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

**Background brief prepared by the Legislative Council Secretariat  
for the joint meeting on 28 June 2011**

**Creation of employment opportunities under the hawker policy**

**Purpose**

This paper gives an account of the past discussions on the hawker policy by the Panel on Food Safety and Environmental Hygiene ("the Panel") and Members' concerns about employment opportunities for the poor.

**Background**

Hawker policy

2. Street hawking has a long history in Hong Kong. It provides job opportunities, and customers may find a cheaper source of goods. However, it may also give rise to environmental hygiene problems, noise nuisance and obstruction to public passageways. For many years, the Administration's policy has been to properly regulate the hawking activities of licensed hawkers and take enforcement action against illegal hawking. The Administration has stopped issuing new hawker licences under normal circumstances since the early 1970's. A hawker licence will be cancelled upon the death of the licensee. "Succession" of a licence refers to the issuance of a new licence to the immediate family member of a deceased licensee. If a licensee, on grounds of, for example, old age or ill health, makes an application for his family member to replace him as the licensee, it will be regarded as a licence "transfer". The succession and transfer restrictions for different types of hawker licences are as follows -

- (a) A General Fixed-Pitch Hawker Licence (e.g. bootblack and newspaper) can be succeeded by or transferred to the "immediate family member" of the licensee (i.e. parent, spouse, son or daughter);
- (b) A "Dai Pai Tong" licence is also a kind of Fixed-Pitch Licence, which, according to current arrangements, may only be succeeded by or transferred to the licensee's spouse; and
- (c) Succession to and transfer of Itinerant Hawker Licence ("IHL") is not allowed. IHLs are classified into three main categories, namely IHLs for selling wet and dry goods, Itinerant (Frozen Confectionary) Hawker Licences (commonly known as "small ice cream vendors") for selling frozen pre-packaged confectionary such as ice-cream, and Itinerant (Mobile Van) Hawker Licences (commonly known as "ice cream vans") for selling soft ice-cream from pre-prepared mixture.

#### Voluntary surrender scheme for hawker licences

3. As "Dai Pai Tong" (formally known as Fixed-Pitch (Cooked Food or Light Refreshment)) and itinerant hawkers were more likely to cause environmental hygiene problems, noise nuisance as well as obstruction to public passageways, the Administration introduced a five-year voluntary surrender scheme ('the scheme') in 2002 to encourage "Dai Pai Tong" licensees and itinerant hawkers to surrender their licences voluntarily in exchange for a one-off ex-gratia payment ("EGP"), rental of a vacant stall in public markets/cooked food centres under concessionary terms, or becoming a fixed pitch (non-cooked food) hawker. The scheme applicable to "Dai Pai Tongs" ended on 30 November 2007 with a total of 37 "Dai Pai Tong" hawker licences voluntarily surrendered. The scheme applicable to itinerant hawkers had been extended thrice by the Administration to 31 December 2010 having regard to the possible implications brought by the Administration's review exercise on hawker licensing policy on the future operation of IHLs. In view of the Panel's concern about the livelihood of elderly IHL holders, the Administration decided in November 2010 to extend for the last time the options of EGP and priority selection of a vacant fixed pitch under the scheme for IHLs by two years until 31 December 2012, while the option of selecting a vacant public market stall expired as scheduled on 31 December 2010.

## **Deliberations of the Panel**

4. At its meeting on 10 June 2008, the Panel was briefed by the Administration on the following preliminary ideas and proposals on the review on hawker licensing policy -

### Issuing new hawker licences

#### *(a) Fixed-Pitch Hawker Licence*

- (i) Consideration might be given to issuing licences to new operators for trading in the vacant pitches or allowing licensees of adjacent pitches to use these vacant pitches as an expanded business area while paying the relevant fees, provided that the current number of fixed pitches was maintained; and
- (ii) District Councils ("DCs") might, when a "Dai Pai Tong" was closing down because of the death of the licensee or other reasons, advise the Government on whether that "Dai Pai Tong" should be allowed to continue to operate in situ, after having regard to the specific circumstances of the district and the residents' aspirations. If DC indicated support for the continued operation of the "Dai Pai Tong" in situ, consideration might then be given to arranging for the succession and transfer of licence to "immediate family members" apart from the spouse of the licensee or issuing a new licence to an interested operator.

