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LC Paper No. CB(2) 2081/05-06

(These minutes have been seen by the Administration)

Panel on Food Safety and Environmental Hygiene and Panel on Environmental Affairs

Minutes of Joint Meeting held on Tuesday, 29 November 2005 at 10:45 am in the Chamber of the Legislative Council Building

Members present	: Panel on Food Safety and Environmental Hygiene Hon Fred LI Wah-ming, JP (Chairman) * Hon WONG Yung-kan, JP (Deputy Chairman) Hon Bernard CHAN, JP Hon Andrew CHENG Kar-foo Hon TAM Yiu-chung, GBS, JP Hon Tommy CHEUNG Yu-yan, JP Hon Tommy CHEUNG Yu-yan, JP Dr Hon KWOK Ka-ki Members of the Panel on Environmental Affairs
(* A1	Hon CHOY So-yuk, JP (Chairman) Hon CHEUNG Man-kwong Hon LAU Kong-wah, JP Hon LEE Wing-tat Hon Jeffrey LAM Kin-fung, SBS, JP
(* Also m Members attending	 ember of the Panel on Environmental Affairs) Hon CHAN Yuen-han, JP Hon WONG Kwok-hing, MH
Members absent	: Panel on Food Safety and Environmental Hygiene Dr Hon Joseph LEE Kok-long Hon Alan LEONG Kah-kit, SC

	Members of the Panel on Environmental Affairs
	Hon Emily LAU Wai-hing, JP (Deputy Chairman) Hon Martin LEE Chu-ming, SC, JP Hon SIN Chung-kai, JP Hon Miriam LAU Kin-yee, GBS, JP Hon Albert CHAN Wai-yip Hon Audrey EU Yuet-mee, SC, JP
Public Officers : Attending	Mrs Carrie YAU Permanent Secretary for Health, Welfare and Food
	Mr Keith KWOK Permanent Secretary for the Environment, Transport and Works (Environment)
	Mr Thomas CHAN Director of Agriculture, Fisheries and Conservation
	Mr Gregory LEUNG Director of Food and Environmental Hygiene
Clerk in : Attendance	Mrs Constance LI Chief Council Secretary (2)5
Staff in : Attendance	Miss Betty MA Senior Council Secretary (2)1
	Ms Anna CHEUNG Legislative Assistant (2)5

Action

I Election of Chairman

Mr Fred LI was elected Chairman of the joint-meeting.

<u>Action</u>

II Reorganization plan for the food safety regulatory framework

[LC Paper Nos. CB(2) 426/05-06(01)&(02), CB(2) 462/05-06, CB(2) 464/05-06(01), CB(2) 536/05-06(01), CB(2) 539/05-06(01) and CB(2) 541/05-06(01)]

2. <u>The Chairman</u> said that five submissions from staff in affected departments, i.e. Food and Environmental Hygiene Department (FEHD) and the Agriculture, Fisheries and Conservation Department (AFCD), had been received and issued to members.

3. With the aid of Powerpoint, <u>Permanent Secretary for Health, Welfare and Food</u> (PS(HWF)) briefed members on the Administration's revised plan to reorganise FEHD and AFCD to enhance food safety and veterinary public health control in Hong Kong, and to integrate the nature conservation functions of AFCD with the environmental protection functions of the Environmental Protection Department (EPD).

(*Post-meeting note* : The presentation materials were issued to members vide LC Paper No. CB(2)541/05-06(02) on 30 November 2005.)

4. <u>PS(HWF)</u> said that the Administration had revised the reorganisation proposal originally put forward in October 2005. Under the revised proposal, FEHD and AFCD would be reorganised to form the Department of Food Safety, Inspection and Quarantine (DFSIQ) and the Department of Agriculture and Environmental Hygiene (DAEH). The food safety regulatory functions of FEHD and the inspection and quarantine functions under AFCD would be transferred to the new DFSIQ. The new DAEH would take up the operational responsibilities to promote and facilitate the development of agriculture and fisheries activities and maintain environmental hygiene.

