

立法會
Legislative Council

LC Paper No. CB(2)1141/14-15
(These minutes have been seen
by the Administration)

Ref : CB2/PS/6/12

Panel on Food Safety and Environmental Hygiene

Subcommittee on Issues Relating to Public Markets

Minutes of meeting
held on Tuesday, 20 January 2015, at 10:30 am
in Conference Room 2 of the Legislative Council Complex

Members present : Hon Alan LEONG Kah-kit, SC (Deputy Chairman)
Hon WONG Kwok-hing, BBS, MH
Hon Cyd HO Sau-lan, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Hon Alice MAK Mei-kuen, JP

Members attending : Hon LEUNG Yiu-chung
Hon CHAN Yuen-han, SBS, JP

Members absent : Hon Vincent FANG Kang, SBS, JP (Chairman)
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Public Officers attending : Item I

The Administration

Dr KO Wing-man, BBS, JP
Secretary for Food and Health

Mrs Cherry TSE LING Kit-ching, JP
Permanent Secretary for Food and Health (Food)

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

Miss Diane WONG Shuk-han
Principal Assistant Secretary for Food and Health (Food) 2

Ms Vivian LAU Lee-kwan, JP
Director of Food and Environmental Hygiene

Mr LAM Wing-hong
Assistant Director of Food and Environmental
Hygiene (Operations) 2

BMT Asia Pacific Limited

Dr Simon SU
Director and Chief Economist

Ms Patsy CHENG
Director of SEE Network

Dr CHEUNG Waiman
Professor of the Department of Decision Sciences
and Managerial Economics (Chinese University
of Hong Kong), Director of the Asian Institute of
Supply Chains and Logistics (Chinese University
of Hong Kong)

Mr Gary YEUNG
Registered Architect, Adjunct Assistant Professor of
School of Architecture (Chinese University of
Hong Kong)

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

**Staff in
attendance** : Mr Richard WONG
Council Secretary (2) 2

Ms Camy YOONG
Clerical Assistant (2) 2

Action

I. Measures to improve the operating environment of public markets

(LC Paper Nos. CB(2)643/14-15(01) and (02))

The Subcommittee deliberated (index of proceedings attached at **Annex**).

2. The Deputy Chairman took over as the Chair in the absence of the Chairman.

3. With the aid of the powerpoint presentation, BMT Asia Pacific Limited ("the Consultant") briefed members on the key findings of the consultancy study on ways to improve the operating environment of public markets ("the consultancy study").

(Post-meeting note: The softcopy of the powerpoint presentation materials was issued to members vide LC Paper No. CB(2)686/14-15(01) on 20 January 2015.)

4. The Secretary for Food and Health ("SFH") briefed members on the Administration's preliminary thinking on the Consultant's proposals to improve the operating environment of public markets.

(Post-meeting note: The speaking note of SFH was issued to members vide LC Paper No. CB(2)693/14-15(01) on 21 January 2015.)

Timetable for taking forward the improvement measures

5. In response to members' enquiries on the Administration's timetable for taking forward measures to improve the operating environment of public markets, SFH made the following points -

- (a) the Administration would liaise with the Consultant to respond to the main concerns raised by members at the meeting regarding the content and scope of the consultancy study, including (i) the final report of the consultancy study should provide a more detailed account of the positioning and functions of public markets, and of how the six "prototype" public markets would provide reference to other public markets; and (ii) the consultancy study should address such issues as retrofitting air-conditioning systems for public markets and the Administration should address the provision of new public markets in newly developed

Admin

Action

districts. The Administration expected that the Consultant would need another two or three months to finalize the report;

- (b) upon its completion, the final report of the consultancy would be released on the Government website; and
- (c) the Administration would revert to the Subcommittee before June 2015 with the preliminary proposals to implement the improvement plans, and at the same time, the proposals for rental adjustment mechanism.

Inviting deputations' views

6. At the suggestion of Hon WONG Kwok-hing, members agreed to invite deputations to give views on the proposed improvement measures when the Administration released the final report of the consultancy study.

II. Extension of period of work of the Subcommittee
(LC Paper No. CB(2)643/14-15(03))

7. Members agreed that in the light of the work ahead, the Subcommittee should seek approval for the extension of the period of its work in the 2014-2015 session (i.e. until 30 September 2015).