#### *(b) Itinerant Hawker Licence*

- (i) Existing policy of not issuing new IHLs for selling wet and dry goods should be maintained;
- (ii) Existing arrangement that there should be no succession or transfer of IHLs should be maintained; and
- (iii) Re-issuance of a fixed number of Itinerant (Frozen Confectionary) Hawker Licences and Itinerant (Mobile Van) Hawker Licences should be acceptable, provided that the food safety and environmental hygiene conditions would not be jeopardised.

### Validity period and succession and transfer of hawker licences

Consideration might be given to specifying a validity period, say, three or five years, for new hawker licences, including those issued on "succession" or "transfer" of licences, and disallowing further succession or transfer of these licences.

5. With respect to the above proposals, members were of the view that imposing a validity period for new hawker licences and disallowing further succession or transfer of these licences would discourage interested operators from entering the trade.

6. On 10 February 2009, the Panel was briefed on the views received from DCs and over 20 hawker associations on the Administration's preliminary ideas on the review on hawker licensing policy. Having considered the views of DCs and hawker associations, the Administration further proposed to -

- (a) give priority to fixed pitch hawkers at the front row in taking up adjacent vacant fixed pitches in the back row;
- (b) explore the room to relaxing the existing limit of setting two tables and eight stools in front of the "Dai Pai Tong" having regard to objective factors, such as the location of the "Dai Pai Tong", and seek DC's views on it; and
- (c) additionally issue not more than 30 new Itinerant (Frozen Confectionery) Hawker Licences.

7. Members took the view that the Administration should have regard to the values of the hawking trade on improving people's livelihood and stimulating local economy, which were particularly pertinent during economic downturn, in the review on hawker licensing policy. There was also a call for the establishment of open-air bazaars, which could help boost Hong Kong's tourism attraction and provide job opportunities. The Administration was open-minded to this suggestion and stood ready to provide, in collaboration with the relevant departments, appropriate assistance to the proponents if they had identified suitable sites with support of the local districts, and had satisfied the requirements on food safety and environmental hygiene.

8. At its meeting on 14 April 2009, the Panel continued its discussion on the review on hawker licensing policy. The Panel supported the policy direction and strongly requested the Administration to issue more new Itinerant (Frozen Confectionery) Hawker Licences given the difficulty of low-skilled persons in securing employment in the poor economic climate. The Administration subsequently decided to issue 61 new Itinerant (Frozen Confectionery) Hawker

Licences.

9. On the suggestion of allowing licensed newspaper hawkers to allocate a larger proportion of their stalls to selling goods other than newspapers and magazines, the Administration responded that the Government was open-minded on the types of goods that could be sold by licensed newspaper hawkers provided that they were not wet goods. The Administration would meet with the hawker associations concerned to discuss the matter.

10. When discussing the expiry of the scheme for IHLs at the Panel meeting on 9 November 2010, there was a view that the existing hawker policies failed to reflect the local economic situation. As hawker activities could create more job opportunities, the Administration should do more in this aspect. It was suggested that the Administration could make use of open space in public housing estates and allow hawking activities in a small scale. The night market operation in Taipei was a good reference.

### **Members' concerns about employment opportunities for the poor**

11. During the motion debate on the 2008-2009 Policy Address at the Council meeting of 29 October 2008, there was a call for the relaxation of the Government policy on hawking activities. Members pointed out that the elderly was facing increasing poverty and found their chances of living diminishing. Members took the view that the development of economic activities in local communities must be diversified. Apart from assisting the poor by financial subsidies, consideration should be given to providing them with a way to earn a living. Hawking could create job opportunities and solve the unemployment problem. Hawkers could also offer a good place for the grassroots to spend and it was helpful to easing the pressure of living at a time of soaring prices.

### **Relevant papers**

12. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

## Relevant papers on hawker policy

Meeting	Date of meeting	Paper
Panel on Food Safety and Environmental Hygiene	10.6.2008 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">CB(2)2147/07-08(03)</a>
	10.2.2009 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">CB(2)782/08-09(03)</a>
	14.4.2009 (Item VII)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	9.11.2010 (Item VI)	<a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">CB(2)187/10-11(07)</a>
Legislative Council	29.10.2008	<a href="#">Official Record of Proceedings</a> <a href="#">Pages 274 - 287</a> (Motion debate)
	30.10.2008	<a href="#">Official Record of Proceedings</a> <a href="#">Pages 61 - 62</a> (Motion debate)
	18.3.2010	<a href="#">Official Record of Proceedings</a> <a href="#">Pages 5 - 65</a> (Motion) <a href="#">Progress report</a>