5. <u>PS(HWF)</u> further said that the reorganisation plan would require a net increase of four directorate posts, namely, one Permanent Secretary (at D8 level) in the Health, Welfare and Food Bureau (HWFB), one Assistant Director post at D2 level in DFSIQ and two Principal Medical Officers at D1 level in DFSIQ. The Administration would upgrade one Deputy Director (D3) post in FEHD to D4 level as Controller, Centre for Food Safety (CFS) in DFSIQ. Over 200 additional non-directorate posts would also be created to support the work of the reorganised food regulatory framework. <u>PS(HWF)</u> added that the total additional recurrent expenditure required would be about \$150 million per annum.

6. <u>PS(HWF)</u> said that the Administration planned to establish the new DFSIQ by the end of April 2006, and introduce the relevant legislative amendments into the Legislative Council (LegCo) before the end of 2005 to effect the reorganisation plan.

Financial and staffing implications

7. Dr KWOK Ka-ki said that in the light of the recurrence of food incidents in the past few months, the Secretary for Health, Welfare and Food had advised at previous meetings of the Panel on Food Safety and Environmental Hygiene that the Administration was considering establishing a CFS to enhance food safety and better protect public health. He had expressed support for the setting up of a CFS. However, the reorganisation plan now put forward by the Administration was merely to seek an increase in the civil service establishment. While the Administration estimated that 225 additional posts would be created under the reorganisation plan, the paper did not provide information on the duties of these posts. He stressed that setting up a CFS was to formulate strategies and standards on food safety, and should not be used to expand the civil service establishment. Dr KWOK said that as the Administration's paper did not explain the future operation of and coordination among the new departments, he considered the proposal unacceptable.

8. <u>PS(HWF)</u> responded that the aim of setting up a CFS was to enhance the existing functions of the food safety regulatory authorities. <u>PS(HWF)</u> said that the Administration fully understood members' concerns about containing the size of the civil service, particularly the directorate establishment. She pointed out that as part of the Administration's policy to contain the size of the civil service establishment, two directorate posts in HWFB had been deleted since 2003, i.e. one directorate post in the Department of Health and one Senior Principal Executive Officer post in HWFB. The Administration would also delete one Chief Chemist post under the reorganisation proposal. <u>PS(HWF)</u> further pointed out that the chain of command for the reorganised food regulatory framework had been streamlined as far as possible, e.g. two Assistant Directors in the new DFSIQ would report directly to the Head of Department instead of a Deputy Director.

9. <u>Mr WONG Kwok-hing</u> said that there were about 8 000 contract staff engaging in environmental hygiene functions, some of them had more than 11 years of service. <u>Mr WONG</u> further said that he was given the impression that the reorganisation plan only aimed to increase senior officers. The frontline staff were gravely concerned that they would lose their jobs upon reorganisation. <u>Mr WONG</u> asked whether contract staff in AFCD and FEHD could continue their employment under the new structure.

10. <u>PS(HWF)</u> said that the reorganisation plan would not lead to redundancy of staff in the departments concerned. In fact, the Administration proposed to create over 200 additional non-directorate posts. <u>PS(HWF)</u> said that the new departments would still need to outsource some of its functions in order to contain the size of civil service.

11. <u>Director of Food and Environmental Hygiene</u> (DFEH) said that the 8 000 employees engaging in environmental hygiene functions were employed by the outsourced contractors. Some 140 non-civil servants were employed in FEHD, and their contracts would expire by the end of the financial year. FEHD was considering extending their contracts.

12. At the request of Mr WONG Kwok-hing, <u>the Administration</u> agreed to provide Admin the number of contract staff presently employed by AFCD and FEHD.

[*Post-meeting note* : The information on the number of contract staff employed by AFCD and FEHD has been issued to members vide LC Paper No. CB(2) 699/05-06(05) dated 14 December 2005.]

13. <u>Mr WONG Kwok-hing</u> asked whether priority would be given to appointing the serving non-civil servant staff to fill the new vacancies. <u>DFEH</u> said that the Administration would take into account the qualifications and experience of the applicants according to the established appointment procedures.

