils (PMCs) with a view to aligning them eventually. She informed members that the Administration's paper (LC Paper No. CB(2)469/01-02(01)) reported on the progress and the way forward for the exercise to align the fees and charges under the Food and Environmental Hygiene Department (FEHD).

45. DS(EF) further said that while the two PMCs basically adopted the same fee structure, they had set different fee levels for providing essentially the same services. She explained that the disparities were mainly attributed to the dissimilar bases and target recovery levels adopted by the two former PMCs, as well as the accumulated effect of their different fee reduction or "freeze" decisions in the past. According to the initial findings of the alignment review, a number of the fees and charges were below cost and it was likely that the fees and charges in the urban area would increase substantially. The Administration considered it desirable to look at ways to reduce the impact of the alignment. The Administration therefore decided to freeze the fees and charges of FEHD at the existing levels up to 31 December 2002. She added that the Administration hoped that any fee increase as a result of the alignment review should be fair and acceptable to people concerned.

46. Mr LEUNG Fu-wah said that according to paragraph 4 of the Administration's paper (LC Paper No. CB(2)469/01-02(01)), most of the fees charged by FEHD would have to be increased, if the full-cost recovery principle was to be applied to these services. He queried why the Administration had come to an initial view that most of the fees in the urban area would have to be increased after the alignment review. He also requested the Administration to provide information on the current fees and charges of the 94 items of municipal services in the urban area and in the New Territories (NT), and the extent of fee increase for each of these items.

47. Assistant Director (Headquarters) of the Food and Environmental Hygiene Department (AD(HQ)) said that the fees and charges set by the former Provisional Regional Council were generally higher than those of the Provisional Urban Council (PUC) because the latter had reduced its fees and charges across the board by 30%. If the cost-recovery principle was applied, most of the fees of the former PUC would have to be increased after the alignment exercise. She added that the actual fee increase would depend on the timetable for achieving full-cost-recovery for these services.

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48. The Chairman said that the Administration should provide information on the costs for providing the 94 items of services and the current fee level for each of these items for members' reference. The Administration noted the request.

49. Mr CHEUNG Man-kwong queried why the Administration still had not completed the alignment review on the fees and charges after two years. He also asked whether the higher fees in the NT were caused by the higher costs for providing the services in the NT than in the urban area. If that was the case, he suggested that the Administration should consider ways to reduce the costs for providing services in the NT, and make a downward adjustment of the fees in the alignment exercise.

50. Deputy Director (Environmental Hygiene) of the Food and Environmental Hygiene Department (DD(EH)) explained that the Administration had in fact completed the computation of costs for the provision of 94 items of services, and the initial findings revealed that a majority of the fees and charges might have to be increased. The Administration had decided not to put forward the fee proposal as this would not be accepted by the public.

51. On the possibility of further cost reduction, DD(EH) explained that during the alignment review, the Administration had already taken into account the cost savings given rise by the streamlining of procedures. He pointed out that the procedures for provision of services in the urban area and the New Territories (NT) had mostly been standardized, and there was not much room for further cost reduction in the NT. He said that the present fee disparity between the urban area and the NT was caused by the fee reduction of PUC and not the difference in costs for providing the services.

52. Mr CHEUNG Man-kwong said that in view of the prevailing economic situation, the Administration should consider reducing instead of increasing the fees. He considered that as many of such fees had an impact on people's livelihood, such as the hawker licence fees, it would be unacceptable if a fee increase was proposed after the alignment exercise.

53. DD(EH) explained that the Administration was currently subsidizing these municipal services and the total subsidies amounted to over one hundred million dollars a year. As it was Government's policy to determine the fees and charges on a full-cost recovery basis as far as possible, the downward adjustment proposed by Mr CHEUNG would have significant implications on Government expenditure, and taxpayers would have to provide further subsidies for the provision of these services.

54. Mr TSANG Yok-sing commented that the Administration's paper conveyed a message to the public that after the alignment review, there would be an increase in fees and charges for the services provided by FEHD. Since the former PMCs could afford to provide subsidies for the provision of these services, he asked why FEHD could not continue providing the same level of subsidies after the reorganisation.

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55. DD(EH) explained that the former PMCs enjoyed financial autonomy, whereas the Government was currently under enormous financial pressure. He said that the Government had to be very careful in balancing the full-cost recovery policy with the negative impact of any fee increase on service users and licensees.

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56. Mr Tommy CHEUNG said that he was previously a member of the PUC and he was aware of the background for the 30% fee reduction of PUC in 1998. He suggested that to facilitate members' consideration of the matter, the Administration should provide the fee levels of the 94 items of services before and after 1998. He further said that he generally agreed with Mr CHEUNG Man-kwong that there should be a downward adjustment in fees. Citing the photocopying charges for court documents as an example, Mr Tommy CHEUNG said that it was unreasonable for the Administration to include in the costing the salaries of management staff who were not directly involved in the provision of photocopying services. He commented that there should not be much change in the licence renewal procedures for hawker licence and fresh provision shop licence after the reorganisation, and he did not see any reason for an increase in these licence fees. Mr Tommy CHEUNG considered that, to enhance transparency, the Administration should provide information on the cost computation formulae and the types of costs included.

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57. The Chairman added that to facilitate further discussion of the matter by the Panel, the Administration should provide information on the cost computation, the present fee levels and the amount of government subsidies for these services. DD(EH) agreed to provide the information when reverting to the Panel on the fee proposals.

58. The Chairman further said that the Administration should explore ways to streamline and rationalise the fee structure and licensing procedures, for example, by granting one composite licence instead of different licences for a fresh provision shop which sold different kinds of meat. The Chairman also asked the Administration to consider transferring certain types of services, such as the licensing of private swimming pools, to Leisure and Cultural Services Department (LCSD) which was currently responsible for the public swimming pools.

Admin

59. DD(EH) agreed that it was necessary to rationalise the present licensing regime for food businesses such as the fresh provision shops. He said that the Administration had been examining the feasibility of simplifying the licensing framework for food businesses. As regards swimming pools, he said that FEHD was discussing with LCSD the proposed transfer of the responsibility for private swimming pools to LCSD, and FEHD would report the outcome to the Panel at a later stage.

60. The Chairman said that the Administration should revert to the Panel on its fee proposals early next year. The Administration undertook to report to the Panel before summer 2002.

Action

**V. Any other business**

61. There being no further business, the meeting ended at 10:40 am.

Council Business Division 2  
Legislative Council Secretariat  
24 January 2002