

# D R A F T

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## *Legislative Council*

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### **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 for tabling at the meeting of the Legislative Council on 3 July 2002 in accordance with Rule 77(4) of the Rules of Procedure of the Legislative Council.

#### **The Panel**

2. The Panel was formed by a resolution passed by the Council on 20 December 2000 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. Hon Fred LI Wah-ming and Hon Tommy CHEUNG Yu-yan were elected Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in **Appendix II**.

#### **Major work**

##### Avian flu

4. The Panel expressed grave concern about the recurrence of avian flu in February 2002, as this was the second outbreak in less than 12 months in spite of the comprehensive surveillance system put in place to detect avian flu. On 8 February 2002, the Panel requested the Secretary for Environment and Food to give a briefing on the extent of infection and the additional control measures introduced. The Panel noted that unlike the outbreak in May 2001, the outbreak in February was limited to a few farms in Kam Tin and Pak Sha area. To prevent the spread of infection, all the 25 farms in these areas were depopulated, and some 900 000 chickens in these farms were destroyed.

5. The Panel also noted that while the wholesale and retail markets in general did not show signs of disease in February 2002, unhealthy chickens were found at individual stalls in several markets. As a precautionary measure, the live poultry kept in these stalls were destroyed, and these stalls were subsequently cleansed and disinfected. The Expert Group on Avian Flu was of the view that there was no evidence that the virus affecting the chickens was the same as the one that affected humans in 1997. However, to break the cycle of any virus that might have intruded into the markets, an additional Rest Day was appointed on 8 February 2002 for thorough cleansing and disinfection of all market stalls.

6. At the special meeting on 8 February 2002, some Panel members expressed concern whether the compensation policy for slaughtered chickens had induced farm operators and stall-holders not to comply with all the hygiene requirements for the control of avian flu. The Panel urged the Administration to seriously investigate the causes of the outbreak, tighten regulatory control of local farms, take additional precautionary measures to avoid cross-infection between local chickens and other poultry, and also to step up monitoring of wholesale and retail markets to ensure that they complied with all the hygiene requirements.

7. At the Panel's request, the Administration briefed the Panel on 27 May 2002 on the report of the Investigation Team set up to investigate the causes of the outbreak and to recommend measures to reduce its recurrence. The Panel noted with concern that it was not possible to totally eliminate the risk of recurrence of the infection, and the proposed additional bio-security measures could only reduce the risk of infection and better control the situation if it really occurred.

8. Panel members expressed doubts about the effectiveness of the proposed measures to prevent movements between farms and the additional Rest Day for the retail markets. Noting that the proposed bio-security measures would bring significant costs to the chicken farmers, and that some farms might not be able to meet these new requirements due to intrinsic difficulties such as land constraints, some members were worried that the live poultry industry would be wiped out eventually. Members urged that the Administration should make an assessment of the financial implications and impact on the industry, and set clear standards for the new requirements. Members also requested the Administration to provide assistance to chicken farmers in implementing the measures and explore other options, for example, the use of vaccines, to reduce the recurrence of the infection.

9. As the Investigation Team had proposed a three-month consultation to gauge the industry's views on the implementation of the proposed measures, the Panel would further discuss the matter in July 2002.

#### Food safety and food surveillance

10. In view of the wide public concern about incidents concerning the use of harmful/banned substances in food products and food animals, special meetings

were held with the Administration to ascertain the facts of these incidents, and to discuss how control at both import and retail levels could be enhanced to protect public health. As there were reports that antibiotics and hormones were used in hairy crabs and marine food in the Mainland, the Panel urged the Administration to strengthen its liaison with the Mainland authorities on food-related incidents and improve the notification system between the Mainland the HKSAR on these matters. Some members also requested the Administration to explore more efficient methods to provide faster results of food tests.

11. The Panel also expressed concern about the recent discovery of stevioside in over 73 food items on sale in Hong Kong which subsequently led to a recall of these food items. In this connection, Panel members urged the Administration to step up its surveillance efforts and take enforcement actions where irregularities were found. Some members also requested the Administration to put in place a system to facilitate food importers to check the lists of prohibited substances for use in food products.

12. To enhance public awareness on food risks, the Panel requested the Administration to publish for general information the risk assessment studies conducted on various kinds of food and the results of its food surveillance programme. Members also suggested that there should be more public education on healthy food and food-related risks.

#### Genetically modified food

13. The Panel discussed with the Administration in January 2002 the results of a public consultation exercise on genetically modified (GM) food. The Panel noted that the majority of views collected during public consultation were in support of mandatory labelling, and the proposal that the presence of GM content in any ingredient of a food product above a threshold should be labelled. However, the food trade had expressed reservation about introducing a GM food labelling system in Hong Kong as this would incur additional costs to the trade and would push up retail prices.