14. <u>Miss CHOY So-yuk</u> asked why an additional post of Permanent Secretary at D8 level was required for HWFB. <u>PS(HWF)</u> explained that other bureaux overseeing several government departments also had two Permanent Secretary posts at D8 level, e.g. Commerce, Industry and Technology Bureau, Economic Development and Labour Bureau, Environment, Transport and Works Bureau (ETWB), Financial Services and the Treasury Bureau, and Housing, Planning and Lands Bureau.

15. <u>Mr Vincent FANG</u> said that while he fully supported enhancing the food safety regulatory framework, he was concerned about the proposed increase in directorate and non-directorate posts and the additional recurrent expenditure. As the Administration was previously requested to contain the size of directorate establishment, <u>Mr FANG</u> asked whether the creation of four proposed new directorate posts would be offset by a corresponding deletion of directorate posts in the civil service.

16. <u>PS(HWF)</u> said that there would be a net creation of four new directorate posts under the reorganisation plan. She pointed out that HWFB had endeavoured to identify savings and optimise the use of staffing resources, and two directorate posts had been deleted in the past two years. <u>The Chairman</u> said that the Administration should incorporate details on previous staff savings in its paper to members.

17. <u>Mr Tommy CHEUNG</u> said that Members belonging to the Liberal Party needed time to examine the reorganisation proposal. He pointed out that Members had previously agreed that the directorate establishment should be capped at 1 488 posts. He considered that the Administration should fully justify the additional directorate posts sought. He asked what additional duties had been added to HWFB

in support of its proposal to create an additional post of Permanent Secretary at D8 level.

18. <u>PS(HWF)</u> explained that different regulatory functions relating to food safety were currently carried out by FEHD and AFCD. The reorganisation plan would allow the Administration to pool the professional and expert resources in these two departments for more effective use. Upon reogranisation, the Administration would allocate more manpower in the new DFSIQ to step up food surveillance efforts and improve communication with the Mainland on food safety matters. <u>PS(HWF)</u> added that the Administration was in the process of setting up a notification mechanism on food safety with the Guangdong Provincial Government and the Shenzhen Municipal Government to enhance communication on major food incidents, contingency measures as well as other food safety matters that might have cross-border implications.

19. <u>The Chairman</u> said that members had grave concern about the need and costeffectiveness of the proposed creation of four directorate posts and over 200 nondirectorate posts, and the additional recurrent expenditure of \$150 million. The Administration should assure members that with these additional resources, it would be able to improve the food safety infrastructure and regulatory mechanism.

20. <u>Dr KWOK Ka-ki</u> said that the information provided by Administration did not show how the new resources would be allocated for implementing the proposed organisational changes and improving the food safety control. For example, there was no information on whether more checks and laboratory tests would be conducted on imported food, and how Hong Kong would work with the food regulatory authorities in neighbouring places. The Administration had also not provided information on the deployment of over 200 additional non-directorate posts, and why internal redeployment of resources was not possible.

PS(HWF) said that the Administration's paper had provided the proposed job 21. descriptions of the additional directorate posts, while those for the additional nondirectorate posts were under preparation. The proposed creation of directorate posts would be subject to the approval of Establishment Subcommittee (ESC) and the Finance Committee (FC). PS(HWF) further said that as the reorganisation exercise involved introducing legislative amendments to transfer the statutory powers and functions from the existing AFCD and FEHD to the two new departments and EPD, the Administration had commenced the drafting of the Bill. When the Bill was introduced into the Legislative Council (LegCo), members might wish to study the legislative proposal in greater details, if considered necessary. As regards the additional resources required under the reorganisation plan, PS(HWF) pointed out that the annual recurrent expenditure of DFSIQ would be in the region of \$500 million (including the additional recurrent expenditure of \$150 million), which was comparable to most medium-sized departments in the civil service. PS(HWF) stressed

that setting up the new DFSIQ would endeavour to enhance food safety, as a means to prevent the occurrence of food incidents.

