

立法會
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Panel on Food Safety and Environmental Hygiene

**Minutes of special meeting
held on Wednesday, 19 February 2014, at 9:00 am
in Conference Room 3 of the Legislative Council Complex**

- Members present** : Dr Hon Helena WONG Pik-wan (Chairman)
Hon Steven HO Chun-yin (Deputy Chairman)
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon CHEUNG Kwok-che
Hon WONG Kwok-kin, BBS
Hon Alan LEONG Kah-kit, SC
Hon WU Chi-wai, MH
Hon CHAN Chi-chuen
Hon CHAN Han-pan
Dr Hon Kenneth CHAN Ka-lok
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Member attending** : Hon Emily LAU Wai-hing, JP
- Members absent** : Hon Cyd HO Sau-lan
Dr Hon LEUNG Ka-lau
Hon WONG Yuk-man
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP

**Public Officers : Item I
attending**

Professor Sophia CHAN, JP
Secretary for Food and Health (Acting)

Mr Christopher WONG, JP
Deputy Secretary for Food and Health (Food) 1

Dr LIU Kwei-kin, JP
Assistant Director (Agriculture)
Agriculture, Fisheries and Conservation Department

Ms Wendy KO Wan-chi
Senior Agricultural Officer (Planning and Livestock
Farm Licensing)
Agriculture, Fisheries and Conservation Department

Mr SIN Kwok-hau, JP
Assistant Director (Operations) 3
Food and Environmental Hygiene Department

**Clerk in : Ms Alice LEUNG
attendance Chief Council Secretary (2) 2**

**Staff in : Mr Jove CHAN
attendance Senior Council Secretary (2) 2**

Mr Richard WONG
Council Secretary (2) 2

Miss Emma CHEUNG
Legislative Assistant (2) 2

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I. Proposed compensation and ex-gratia payments to poultry operators affected by avian influenza
(LC Paper Nos. CB(2)882/13-14(01) and CB(2)890/13-14(01))

At the invitation of the Chairman, Secretary for Food and Health (Acting) ("SFH(Atg)") briefed members on the proposed compensation and ex-gratia payments ("EGPs") to poultry operators affected by the culling of live poultry in and the subsequent closure of the Cheung Sha Wan Temporary

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Wholesale Poultry Market ("CSW Wholesale Poultry Market") owing to the detection of H7 avian influenza ("AI") in an imported consignment of poultry in Hong Kong on 27 January 2014, as detailed in the Administration's paper (LC Paper No. CB(2)882/13-14(01)).

2. Members also noted the information note entitled "The Administration's Proposed Compensation and Ex-gratia Payments to Poultry Operators Affected by Avian Influenza" (LC Paper No. CB(2)890/13-14(01)) prepared by Legislative Council ("LegCo") Secretariat.

The proposed compensation and EGPs

3. Members were in general supportive to the Administration's proposal to provide compensation, one-off EGPs and additional relief measures for the affected poultry operators, including chicken farmers, wholesalers, retailers, transport operators and self-employed workers at the CSW Wholesale Poultry Market.

4. Mr WONG Kwok-hing noted from the Administration's paper that the Administration would offer a one-off EGPs and a waiver of one-month rental for poultry market stalls in markets managed by the Food and Environmental Hygiene Department ("FEHD"), stalls and ancillary facilities in the CSW Wholesale Poultry Market and vehicle parking spaces in the wholesale market of poultry transport operators. He considered that as the Administration had decided to further extend the suspension of the import of the Mainland live poultry to four months from 19 February 2014, additional EGPs and/or waivers should be provided to the affected poultry operators until the import of live poultry from the Mainland was resumed. Echoing Mr WONG Kwok-hing's view, Miss Alice MAK said that poultry operators had expected that the trading of live poultry including the imported live poultry would resume after the 21-day suspension of the live poultry trading between the period from 28 January to 18 February 2014. The unexpected decision of the Administration to extend the suspension of the import of live poultry for four months would seriously affect the livelihood of the operators.

5. Expressing similar views, Mr Vincent FANG enquired why the import of Mainland live poultry had to be suspended for another four months after the 21-day suspension. He hoped that the Administration would undertake to offer compensation and EGPs to the affected poultry operators for their losses. Mr Alan LEONG also asked about the Administration's rationale for not including a funding request for compensation to those live poultry operators affected by the four-month suspension of the import of live poultry in its current funding proposals.

