

**For discussion  
On 24 June 2002**

**LegCo Panel on Food Safety and Environmental Hygiene**

**COOKED FOOD STALL HAWKER LICENCE**

**PURPOSE**

This paper sets out our proposed alignment policy for cooked food stall (“CFS”) hawker licences in the urban area and in the New Territories.

**BACKGROUND**

2. CFSs have a long history in Hong Kong. They began to increase significantly in number after the Second World War and flourished in the 1950’s and 60’s. The existence of CFSs then not only provided job opportunities, but also an alternative eating outlet for the less affordable strata of the community.

3. The demand for CFSs began to fall in the 1970’s with the rise in community affluence, a change in local eating habits, and the expansion of restaurants and fast food shops. There were also increasing complaints from nearby residents against the environmental nuisance created by CFS, such as excessive noise, cooking fumes, discharge of untreated grease and waste water, and on-street obstruction. In response to community demand for appropriate control and overall containment of hawkers, the former Urban Council (“UC”) passed a resolution in 1973 not to issue any new hawker licences (including CFS hawker licences).

4. For further improvement of environmental hygiene, the former UC introduced an ex-gratia payment (“EGP”) scheme in 1983 to encourage the voluntary surrender of CFS hawker licences. Under this scheme, urban CFS licensees would be given an EGP upon surrender of their licences. The current level of EGP is \$60,000. The former Regional Council did not, however, adopt any similar scheme for CFS licensees in the New Territories.

**LATEST SITUATION**

5. As at 1 May 2002, a total of 682 CFS licensees in the urban area have surrendered their licences for EGP. Some 164 CFSs still remain in

operation, of which 33 are on-street CFS licensees (32 in the urban area and one in the New Territories). The remaining 131 off-street CFS licensees operate in 14 cooked food hawker bazaars (73 in the urban area and 58 in the New Territories).

6. In the last couple of years, there have been calls from the community to speed up the phasing out of CFSs. Some District Council members suggested that on-street CFSs should be phased out compulsorily. There were also suggestions that the EGP scheme should be reviewed and extended to licensees in the New Territories.

## **POLICY CONSIDERATIONS**

7 In reviewing the future arrangements for CFS hawker licences, particularly in deciding whether to extend the EGP scheme to the New Territories, we have considered the following factors -

### (a) Environmental hygiene

CFS's mode of operation often gives rise to food hygiene problems and environmental nuisance. Repeated complaints are often received by government departments against environmental nuisance and obstructions caused by CFS operators.

### (b) Impact on operators

CFSs currently provide employment for 164 licensed cooked food hawkers and their assistants. To phase out CFSs compulsorily might directly affect their livelihood.

### (c) Age profile of CFS licensees

About 66% of CFS licensees are currently over 65 years of age. In a few years' time, the majority of these CFS licensees might choose to retire rather than to continue the business.

### (d) Consistency

After the reorganization of municipal services in 2000, the management of CFSs in both the urban area and in the New Territories has come under the single administration of the Food and Environmental Hygiene Department. On equity and consistency grounds, a single policy for CFS licensees should be adopted for both the urban area and the New Territories.

(e) EGP

An average of about 6% of the urban CFS licensees have opted to cease their businesses and received the EGP each year in the past two years.

## **ALIGNMENT PROPOSAL**

8. After careful deliberation, we propose to adopt the following alignment proposal on CFS hawker licence policy -

(a) Alignment of policies

The policy on CFS hawker licence should be aligned for the urban area and the New Territories. Under this principle, CFS licensees should be offered the same option if they surrender their licences.

(b) EGP

To provide the incentive for CFS licensees to surrender their licences, we propose to offer a one-off EGP of \$60,000 for all licensees upon the surrender of CFS licences, in line with the present practice for urban licence holder.

(c) Validity period of the offer

To encourage the voluntary surrender of licences, we consider it appropriate to impose a five-year time limit for the EGP offer. This should allow sufficient time for CFS licensees to make the necessary arrangements for the surrender of their licences if they so choose. Any CFS licensees wishing to carry on business after the five-year time limit may continue to do so. However, they would have forfeited their eligibility for EGP after the five-year eligibility period.

## **FINANCIAL IMPLICATIONS**

9. If all existing CFS licensees in the New Territories opt for EGP, the maximum additional financial commitment for the Government will be around \$3.54 million.

## **IMPLEMENTATION**

10. Subject to Members' views, we propose to implement the new policy and arrangement in late 2002.

## **ADVICE SOUGHT**

11. Members are invited to comment on the policy proposals set out in paragraph 8 above.

Food and Environmental Hygiene Department  
June 2002