

立法會
Legislative Council

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LC Paper No. CB(2)785/08-09
(These minutes have been seen by
the Administration)

Panel on Food Safety and Environmental Hygiene

**Minutes of special meeting
held on Thursday, 18 December 2008, at 10:45 am
in the Chamber of the Legislative Council Building**

- Members present** : Hon Fred LI Wah-ming, JP (Chairman)
Hon WONG Yung-kan, SBS, JP (Deputy Chairman)
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, MH
Hon Alan LEONG Kah-kit, SC
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon WONG Yuk-man
- Members absent** : Dr Hon Joseph LEE Kok-long, JP
Dr Hon LEUNG Ka-lau
- Public Officers attending** : Items I and II
Prof Gabriel M LEUNG, JP
Under Secretary for Food and Health
- Item I only
Mr Francis HO
Principal Assistant Secretary for Food and Health (Food) 2
Ms Rhonda LO Yuet-yee, JP
Assistant Director (Operations) 2
Food and Environmental Hygiene Department

Item II only

Mr Owin FUNG Ho-yin
Principal Assistant Secretary for Food and Health (Food) 3

Ms CHU Lan-ying
Assistant Director (Operations) 3
Food and Environmental Hygiene Department

Dr Thomas SIT Hon-chung
Assistant Director (Inspection & Quarantine)
Agriculture, Fisheries and Conservation Department

Dr CHUANG Shuk-kwan
Consultant Community Medicine (Communicable Disease)
Department of Health

**Attendance :
by invitation**

Item I

Association Hong Kong & Kowloon Licensed Hawkers

Mr WOO Kam-hong
Chairman

Federation of Hong Kong Kowloon New Territories Hawker
Associations

Mr CHAN Yuen-fai
Vice Chairman

Li Yuen Street East & West Hawkers Merchants Association

Mr LEE Kwan-man
Vice President

北葵涌商戶協會

Mr TAM Tsuen
Chairman

Ms MOK Sim-man

通菜街(女人街)販商協會

Mr TAM Chor-kin
Chairman

牛池灣街市臺商委員會

Mr WONG Chai-kwok
Chairman

Mr MA Ping-shing
Member

漁灣街市臺商協進會

Mr WONG Chiu-yen
Chairman

Miss YIP Kin-hing
Vice Chairman

Dairy Products Beverage and Food Industries Employers
Union

Mr CHEUNG Chee-hung
Chairman

油麻地廟街販商商會

Mr CHAN Kam-wing
Chairman

Clerk in attendance : Miss Mary SO
Chief Council Secretary (2) 5

Staff in attendance : Ms Alice LEUNG
Senior Council Secretary (2) 6

Ms Sandy HAU
Legislative Assistant (2) 5

I. Hawker licence fee and public market stall rental waiver
(LC Paper Nos. CB(2)515/08-09 (01) and (02))

The Chairman invited deputations to give their views on hawker licence fee and public market stall rental.

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2. Representatives from the Association Hong Kong & Kowloon Licensed Hawkers, Federation of Hong Kong Kowloon New Territories Hawker Associations, Li Yuen Street East & West Hawkers Merchants, 通菜街(女人街)販商協會, Dairy Products Beverage and Food Industries Employers Union and 油麻地廟街販商商會 urged the Administration to waive the hawker licence fee for one year to help hawkers tide over the current economic downturn. They pointed out that as the Government had waived the business registration fee for 2008-2009 to benefit all companies, the same should be done for hawkers. The Association Hong Kong & Kowloon Licensed Hawkers also suggested that the Administration should increase the ex-gratia payment for itinerant hawkers to voluntarily surrender their licences from \$30,000 to \$300,000.

