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Panel on Food Safety and Environmental Hygiene

Background brief prepared by the Legislative Council Secretariat for the meeting on 9 November 2010

Voluntary Surrender Scheme for Itinerant Hawker Licences

Purpose

This paper provides information on the voluntary surrender scheme for itinerant hawker licences ("IHL") and a brief account of the discussions by the Panel on Food Safety and Environmental Hygiene ("the Panel") on the subject.

Background

2. The voluntary surrender scheme for IHLs was introduced in 2002 and was valid for five years from 1 January 2003 to 31 December 2007. The validity period of the scheme has been extended thrice to 31 December 2010. Under the scheme, an IHL holder who voluntarily surrenders his licence may choose any of one of the following options –

- (a) to select a vacant fixed pitch and be regarded as a fixed pitch licensed hawker;
- (b) to select a vacant stall in public markets and enjoy certain concessionary rental arrangements; or
- (c) to receive an ex gratia payment ("EGP") of \$30,000.

3. As at 30 November 2009, a total of 436 IHL holders had voluntarily surrendered their licences under the scheme. Among them, 340 opted for EGP, 70 selected vacant fixed pitches and 26 selected vacant market stalls.

Deliberations by the Panel

Voluntary surrender scheme for IHLs

4. At the meeting on 22 April 2002, the Panel was briefed on the Administration's proposal to align the policies on IHL in the urban areas and in

the New Territories. Members were advised that different policies were adopted by the two former Municipal Councils regarding IHLs. Notably, an IHL Compulsory Deletion Policy was introduced by the then Urban Council in March 1993 with a view to phasing out all IHLs in the urban area. IHL holders who surrendered their licences would have the options of receiving an EGP of \$30,000 or selecting either a vacant fixed pitch or a stall in public markets with concessionary rental arrangements. However, the then Regional Council did not adopt such a policy but relied on natural attrition to phase out IHLs. Under the alignment proposal, a time limit of five years on the offer of the option was proposed. Any IHL holders wishing to carry on business after the five-year time limit would continue to be issued with IHL licences. They would, however, have forfeited their opportunity to take up the options when they eventually surrendered their licences.

5. Members supported the proposal of extending the options available to urban IHL holders for surrendering their licences to IHL holders in the New Territories. While some members supported the proposal of imposing a time limit on the phasing out of IHLs, some members questioned why a time limit of five years on the options was set. The Administration advised that the time limit was set having regard to the age distribution of IHL holders. As more than 100 of the 523 IHL holders in the New Territories were above 70 years of age and if no time limit was set, holders would have no incentive to surrender their licences as they could just carry on hawking and take the EGP option just before they retired.

Extension of the voluntary surrender scheme

6. The Panel was subsequently informed in December 2007 of the Administration's decision to extend the voluntary surrender scheme for IHLs by one year to 31 December 2008. According to the Administration, in view of the requests of several hawker associations to extend the validity of the voluntary surrender scheme for IHLs and the fact that it was conducting a review on hawker licensing policy which might have implications on IHL operations, the Food and Environmental Hygiene Department decided to extend the validity of the voluntary surrender scheme by one year.

7. In December 2008, the Administration informed the Panel of the arrangement to extend the voluntary surrender scheme for IHLs by a further one year. Members were advised that the Administration was conducting a review on hawker licensing policy. As the on-going review might have implications on the future operation of IHLs, and as some hawker associations had requested to extend the validity of the voluntary surrender scheme, the Administration decided to extend the scheme by another year to 31 December 2009.

8. Members were further informed in December 2009 of the Administration's decision to extend the voluntary surrender scheme by another one year. Members were advised that a number of hawker associations requested an extension of the validity period of the scheme, in order to allow more time for IHL holders to consider whether to surrender their licences and how to choose

from the available options. Itinerant hawkers might need more time to make a decision that had a bearing on their livelihood, as they all came from the grass-roots and some of them were elderly people. In view of this, the Administration had decided to extend the scheme to 31 December 2010. Members were also advised that since the voluntary surrender scheme for "small ice cream vendor" licences expired on 31 May 2010, the extension of the validity period for voluntarily surrendering licences was not applicable to holders of such licences.

Relevant papers

9. A list of relevant papers is in the **Appendix** for members' easy reference. The papers are available on the Legislative Council website at <http://www.legco.gov.hk>.

Council Business Division 2
Legislative Council Secretariat
5 November 2010

Relevant Papers/Documents

<u>Meeting</u>	<u>Meeting Date</u>	<u>Papers/Motion Debate</u>
Panel on Food Safety and Environmental Hygiene	23 April 2001	Administration's paper LC Paper No. CB(2)1330/00-01(03) http://www.legco.gov.hk/yr00-01/english/panels/fseh/papers/e1330-03.pdf Minutes of meeting LC Paper No. CB(2)2346/00-01 http://www.legco.gov.hk/yr00-01/english/panels/fseh/minutes/fs230401.pdf
	22 April 2002	Administration's paper LC Paper No. CB(2)1615/01-02(05) http://www.legco.gov.hk/yr01-02/english/panels/fseh/papers/fe0422cb2-1615-05-e.pdf Minutes of meeting LC Paper No. CB(2)2030/01-02 http://www.legco.gov.hk/yr01-02/english/panels/fseh/minutes/fs020422.pdf
	-	Administration's paper LC Paper No. CB(2)693/07-08(01) http://www.legco.gov.hk/yr07-08/english/panels/fseh/papers/fecb2-693-1-e.pdf
	-	Administration's paper LC Paper No. CB(2)375/08-09(01) http://www.legco.gov.hk/yr08-09/english/panels/fseh/papers/fecb2-375-1-e.pdf
	-	Administration's paper LC Paper No. CB(2)622/09-10(01) http://www.legco.gov.hk/yr09-10/english/panels/fseh/papers/fecb2-622-1-e.pdf