

**立法會**  
**Legislative Council**

LC Paper No. CB(2)1139/17-18(01)

Ref : CB2/PS/3/16

**Panel on Food Safety and Environmental Hygiene**

**Subcommittee on Issues Relating to Public Markets**

**Background brief prepared by the Legislative Council Secretariat  
for the meeting on 10 April 2018**

**Issues relating to the improvement works of and installation of  
air-conditioning facilities in public markets**

**Purpose**

This paper provides background information on issues relating to the improvement works of and installation of air-conditioning facilities in public markets, and summarizes the major views and concerns expressed by Members on the subject at meetings of the Panel on Food Safety and Environmental Hygiene ("the Panel") and the Subcommittee on Issues Relating to Public Markets ("the former Subcommittee") formed under the Panel in the Fifth Legislative Council ("LegCo").

**Background**

2. According to the Administration, public markets were provided by the two former Municipal Councils ("MCs") in early years for resiting hawkers with a view to improving street hygiene and alleviating street obstruction. To pursue this objective, the positioning and functions of public markets as well as market layout and stall design were to a large extent developed in the form of bazaars, while concessionary rental arrangements were made to encourage hawkers to move into public markets. Since the late 1990s, as the number of licensed hawkers has decreased significantly, the main positioning and functions of public markets as a means to resiting hawkers and supporting the hawker policy were no longer valid. The design and layout of newly built public markets have evolved to provide bigger stalls and wider passageways. Following the dissolution of the former MCs on 1 January 2000, the Food and Environmental Hygiene Department ("FEHD") has taken over the responsibility for managing public markets. FEHD is currently managing 74 public markets

that sell wet and dry goods.<sup>1</sup>

3. In the 2018-2019 Budget Speech, the Financial Secretary announced that \$2 billion would be earmarked for implementing the Market Modernization Programme over the next 10 years, which would entail a comprehensive review of existing markets and improvement works including early installation of air-conditioning systems, major overhaul or redevelopment.

#### The Subcommittee formed under the Panel in the Fifth LegCo

4. At its meeting on 8 January 2013, the Panel appointed the former Subcommittee to study issues relating to the policy and business environment of public markets and follow up on issues relating to the installation of air-conditioning facilities in public markets. The former Subcommittee completed its work in September 2015 and put forward a number of recommendations in its report to the Panel (LC Paper No. CB(2)2142/14-15(01)). A summary of the recommendations is in **Appendix I**.

#### **Members' major views and concerns**

5. Members' major views and concerns on the subject are summarized in the ensuing paragraphs.

#### Improvement proposals relating to the operating environment of public markets

6. Members considered that the Administration should take actions to improve the layout design and daily management of public markets, making them more attractive to the general public and boosting their usage rate. The former Subcommittee was advised that a consultant was commissioned to commence a consultancy study in December 2013 ("the consultancy study") to assist in developing proposals for improving the operating environment of public markets.<sup>2</sup> Members noted that the consultancy study had provided improvement proposals for six selected markets which were intended to serve as prototypes for reference to other markets.<sup>3</sup> To fully utilize the improved hardware, the consultant considered it necessary to introduce changes to the software, including tenants' behaviour and practices in using market facilities,

---

<sup>1</sup> The above information is obtained from the website of FEHD on 21 March 2018.

<sup>2</sup> According to the Administration's information note provided to the Panel in August 2013 (LC Paper No. CB(2)1694/12-13(01)), the scope of the consultancy study included (a) tendering views on the functions and positioning of public markets; (b) surveying the public markets and coming up with concrete improvement proposals for five or six representative ones; (c) providing some general suggestions for the routine improvement works for public markets; and (d) suggesting ways and pragmatic measures to preserve market stalls that are selling traditional commodities or involving traditional specialty.

<sup>3</sup> The six selected markets were Tsuen Wan Market, Yau Ma Tei Market, Ngau Chi Wan Market, Sheung Fung Street Market, Lockhart Road Market and Wing Fong Street Market.

and in particular, the need for them to engage in active trading and in keeping the markets neat, tidy, vibrant and appealing as a shopping venue.

7. Members raised concern about the representativeness of the six selected public markets as well as the extent to which these six markets could provide reference to other public markets. Some Members queried whether the implementation of the consultant's improvement proposals could significantly improve the operating environment and increase the patronage of public markets. Members also stressed that the Administration should ensure that there would be adequate consultation with stall tenants before implementing the consultant's proposals on the physical design and layout of public markets.

8. According to the information provided by the Administration to the Panel in March 2017, FEHD had consulted the Market Management Consultative Committees ("MMCCs") of four of the six selected markets and would follow-up with the other markets in accordance with the established procedures and mechanism. In 2017-2018, FEHD planned to commence improvement works for Lockhart Road Market. The scope of improvement works for Sheung Fung Street Market was also being finalized in consultation with relevant departments.

