

Questions

LC Paper No. CB(2)1267/98-99(01)

1. It is mentioned in the Consultant's Report that the suggestion of a Central Licensing Authority to issue all types of licences have been considered and found to be impracticable for a number of administrative and practical reasons (paragraph 9.03). Would the Administration explain specifically what the administrative and practical reasons for rejecting the proposal to establish a Central Licensing Authority are?
2. In response to question 10 raised by a Member during the meeting held on 15 January, the Administration said that the two municipal councils and the two municipal services departments have strived to simplify and expedite the procedures relating to the issue of licences. However, the example cited by the Administration was only related to food establishments. It failed to mention how licensing procedures for food manufacturing factories and places of entertainment (such as cinemas and amusement game centres) could be simplified. Will a review on the licensing procedures in this aspect be conducted, if so, what the specific details are?
3. It is recommended in paragraph 9.05 of the Consultant's Report that from 1 January, 2000, the two Liquor Licensing Boards should be merged into one. Members of the new Liquor Licensing Board would be paid an honorarium and be provided with executive and secretarial support. In this connection, please provide information on the establishment of the relevant executive and secretarial staff? Has an estimate been made on the expenditure of the new Liquor Licensing Board in each financial year?
4. It is mentioned in the Consultant's Report that members of the new Liquor Licensing Board would be paid an honorarium. Have similar arrangements be made for other statutory bodies or semi-official organizations in Hong Kong (such as the Land Development Corporation, the Hong Kong Sports Development Board and the Housing Authority)? If so, please specify the names of such organizations and the amount of honorarium payable to their members.
5. The Government has accepted the recommendation in the Consultant's Report to establish a Environment and Food Bureau. Has an estimate been made on the amount of public funds needed in each financial year for running the Bureau? It is also pointed out in the Report that the restructuring of the district organisations can save \$28 million per annum in staff costs. In deriving the amount of money saved, have the expenses in staff cost incurred by the establishment of the new Liquor Licensing Board and the Environment and Food Bureau been taken into account?

Questions on the Consultant's Report on Food Safety and Environ. Hygiene:

- (1) There is no mention of Industrial-Private Sector Partnerships Development-
- (a) To increase effectiveness of Hazard Analysis Critical Control Point (HACCP) programs in the food and beverage industry; to help with coordination between different food sectors to ensure food safety along production line.
 - (b) To effectively promote good manufacturing practice, food handling and farming technique to the food industry; especially on the Mainland since the bulk of fresh foods and food products are imported from China.
 - (c) To increase reliability of food labeling, health claims and certification to improve consumer confidence. And, to help industry ensure food products released to market are safe for consumption.
 - (d) To educate School Food Service Providers, food producers and food handlers about safe food handling practices, food safety assurance practices, risk management and risk communication.

Because the food and beverage industry plays a large role in ensuring food safety, and in the implementation of food safety standards and regulations, how will government forge a strong and effective relationship with industry? Through what means will Government and industry have dialogue?

- (2) There is no mention of partnership with the consumer
- (a) To have a system of quick dissemination of information to the public on affected food products.
 - (b) To provide to the consumer a system whereby it is known that certified foods meet a certain criteria.
 - (c) To provide a system whereby information on food safety can be easily accessed and, unhygienic food operations and bad food products can be reported.

How will government build consumer confidence in food products sold in HK? Will there be a mechanism whereby food products can be tested and certified to the consumer as a safe product to purchase?

- (3) There is very little said about Community Medicine (5.10)

Whilst community medicine has a role to educate people about food safety, it also has a role in fulfilling general health needs. We should not limit the scope of the term 'Community Medicine.' Would it be more appropriate to place Community Medicine as a bi-departmental endeavor under both the Department of Health and the new Department?

**Legislative Council
Panel on Constitutional Affairs,
Panel on Health Services and
Panel on Environmental Affairs**

**The Administration's Response to
Further Questions on the Consultant's Report on
Food Safety and Environmental Hygiene Services
(Meeting on 8 February 1999)**

The following are replies to questions raised by the Hon. LEE Wing-tat -

Q1 The Consultant's Report mentioned that the suggestion of a Central Licensing Authority (CLA) to issue all types of licences had been considered but were found to be impracticable for a number of administrative and practical reasons (paragraph 9.03 of the Report). Can the Administration explain in greater detail what are these administrative and practical reasons behind the dismissal of the suggestion of a CLA?