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6. SFH(Atg) appreciated members' support for the funding proposals to offer timely financial assistance to the affected poultry operators. She explained that in response to the Panel members' views and the request of the live poultry industry, the Administration had been actively looking for appropriate sites for the temporary holding of imported live poultry while AI testing results were pending before they were delivered to the CSW Wholesale Poultry Market. As the deliberation process and the setting up of the proposed temporary holding facilities would take time, the Administration had decided to continue suspension of the import of live poultry from the Mainland for four months when the wholesale poultry market resumed live poultry trading on 19 February 2014. That said, in order to provide timely financial assistance to the affected poultry operators, the Administration hoped that the Finance Committee ("FC") would approve at its meeting on 21 February 2014 the Administration's funding request for the proposed compensation and EGPs to the affected poultry operators in relation to the AI incident on 27 January 2014. The Agriculture, Fisheries and Conservation Department ("AFCD") would continue to communicate with the poultry operators affected by the four-month suspension of the import of Mainland live poultry to understand their needs and assistance required and consider whether there would be justification for the provision of EGPs.

7. The Chairman, Mr Vincent FANG and Prof Joseph LEE pointed out that local live poultry wholesalers who imported live poultry from the Mainland registered chicken farms might breach their contracts with their Mainland farmers as they were not allowed to import live poultry during the four-month suspension of the import of live poultry. They were concerned whether compensation and EGPs would be offered to these live poultry wholesalers. The Chairman enquired whether the Administration had made any agreement with the relevant Mainland authorities in this regard.

8. In response, SFH(Atg) and Deputy Secretary for Food and Health (Food) 1 ("DSFH(F)1") advised that -

- (a) on the basis of safeguarding public health and with the reference of guidelines of relevant international organizations, the Administration and the General Administration of Quality Supervision, Inspection and Quarantine had agreed on the arrangement of an independent supply chain of live poultry through registered chicken farms to Hong Kong, and the relevant quarantine inspections and AI preventive measures thereat. Both parties also communicated regularly on the situation of AI outbreak; and
- (b) the Administration had no involvement in the commercial

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contracts between local poultry traders and the Mainland poultry farmers. As such, the Administration did not have any information on the contract terms and conditions regarding the compensation arrangement, if any, in the event of AI outbreak.

9. Dr KWOK Ka-ki, Mr Alan LEONG, Miss Alice MAK and Ms Emily LAU pointed out that when the Administration launched the Buy-out Scheme for live poultry trade in 2008, it stated that those operators who had chosen to stay in the live poultry trade had to bear the risks of further AI incidents. Expressing dissatisfaction at the Administration's stance, they considered it unfair to the local poultry operators and chicken farmers if they were not allowed to operate their businesses during the peak season of the Chinese New Year, having regard to the fact that the AI incident dated 27 January 2014 was due to the detection of H7 AI in an imported consignment of poultry. The Deputy Chairman said that it was unfair for the Administration to require the poultry operators who had chosen to stay in the business to bear the AI risk as the Administration had not provided retraining opportunities to assist the poultry operators to switch to other trades/industries when it launched the Buy-out Scheme in 2008.

10. The Deputy Chairman, Dr KWOK Ka-ki, Mr Alan LEONG and Ms Emily LAU expressed similar view that the Administration should be responsible for the losses of the poultry operators. Criticizing that the Administration was shrinking its responsibilities to the poultry operators, they commented that the Administration had failed to respond to the call of some LegCo Members to suspend the import of live chickens and to separate the supply chain of imported live poultry from that of local live poultry when there was the H7N9 AI outbreak in the Mainland.

11. SFH(Atg) reiterated that when the Buy-out Scheme for live poultry trade was rolled out in 2008, the Administration had stated clearly that poultry operators who had chosen to stay in the live poultry trade had to bear the risks of further AI incidents.

Level of statutory compensation and EGPs

12. Dr KWOK Ka-ki asked about the criteria for setting of the level of compensation and EGPs and whether the Administration would consider adopting mediation in the event that the affected poultry operators were not satisfied with the compensation and EGPs offered by the Administration.