14. The Panel had raised no objection to the Administration's proposal of engaging a consultant to conduct an economic assessment on the financial impact of various options of GM food labelling approach on the food trade and on food prices. The Panel noted that the assessment would cover the resource implications and the feasibility of each option. The Panel would further discuss with the Administration when the economic assessment was completed around summer 2002.

15. Some Panel members reminded the Administration that the interests of the general public should have priority over that of the trade, and a mandatory labelling system for GM food should be introduced in Hong Kong as soon as possible.

### Supply of pork and chilled meat

16. The Panel held a special meeting in May 2002 to discuss with the Consumer Council, the trades and meat suppliers the recent problem of pork supply arising from a row between the buyers and NG Fung Hong (the sole agent of the Mainland for export of live pigs to Hong Kong). There were concerns whether NG Fung Hong had supplied pork to some large supermarkets at preferential prices, thereby creating unfair competition in the market. The Panel noted that prices for pigs were determined by bids made at open auctions held by NG Fung Hong, and there was no conclusive evidence at the moment that the two large superstores had "monopolised" the retail fresh meat market. As regards the allegation of anti-competitive conduct in the incident, the Environment and Food Bureau was examining the case and would present a report shortly. The Panel would follow up the matter when the report was available.

17. With regard to the Mainland's abolition of quotas for chilled meat for export to Hong Kong from January 2002, the Panel held a special meeting with the trade representatives to discuss their concerns. Some representatives had expressed worries that the lifting of the export quota would have adverse impact on the fresh meat industry in Hong Kong, because chilled meat was much cheaper and it was difficult to differentiate chilled meat from fresh meat. The trades also raised concern about the quarantine measures for the imported chilled meat.

18. The Panel requested the Administration to consult the trades and put in place a safe, open and efficient quarantine system to ensure the hygiene standard of chilled meat. The Administration advised that the Mainland had a registration and inspection system for farms and food processing plants to ensure that they met the necessary food safety and hygiene requirements. The Food and Environmental Hygiene Department (FEHD) had informed the Mainland authorities the import requirements of Hong Kong, and there had been discussions on the preparation for importation of chilled meat from the Mainland.

19. Panel members considered that the present random check system might not be adequate to cover all registered farms and food production plants in the Mainland. They suggested that FEHD should make an effort to inspect all registered farms which were exporting meat to Hong Kong for the first time. Members also requested the Administration to assess the impact on the local meat industries, and draw up an agriculture policy to enable farmers to adjust to the changes. Members also supported that measures should be introduced to enable customers to differentiate chilled meat from fresh meat to protect consumers' interest.

20. As regards the control measures at retail outlets, the Panel noted that since September 2002, the Administration had introduced additional licensing requirements and conditions for the storage and display of chilled meat. Fresh provision shops and market stalls were required to keep the chilled meat in

refrigerators at a temperature of about 4 degree Celsius. The display, labelling and sale of chilled meat as fresh meat was forbidden. Members requested that the Administration should rigorously enforce these control measures.

#### Licensing and regulation of food business

21. The Panel had followed up with the Administration the consultation findings on the proposals for a new inspection system and an Open Categorisation Scheme (OCS) for restaurants and food factories. The Administration had proposed to adopt a phased approach to implement the proposals.

22. Panel members generally supported the adoption of a focused and risk-based inspection system which aimed to provide objective assessments and place more emphasis on health education during inspection. Nevertheless, members had divergent views on the need for an OCS. While some members considered that an OCS could provide useful information to customers, some other members did not agree that it would serve any useful purpose. Some members were worried that since all licensed food establishments were already subject to the stringent licensing and regulatory control, it would only confuse the public if food establishments with a less-than-satisfactory grading under an OCS were allowed to operate.

23. The Panel noted that a pilot scheme on the new OCS would be launched in 2003, and the operators would be informed of their grading which would not be made public. There would be time for the operators to make improvements before the new OCS was to be implemented.

24. The Panel was in support of the proposed approach of a consultancy study to streamline the licensing procedures to facilitate the food business. The Panel noted that the trade welcomed the suggestion of introducing a new “manufacturing/retailing” licence to simplify the requirement for multiple licences or permits to sell different categories of food products. The Administration planned to introduce the legislative amendments into the Legislative Council in the first quarter of 2003.

25. Some members considered that the Administration should step up enforcement against those premises which posed food safety and environmental hygiene problems. The Administration was also requested to consult the Panel about the proposed removal of certain “less risky” food items from the list of restricted food in the Food Business Regulation.