A1 We understand that in advising against the creation of a "Central Licensing Authority" (CLA) to handle all types of licences, the Consultant has taken into account the following main factors -

- (a) officers seconded to the CLA still have to rely on information and papers supplied by their parent departments. They have to revert to their departments to retrieve official records e.g. approved building plans, occupation permits etc. for the purpose of cross checking the premises under application for licence. In problematic cases, they may have to go back to their parent departments for further discussion and advice and as such, a longer processing time will be taken;
- (b) there could also be duplication of resources and work. For example, in Fire Services Department (FSD), different issues related to the same building are dealt with by a single officer. In other words, work is building-based. The specific safety requirements pertinent to

a food premise, may have severe implications on the safety requirements of the entire building in which the food premises are situated. Thus, the officers in CLA cannot work in isolation;

- (c) relevant legislation governing fire and building safety now vested in FSD and Buildings Department (BD) may have to be amended to empower officers in the CLA with similar authorities. The exercise might have implications for existing government policies; and
- (d) the creation of a CLA will not help expedite licensing process if the causes for delay lie with the applicants. For example, some applicants frequently change the layout of the food premises in the course of renovation and this inevitably interrupts the processing procedures.

We have noted the above considerations by the Consultant and accepted the licensing regime he proposed in principle. We are also mindful of a parallel consultancy study commissioned by the Business and Services Promotion Unit and Urban Services Department due to be completed by June 1999 which aims to streamline procedures and offer a much more customer-friendly service. We will be in a better position to consider what further improvements which could be introduced after we have the outcome of this other study in hand.

Q2 In the reply to Question 10 raised by the LegCo members at the meeting of 15 January, the Administration said that the two Provisional Municipal Councils and the two Municipal Services Departments were working towards streamlining and expediting the licensing processes. However, the example quoted was confined to food premises and there was no mention of the licensing processes for food factories and places of entertainment (such as cinemas and amusement centres). In this respect, will the Administration review the licensing processes in these areas? If yes, what are the details?

A2 The licensing processes for other types of licences e.g. food factory and places of public entertainment, etc. follow broadly similar procedures in restaurant licensing. Measures which streamline the restaurant licensing process can often be similarly applied to other forms of licence. A typical example is the provisional licensing system. This was first applied to

example is the provisional licensing system. This was first applied to restaurants and has recently been applied to other food business licences. The municipal services departments are now in the process of extending it to non-food business licences. We expect that the consultancy study on the licensing system of food businesses mentioned above will also help us consider improvements in the procedures for the other licences.

Q3 In paragraph 9.05 of the Consultant's Report, it was recommended that the two liquor licensing boards should be merged with effect from 1 January 2000. Besides payment of honoraria to members of the new Liquor Licensing Board, executive and secretarial support will also be provided. In this respect, what will be the establishment for providing such support? Has the Administration assessed the annual expenditure for servicing this new Liquor Licensing Board?

A3 We have yet to decide on the number of staff and the costs required to provide executive and secretarial support to the Liquor Licensing Board. A summary of the expenditure and revenue of the two Liquor Licensing Boards under the Provisional Urban Council (PUC) and the Provisional Regional Council (ProRC) is at **Appendix I**. We believe that with the merger of two liquor licensing authorities into one, there may be scope for some streamlining. In any case, liquor licences are issued on a full cost recovery basis. The setting up of the new Liquor Licensing Board will not result in any increase in government expenditure.

Q4: The Consultant's Report proposes that members of the Liquor Licensing Board should be paid an honorarium. Will the Administration provide information on whether there are similar arrangements with regard to the existing statutory boards or quasi-government organisations such as the Land Development Corporation, the Sports Development Board, the Housing Authority, etc.. If yes, please list the names of those organisations and the amounts of remuneration that the concerned members receive.

A4 A list of the statutory and non-statutory Government boards and committees the members of which receive some form of remuneration and the amounts of remuneration is at **Appendix II**. The list is by no means exhaustive. The boards and committees in the list are of different nature and the remuneration of their respective chairpersons and members varies. In general, the following criteria are adopted -

- (a) an allowance might be considered to cover travel, out-of-pocket and related expenses incurred by non-official members in connection with their duties; and
- (b) remuneration might be considered as compensation for earnings forgone arising from resignation from substantive employment in order to serve on a board or committee or membership of a board/committee which requires substantial and regular work by the member to the extent that it occupies a significant part of the member's working day.