8. Members noted that under the existing arrangements of appointment and operation of subcommittees, where a subcommittee considered it necessary to extend the period of its work but there were subcommittees on the waiting list awaiting activation, the House Committee might, if considered appropriate, give permission for the subcommittee to continue to operate for three more months after the expiry of the 12-month period to allow time for it to wrap up its current stage of work, after which, subject to the endorsement of the relevant Panel(s), the subcommittee would be placed on the waiting list for re-activation of work with the same membership (the subcommittee should re-open its membership if it reactivated in the next session) when a vacant slot arose to accommodate its re-activation.

(Post-meeting note: The proposed extension of the period of work of the Subcommittee (i.e. until 30 September 2015) was approved by the House Committee at its meeting on 20 March 2015.)

Action

III. Any other business

9. There being no other business, the meeting ended at 12:39 pm.

Council Business Division 2
Legislative Council Secretariat
27 March 2015

**Proceedings of the meeting of the
Subcommittee on Issues Relating to Public Markets
on Tuesday, 20 January 2015, at 10:30 am
in Conference Room 2 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action Required
000500 - 000657	Deputy Chairman	The Deputy Chairman's opening remarks	
<i>Agenda Item I - Measures to improve the operating environment of public markets</i>			
000658 - 005500	Deputy Chairman Admin Consultant	<p>Briefing by the Consultant on the key findings of the consultancy study, as set out in the powerpoint presentation materials [LC Paper No. CB(2)686/14-15(01)].</p> <p>Briefing by the Administration on its preliminary thinking on the Consultant's proposals to improve the operating environment of public markets, as set out in its papers [LC Paper Nos. CB(2)643/14-15(01) and CB(2)693/14-15(01)].</p>	
005501 - 010218	Deputy Chairman Mr LEUNG Yiu-chung Admin Consultant	<p>Mr LEUNG Yiu-chung's views that -</p> <p>(a) the Administration should ensure that before implementing the Consultant's improvement proposals for the physical design and layout of public markets, there would be adequate consultation with stall tenants;</p> <p>(b) the Administration should review its existing policy on retrofitting air-conditioning systems for public markets, particularly the existing air-conditioning charging mechanism under which common areas of markets were included in the amount of air-conditioning charges payable by stall tenants;</p> <p>(c) the Administration should not increase the stall rental unless there were substantial improvements on the operating environment and patronage of public markets; and</p> <p>(d) the Administration should introduce expeditiously a new management model that could provide stall tenants with opportunities to participate in the decision-making process of the daily management of public markets.</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>Mr LEUNG also relayed Mr CHAN Chi-chuen's question about why none of the public markets in the New Territories East was selected as one of the six "prototype" cases in the consultancy study.</p> <p>The Consultant's elaboration of the selection criteria of the six "prototype" cases, including whether the market was (i) of a significant size, (ii) with lower customer flow; (iii) having potential patrons in the catchment area; and (iv) of more urgency in needing improvement, as detailed in Paragraphs 11 to 13 in the Annex of the Administration paper [LC Paper No. CB(2)643/14-15(01)].</p>	
010219 - 010955	Deputy Chairman Ms Cyd HO Admin	<p>Ms Cyd HO's views that -</p> <ul style="list-style-type: none"> (a) in order to meet present-day shoppers' needs, the Administration should review the types of services which were permitted to be provided in public markets, e.g. adding repair services for electrical appliances, watches and computers; (b) the Administration should consider how to better integrate cooked-food centres with wet markets, having regard to fire safety and public hygiene requirements; (c) it should be expected that difficulties would be encountered in the implementation of the Consultant's proposed measures which involved reduction in the number of stalls and/or changes to the physical position/alignment of existing stalls; (d) the Administration should have a better business plan for each public market so as to improve the operating environment of public markets; and (e) the Consultant should put more emphasis on exploring ways to increase the patronage of public markets amid competition posed by other retail outlets including supermarkets and "open-air bazaars". <p>The Administration's responses that -</p> <ul style="list-style-type: none"> (a) it would further study the Consultant's improvement options. The Administration 	