13. The Deputy Chairman, Mr CHAN Han-pan, Miss Alice MAK, Mr WU Chi-wai and Ms Emily LAU expressed similar view that as the level of statutory compensation of \$30 per bird slaughtered was made in

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accordance with the Public Health (Animals and Birds) Ordinance ("the PHAB Ordinance") enacted decades ago, it was unreasonably low by the present day standard. They held the view that the Administration should expeditiously review the statutory compensation level. Mr Tommy CHEUNG also considered that the compensation level at \$30 per bird was far too low.

14. SFH(Atg) and Assistant Director (Agriculture)/AFCD ("AD(A)/AFCD") responded that -

- (a) under the PHAB Ordinance, the Government had to make statutory compensation to owners for the birds slaughtered by order of the Director of Agriculture, Fisheries and Conservation ("DAFC") and the value of a bird slaughtered should be determined by DAFC but should not exceed \$30 per bird. The Administration proposed to follow the provisions stipulated in the PHAB Ordinance that wholesalers whose poultry were slaughtered by order of DAFC would receive the statutory compensation of \$30 per bird;
- (b) the Administration noted members' views on the level of statutory compensation at \$30 per bird slaughtered and would consider the need to review it;
- (c) as regards EGPs offered to poultry operators, the Administration proposed to offer EGPs of \$30 per bird at or above the best marketable age (i.e. 80-day-old) as at 28 January 2014 to local chicken farmers for meeting their operational expenses and alleviation of their financial hardship during the closure of the CSW Wholesale Poultry Market and suspension of trading activities. The local chicken farms could not sell their chickens for 21 days since the CSW Wholesale Poultry Market was declared as an infected place. The farmers had to keep their live poultry under satisfactory condition with food for an extra 21-day period when live poultry trade was suspended. Moreover, when trading activities resumed on 19 February 2014, around 289 100 chickens on farms would have grown beyond the best marketable age and they would likely fetch a lower market price, after passage of the Lunar New Year peak season. The level of the proposed EGPs was set at \$30 after taking into account the unexpected costs farmers had to bear and the unique circumstances of the incident which took place in the immediate run-up to the Lunar New Year; and

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- (d) the Administration noted that the poultry operators wished for early resumption of live poultry trade and the import of live poultry. AFCD would maintain communications with different stakeholders in the live poultry supply chain to keep abreast of their needs.

15. Mr Tommy CHEUNG was concerned about the supply of live poultry to the market when the trading of live poultry resumed after the 21-day suspension of live poultry trade. He enquired whether the import of day-old chicks would be maintained to ensure adequate supply of local live poultry. SFH(Atg) responded that the import of day-old chicks would be resumed after the 21-day suspension period.

Separation of supply chains of imported chickens and local chickens

16. Holding the view that the proposed holding facilities to separate the supply chains of imported chickens and local chickens would be effective to reduce the AI risks of cross infection, Mr WONG Kwok-hing enquired about the progress on the setting up of the proposed facilities. Expressing the concern about the impact of the 21-day suspension of live poultry trade and the four-month suspension of the import of live poultry on the poultry operators (including wholesalers and transport services providers), Miss Alice MAK urged the Administration to expeditiously establish the proposed holding facilities and resume the import of live poultry as early as possible.

17. Ms Emily LAU criticized the Administration for failing to make timely response to the call for separation of the supply chains of imported live poultry and local live poultry. In her view, the culling operation and the subsequent closure of the CSW Wholesale Poultry Market could have been avoided if the Administration had taken forward the suggestion of separating the supply chains of imported live poultry and local live chickens.

18. Mr CHAN Han-pan said that the estimated timeframe of four months for setting up the proposed temporary holding facilities for imported live poultry was considered too long. He was concerned whether the various government departments involved were uncooperative in the process. Mr Alan LEONG enquired whether and what initiatives had been and would be taken by the Administration to address the difficulties in taking forward the suggestion of separating the supply chains of imported live poultry and local live poultry.

19. Mr WU Chi-wai sought information on the policy considerations which the Administration would take into account in proposing measures for

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separating the supply chains of imported live poultry and local live chicken. The Chairman commented that the risk of H7N9 AI cross infection at the CSW Wholesale Poultry Market should have been eliminated if the Administration had separated the two supply chains concerned.

