

Our Ref.: (30) in FEHD H&M-M/37-65/15/2C  
Your Ref.: CB4/PAC/CS(64&65)

2 February 2017

Legislative Council  
Public Accounts Committee  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong  
(Attn. : Mr Anthony Chu, Clerk)  
(Fax No. 2543 9197)

Dear Mr Chu,

**Follow-up to Public Accounts Committee Report No. 64**

**Public cooked food markets managed by  
The Food and Environmental Hygiene Department**

Thank you for your letter of 10 January 2017 concerning the captioned subject. Please find attached a consolidated response of Food and Health Bureau and Food and Environmental Hygiene Department for the information requested. For enquiry, please contact the undersigned at telephone number 2867 5357.

Yours sincerely,



(LAM Wing-hong)

for Director of Food and Environmental Hygiene

Encl.

c.c. Secretary for Financial Services and the Treasury (Fax No. : 2147 5239)  
Director of Audit (Fax No. : 2583 9063)  
Secretary for Food and Health (Attn. : Ms Diane Wong)  
(Fax No. :2136 3281)

## **Follow-up to Public Accounts Committee Report No. 64**

### **Public cooked food markets managed by The Food and Environmental Hygiene Department**

According to the established mechanism, a request for the retrofitting of air-conditioning at a public market will first be discussed at a meeting of the relevant Market Management Consultative Committee (MMCC). Where there is a consensus among members of the MMCC that the request should be further explored, the Food and Environmental Hygiene Department (FEHD) will conduct a questionnaire survey to gauge the extent of support from market tenants for the request. Our responses to the questions related the above as raised by the Public Accounts Committee on 10 January 2017 are set out below.

- (a) Since 1 July 2015, the threshold of tenants' support to retrofitting of air-conditioning facilities in public markets has been lowered from 85% to 80%. FEHD has completed the consultation with the MMCCs of public markets without air-conditioning. The MMCCs of 27 public markets (including eight Cooked Food Centres (CFCs) and two Cooked Food Markets (CFMs)) supported conducting a questionnaire survey to collect the tenants' views on the retrofitting of air-conditioning. The questionnaire surveys were subsequently conducted and completed. Out of the 27 public markets surveyed, six CFCs and one market attained sufficient tenant support. They are Electric Road Market CFC, Fa Yuen Street Market CFC, Ngau Chi Wan Market CFC, Ngau Tau Kok Market CFC, Quarry Bay Market CFC, Shek Tong Tsui Market CFC and Yeung Uk Road Market. In addition, Tai Wai Market, Shui Wo Street Market CFC and Aberdeen Market-cum-CFC, on which questionnaire surveys were conducted before 1 July 2015, have also met the tenants' support threshold.

With the assistance of the Architectural Services Department, FEHD is following up the proposed retrofitting of air-conditioning at the above-mentioned CFCs/markets by conducting technical feasibility studies. The technical feasibility studies will help determine the extent of works required, cost effectiveness, and disruption to business and market operation.

- (b) Lowering of the tenants' support threshold will make it easier for stall tenants of CFC/CFM to gather sufficient level of support for the Government to start the technical feasibility studies. Actual installation

of air-conditioning system depends on a number of factors, including whether the existing design and layout of the CFC/CFM allows sufficient space and headroom for plant rooms, transformer rooms and necessary ducting, whether the retrofitting works is cost-effective, as well as whether other implementation details (such as the duration of market closure, the number of stalls that may have to be deleted, and business disruption to tenants due to the works involved, etc.) are acceptable to the tenants concerned. We consider it reasonable to adopt a gradual and prudent approach in reviewing the threshold, with particular regard to the need for striking a proper balance among the interests of various stakeholders including those who are not in favour of the proposal.

- (c) There has been no air-conditioning retrofitting works in FEHD CFMs and CFCs between July 2015 and December 2016. Currently, out of a total of 64 CFMs and CFCs managed by FEHD, 22 CFMs and CFCs are air-conditioned.
- (d) We have not made comprehensive assessment on the effectiveness of installing air-conditioning systems in CFCs and CFMs in improving the vacancy rates of such markets/centres. As an illustration, there was no noticeable change to the occupancy rate in the three CFCs last retrofitted with air-conditioning systems in 2005 before and after the retrofitting works. For details, please refer to the Annex.
- (e) According to the existing practices, the Government bears the capital costs of installing the air-conditioning systems, unlike the usual arrangement adopted by commercial landlords where the capital costs would usually be recovered through subsequent rental adjustment. It is Government policy to recover only the recurrent expenses, including electricity charges and general maintenance costs, from the market tenants. Depending on the actual situation of individual markets, the air-conditioning charges may vary. For the three CFCs last retrofitted with air-conditioning systems in 2005, the average monthly air-conditioning charges payable by each stall range from \$4,000 to \$7,000.

	Yue Wan Market CFC (AC retrofitting completed in Apr 2005)					Bowrington Market CFC (AC retrofitting completed in Apr 2005)					Shek Wu Hui Market CFC (AC retrofitting completed in Nov 2005)				
	Total stall	Occupied	Vacant	Frozen	Occupancy Rate	Total stall	Occupied	Vacant	Frozen	Occupancy Rate	Total stall	Occupied	Vacant	Frozen	Occupancy Rate
as at 30.4.2004	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 31.5.2004	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 30.6.2004	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 31.7.2004	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 31.8.2004	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 30.9.2004	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 31.10.2004	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 30.11.2004	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 31.12.2004	20	20	0	0	100.00%	12	11	1	0	91.67%	28	27	0	1	96.43%
			Average		100.00%			Average		99.07%			Average		96.43%
as at 31.1.2005	20	20	0	0	100.00%	12	11	1	0	91.67%	28	27	0	1	96.43%
as at 28.2.2005	20	20	0	0	100.00%	12	11	1	0	91.67%	28	27	0	1	96.43%
as at 31.3.2005	20	20	0	0	100.00%	12	11	1	0	91.67%	28	27	0	1	96.43%
as at 30.4.2005	20	20	0	0	100.00%	12	11	1	0	91.67%	28	27	0	1	96.43%
as at 31.5.2005	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 30.6.2005	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 31.7.2005	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 31.8.2005	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 30.9.2005	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 31.10.2005	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 30.11.2005	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	0	1	96.43%
as at 31.12.2005	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	1	0	96.43%
			Average		100.00%			Average		99.07%			Average		96.43%
as at 31.1.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	1	0	96.43%
as at 28.2.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	1	0	96.43%
as at 31.3.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	1	0	96.43%
as at 30.4.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	1	0	96.43%
as at 31.5.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	1	0	96.43%
as at 30.6.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	28	0	0	100.00%
as at 31.7.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	28	0	0	100.00%
as at 31.8.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	28	0	0	100.00%
as at 30.9.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	26	2	0	92.86%
as at 31.10.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	26	2	0	92.86%
as at 30.11.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	1	0	96.43%
as at 31.12.2006	20	20	0	0	100.00%	12	12	0	0	100.00%	28	27	1	0	96.43%
			Average		100.00%			Average		100.00%			Average		96.83%

as at 31.12.2016      20      20      0      100.00%      12      11      1      91.67%      28      28      0      0      100.00%