

立法會
Legislative Council

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Panel on Food Safety and Environmental Hygiene

Subcommittee on Issues Relating to Public Markets

Minutes of meeting
held on Monday, 29 June 2015, at 4:30 pm
in Conference Room 3 of the Legislative Council Complex

- Members present** : Hon Vincent FANG Kang, SBS, JP (Chairman)
Hon Alan LEONG Kah-kit, SC (Deputy Chairman)
Hon WONG Kwok-hing, BBS, MH
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
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Members attending** : Hon WU Chi-wai, MH
Hon CHAN Yuen-han, SBS, JP
- Member absent** : Hon Cyd HO Sau-lan, JP
- Public Officers attending** : Items I & II

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

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

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. Operating environment of public markets
(LC Paper Nos. CB(2)1777/14-15(01) & (02) and CB(2)1544/14-15(01))

II. Matters related to public market stall rental
(LC Paper Nos. CB(2)1777/14-15(03) & (04))

Members agreed to combine the discussion of agenda items I and II as the two items were closely related.

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

3. The Subcommittee requested the Administration to provide, after the meeting, a copy of the speaking note of Secretary for Food and Health ("SFH") to members for reference.

(Post-meeting note: The speaking note of SFH was circulated to members vide LC Paper No. CB(2)1829/14-15 (Chinese version only) on 30 June 2015.)

Action

Threshold requirement for the retrofitting of air-conditioning facilities

4. Members noted the Administration's decision to, with effect from 1 July 2015, lower the threshold of tenants' support from 85% to 80% as the requirement for the retrofitting of air-conditioning facilities in public markets, and urged the Administration to further revise and lower the threshold. Members had put forward various suggestions on the percentage threshold that was required for the retrofitting of air-conditioning facilities in public markets and the suggested threshold ranged from 60% to 70%.

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5. At the suggestions of Mr Michael TIEN and Mr WONG Kwok-hing, the Subcommittee requested the Administration to notify stall operators in all public markets about the adjustment of the threshold from 85% to 80% with effect from 1 July 2015, collect views of stall operators in markets without air-conditioning facilities on whether to take forward the retrofitting of air conditioning in their respective markets and provide the Panel on Food Safety and Environmental Hygiene ("the Panel") with the results (including the percentage of tenants who were in support of the retrofitting of air-conditioning facilities in each of the public markets without air-conditioning facilities) in the 4th quarter of 2015.

Public market stall rental

6. Members were advised that the Administration had decided to continue to freeze the public market stall rental until 30 June 2017. The Administration undertook to consult the Panel on its proposals, if any, for rental adjustment mechanism in the 1st quarter of 2017 at the latest. It was the Administration's plan that by the time the rental adjustment proposals were submitted to the Panel for consultation, there would be substantial progress in taking forward the improvement plans of the operating environment of a few public markets.

III. Any other business

Conclusion of the Subcommittee's work

7. Members agreed that this was the last meeting of the Subcommittee. The Subcommittee should conclude its work and a report on its deliberations would be prepared and circulated to members for comments before its submission to the Panel. Members further

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agreed that that issues and concerns raised by members would be referred to the Panel for consideration and follow-up.

8. There being no other business, the meeting ended at 6:31 pm.

Council Business Division 2
Legislative Council Secretariat
13 August 2015

**Proceedings of the meeting of the
Subcommittee on Issues Relating to Public Markets
on Monday, 29 June 2015, at 4:30 pm
in Conference Room 3 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action Required
000212 - 000355	Chairman	The Chairman's opening remarks	
<i>Agenda Item I - Operating environment of public markets</i>			
<i>Agenda Item II - Matters related to public market stall rental</i>			
000356 - 002052	Chairman Admin	Briefing by the Administration on its latest position on the operating environment of public markets as well as matters related to public market stall rental, as set out in the Administration's papers [LC Paper Nos. CB(2)1777/14-15(01) and (03)].	
002053 - 002806	Chairman Mr WONG Kwok-hing Admin	<p>Mr WONG Kwok-hing's remarks that while he welcomed the Administration's decision to lower the threshold of tenants' support from 85% to 80% as the requirement for the retrofitting of air-conditioning facilities in public markets, with effect from 1 July 2015, he shared the view of the Federation of Hong Kong Kowloon New Territories Hawkers Association that it was more reasonable to set the threshold at 70%. He urged the Administration to further lower the threshold.</p> <p>The Administration advised that it had endeavoured to strike an appropriate balance among the interests of various stakeholders in a responsible manner. The decision to adjust the threshold from 85% to 80% had taken into consideration, apart from the technical feasibility and resources implications, the following factors -</p> <p>(a) when a public market was installed with the air-conditioning system, all tenants would have to pay for the recurrent expenses, including the electricity charges and general maintenance costs for the whole year as the system had to be turned on all year round to provide adequate ventilation for the market. The additional operating cost related to the air-conditioning system was a factor that existing tenants might not have taken into account when they bid for their public</p>	