22. <u>Mr Tommy CHEUNG</u> said that the reorganisation or rationalisation of the existing regulatory structure could be achieved by transferring the existing staff performing food safety function to a new department, without having to create new posts at all. <u>Mr CHEUNG</u> considered that the Administration should explain what value-added services would be provided upon reorganisation. <u>Mr CHEUNG</u> also enquired about the need for the proposed creation of a new Permanent Secretary post which appeared unrelated to the reorganisation exercise.

23. <u>PS(HWF)</u> responded that the reorganisation plan was to respond to the community's call for enhancing the food safety monitoring mechanism in Hong Kong. To exercise control at source, more professional staff and experts would be needed for the inspection of farms and processing plants in the Mainland, and strengthened surveillance of food at all levels of the food chain. More food samples would be taken for laboratory tests, and there would be more timely responses to food crises. <u>PS(HWF)</u> said that the current volume of work under the purview of HWFB was already beyond the capacity of one Permanent Secretary. Since HWFB was facing new challenges such as the health care financing scheme, there was a genuine need to create an additional post of Permanent Secretary at D8 level in HWFB to cope with the wide spectrum of policy responsibilities of the Bureau.

24. <u>Mr Tommy CHEUNG</u> maintained the view that the proposed creation of an additional Permanent Secretary post was not related to the enhanced food safety functions. He considered that the Administration should provide further justifications for the staffing proposals.

25. <u>The Chairman</u> said that he personally considered that there was a need for the creation of an additional Permanent Secretary post in HWFB, having regard to the fact that other multi-department type of bureaux also had two Permanent Secretaries.

Proposed organisational changes

26. Noting the Administration aimed to strengthen management at source after the establishment of CFS, <u>Dr KWOK Ka-ki</u> asked how it would carry out inspection and quarantine work in the exporting countries, as Hong Kong imported a great variety of food from many countries and places. He asked about the implementation details and whether the exporting countries/places had agreed to the proposed arrangements. <u>Dr KWOK</u> added that he shared the reservations expressed by some AFCD staff about the proposal of transferring the existing functions of development of agriculture and fisheries activities to the new DAEH.

27. <u>PS(HWF)</u> said that Hong Kong's food safety regulatory standards were in line with the international standards and practices. The Administration had reached agreement with the Mainland authorities on the inspection and quarantine arrangements in relation to management at source. Some overseas countries and places also welcomed officials from Hong Kong to observe the methods and standards adopted for inspection and quarantine of their food for export to Hong Kong. <u>PS(HWF)</u> further said that although it was not possible to send government officers to inspect all farms and processing plants in places which supplied food to Hong Kong, management at source would induce overseas food suppliers to closely observe the import and food safety requirements in Hong Kong.

28. On the proposed transfer of AFCD's existing functions relating to development of agriculture and fisheries activities to the new DAEH, <u>PS(HWF)</u> said that while there was uniform practice internationally on designating two separate departments to carry out the regulatory and facilitation functions, the reorganisation would enable a dedicated department to take responsibilities for all food safety regulatory work.

29. <u>Mr Andrew CHENG</u> said that while he saw no objection to the proposal of enhancing the food safety regulatory framework, he was concerned about the cost effectiveness of incurring an additional recurrent expenditure of \$150 million. Noting that Hong Kong and the Mainland had signed the new cooperation arrangement, <u>Mr CHENG</u> asked about the details of the cooperation arrangement, and how the Controller of CFS would work with the Mainland authorities in enhancing the food safety regulatory framework and improving the communication on food safety matters. <u>Mr CHENG</u> further asked why the Controller of CFS needed to possess strong leadership qualities, political acumen and a strategic mind in discharging his/her duties.

30. <u>PS(HWF)</u> responded that agreement had been reached with the Mainland on adopting uniform procedures, methods and standards for inspection and quarantine on both sides to comply with international standards. On the qualities required of the Controller of CFS, <u>PS(HWF)</u> said that the Controller would need to negotiate with food safety regulatory authorities and trading partners in the Mainland and overseas on the import and export requirements of food, especially those which might pose health risks. The Controller therefore should possess political awareness and a strategic mind. <u>Mr Andrew CHENG</u> requested and <u>PS(HWF)</u> agreed to provide information on the specific areas covered under the new cooperation arrangement with the Mainland.