20. Mr Vincent FANG said that while the Administration had introduced a number of new measures at all levels of the supply chain in 2008 to further improve its surveillance system, it had failed to contemplate thoroughly measures to eliminate the risk of AI cross infection between imported and local chickens. There was no mentioning of the need to consider separating the supply chains of local live poultry from that of imported live poultry to reduce the risk of cross infection. In his view, the Administration should take up the responsibility and offer compensation and EGPs to the poultry operators who were affected by the current AI incident.

21. SFH(Atg) explained that the poultry operators had raised their request for separating the supply chains of imported live poultry and local live poultry after the H7N9 AI incident occurred in January 2014. In response to their request, the Administration had been exploring the most effective way to enhance the segregation facilities so as to meet their needs while maintaining only one wholesale poultry market in operation. In this regard, the Administration had been actively looking for appropriate sites for the temporary holding of imported live poultry until the AI testing results were available. AD(A)/AFCD supplemented that a site in Fu Tei Au had been identified and seemed to be a feasible option. However, the Administration had to take into account the planning and usage of the land in question, the basic facilities required for temporary holding of live poultry, the impact of this arrangement on the neighbouring environment and community (including the presence of any chicken farm nearby), and the lead time for preparation including the levelling of the ground, and in particular, the sewerage facilities to meet the stringent water quality control of waste water discharged into the Deep Bay. According to the Administration's preliminary estimation, it would take months to set up the holding facilities, including the time required to seek approval from relevant authorities where applicable for compliance with the relevant legal requirements.

22. In response to Ms Emily LAU's concern about the AI risks posed to the Mainland registered chicken farms, SFH(Atg) said that the supply chains of the registered chicken farms were independent from those chicken farms which supplied chickens to the domestic markets in the Mainland. The registered farms were subject to regular inspections by the relevant Mainland entry-exit inspection and quarantine authorities and the Centre for Food Safety of FEHD to ensure compliance with the prescribed AI control requirements.

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23. Mr WONG Kwok-hing suggested the Administration to consider segregating the Mainland live poultry and those locally raised live poultry by introducing a measure under which these two groups of live poultry would be delivered to the CSW Wholesale Poultry Market on alternate days. SFH(Atg) and DSFH(F)1 noted Mr WONG's suggestion. They assured members that the current operation mode was capable of detecting the AI infected live poultry before it was delivered to the retail outlets. Therefore, when the Administration considered contingent measures for separating the supply chains of imported live poultry and local live poultry, priority would be given to, in addition to safeguarding public health, minimizing the impact on the operation of the relevant poultry operators. The proposed measures should also be able to meet the international standards for AI prevention.

Suggestion of cessation of live poultry import

24. Dr KWOK Ka-ki and Mr Alan LEONG said that the Civic Party had called on the Administration to consider ceasing the import of the Mainland live poultry when the H7N9 AI outbreak occurred in the Mainland. The Chairman, Ms Emily LAU, Mr WU Chi-wai and Prof Joseph LEE held similar view that local chicken farms were capable of supplying sufficient live chickens to meet the market demand. They urged the Administration to consider ceasing the import of live poultry and only importing chilled and frozen poultry from the Mainland.

25. Mr Tommy CHEUNG and Mr Vincent FANG, however, did not support the view that the import of live poultry from the Mainland should be ceased. Mr FANG said that the Administration should take into account that the Mainland registered poultry farms might request compensation from local live poultry operators for the breaches of contract if the Administration decided to cease the import of live poultry from the Mainland.

26. SFH(Atg) said that the Administration had noted different views on the issue concerning whether the import of live poultry should be ceased. There were worries that local chicken farms might not be able to provide adequate supply of live chickens to meet the market demand and the prices of live chicken would fluctuate. The Administration did not intend to cease live poultry import at this stage. SFH(Atg) further said that the main risk source of AI infection by humans was from the contact with infected live poultry. On public health grounds, consideration should be given to the question of whether Hong Kong, being a place with scarce land resources and a densely populated city, should continue with the practice enabling close contact between human and poultry. She pointed out that in many developed cities similar to Hong Kong, there was generally no longer any selling of live poultry. In Hong Kong, a change in the culinary pattern of the ordinary

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citizens and increasing consumption of chilled and frozen poultry on the whole was observed. The poultry trade and members of the public should rethink whether there should still be selling of live poultry in Hong Kong in the long run. While exploring a separate holding area for imported live poultry in the medium term, looking ahead, the Administration would consider engagement of a consultant to study and make recommendation in this regard.