Time marker	Speaker	Subject(s)	Action Required
		<p>would take into account stall tenants' views and operational constraints in considering the Consultant's design options, especially those involving significant reduction in the number of stalls and/or major changes in the stall size and layout. It was expected that improvement proposals would be relatively more feasible in public markets where their occupancy rates allowed room for minimizing disruption to the business of stall tenants;</p> <p>(b) the Consultant's recommendations on non-physical improvement plans could be implemented in a relatively shorter timeframe; and</p> <p>(c) while it was the Administration's plan to put forward improvement proposals for some markets that could serve as prototypes, no decision had been made on which public markets would be included as the first batch of markets for implementing these improvement proposals.</p>	
010956 - 011940	Deputy Chairman Mr WONG Kwok-hing Consultant Admin	<p>Mr WONG Kwok-hing's expression of concurrence with the Consultant's recommendation of the six public markets selected to serve as prototypes. His views that -</p> <p>(a) while the Consultant study provided insights into the ways to improve the operating environment of public markets, there should be more discussion on areas such as the lighting, maintenance, and fire safety of public markets;</p> <p>(b) the Consultant should study the issue of setting the threshold of tenants' support at 85% as the requirement for retrofitting air-conditioning systems for public markets ("the 85% threshold");</p> <p>(c) the Consultant should devise a strategy for the Administration to implement the proposed measures to improve the operating environment of public markets, having regard to the situation that each public market had its own characteristics and problems; and</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>(d) the Subcommittee should invite deputations' views after the Administration released the final report of the consultancy study.</p> <p>The Consultant's responses that -</p> <p>(a) regarding the issue of retrofitting air-conditioning systems for public markets, there were different views among stall tenants as well as technical and operational constraints; and</p> <p>(b) while several improvement options had been put up for the Administration's consideration, the successful implementation would require the concerted efforts of all stakeholders, including stall tenants.</p> <p>The Administration's response that the issue of retrofitting air-conditioning systems for public markets was beyond the scope of the consultancy study as set out in the consultancy brief [LC Paper No. CB(2)1694/12-13(01)]. However, the Administration and the Consultant noted the views of members on the Consultant's recommendations. The Consultant would take into account members' views in finalizing its report.</p>	
011941 - 012753	Deputy Chairman Mr Michael TIEN Consultant Admin	<p>Mr Michael TIEN's views that -</p> <p>(a) the crux of the problem was that it was inappropriate for the Administration to manage public markets, as it would encounter difficulties when stepping up its management and enforcement work, e.g. stall tenants' unwillingness to cooperate;</p> <p>(b) the Administration should consider setting up a self-financing statutory body to take up the responsibility of managing public markets. It should have the expertise to enable the facilities to be vibrant with good patronage, the power to select its mix of trade and tenants, and the mission to charge market stall rentals at below-market-rate and set an upper limit for return on asset; and</p> <p>(c) in the long run, public markets should be operated in such a way that they were</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>decent, hygienic and comfortable shopping venue where stall tenants were willing and able to provide high quality goods at affordable prices.</p> <p>The Consultant's responses that -</p> <ul style="list-style-type: none"> (a) they shared Mr TIEN's views that the Government should ensure the efficient use of the public resources involved in the provision of public markets; and (b) the issue of setting up a statutory body to manage public markets would be a matter for the Administration to study further. <p>The Administration's responses that at this stage, it was open to any suggestions on improving the management of public markets. It was uncertain whether below-market-rate rentals would be translated into affordable prices.</p>	
012754 - 013940	Deputy Chairman Mr CHAN Han-pan Admin Consultant	<p>Mr CHAN Han-pan's declaration of interest that his family members were currently involved in the operation of public market stalls, and his views that -</p> <ul style="list-style-type: none"> (a) he was against the idea that a statutory body be set up to take up the responsibility of managing public markets, given the experience of privatizing the commercial facilities (including markets) of the Housing Authority. Instead, the Administration should endeavour to improve the operating environment of public markets; (b) public markets should continue to serve a major social function of providing opportunities for the grassroots to run small business by charging below-market-rate rentals; (c) the Administration should review its existing policy on retrofitting air-conditioning systems for public markets, including adjusting the air-conditioning charging mechanism such that stall tenants would pay air-conditioning charges for their stall areas on a pro rata basis; and 	

