

LegCo Panel on Food Safety and Environmental Hygiene

**Expiry of the Voluntary Surrender Scheme
for Itinerant Hawker Licences as Scheduled**

Purpose

This paper informs Members of the expiry of the voluntary surrender scheme for itinerant hawker licences (IHLs) on 31 December 2010 as scheduled.

Background

2. 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. Since the early 70's, in order to control the number of licences, the two former municipal councils had stopped issuing new hawker licences under normal circumstances. Transfer of and succession to hawker licences already issued has also been subject to stringent restrictions. Transfer of and succession to IHLs has been prohibited. Besides, the former Urban Council introduced a compulsory deletion policy in 1993 with a view to phasing out all IHLs in the urban area within three years¹. Under this policy, IHL holders who surrendered their licences were given the options of receiving a one-off ex-gratia payment (EGP) or selecting either a vacant fixed pitch in the urban area or a stall

¹ The former Provisional Urban Council subsequently postponed the date for deleting IHLs while the Food and Environmental Hygiene Department, after its establishment, decided to cancel the compulsory policy.

in public markets with concessionary rental arrangements. The former Regional Council, on the other hand, did not adopt a compulsory deletion policy; instead, it relied on natural attrition to phase out the IHLs.

3. In April 2002, the Administration presented the Legislative Council Panel on Food Safety and Environmental Hygiene (the Panel) with the proposal to align the arrangements for surrender of IHLs, i.e. to extend the scheme of offering options to urban IHL holders for surrendering their licences to cover IHL holders in the New Territories. Meanwhile, to encourage the voluntary surrender of licences, the Administration proposed a time limit of five years to be imposed on the scheme to allow sufficient time for IHL holders intending to surrender their licences to make the necessary arrangements. With the support of the Panel, the aligned scheme took effect on 1 January 2003 and lasted until 31 December 2007. Under the scheme, an IHL holder who voluntarily surrenders his licence may choose any one of the following options:

- (a) to select a vacant fixed pitch and become a licensed fixed-pitch hawker;
- (b) to select a vacant public market stall and enjoy certain concessionary rental arrangements; or
- (c) to receive an EGP of \$30,000.

4. Subsequently, as the review on hawker licensing policy was in progress at the time, the Administration extended the validity period of the scheme twice to 31 December 2009 in view of the possible implications of the review on the future operation of IHLs. The review on hawker licensing policy was completed in the first half of 2009. Considering that the review has just been completed and that itinerant hawkers may need more time to make a decision, the Administration extended the validity period of the scheme for the third time up to 31 December

2010². On each occasion when the validity period was extended, we notified the Panel and informed each itinerant hawker separately in writing.

5. As at 30 September 2010, a total of 461 IHL holders have voluntarily surrendered their licences under the scheme. Among them, 361 opted for EGP, 72 selected vacant fixed pitches and 28 selected vacant market stalls. The remaining 466 IHL holders (“small ice cream vendors” excluded) continue to operate.

Considerations

6. As pointed out in paragraphs 2 and 3 above, the purpose of the voluntary surrender scheme for IHL holders was to address the environmental hygiene problems posed by street hawking years ago. Since the introduction of the scheme by the former Urban Council for urban IHL holders in 1993 and the extension of the scheme to IHL holders in the New Territories in 2003, the number of IHL holders in the territory has decreased significantly from some 3 600 in late 1993 to 537 at present (including 45 “small ice cream vendor” licences newly issued since mid-2009 and 27 previously issued). As the number of IHL holders has declined and hawker control work has borne fruit, the environmental hygiene problems caused by the street hawking activities of itinerant hawkers have largely been contained. In view of the substantial reduction in the number of itinerant hawkers under the voluntary surrender scheme, the social environment which necessitated such a scheme no longer exists. The scheme has accomplished its historic mission. With the progressive and natural attrition of the remaining itinerant hawkers, the number of IHLs (except “small ice cream vendor” licences) will gradually drop in due course.

² One of the conclusions of the review on hawker licensing policy was that new Itinerant Hawker (Frozen Confectionery) Licences (i.e. “small ice cream vendor” licences) would be issued. As all holders of such licences at the time indicated that they would not surrender their licences under the scheme, the scheme for “small ice cream vendor” licences ended on 31 May 2009.

7. By the end of this year, the thrice-extended aligned voluntary surrender scheme for IHLs will have been in place for eight years. Statistics show that the number of itinerant hawkers who chose to surrender their licences has stayed at a low level in recent years, with 30 in 2009 and 18 as at 30 September this year. We are of the view that since the implementation of the voluntary surrender scheme, IHL holders have been given sufficient time to consider whether to surrender their licences. As such, further extension of the validity period of the scheme would serve no real purpose. In fact, those with genuine intention of surrendering their licences may still decide to do so before 31 December 2010.

8. For the reasons stated in paragraphs 6 and 7 above, the voluntary surrender scheme for IHLs will expire on 31 December 2010 as scheduled while the existing IHL holders may continue to operate in the hawker trade according to the licensing conditions until they choose to retire. In mid-November, the Food and Environmental Hygiene Department will send letters to relevant IHL holders and hawker associations to remind them of the expiry date of the scheme and explain the procedures for surrendering licences and selecting options, in order to help them make a decision.

Conclusion

9. Members are invited to note the contents of this paper.

**Food and Health Bureau
Food and Environmental Hygiene Department
November 2010**