Q5: The Administration has endorsed the Consultant's recommendation to set up a new Environment and Food Bureau. In this connection, has the Administration considered how much annual financial provision is required for the new Bureau? Besides, the Report pointed out that, there will be an annual saving of \$28 million on staff costs as a result of the reorganisation of district organisations. Does this include the additional costs incurred from servicing the Liquor Licensing Board and setting up the Environment and Food Bureau? If no, what are the reasons?

A5 We are studying the organisational structure of the Bureau proposed by the Consultant. Our aim is to ensure that the Bureau structure is adequate to provide better policy advice, direction and co-ordination. In this connection, it should be noted that part of the costs for creating the new Bureau will be off-set by the re-deployment of some of the posts of the existing Planning, Environment and Lands Bureau and the Economic Services Bureau to the new Bureau.

We understand that the net savings of some \$28 million per annum cited by the Consultant have taken into account the staffing requirements for the new

Liquor Licensing Board and the new Bureau. It should be noted that this figure only represents the preliminary estimate of the Consultant. The Administration is giving consideration to the detailed staffing requirements of both the new Bureau and the new Department. It will not be possible to quote the expected savings from the re-organisation exercise until this is finalised in around May/June 1999.

The creation of the new Bureau and new Department and the creation and redeployment of directorate posts will be subject to the approval of the LegCo Finance Committee in due course.

The following are replies to questions raised by the Hon. Mrs Sophie LEUNG LAU Yau-fun -

Q6 There is no mention in the Report of Industrial-Private Sector Partnerships Development. Because the food and beverage industry plays a large role in ensuring food safety, and in the implementation of food safety standards and regulations, how will government forge a strong and effective relationship with industry? Through what means will Government and industry have dialogue?

A6 The focus of the Consultancy Study is on the existing problems concerning food safety and environmental hygiene services, with particular reference to the organisational structure and coordination among the relevant departments, policy bureaux and statutory bodies. It is therefore understandable that government-industry and government-consumers partnerships have not featured prominently in the Report. This does not imply that the importance of involving both the industry and the consumers in effecting food safety control has been overlooked. Indeed such tripartite relationship (industry, consumer and government) in ensuring food safety has always been advocated by the Administration and reputable international bodies such as the World Health Organisation.

In the Report, the Consultant has recommended that an Advisory Council on Food and Environmental Hygiene should be set up comprising representatives from public health professionals and academics, Legislative

Council and District Council members, trade representatives, and consumer representatives. The principal function of the Council is to advise the new Bureau and the new Department on all major policy issues affecting food and environmental hygiene, and to act as the public monitor on the delivery of these services on a territory-wide basis, while the District Councils will monitor at the local level. The Advisory Council will provide a useful forum for the industry, the consumer and the Government to work towards improving food safety and food standards in Hong Kong.

Q7 There is no mention of partnership with the consumer. How will government build consumer confidence in food products sold in HK? Will there be a mechanism whereby food products can be tested and certified to the consumer as a safe product to purchase?

A7 The Administration has attached great importance to promoting food safety and better food hygiene. To this end, the Department of Health and the municipal services departments have undertaken the following:

- monitoring the safety of imported and locally produced foods through a regular surveillance programme and other enforcement actions;
- campaigns, seminars, and exhibitions to promote public awareness on food health;
- using the Health Education Exhibition Resources Centre of the Urban Services Department to disseminate health education messages;
- providing a hotline for reporting unhygienic food operations and food complaints;
- promoting the use of Hazard Analysis Critical Control Point (HACCP) programme where the emphasis is placed on identifying the critical points of hygiene risk in the food preparation process and requiring the food business operators to put in place equipment and procedures that will remove or reduce the risk to an acceptable level;

- considering the introduction of an open grading system to categorise licensed restaurants and food factories supplying lunch boxes to schools according to their hygiene conditions.