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[*Post-meeting note* : The information on the specific areas covered under the new cooperation arrangement with the Mainland has been issued to members vide LC Paper No. CB(2) 699/05-06(04) dated 14 December 2005.]

31. <u>Mr Vincent FANG</u> noted from the Administration's paper that to exercise control at source, the new DFSIQ would set up several special teams with inter-

disciplinary expertise to step up inspection of registered farms, processing plants and fish ponds in the Mainland. <u>Mr FANG</u> asked whether the Mainland authorities had agreed to Hong Kong sending officials to inspect the registered farms, and how the inspections would be conducted.

32. <u>DFEH</u> said that the Administration and the Mainland authorities had reached agreement on strengthening the inspection and quarantine work for source management. <u>DFEH</u> further said that all imported meat must meet the requirements of Hong Kong which were based on international standards and practices.

33. <u>Mr WONG Yung-kan</u> said that the reorganisation plan would split AFCD into three parts, and about 200 AFCD staff currently responsible for development and facilitation of agriculture and fisheries activities would be transferred to the new DAEH which would also take over more than 10 000 staff from FEHD. <u>Mr WONG</u> expressed concern that limited resources would be allocated within the new DAEH to the development and facilitation of agriculture and fisheries activities. <u>Mr WONG</u> said that he would support the establishment of CFS and DFSIQ if the food safety regulatory functions and those on facilitating and promoting the development of the agriculture and fisheries industries were to be placed under one department.

34. <u>PS(HWF)</u> said that the Administration saw benefits in separating the food safety regulatory functions and the functions on facilitating and promoting the development of the agriculture and fisheries industries. <u>PS(HWF)</u> advised that the new DFSIQ was to enhance food safety and veterinary public health control in Hong Kong, and to provide swift responses to food incidents. The DFSIQ would also be heavily involved in assisting the organisation of the Equestrian Events of the 2008 Olympic to be held in Hong Kong. The estimated additional recurrent expenditure of \$150 million was required for the enhanced food safety functions of the DFSIQ. As for DAEH, <u>PS(HWF)</u> pointed out that resources would be allocated to programme areas and not based on the number of staff for specific functions.

35. <u>The Chairman</u> said that the Administration had advised that the proposed transfer of the facilitation and development functions to the new DAEH would address the problem of conflicting roles played by AFCD. <u>The Chairman</u> asked whether the regulatory and development functions were currently performed by two separate teams in AFCD.

36. <u>Director of Agriculture, Fisheries and Conservation</u> (DAFC) responded that the regulatory functions and the facilitation/development functions were currently performed by different teams of professional staff in AFCD. These officers would be transferred to DFSIQ and DAEH after reorganisation, and they would be subject to posting between these two departments.

37. <u>Mr WONG Yung-kan</u> stressed that the most effective way to enhance food safety was the implementation of the "From Feed to Table" concept. He said that

under the proposed organisational changes, he could not see how the Administration could improve the control of safety of food. In his view, management at source was fundamental to any food safety regulatory framework, and the food safety of agricultural and fisheries produce would be enhanced if farmers adopted good practice. He pointed out that AFCD at present, provided assistance and advice to local farmers to promote good practice and enhance food safety. He did not see the rationale for transferring AFCD's existing functions of facilitation and development of agriculture and fisheries activities to DAEH, and it was not appropriate to add the promotion of agriculture and fisheries functions to ETWB. <u>Mr WONG</u> commented that he saw no problem for AFCD to continue to perform both the regulatory and facilitation functions.

38. <u>Mr WONG Kwok-hing</u> asked which department would be responsible for the sustainable development of agriculture and fisheries industries. <u>PS(HWF)</u> responded that DAEH would assume responsibilities for the facilitation and development of agriculture and fisheries activities. <u>Mr WONG Kwok-hing</u> said that the Administration should consider improving the names of the new departments to clearly reflect their respective responsibilities.

