

Director of Audit's Value-for-Money Report No. 64
Chapter 3: Public Cooked Food Markets
Managed by the Food and Environmental Hygiene Department

Opening Remarks by the Secretary for Food and Health
at the Public Hearing of the Public Accounts Committee
on 11 May 2015

Chairman and Members of the Committee,

First of all, I would like to thank the Chairman for letting me respond to the Report of the Director of Audit (Audit) and give an account of the improvement measures that we are pursuing in response to the Audit's recommendations.

2. We generally accept the observations and recommendations made in the Audit report about the management of public cooked food venues under the Food and Environmental Hygiene Department (FEHD), including Cooked Food Hawker Bazaars (CFHBs), Cooked Food Markets (CFMs) and Cooked Food Centres (CFCs). FEHD has already put into practice some of the Audit's recommendations and is considering how to implement the others.

3. We recognise the need to formulate exit plans for CFHBs with high vacancy rates to ensure that scarce land resources are released for redevelopment.

4. Unlike the public wet markets of FEHD, CFHBs were meant to serve as a transitional arrangement and hence were not built in the first place with an intent for long-term use. As the norm, the Government has since 1972 stopped issuing new hawker licences; and no licence would be granted to new hawkers to fill the stalls left vacant by hawker licensees who passed away or surrendered their licences. As such, a progressive increase in the vacancy rate over time is an inevitable process.

5. In the past decade, FEHD had closed three CFHBs. Taking into account the fact that most of the hawker licensees operating in CFHBs are coming from the grassroots, the Government has been adopting a relatively accommodating approach and consciously refrained from forcing the operators to move out in order to avoid

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causing significant social acrimony. This gives rise to the present state of high vacancy rate as a result.

6. From the perspective of value for money, Audit recommended that we expedite actions to release three CFHB sites for redevelopment. FEHD accepts the recommendation, and will step up its efforts to actively formulate improvement or exit plans for individual CFHBs, having regard to their business viability, the needs of the respective communities, and the availability of resources, with a view to ensuring better utilisation of scarce land resources. FEHD will also fully take into account the implications for stakeholders when pursuing closure of CFHBs.

7. With a view to releasing the land for other uses, FEHD will also examine the redevelopment potential of other public cooked-food market sites, particularly those that bear high vacancy rates, have viability problems and face substantive limitations in improving the facilities.

8. Audit also made recommendations on fire safety facilities, management of stalls and the rental issues of markets. FEHD is in the process of pursuing these recommendations. I would invite the Director of Food and Environmental Hygiene to give Members an updated brief on this.

9. Chairman and Members of the Committee, with regard to the various value-for-money recommendations in the Director of Audit's report, we will carefully listen to and consider the views of Members. We will also fully co-operate with the Public Accounts Committee in its work, and take active follow-up actions accordingly.

10. Thank you, Chairman.