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		<p>market stalls. Tenants who did not wish to pay these charges would be forced to move out of the public market; and</p> <p>(b) the installation work of air-conditioning facilities often involved partial or complete closure of the public market for a period as long as several months depending on the circumstances, thus disrupting business and affecting the livelihood of tenants. Tenants who did not support the installation of air-conditioning system would also be affected. If the threshold was set too low, it might give rise to strong discontent and grievances among those stall tenants who did not support the proposal to install air-conditioning facilities in the market.</p> <p>In response to Mr WONG's further enquiry, the Administration stressed that there were merits in adopting a gradual and cautious approach and undertook to keep the threshold under regular review.</p>	
002807 - 003621	Chairman Mr Steven HO Admin	<p>Mr Steven HO welcomed the Administration's decision to further extend the rental freeze of public market stalls until 30 June 2017. In his view, it was more reasonable for the Administration to set the threshold at the range between 60% and 70%. His enquiry about the resources to be allocated by the Administration for taking forward the consultants' recommendations for improving the operating environment of the six selected public markets.</p> <p>The Administration reiterated its considerations for adopting a gradual and cautious approach in adjusting the threshold. The Administration would be willing to consider the appropriateness of reviewing the 80% threshold, depending on the circumstances.</p> <p>The Administration further advised that while the consultant had proposed a number of recommendations regarding how the hardware of the six selected markets should be enhanced, the tenants of the six markets had not been consulted on the specific recommendations. As different tenants in the same market might hold different views, the Administration would need to formulate the improvement plans in consultation with the affected tenants, the</p>	

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		<p>Market Management Consultative Committees ("MMCCs") and relevant works departments. The Administration would proceed with the improvement works in accordance with the established rules and procedures relating to resource procurement as well as preparation and scrutiny of works projects. It was the Administration's hope that some substantial progress would be made in respect of improving the operating environment of a few public markets before the expiry of the latest extension of the rental freeze at the end of June 2017.</p>	
003622 - 004449	Chairman Mr Christopher CHUNG Admin	<p>Mr Christopher CHUNG's remarks that the former Urban Council and Regional Council did not set any threshold requirement for the retrofitting of air-conditioning facilities in public markets and their decisions were made on the basis of needs and the availability of funds. His views that -</p> <ul style="list-style-type: none"> (a) the provision of air-conditioning was of utmost importance to the operating environment of public markets, and also public hygiene as perishable food items (such as fresh meat) were sold there. He was unconvinced of the Administration's justification for setting the threshold at 80%, and considered that the threshold should be set at 60%; (b) the Administration should not require stall tenants to pay for the air-conditioning charges for common areas in the public markets; and (c) he did not subscribe to the consultant's view that the continuation of low rental of many of the stalls was an inducement for the sub-optimal use of market stalls which in turn dampened the vibrancy of public markets. In his view, the crux of the problem was that the Food and Environmental Hygiene Department ("FEHD") had not properly managed public markets following the dissolution of the two former Municipal Councils in 2000. <p>The Administration stressed that the threshold was set with a view to striking a balance among the interests of various stakeholders in a responsible manner, and the operating</p>	

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		<p>environment of public markets was affected by a number of inter-related factors which were not limited to the provision of air-conditioning and daily management, such as the demographic characteristics of households living in the district and the competition posed by other retail outlets in the neighbourhood.</p>	
004450 - 005142	Chairman Deputy Chairman Admin	<p>Noting the Administration's decision to further extend the rental freeze period until the end of June 2017, the Deputy Chairman enquired about the Administration's timetable for taking forward its review on rental adjustment mechanism as well as the improvement plans for the operating environment of public market. He also asked about the Administration's rationale for including common areas of public markets in the amount of air-conditioning charges to be paid by tenants.</p> <p>The Administration advised that -</p> <p>(a) the tenants of public markets would be given three months' notice for the renewal of their tenancy and should be notified of the rental for the new tenancy agreement. The Administration would consult the Panel on Food Safety and Environmental Hygiene ("Panel") on its proposals, if any, for rental adjustment mechanism in the 1st quarter of 2017 at the latest. It was also the Administration's plan that by the time the Panel was consulted on the rental adjustment proposals, there would be substantial progress in taking forward the improvement plans of the operating environment of a few public markets. Should all relevant works and procedure went as planned, funds for implementing the improvement plans would have been earmarked by early 2017; and</p> <p>(b) as most of the stalls in public markets were of small size, it was common that customers usually stayed in the corridor (i.e. the common areas) when choosing and purchasing the goods. Therefore, the so-called common area in public markets was in reality part of the trading environment. To exclude common areas of public markets from the amount of air-conditioning charges payable by tenants</p>	