3. Representatives from the Federation of Hong Kong Kowloon New Territories Hawker Associations, 北葵涌商戶協會, 牛池灣街市檯商委員會 and 漁灣街市檯商協進會 urged the Administration to provide concessionary rentals for all public market stallholders by, say, waiving public market rental for two quarters or reduce public market rental by 50% for one year to help stallholders tide over the current poor economic climate. They pointed out that although the rentals of public market stalls had been frozen for 10 years since the 30% rental reduction by the then Provisional Municipal Councils in 1998, the rentals of public market stalls had in fact been increased by 50% to 110% in 1997. They further pointed out that it was unfair to set rentals of public market stalls based on the open market rental (OMR) as the design and facilities of public markets could not cope with keen competition from superstores and supermarkets selling similar commodities in the vicinity.

4. Members also noted a submission from 油麻地街市檯商聯會(LC Paper No. CB(2)515/08-09(05)) tabled at the meeting.

The Administration's response

5. Under Secretary for Food and Health (USFH) said that the Government had no plan to further reduce or waive public market rental and hawker licence fee, details of which were set out in the Administration's paper (LC Paper No. CB(2)515/08-09(01)).

Discussion

6. Mr Vincent FANG said that the Administration should not use the "user pays" principle as an excuse not to waive hawker licence fee for one year. If the Administration could waive business registration fee for one year, the same should be done to waive hawker licence fee for one year, as both were Government fees and charges. Mr WONG Kwok-hing expressed similar view.

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7. USFH explained that the main purposes of business registration were to provide the Inland Revenue Department with information on businesses for it to create tax files and to enable the public to obtain information on businesses for reference. It was applicable to all businesses and did not aim at regulating individual types of business. Nevertheless, the purpose of hawker licensing was to regulate hawking activities. The nature of a hawker licence was similar to that of a licence or permit for certain types of business, such as karaoke establishment permit, restaurant licence and amusement game centre licence. As such, the hawker licence fee should not be compared to the business registration fee. USFH further said that there had been no adjustment to the licence fee since 1998 and the Government was currently unable to achieve cost-recovery for licensing.

8. Mr TAM Yiu-chung said that waiving hawker licence fee for one year was not unreasonable, given the current poor economic climate. In fact, similar request had been raised by the Democratic Alliance for the Betterment and Progress of Hong Kong in their meeting with the Financial Secretary (FS) last month. Mr TAM requested the Food and Health Bureau (FHB) to convey members' and the trade's request on waiving hawker licence fee for one year to FS for consideration.

9. The Chairman sought clarification from the Administration as to whether public market rentals had been increased by 50% to 110% in 1997 before the across-the-board reduction of public market rental by 30% in 1998.

10. Assistant Director (Operations)², Food and Environmental Hygiene Department (FEHD) explained that upon tenancy renewal of the majority of the market tenants, rental adjustment would be made with reference to the difference between the contractual rental (i.e. the last rental specified in the tenancy agreement) and the prevailing OMR assessed by the Rating and Valuation Department. Hence, the rentals of public markets stalls could be adjusted upward, downward or remained unchanged.

11. Mr WONG Kwok-hing noted that although the Director of Audit in his Report No. 51 recommended that the Administration should put up for the Legislative Council Panel's consideration as soon as possible a suitable and aligned rental adjustment mechanism for public markets, it should not be made an excuse for the Administration not to immediately reduce or waive public market rental, as disparity in rentals for similar stalls had already existed for more than 10 years.

12. Mr Alan LEONG pointed out that the focus of Chapter 6 of the Director of Audit's Report No. 51 on "Management of public markets" as well as that of the Public Accounts Committee was to examine whether the policy on provision of public markets could meet the needs of the community and whether the services performed by the Administration on management of public markets

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was value-for-money.

13. USFH clarified that the Administration had no intention to use the Director of Audit's Report No. 51 as an excuse not to waive or reduce public market rental. Paragraphs 4 and 7 of the Administration's paper merely stated the facts.

14. Mr KAM Nai-wai said that in the midst of financial tsunami, special consideration should be given to waiving hawker licence fee and public market rental. Mr KAM pointed out that hawking provided employment opportunities for low skilled people and prevented monopolisation by supermarkets and superstores. Mr WONG Yung-kan expressed similar views.