Nevertheless, as discussed in the Consultancy Report, the existing structure for food safety control is fragmented and grey areas exist in the division of responsibilities in a number of aspects. Under the proposed new structure, we will adopt a multi-pronged approach to control food safety and environmental hygiene. It involves monitoring and surveillance of imported food, monitoring of veterinary public health, assessment of nutritional risk, control and licensing of food factories, inspections of food retail outlets, public education and law enforcement. Resources for food-related research and surveillance will be enhanced. Scientific and evidence-based decisions will be made to control food safety from farm to table proactively and to handle food crises effectively.

Q8 **Whilst community medicine has a role to educate people about food safety, it also has a role in fulfilling general health needs. We should not limit the scope of the terms ‘Community Medicine’. Would it be more appropriate to place Community Medicine as a bi-departmental endeavor under both the Department of Health and the new Department?**

A8 We fully agree that the scope of Community Medicine is very broad. Food safety and general health needs are but two facets. Indeed, other departments and bodies such as the Hospital Authority and the Social Welfare Department which contribute to the physical, mental and social well-being of the community should also be involved.

Constitutional Affairs Bureau
5 February 1999

The existing financing arrangements of the Liquor Licensing Boards of the two Provisional Municipal Councils are as follows :

i) Revenue and expenditure of the Provisional Urban Council Liquor Licensing Board

	1997/98 <u>Actual</u> \$'000	1998/99 <u>Estimate</u> \$'000
Direct Costs		
Staff costs (involving over 20 persons)	7,304	7,753
Other operating expenses	462	441
Total Costs	7,766	8,194
Indirect Costs		
Administration overhead	1,461	1,551
Total Costs	9,227	9,745
Revenue		
Licence fee	9,768	8,827
Surcharge of gazette fee and miscellaneous fees	371	377
Total Revenue	10,139	9,204

Note: The costs have excluded the honoraria and allowances paid to Provisional Urban Council members involved in the Liquor Licensing Board.

ii) Revenue and expenditure of the Provisional Regional Council Liquor Licensing Board

	1997/98 <u>Actual</u> \$'000	1998/99 <u>Estimate</u> \$'000
Direct Costs		
Staff costs (involving some 9 persons)	1,980	2,135
Other operating expenses	145	138
Total Costs	2,125	2,273
Indirect Costs		
Administration overhead	450	491
Total Costs	2,575	2,764
Revenue		
Licence fee	2,854	2,572
Surcharge of gazette fee and miscellaneous fees	72	60
Total Revenue	2,926	2,632

Note: The costs have excluded the honoraria and allowances paid to Provisional Regional Council members involved in the Liquor Licensing Board.

**Remuneration of Non-official Members of Government Advisory
Boards and Committees**

List of Quasi-Judicial Committees or Boards

1. Appeal Tribunal Panel (Buildings) *
2. Authorized Persons' and Registered Structural Engineers Disciplinary Board Panel *
3. Registered Contractors' Disciplinary Board Panel *
4. Board of Review (Inland Revenue) *
5. Hong Kong Examination Authority *
6. Immigration Tribunal *
7. Registration of Persons Tribunal *
8. Appeal Board Panel (Toys and Children's Products Safety) *
9. Mental Health Review Tribunal *
10. Appeal Board Panel (Air Pollution Control) *
11. Appeal Board Panel (Water Pollution Control) *
12. Appeal Board Panel (Noise Control) *
13. Occupational Retirement Schemes Appeal Board *
14. Securities and Futures Appeals Panel *
15. Securities and Futures Commission *
16. Insider Dealing Tribunal *

Note: * (statutory body)

Remuneration of Non-official Members of Government Advisory Boards and Committees (Quasi-judicial in nature)

<i>Name of Committee or Board</i>	<i>Remuneration for Chairman</i>	<i>Remuneration for members</i>	<i>Remarks</i>
1. Appeal Tribunal Panel (Buildings)	\$790/hr	\$720/hr	—
2. Authorized Persons' and Registered Structural Engineers Disciplinary Board Panel	\$1,250/half day \$2,500/whole day	\$1,250/half day \$2,500/whole day	—
3. Registered Contractors' Disciplinary Board Panel	\$1,250/half day \$2,500/whole day	\$1,250/half day \$2,500/whole day	—
4. Board of Review (Inland Revenue)	\$4,400/sitting (same rate as Deputy Chairman)	\$220/sitting	<u>Annual Retainer Fee (in addition to the normal remuneration)</u> Chairman: \$85,650 Deputy Chairman: \$57,110
5. Hong Kong Examination Authority	\$50/attendance	\$50/attendance	—