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		would be a deviation from the existing practice in all Government rental properties.	
005143 - 010021	Chairman Miss CHAN Yuen-han Admin	<p>Miss CHAN Yuen-han's views that -</p> <p>(a) as public markets could serve the function of providing fresh food for the general public at affordable prices, the Administration should view the provision of public markets as public services. Therefore, the Administration should put in more resources in improving the operating environment of existing markets and establishing new markets in newly developed districts. She considered that the Administration should lower the threshold of tenants' support from 85% to 60%; and</p> <p>(b) the Administration should subsidize the air-conditioning charges in public markets, which in turn would encourage a higher percentage of stall operators to support the proposals for retrofitting air-conditioning facilities in public markets.</p> <p>The Administration responded that -</p> <p>(a) as the Government had no control over prices of the foods sold at public markets, it would not be realistic to expect that public markets could take on the function of stabilizing the prices of foods. Nevertheless, the Administration would consider further this factor with a view to facilitating the formulation of a fair and reasonable rental adjustment mechanism; and</p> <p>(b) it was worth noting that the high capital costs of retrofitting air-conditioning facilities were already borne entirely by the Government. Unlike landlords in private commercial venues, who sought to recover the capital costs of retrofitting of air-conditioning facilities through rental adjustments, the Government did not recover the capital costs. Bearing in mind the fact that tenants in public markets were commercial operation, further Government subsidy in the form of air-conditioning charges would be a deviation from the "user pays" principle.</p>	

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010022 - 010919	Chairman Mr WU Chi-wai Admin	<p>Mr WU Chi-wai's views that -</p> <p>(a) the Administration should give priority to the retrofitting of air-conditioning facilities in cooked food centres as operators there would tend to support such proposals; and</p> <p>(b) in order to expeditiously improve the operating environment of public markets, FEHD should adopt a more flexible and responsive approach in the management of public markets. For example, flexible arrangement should be made in expanding stall sizes, e.g. by demolishing the wall in between two adjacent stalls.</p> <p>The Administration responded that -</p> <p>(a) proposals for retrofitting of air-conditioning facilities in cooked food centres (similar to those proposals for public markets) followed the existing practice that if the threshold requirement was met, the Administration would conduct a detailed technical feasibility study. Taking into consideration the findings of the study, the extent of works required, cost effectiveness, length of business disruption and tenants' views, the Administration would decide whether there was a case for bidding resources for the installation of air-conditioning facilities; and</p> <p>(b) stalls of early public markets were of smaller sizes, as they were built for the purpose of re-siting on-street hawkers. FEHD was willing to consider combining adjacent vacant stalls so as to form a larger stall. Such new stall(s) would then be allocated by open auction (along the established practice) to ensure fairness among potential tenants. Furthermore, for public market(s) with a relatively low occupancy rate, the Administration was also willing to consider vacating part of that market (say a whole floor) and conduct improvement works such as renewing the layout design.</p>	
010920 - 011638	Chairman Mr CHAN Chi-chuen Admin	Mr CHAN Chi-chuen considered that the Administration should not put forward any proposal for rental increase unless there had been substantial improvement in the operating	