15. In response to Mr KAM Nai-wai's enquiry about the financial implications in respect of the waiving of hawker licence fees and public market rentals for one year, USFH advised that they were about \$300 million and \$30 million respectively.

16. At the request of the Chairman, USFH undertook to provide details of the financial implications in respect of waiving of public market rentals and hawker licence fees for one year in writing after the meeting.

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(Post-meeting note: The Administration's response on the details of the financial implications in respect of waiving of public market rentals and hawker licence fees for one year and the income of FEHD from hawker license fees cum fees for the allocation and use of fixed pitches, and public market rental in 2007-2008 was circulated to members vide LC Paper No. CB(2)541/08-09 on 22 December 2008.)

17. Mr Vincent FANG said that the facts that about 85% of the stall tenants were paying rentals lower than the OMR and that 48% of the stall tenants were paying rental at 60% or less of the OMR should not be an excuse for the Administration not to reduce or waive public market rental. Mr FANG pointed out that the fact that public markets had high vacancy rates was a testament that their rentals were considered not value-for-money. Mr Tommy CHEUNG also said that it was unreasonable for the Administration to charge tenants according to OMR, as the design and management of public market were far from satisfactory to attract patrons.

18. Mr WONG Yuk-man expressed dissatisfaction about the Administration's reluctance to help small traders, but would do otherwise for large enterprises.

19. USFH responded that the Administration well understood the financial difficulties faced by public market stallholders and hawkers and would carefully consider their requests on reducing or waiving public market rental and hawker

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licence fee as well as members' views in this regard.

Motion

20. Mr Vincent FANG and Mr WONG Kwok-hing moved a motion, as amended by Mr KAM Nai-wai, as follows -

"本會促請政府豁免全港小販牌照費用一年及全港公眾街市租金兩季，以協助小商販紓解金融海嘯帶來的困難。"

(Translation)

"That this Panel urges the Government to waive the licence fees for all hawkers for one year and the rentals of all public markets for two quarters so as to assist small traders in overcoming the difficulties brought about by the financial tsunami."

21. The Chairman put Mr FANG's and Mr WONG's motion, as amended by Mr KAM, to vote. All members present at the meeting voted in favour of the amended motion. The Chairman declared that Mr FANG's and Mr WONG's motion, as amended by Mr KAM, was carried.

22. In closing, the Chairman urged the Administration to waive hawker licence fee and public market rental to help small traders to reduce their operating difficulties during this poor economic situation.

II. Report on the recent avian influenza outbreak
(LC Paper No. CB(2)515/08-09 (06))

23. USFH briefed members on the actions taken by the Administration to arrest the possible spread of avian influenza virus among poultry following the detection of H5N1 virus in dead chickens found in a local farm located at Ha Tsuen near Lau Fau Shan, Yuen Long (the index farm) on 8 December 2008, details of which were set out in the Administration's paper.

H5N1 virus detected in the index farm

24. The Chairman asked whether the H5N1 virus detected in the index farm had mutated into a new strain.

25. USFH responded that results of the gene sequence analysis of the H5N1 virus found in the index farm revealed that the virus belonged to a clade that was currently circulating among poultry in southern China and northern Vietnam and had been detected in Hong Kong previously. However, more time

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was needed to find out whether there had been any antigenic drift in the virus identified in the index farm.

Source of infection

26. Mr WONG Kwok-hing asked the Administration whether it had looked into the possibility that the recent avian influenza outbreak in the index farm was caused by smuggled fertilised eggs from the Mainland containing infected chicken embryos.

27. USFH responded that the Investigation Group on Epidemiological Study referred to in paragraph 6 of the Administration's paper would look into the cause of infection in the index farm from all perspectives. The Investigation Group would try to complete its preliminary investigation in two to three weeks time and submit a full report in two months. Assistant Director (Inspection & Quarantine), Agriculture, Fisheries and Conservation Department (AD(I&Q)/AFCD) supplemented that AFCD had in place a monitoring system to control importation of fertilised eggs by local licensed farms. Specifically, licensed chicken farmers were required to keep an accurate and up-to-date record of the numbers of breeders of different age, day old chicks and fertilised eggs. AFCD staff inspected the farms on a regular basis, and these records must be made available to AFCD staff at any time on request.