<i>Name of Committee or Board</i>	<i>Remuneration for Chairman</i>	<i>Remuneration for members</i>	<i>Remarks</i>
6. Immigration Tribunal	\$5,670/day	\$3,780/day	—
7. Registration of Persons Tribunal	\$5,670/day	\$3,780/day	—
8. Appeal Board Panel (Toys and Children's Products Safety)	\$5,670/day \$2,830/half day (same rate as Deputy Chairman)	\$1,630/day \$815/half day	—
9. Mental Health Review Tribunal	Class A (Doctor) Class B (Social Worker) Class C (Lay member)	: \$3,000/day : \$2,000/day : \$800/day	—
10. Appeal Board Panel (Air Pollution Control)	\$4,400/sitting \$8,780/written decision of an appeal	Nil	<u>Annual Retainer Fee (in addition to the normal remuneration): \$85,660</u>

<i>Name of Committee or Board</i>	<i>Remuneration for Chairman</i>	<i>Remuneration for members</i>	<i>Remarks</i>
11. Appeal Board Panel (Water Pollution Control)	\$4,400/sitting \$8,780/written decision of an appeal	Nil	<u>Annual Retainer Fee (in addition to the normal remuneration): \$85,660</u>
12. Appeal Board (Noise Control)	\$4,400/sitting \$8,780/written decision of an appeal	Nil	<u>Annual Retainer Fee (in addition to the normal remuneration): \$85,660</u>
13. Occupational Retirement Schemes Appeal Board	\$3,500/appeal case	\$2,500/ appeal case	<u>Annual Retainer Fee (in addition to the normal remuneration)</u> Chairman: \$50,000 Deputy Chairman: \$30,000
14. Securities and Futures Commission	<u>Non-executive Director:</u> \$18,000/month		Chairman, Vice-Chairman and executive Director being officials are not entitled to remuneration

<i>Name of Committee or Board</i>	<i>Remuneration for Chairman</i>	<i>Remuneration for members</i>	<i>Remarks</i>
15. Securities and Futures Appeal Panel	\$3,500/appeal case \$3,500/written decision of an appeal #"\$3,500/"State Case" (same rate as Deputy Chairman) #State case fee will be additionally paid when the Chairman/Deputy Chairman is required to state a case in writing on a point of law to be determined by the court.	\$2,500/ appeal case	<u>Annual Retainer Fee (in addition to the normal remuneration)</u> Chairman: \$50,000 Deputy Chairman: \$30,000
16. Insider Dealing Tribunal	N.A.	\$4,500/day	The Chairman being an official is not entitled to remuneration

**Remuneration of Non-official Members of
Government Advisory Boards and Committees**

Name of Boards and Committees (non-Quasi-Judicial in Nature)

- Broadcasting Authority *
- Citizens Advisory Committee on Community Relations of the ICAC #
- Consumer Council *
- Hong Kong Council for Academic Accreditation *
- Labour Advisory Board #
- Public Service Commission *
- Research Grants Council #
- University Grants Committee #

Note: * (statutory body)
(non-statutory body)

Remuneration of Non-official Members of Government Advisory Boards and Committees (Non-quasi-judicial in nature)

<i>Name of Boards and Committees</i>	<i>Remuneration for Chairman</i>	<i>Remuneration for Members</i>	<i>Remarks</i>
Broadcasting Authority	HK\$330/attendance	HK\$330/attendance	
Citizens Advisory Committee on Community Relations of the ICAC	HK\$50/attendance	HK\$50/attendance	
Consumer Council	HK\$200/attendance	HK\$200/attendance	
Hong Kong Council for Academic Accreditation	Nil	HK\$650/day in Hong Kong (Overseas Members only)	the Chairman and other members who are not from overseas are not entitled to honorarium
Labour Advisory Board	Not applicable	HK\$680/attendance	the Chairman being an official is not entitled to honorarium
Public Service Commission	same as pay scale of D8	HK\$13,200/month	
Research Grants Council	Nil	HK\$70,000 (Annual Remuneration) (Overseas Members only)	the Chairman and other members who are not from overseas are not entitled to honorarium
University Grants Committee	Nil	HK\$111,000 (Annual Remuneration) (Overseas Members only)	the Chairman and other members who are not from overseas are not entitled to honorarium