Time marker	Speaker	Subject(s)	Action Required
		<p>(d) he did not subscribe to the Consultant's view that public markets did not necessarily sell goods at a lower price, citing Yeung Uk Road Market as an example.</p> <p>The Administration's responses that while it would not decline to review the 85% threshold, it had good reasons for maintaining that requirement. One of the reasons was that the Administration needed to take into account the views of tenants who disagreed to install air-conditioning facilities, as all tenants would have to pay for the air-conditioning fees, and there would be possible disruption to their business during the course of the retrofitting works. Society would have to accept, as a quid pro quo, a high rate of stalls being vacated, if air-conditioning was to be installed notwithstanding a low rate of tenants' support.</p> <p>The Consultant's responses that -</p> <p>(a) as the Government did not control the prices, stall tenants were free to determine the prices of their goods sold. As such, public markets did not necessarily sell goods at a lower price; and</p> <p>(b) for the case of Yeung Uk Road Market, it was observed that there were an abundance of supply of a wide variety of goods which had attracted a large patronage. Thus, the prices of goods sold there were relatively affordable.</p>	
013941 - 014653	Deputy Chairman Miss Alice MAK Admin	<p>Miss Alice MAK's remarks that -</p> <p>(a) the Consultant should provide in the final report a more detailed account of the positioning and functions of public markets;</p> <p>(b) she was against the view that public markets should be managed in accordance with the business practices of retail outlets in the private sector. As long as public markets served the social function of providing quality goods at affordable prices, it was acceptable that the Government would continue to subsidize the operation of public markets;</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>(c) she was against the idea of setting up a statutory body to manage public markets and the proposal for subletting the management of public market(s) to a single operator; and</p> <p>(d) while she appreciated the Consultant's physical improvement proposals, she urged the Administration to avoid disruption to stall tenants' business as far as possible during the course of the improvement works (if implemented).</p> <p>The Administration's remarks that -</p> <p>(a) while the Administration was open to any proposals for improving the management of public markets, public markets were expected to continue to be positioned as one of the major sources of fresh food provisions for the general public; and</p> <p>(b) while the Administration needed to step up enforcement so that stall tenants were engaged in active trading and contributed their fair share towards making markets hygienic and appealing as a shopping venue, consideration would be given to the views and interests of existing stall tenants when implementing any improvement proposals.</p>	
014654 - 020047	Deputy Chairman Admin Consultant	<p>The Deputy Chairman's views that the Consultant should provide in the final report a more detailed account of the positioning and functions of public markets and of how the six "prototype" public markets would provide reference to other public markets. Given members' views expressed at the meeting, the Administration should request the Consultant to address the issue of retrofitting air-conditioning systems for public markets in its final report. He also related the concern of the residents in Tin Shui Wai about the provision of new public markets in Tin Shui Wai and asked whether the final report of the consultancy study would cover the issue of provision of new markets in newly developed districts.</p> <p>The Deputy Chairman's calling upon the Administration to take into consideration the period of work of the Subcommittee when setting the timetable for releasing the final</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>report of the consultancy study as well as proposing rental adjustment mechanism.</p> <p>The Administration's responses that -</p> <p>(a) the Administration would liaise with the Consultant to address in the final report the key views and concerns raised by members at the meeting. It was expected that the Consultant would need another two to three months to finalize the report;</p> <p>(b) upon its completion, the final report of the consultancy study would be released on the Government website; and</p> <p>(c) it was the Administration's plan to brief the Subcommittee before June 2015 on the preliminary proposals to implement improvement plans, and at the same time, the proposed rental adjustment mechanism.</p> <p>Extension of meeting time for 15 minutes beyond the appointed ending time by the Deputy Chairman.</p>	<p>Admin to follow up (paragraph 5(a) to 5(c) of the minutes)</p>
020048 - 020907	Deputy Chairman Mr WONG Kwok-hing Admin Consultant	<p>Mr WONG Kwok-hing's views that the Administration should regard public market as a social investment and endeavor to (a) develop a partnership between the Administration and stall tenants; (b) cultivate a sense of ownership and responsibilities among stall tenants; and (c) revitalize public markets.</p> <p>The Administration's responses that Mr WONG's views were generally in alignment with the Administration's thinking. However, it should be stressed that while it was important to develop a partnership between the Administration and stall tenants, there was a need for the Administration to step up enforcement against irresponsible behavior and unauthorized practices in using market facilities by stall tenants, particularly where these were in breach of tenancy conditions.</p> <p>The Consultant's responses that it would require much effort and time for a partnership to develop between the Administration and stall tenants.</p>	

Time marker	Speaker	Subject(s)	Action Required
		The Deputy Chairman's conclusion that the Subcommittee would invite deputations' views when the Administration released the final report of the consultancy study.	
<i>Agenda Item II - Extension of period of work of the Subcommittee</i>			
020908 - 021044	Deputy Chairman Mr WONG Kwok-hing	The Deputy Chairman's consultation with members on the proposed extension of period of work of the Subcommittee. The Deputy Chairman's closing remarks.	

Council Business Division 2
Legislative Council Secretariat
27 March 2015