28. Mr WONG Kwok-hing urged the Administration to step up enforcement against the smuggling of eggs with other foodstuffs into Hong Kong to better safeguard public health.

29. USFH responded that the Customs and Excise Department (C&ED), the Marine Police, FEHD, AFCD and FHB had set up a task force last year to step up enforcement against smuggling of foodstuffs into Hong Kong. In recent months, the departments concerned had conducted more inspections on travellers who were suspected of bringing in eggs and live poultry when crossing the border. Following the recent avian influenza outbreak in a local farm, C&ED and the Marine Police had increased the number of random check for suspected vehicles and vessels at land boundary crossings and on Hong Kong waters. USFH further said that relevant departments had always called on the trade to report smuggling activities. If members of the trade had any information or intelligence regarding smuggling activities, they were urged to call the C&ED hotline.

Sentinel surveillance

30. Mr Tommy CHEUNG questioned the effectiveness of using sentinel chickens (i.e. unvaccinated chickens) as a means to detect whether a chicken farm was infected with avian influenza virus, having regard to the fact that both vaccinated chickens and sentinel chickens in the index farm died from being

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infected with H5N1 virus.

31. Mr WONG Yung-kan said that the live poultry trade had repeatedly urged the Administration to follow the practice in the Mainland to dispense with the practice of using sentinel chickens to detect avian influenza virus. As sentinel chickens could be infected with avian influenza virus more easily than vaccinated chickens, it would be unfair to poultry farmers if culling of all poultry in the farm was carried out even when only one sentinel chicken was found infected with the virus.

32. USFH responded that although both vaccinated chickens and sentinel chickens in the index farm died from being infected with H5N1 virus, the fact that the majority of the about 200 chickens found dead/dying were sentinel chickens had enabled AFCD to take prompt action to cull and destroy all live poultry in the index farm and another farm within three-kilometre radius of the index farm to prevent the possible spread of the virus. USFH pointed out that if there were no sentinel chickens placed among poultry in a farm, the chicken farmer might not be alerted in the first instance when the chickens were infected with avian influenza virus, as vaccinated chickens could still be infected and alive but shed virus and the symptoms they displayed were generally not obvious during the onset of the disease.

33. In response to Mr Tommy CHEUNG's enquiry on whether the infected sentinel chickens had spread the avian influenza virus to vaccinated chickens thereby causing the latter's death in the index farm, AD(I&Q)/AFCD said that complete test results were being awaited to confirm whether this was the case.

Poultry vaccination

34. Mr Tommy CHEUNG said that the fact that the vaccinated chickens in the index farm were found positive of the avian flu virus demonstrated that it was necessary for Hong Kong to develop its own vaccine to suit Hong Kong's circumstances, instead of relying on vaccines developed overseas.

35. USFH responded that apart from allocating resources to AFCD to conduct research on the efficacy of vaccines against avian influenza, the Administration had all along been providing funding through the University Grants Committee for conducting the same.

Culling of poultry

36. The Chairman noted from paragraph 4(ii) of the Administration's paper that in accordance with guidelines of the World Organisation for Animal Health and Food and Agriculture Organisation of the United Nations, live poultry within three-kilometer radius of the index farm were recommended to be culled to prevent the spread of virus. Hence, all live poultry (around 18 000 chickens)

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in another chicken farm were also culled and destroyed. The Chairman asked whether any abnormality had been detected in the chickens in the other farm before culling of these chickens was carried out.

37. USFH responded that no abnormality had been detected in the chickens in the other farm before the culling operation. Samples of chicken carcasses collected from such farm were found negative of avian flu virus.

