



中華人民共和國香港特別行政區政府總部食物及衛生局
Food and Health Bureau, Government Secretariat
The Government of the Hong Kong Special Administrative Region
The People's Republic of China

2 May 2018

Legislative Council Secretariat
Council Business Division 2
Legislative Council Complex,
1 Legislative Council Road,
Central, Hong Kong.
(Attn: Miss Wendy Lo)
(Fax: 2509 9055)

Dear Miss Lo,

Panel on Food Safety and Environmental Hygiene

Motions passed at the meeting on 13 March 2018

Thank you for your letter of 15 March 2018. I write to provide the Government's response to the above motions.

2. As announced in the Policy Address in October 2017, the Government is committed to improving the facilities of existing markets managed by the Food and Environmental Hygiene Department (FEHD), including expediting the installation of air conditioning system. Noting Members' concerns over the length of the full-closure period in the case of the proposed air-conditioning retrofitting project at Tai Wai Market, we have undertaken a critical review of the management of the project workflow and programming with a view to further compressing the time required for full market closure. Through such measures as strengthening the co-ordination with stall tenants, allowing contractors to carry out pre-construction preparatory work in non-business hours prior to full market closure and accelerating air conditioning testing and commissioning work, etc., the full-closure period can be shortened from about eight months to not more than seven months.

3. As regards possible assistance to tenants of a market subject to an improvement project which would bring them long-term benefits, under the current policy, the Government will fully consider all the factors such as the duration of works and the difficulties of stall business encountered by tenants during the works period. Each case would be considered on its own merits and the proposed assistance would be considered in accordance with the established mechanism.

4. In the present case of Tai Wai Market, over the first two phases of the retrofitting works during which the market would continue normal operation for about ten months, tenants may generally be allowed a 50% rental waiver. Over the final phase subject to full market closure, full rental waiver may be granted to tenants during the whole cessation period referred to in the last sentence of paragraph 2 above and two months after the completion of the works.

5. As regards the idea of a possible temporary market during the full closure period, experience suggests many challenges in identifying a suitable location for such provision. Moreover, for environmental hygiene and safety reasons, proper planning is required, notably for basic facilities, such as ceiling, stall partitions, electrical installations, water supply system, drainage system, sewage system, ventilation facilities, lighting systems, fire safety system, refuse processing facilities, unloading / loading areas, etc. Considerable resources and time that this may entail would have to be weighed carefully alongside community needs. Alternatively, sitting tenants are welcome to consider the possibility of renting a vacant stall in any of the public markets of the Government during the cessation period.

6. After completion of the works, a tenant affected by permanent deletion of his or her stall as a result may be relocated to a new stall. Given that the new stalls for relocation will be different from the existing stalls in terms of location and size, restricted auction, with concession in the upset price, is a fair, transparent and expeditious mechanism to ensure proper allocation among the selected group of affected tenants. The same arrangements will apply to the case of Tai Wai Market.

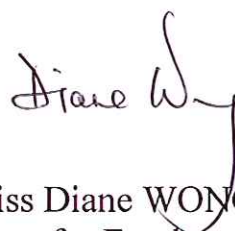
7. As for air-conditioning charges, it is worth noting that the high capital costs of retrofitting air-conditioning systems are already borne entirely by the Government. Unlike landlords in private commercial venues, who seek to recover the capital costs of retrofitting of air-conditioning systems through rental adjustments, the Government does not recover the capital costs. In the case of

Tai Wai Market, each of the current 166 stalls may benefit from, on average, some \$660,000 worth of capital investment. Bearing in mind the fact that tenants in public markets are in fact commercial operations, further Government subsidy in the form of recurrent air-conditioning charges deviates from the "user pays" principle and may give rise to unfair competition between stalls in public markets and similar retail operators in private commercial retail premises or retail shops nearby. This could not be justified under current policy.

8. As Members know, a major current initiative of the Government is to conduct a comprehensive review of existing public markets and formulate concrete and effective measures to improve their management and operating environment alongside the facilities, buttressed by a 10-year Market Modernisation Programme with \$2 billion funding earmarked. The review will cover, among others, the positioning of public markets, management mode and structure, market operation resources, hardware improvement, ways to handle markets with relatively low patronage, etc. Views of Members expressed regarding different aspects of market operations, for example in the present case, will be fully taken into account in the review. With a holistic hardware-cum-software package, we hope to increase the competitiveness of public markets for the benefit of members of the general public.

9. At the Panel meeting, Members were generally supportive of our proposal for installing an air-conditioning system at Tai Wai Market. We look forward to Members' continued support for the proposal in the Public Works Sub-committee and the Finance Committee.

Yours sincerely,



(Miss Diane WONG)
for Secretary for Food and Health

c.c.: Director of Food and Environmental Hygiene