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		<p>environment of public markets. As retrofitting of air-conditioning facilities in public markets was one of the most direct ways of improving the operating environment of public markets, the Administration should expedite its action in this aspect. Furthermore, the daily management of public markets by FEHD should be strengthened.</p> <p>The Administration responded that it would not be realistic for the Administration to propose rental adjustment only after improvement had been made in all public markets. It was the Administration's hope that by late 2016 or early 2017, there would be substantial progress in taking forward the improvement plans of a few public markets. That would be a proper time for the Administration to consult the Panel on the rental adjustment proposal.</p>	
011639 - 012910	Chairman Mr Michael TIEN Admin	<p>Mr Michael TIEN's views that public markets should be positioned as one of the major sources of fresh provisions for the general public, and increasing the market patronage should be the top priority of the management of public markets. In making their recommendations, consultant should take into the views of patrons to public markets.</p> <p>The Administration responded that it would not be entirely appropriate for FEHD to adopt the management practices of private business. Instead, the Administration had to strike an appropriate balance among the interests of various stakeholders. Without under-estimating the difficulties inherent in finding a way that would meet the prevailing interests and aspirations of all parties concerned, the Administration took the pragmatic route of adopting an incremental approach while seeking to strike a sensible and reasonable balance among all relevant considerations.</p>	
012911 - 014013	Chairman Mr WONG Kwok-hing Admin	<p>Mr WONG Kwok-hing's remarks that -</p> <p>(a) he was in support of the Administration's decision to continue to freeze the stall rental until 30 June 2017 so that there would be sufficient time for deliberating the rental adjustment mechanism; and</p>	

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		<p>(b) the Administration should further consider adopting a lower threshold, say 70%, for retrofitting of air-conditioning facilities. He hoped that deputations could be invited to give views on the Administration's decision to lower the threshold from 85% to 80%.</p> <p>The Administration reiterated its reasons for adopting a gradual and cautious approach in adjusting the threshold, and undertook to keep the threshold under regular review.</p>	
014014 - 014502	Chairman Mr Michael TIEN Admin	Mr Michael TIEN requested the Administration to notify stall operators in all public markets about the adjustment of the threshold from 85% to 80% with effect from 1 July 2015 and collect views of stall operators in markets without air-conditioning facilities on whether to take forward the retrofitting of air-conditioning in their respective markets. The Administration was also requested to provide the Panel with the results in the 4th quarter of 2015.	Admin (Paragraph 5 of the minutes)
014503 - 014942	Chairman Admin	<p>The Chairman's remarks that -</p> <p>(a) the Administration should make reference to the ways the Link Management Limited revitalized the Lok Fu Market; and</p> <p>(b) in order to increase the patronage of public markets, the Administration should take action to improve the layout design and daily management of public market. In addition, the Administration should take a more flexible approach in taking forward proposals for retrofitting air-conditioning facilities in both public markets and cooked food centres (e.g. accepting floor-by-floor proposals for retrofitting of air-conditioning facilities);</p> <p>The Administration responded that -</p> <p>(a) while there was a view that the Link Management Limited revitalized the Lok Fu Market, there were other views, including a view that the Lok Fu Market had become an unduly upmarket shopping venue not serving the needs of the general public; and</p>	

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		(b) in addition to proceeding with consulting affected tenants, MMCCs and relevant works departments on the consultant's improvement proposals for the six selected markets, the Administration would conduct an internal review on the consultant's recommendations on FEHD's management of public markets in order to sustain long-term improvement.	
014943 - 015520	Chairman Deputy Chairman Admin	<p>The Deputy Chairman enquired about the Administration's plan and timetable for improving the operating environment of public markets other than the six selected markets.</p> <p>The Administration responded that -</p> <p>(a) stall operators and MMCCs of public markets would be notified about the release of the consultancy report. The six selected markets would be included in the first batch of markets for which the Administration would flesh out the details of improvement in consultation with affected tenants, MMCCs and relevant works departments. Based on the results of the consultation, the Administration would proceed with the improvement works (which might include all or some of the consultant's recommendations, and/or some new ideas not discussed by the consultant) in accordance with the established rules and procedures relating to resource procurement as well as preparation and scrutiny of works projects;</p> <p>(b) apart from the six selected markets, the Administration would also consider suggestions, if any, made by other public markets where tenants were generally in support of taking forward the consultant's recommendations; and</p> <p>(c) it was the Administration's plan to propose tailor-made improvement plans for at least one or two markets in 2016 so that funds for implementing these plans would be earmarked in the 2017-2018 financial year. It was also the Administration's hope that when progress was made in improving the operating environment of a few markets, the general public as well as market tenants</p>	

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		might be inspired to support implementing similar plans in other public markets.	
015521 - 020156	Chairman Mr WONG Kwok-hing Admin	Mr WONG Kwok-hing urged the Administration to consider taking forward improvement plans in public markets other than the six selected markets, e.g. retrofitting air-conditioning facilities in the Aberdeen Market. Mr WONG requested the Administration to provide the Panel with information on the percentage of tenants who were in support of the retrofitting of air-conditioning facilities in each of the public markets without air-conditioning facilities after the 80% threshold took effect on 1 July 2015.	Admin (Paragraph 5 of the minutes)
020157 - 020239	Chairman	The Chairman's closing remarks.	