38. The Chairman noted from paragraph 4(iii) of the Administration's paper that although no poultry had been sent from the index farm to the Cheung Sha Wan Temporary Wholesale Poultry Market on 8 and 9 December 2008, some chickens from the other farm within three-kilometre radius of the index farm were found in the wholesale market on 9 December 2008. As a precautionary measure, all live poultry in the wholesale market were culled and destroyed. The Chairman asked whether culling of poultry in the wholesale market would still be carried out if no live poultry within three-kilometre radius of the index farm were found in the wholesale market on 9 December 2008.

39. USFH responded that culling of poultry in the wholesale market would, apart from whether chickens from the infected area were found in the wholesale market, depend on other factors including the causes of the outbreak in the index farm and whether avian influenza outbreak had occurred in the Mainland and/or places nearby Hong Kong.

40. In response to the Chairman's further enquiry on whether consideration would be given to implementing the "no overnight stocking of live poultry" requirement in the wholesale market, as had been done at retail outlets, to better prevent avian influenza outbreak, USFH said that the Administration would re-visit this issue after studying the full report to be submitted by the Investigation Group on Epidemiological Study.

Suspension of local and imported live poultry supply

41. The Chairman noted from paragraph 4(iv) of the Administration's paper that all local farms stopped dispatching live poultry to the wholesale market starting from 9 December 2008. Importation of live poultry and birds were also suspended from noon of 9 December. The Chairman asked when live poultry supply would resume.

42. USFH responded that although suspension of local and imported live poultry supply would normally last for a period up to 21 days in accordance with the guidelines of World Organisation for Animal Health and Food and Agriculture Organisation of the United Nations, decision on whether live poultry supply could resume on 30 December 2008 would depend on many factors including assessment on the risk of avian influenza, whether avian influenza outbreak had occurred in the Mainland and/or other places nearby

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Hong Kong and any preliminary findings provided by the Investigation Group on Epidemiological Study.

43. Mr Vincent FANG asked the Administration whether it would provide financial assistance to live poultry retailers to alleviate their financial difficulties during the interim period when there would be no supply of live poultry, say, by waiving the rental charges of all live poultry stalls under the management of FEHD.

44. USFH responded that FEHD staff would meet with live poultry retailers to see how best to assist them during the interim period when supply of live poultry was suspended. For instance, should live poultry retailers wish to switch to selling frozen/chilled poultry meat, FEHD would expedite the processing of their applications for the relevant licence.

Development of a central poultry slaughtering and processing plant

45. Mr Alan LEONG asked whether the Administration would abandon its plan of inviting private sector to develop and operate the proposed central poultry slaughtering and processing plant through open tender, having regard to the shrinkage of the live poultry trade as a result of the buyout scheme launched in July 2008.

46. USFH responded that the Administration was pressing ahead with the preparatory work on the proposed poultry slaughtering centre. However, the Administration had not yet come to a final decision on the mode of the development and operation of the centre.

Other issues

47. Mr WONG Yung-kan noted that apart from the Investigation Group on Epidemiological Study, the Administration had also set up an Investigation Group on Vaccine Study to conduct research and tests on the efficacy of the existing H5N2 vaccine used in Hong Kong as well as the effectiveness and quality of alternative vaccines to see if they were suitable for use in Hong Kong. Mr WONG hoped that these two Investigation Groups would meet with the live poultry trade before drawing their conclusions, as their recommendations would have significant bearing on the trade.

48. USFH responded that it was up to members of the two Investigation Groups to decide whether they wished to meet with the trade. USFH assured members that the views/concerns of the trade would be fully considered. FHB, FEHD and AFCD had been maintaining close liaison with the trade and had met with the traders on 17 December 2008 to discuss measures to prevent the possible spread of the virus.

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49. Mr Vincent FANG urged the Administration to ensure that there would be sufficient supply of live poultry at retail outlets to meet public demand during the coming Lunar New Year holidays, as retailers were no longer allowed to stock live poultry overnight at the stalls. USFH undertook to discuss with live poultry wholesalers and retailers about the issue.

50. There being no other business, the meeting ended at 12:40 pm.

Council Business Division 2
Legislative Council Secretariat
6 February 2009