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Panel on Food Safety and Environmental Hygiene

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 14 December 2010**

Cooked food market/centre review

Purpose

This paper provides background information on the cooked food market/centre review and gives an account of the relevant discussions by the Public Accounts Committee ("PAC") on the subject.

Background

2. Cooked food centres ("CFCs") located within public wet markets and stand-alone cooked food markets ("CFMs") were provided by the former Municipal Councils as alternative catering facilities to replace illegal food establishments and hawker businesses. Since the dissolution of the former provisional Municipal Councils on 1 January 2000, the Food and Environmental Hygiene Department ("FEHD") has taken up the responsibility of managing public markets including CFCs and CFMs. Currently, FEHD manages 39 CFCs and 25 stand-alone CFMs.

3. In his Report No. 51 on "Management of Public Markets" released in October 2008, the Director of Audit stated, among other things, that "the public market policy review currently undertaken by the Food and Health Bureau and FEHD covers only 79 wet markets, but excludes 25 CFMs. For 2006-2007, 15 out of these 25 CFMs incurred deficits (e.g. over \$1 million each for the Queen Street CFM and the Tsun Yip CFM). As at August 2008, a number of CFMs had very high vacancy rate, e.g. 70% for the Tai Yuen Street CFM". The Director of Audit also stated that with the large number of licensed restaurants and food premises and the

provision of food courts in many large commercial centres, the need for CFMs might have diminished. Given the changes in circumstances which affect the role played by CFMs, it was considered desirable to conduct a separate review of CFMs.

Major concerns and recommendations of PAC on the Director of Audit's Report No. 51

4. When deliberating on the Director of Audit's report No. 51 on "Management of public markets", PAC enquired about the reason why the review of the provision of CFMs and wet markets had to be conducted separately instead of concurrently, and about the expected timeframe for commencing the review on CFMs.

5. The Administration advised that the objective of the review on the provision of public markets was to examine whether the long adopted planning standards and guidelines for the provision of public markets were still applicable. The review also aimed to formulate guidelines for assessing public markets with viability problems, so as to devise improvement measures or examine the possibility of closing down these markets. Since the problems of high vacancy rate and operating deficits were more common for the wet market section of a public market, which sold mainly fresh provisions and daily necessities, the review had first focused on the provision of wet markets.

6. The Administration further advised that CFMs were quite different from wet markets in their overall operation. In 2007 and 2008, the average let-out rate of the 39 CFCs and 25 CFMs exceeded 85%. Among them, 40% were fully let out. In addition, according to the 2006-2007 financial costing analysis, 10 of the 25 CFMs recorded an operating surplus. Consideration had also been given to the fact that CFCs/CFMs mainly provided cooked food for consumption at the premises, which provided rather different services to the public as compared to general wet markets where customers purchased food and daily necessities. Recognising the differences between wet markets and CFMs in terms of their nature, vacancy position and other related issues, the Administration decided that a review on CFMs would be conducted separately after completing the review on wet markets. It was expected that the review, which included utilisation and patron opinion surveys on all 39 CFCs and the 25 stand-alone CFMs, would be conducted in the second half year of 2009. The Administration also advised that it would present the findings of the review to the relevant Panel after completion.

7. While acknowledging the differences in the nature and vacancy position between wet markets and CFMs and that a review on the provision of CFMs would be conducted separately, PAC urged the Administration to complete the review without delay.

Latest development

8. The Administration will brief the Panel on the cooked food market/centre review at the meeting on 14 December 2010.

Relevant papers

9. Members are invited to access the Legislative Council website at <http://www.legco.gov.hk> to view the No. 51 Report of the PAC released in February 2009.

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