27. Dr Priscilla LEUNG said that she would not support the cessation of the selling and consumption of live poultry in Hong Kong as many members of the public in Hong Kong still preferred the consumption of live chickens to chilled or frozen chickens. Pointing out that the vicinity of the CSW Wholesale Poultry Market had been rapidly developed with around 400 000 residents living there nowadays, she urged the Administration to expeditiously relocate the CSW Wholesale Poultry Market to a less densely populated area so as to reduce the AI risks posed to the nearby residents. In response, DSFH(F)1 said that the Administration had been exploring for years sites which were suitable for relocating the wholesale market, but had yet to identify suitable sites for relocation. The Administration would continue to look for suitable sites and would consult the Panel on this matter when concrete proposals were available.

(Members agreed to extend the meeting by 15 minutes.)

Inspections and testing for imported live poultry

28. Miss Alice MAK was concerned about the effectiveness of the inspections conducted by the relevant Mainland authorities. She wondered why the Mainland authorities had not detected the infected live poultry in this AI incident on 27 January 2014. She was worried that there might be loopholes in the inspections on the registered chicken farms in the Mainland, thus failing to perform the gate keeping role.

29. Ms Emily LAU opined that it was a bit late for the Administration to step up its inspections and testing for the imported live poultry. She also expressed concern about the operation of food surveillance on food imported from the Mainland.

30. In the light of the surging number of H7N9 AI cases in the Mainland, Mr Vincent FANG enquired whether the Administration had increased the frequency of inspections on the registered chicken farms in the Mainland to ensure their compliance with the AI control measures. Given that the H7N9 strain bore low pathogenicity in poultry and did not necessarily induce any clinical symptoms that might provide early alert to human beings,

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Mr Tommy CHEUNG considered that Polymerase Chain Reaction ("PCR") tests and serological tests should be carried out on the live poultry at the registered chicken farms before the chickens were delivered to Hong Kong so that the test results would be available before they arrived at the Man Kam To Food Control Office. Appropriate preventive measures could be taken in advance in case the chickens were tested AI positive.

31. SFH(Atg) advised that the Administration endeavoured to conduct inspections and tests at different levels of the live poultry supply chain. All the imported live poultry were required to be accompanied with a health certificate. The Administration had stepped up the preventive and surveillance measures after the H7 AI outbreak in the Mainland since the second quarter of 2013, and it successfully detected samples of imported live poultry carrying the H7N9 virus on 27 January 2014. DSFH(F)1 supplemented that PCR tests and serological tests were carried out at both the registered chicken farms and the Man Kam To Food Control Office to safeguard public health.

32. SFH(Atg) further said that, as H7N9 AI was highly pathogenic to humans, in the event of a confirmed human infected case of AI reported in the Mainland, the relevant Mainland authorities would notify the Centre for Health Protection in Hong Kong in accordance with the existing notification system. For AI cases in birds and poultry, the Administration had been maintaining close liaison with the relevant Mainland authorities to monitor the latest development and to exchange views and information on issues of common concerns including the testing techniques.

Conclusion

33. In summing up the discussion, the Chairman said that members did not raise objection to the Administration's proposed compensation and EGPs to poultry operators affected by the H7N9 AI incident dated 27 January 2014 for submission to FC for funding approval.

34. Ms Emily LAU said that to facilitate FC members' discussion on the Administration's funding proposal at the upcoming FC meeting on 21 February 2014, the Administration should provide its responses to issues and concerns raised by members at this special meeting, including the level of statutory compensation, the four-month suspension of the import of live poultry and its impact on poultry operators. The Chairman requested the Administration to provide supplementary information to FC on the Administration's responses to the issues raised at this special meeting. SFH(Atg) agreed to do so.

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II. Any other business

35. There being no other business, the meeting ended at 10:47 am.

Council Business Division 2
Legislative Council Secretariat
26 September 2014