26. As regards the proposed licensing arrangement for approving outside seating accommodation (OSA) for licensed restaurants, most Panel members considered that the Administration should take the lead in identifying suitable locations for operation as OSA and invite the trade to apply. Members also urged the Administration to further shorten the processing time for OSA applications,

particularly if these involved Lands Department's approval for the right to use the land. The Administration was requested to draw up clear guidelines for approval of OSA applications (such as the definition of "in close proximity to residential buildings"), and to consult the residents in the vicinity before granting approval.

### Hawkers and markets

27. The Administration briefed the Panel on the revised arrangements for the stall-holders affected by the re-development of the Central Market. Having considered the views of Panel members and the stall-holders in the Central Market, the Administration proposed to increase the amount of ex-gratia payments and make available additional stalls in other markets for bidding by the stall-holders concerned. The Panel generally accepted the revised proposals which had been agreed by most of the stall-holders concerned and supported by the Central and Western District Council.

28. Some Panel members requested the Administration to review its policy for construction of new markets, as there were local demands for public markets which could offer a greater variety of foods at cheaper prices. Members also urged the Administration to improve the viability of existing markets by upgrading their environment and improving the facilities therein.

29. Regarding the policy for Itinerant Hawker Licences (IHL), the Panel expressed support for the Administration's proposal of not imposing a deadline for phasing out these licences. Members however had different views on whether new licences should be issued for IHL(Frozen Confections) and for mobile vans providing catering service at construction sites on a temporary basis.

30. The Panel noted that FEHD had consulted the staff on the recommendations to improve hawker control operations, and had proposed to implement the recommendations by phases. While recommendations relating to improvements of human resource management would be implemented as soon as possible, those pertaining to a revised squad structure would be carried out on a trial basis. Members also noted that FEHD had adopted a "flexible" enforcement approach since the end of 2001 in view of the current unemployment situation. Under the "flexible" approach, hawker control teams would be more tolerant to illegal hawking activities where these did not cause substantial obstruction and did not involve the selling of prohibited, restricted or cooked food.

### Environmental hygiene

31. The Administration also briefed members on the preparatory work for the implementation of the Fixed Penalty (Public Cleanliness Offences) Ordinance before it came into operation on 27 May 2002. The Panel noted that FEHD had in collaboration with the other enforcement departments drawn up enforcement guidelines and trained the frontline enforcement staff. Publicity campaigns were

also launched to solicit community support. The Administration was requested to provide a report on the effectiveness of the system after it had come into operation.

32. The Panel discussed with the Administration concerns raised by some District Councils regarding the environmental hygiene problems in their districts. These included illegal shop extensions and operation of food factories as retail outlets, which had caused obstruction and cleanliness problems in the districts concerned. The Panel had urged the Administration to step up enforcement actions in this respect.

#### Fees and charges

33. In reorganising 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 municipal councils with a view to aligning them eventually. The Administration reported to the Panel the progress of the review in November 2001. In view of the economic downturn, the Administration proposed to extend the freeze of the current fees and charges for the 94 items of licences or services under FEHD.

34. Panel members sought clarification on the cost computations for the various fees and charges. They urged the Administration to consider reducing the fees and charges in the alignment exercise, for example, by way of further streamlining the licensing procedures. The Administration had responded that it was currently subsidising the provision of municipal services and that it was Government policy to achieve full-cost recovery as far as possible. At the request of the Panel, the Administration undertook to revert to the Panel on its fee proposals before the end of the "freeze" period.

#### Other issues

35. The Panel was also consulted by the Administration on the legislative proposals to allow the transfer of marine fish culture licences, and to reduce the Animal Trader licence fee from \$3,235 to \$2,670. The Panel was briefed on the Anti-mosquito Campaign to prevent dengue fever in Hong Kong and the financial proposal for replacing the cremators at Fu Shan Crematorium.

36. From July 2001 to June 2002, the Panel held a total of 19 meetings. The Panel visited the Sheung Shui Slaughterhouse on two occasions during the period to observe the quarantine systems, the auctioning of live pigs and the process of cattle slaughtering.

**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**

<b>Chairman</b>	Hon Fred LI Wah-ming, JP
<b>Deputy Chairman</b>	Hon Tommy CHEUNG Yu-yan, JP
<b>Members</b>	Dr Hon David CHU Yu-lin, JP Hon James TO Kun-sun Hon CHEUNG Man-kwong Hon WONG Yung-kan Hon Jasper TSANG Yok-sing, JP Dr Hon YEUNG Sum Hon CHOY So-yuk Hon Andrew CHENG Kar-foo Hon Michael MAK Kwok-fung Hon LEUNG Fu-wah, MH, JP Dr Hon LO Wing-lok Hon WONG Sing-chi

(Total : 14 Members)

**Clerk** Mrs Constance LI

**Legal Adviser** Mr Stephen LAM

**Date** 11 October 2001