Consultation with staff in affected departments

39. <u>Miss CHOY So-yuk</u> expressed support for the proposed transfer of the nature conservation and management of country/marine parks functions to EPD. However, she expressed concern that the affected staff did not seem to be aware of the proposed reorganisation until the paper was submitted to LegCo for discussion. <u>The Chairman and Dr KWOK Ka-ki</u> also asked whether the AFCD staff had been consulted on the proposed transfer.

40. <u>PS(HWF)</u> said that Heads of Departments concerned had maintained regular communication with their staff over the reorganisation plan. <u>DAFC</u> supplemented that the reorganisation proposal had been discussed on five occasions in AFCD, and the staff views had been taken into consideration.

41. <u>Permanent Secretary for the Environment, Transport and Works (Environment)</u> <u>PS(ETW/E)</u> said that a paper on the proposed transfer of AFCD's nature conservation and management of country/marine parks functions had been issued to staff of EPD, and communication meetings had also been held to discuss the issue. <u>PS(ETW/E)</u> added that EPD was currently responsible for the policies for these functions, although the executive functions were carried out by AFCD. He advised that AFCD staff now performing these functions also welcomed the transfer, as this enable better coordination of the nature conservation work with both the policy and executive responsibilities coming under EPD and ETWB. 43. <u>Mr WONG Yung-kan</u> said that to his knowledge, AFCD had only conducted its staff consultation on the same day of the meeting. He considered such arrangement unacceptable.

Way forward

Action

44. <u>Mr WONG Kwok-hing</u> suggested that staff from the departments concerned should be invited to give views on the reorganisation plan.

45. <u>Dr KWOK Ka-ki</u> and <u>Mr WONG Yung-kan</u> expressed support for Mr WONG Kwok-hing's suggestion. <u>Dr KWOK</u> added that academics and experts should also be invited to give views on the food safety regulatory framework.

46. <u>Dr KWOK Ka-ki</u> suggested that the Research and Library Service Division (RLSD) of the LegCo Secretariat should be requested to provide information on the food safety regulatory framework in neighbouring places. <u>Mr WONG Yung-kan</u> added that RLSD should also provide information on the authorities responsible for food safety regulation and agriculture and fisheries promotion in other places, particularly Southeast Asian countries.

47. <u>Mr Vincent FANG</u> said that as Hong Kong relied heavily on imported food, experience of other countries (especially those which produced most of their food) might not be useful or relevant to Hong Kong. <u>Dr KWOK Ka-ki</u> said that the experience of Australia and New Zealand might be useful, and RLSD could advise on the places to be selected.

48. <u>Mr Tommy CHEUNG</u> said that the Administration should also provide information on whether it had made reference to overseas experience in designing the new structure for the safety control of food. <u>Mr CHEUNG</u> also urged the Administration to improve communication with the affected staff and key stakeholders before taking forward the reorganisation plan.

49. In response to the Chairman, $\underline{PS(HWF)}$ said that the Administration aimed to establish the new DFSIQ by the end of April 2006, in response to the community's call for improving the food safety infrastructure and mechanism. $\underline{PS(HWF)}$ reiterated that the staffing proposals were subject to the approval of ESC and FC, while the transfer of statutory powers and functions from the existing AFCD and FEHD to the new departments and EPD would be effected by legislative amendments. $\underline{PS(HWF)}$ stressed that the staffing proposals were the minimum requirement for improving the food safety mechanism and coping with the increasing workload in this connection.

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50. <u>The Chairman and Mr Tommy CHEUNG</u> considered that members might need more time to study the reorganisation plan and requested the Administration to defer the implementation timetable. <u>Dr KWOK Ka-ki</u> added that members should study the reorganisation plan very carefully because of its financial implications.

51. <u>The Chairman</u> said that in the light of members' views, two further joint meetings of the Panels would be scheduled to gauge views on the reorganisation plan. Representatives of agriculture and fisheries trades and staff in the affected departments would be invited to attend the first joint meeting, while academic/experts and other relevant trades would be invited to attend the second meeting. <u>The Chairman</u> further said that RLSD would be requested to provide information papers as suggested by members. <u>Members agreed</u>.

LegCo Secretariat

52. There being no other business, the meeting ended at 12:25 pm.

Council Business Division 2 Legislative Council Secretariat 22 May 2006