9. As regards the management model for public markets, many Members expressed objection to the consultant's proposal for subletting the management of public markets to a single operator, given the experience of privatizing the commercial facilities (including markets) of the Housing Authority. They considered that the Administration should devise a new management model which could enhance the partnership between FEHD and stall tenants and cultivate a sense of ownership and a sense of responsibility among stall tenants.

10. The Administration advised that it was open to any proposal for improving the management of public markets. The Administration agreed that there was a need to explore various options conducive to better management of public markets including, for example, stepping up FEHD's management and enforcement work, enhancing tenants' input in the management of markets, and reviewing the market management consultative mechanism, etc. Nevertheless, the Administration would need to prioritize the reforms in line with the availability of resources and the readiness of major stakeholders.

#### Provision of air-conditioning facilities in public markets

##### *Threshold for the retrofitting of air-conditioning facilities in public markets*

11. The former Subcommittee passed a motion urging the Administration to remove the threshold of tenants' support at 85% as the requirement for the retrofitting of air-conditioning systems in public markets, and to comprehensively review the criteria adopted in the retrofitting of

air-conditioning systems. In response to the motion passed by the former Subcommittee, the Administration advised that it had decided to, with effect from 1 July 2015, lower the threshold of tenants' support from 85% to 80%. While welcoming the Administration's decision, Members remained of the view that the Administration should further revise and lower the threshold. Some Members considered that it was more reasonable to set the threshold between 60% and 70% and that the Administration should adopt a more responsive and flexible approach in taking forward proposals for retrofitting of air-conditioning facilities in both public markets and cooked food centres, for example, by accepting floor-by-floor proposals for retrofitting of air-conditioning facilities.

12. The Administration explained that when a public market was installed with the air-conditioning facilities, all tenants would have to pay for the recurrent expenses, including the electricity charges and general maintenance costs. The additional operating cost related to the air-conditioning facilities was a factor that existing tenants might not have taken into account when they bid for their public market stalls. Tenants who did not wish to pay these charges would have to move out of the public market. In addition, the installation work of air-conditioning facilities often involved partial or complete closure of the public market for a certain period of time, thus disrupting business and affecting the livelihood of tenants. If the threshold was set too low, it might give rise to strong discontent and grievances among those stall tenants who did not support the proposal to install air-conditioning facilities in the market. At the request of the former Subcommittee, the Administration agreed to keep the 80% threshold under regular review.

13. According to the information provided by the Administration to the Panel in March 2017, FEHD had consulted MMCCs of all relevant markets, and was taking forward progressively in accordance with the established procedures and mechanism including securing the necessary funding for the initiative for 11 public markets/cooked food centres which had obtained adequate support from tenants.<sup>4</sup>

#### *Air-conditioning charging arrangement*

14. During the deliberations of the former Subcommittee, many Members considered that market stall operators should not be required to pay the air-conditioning charges for common areas in public markets such as the

---

<sup>4</sup> According to the supplementary information provided by the Administration to the Panel in January 2018 (LC Paper No. CB(2)804/17-18(01)), the 11 public markets/cooked food centres are Tai Wai Market, Tsuen Wan Market, Yeung Uk Road Market, Aberdeen Market and its cooked food centre as well as the cooked food centres of Shui Wo Street Market, Electric Road Market, Fa Yuen Street Market, Ngau Chi Wan Market, Ngau Tau Kwok Market, Quarry Bay Market and Shek Tong Tsui Market. The Panel considered the proposal on installation of air-conditioning system at Tai Wai Market at its meeting on 13 March 2018.

passageways. They suggested that air-conditioning charges attributable to public areas of markets should be borne by the Government and tenants should only pay charges on the basis of the actual size of their stall areas. Some Members took the view that if stall operators were required to pay air-conditioning charges only for their actual stall areas, more stall operators would support the proposals for retrofitting of air-conditioning facilities in public markets. The Administration was urged to review the existing air-conditioning charging arrangement.

15. The Administration advised that the high capital costs of retrofitting of air-conditioning facilities were borne entirely by the Government. Unlike landlords in private commercial venues, who sought to recover the capital costs of retrofitting of air-conditioning facilities through rental adjustments, the Government did not recover the capital costs. As tenants in public markets were commercial operators, further Government subsidy in the form of air-conditioning charges might give rise to unfair competition between stalls in public markets and similar retail operators in private commercial retail premises, especially those in areas nearby, and inconsistency in the cost sharing methods applicable to stalls in public markets and other Government rental properties.

16. The Administration further advised that it was not appropriate to draw a direct comparison between commercial shopping arcades and public markets as there were fundamental differences between the two though they were both retail outlets. The common areas in public markets were in reality part of the trading environment, as customers in public markets stayed in the corridor (i.e. the common areas) when choosing and purchasing the goods. Also, tenants in commercial shopping arcade were generally required to pay management fees. In contrast, public market tenants were not required to pay any management fees. The proposal to exclude the public areas of markets from the calculation of air-conditioning charges payable by tenants would deviate from the existing practice in all Government rental properties. Since public areas were integral parts of the market trading environment and were used by the patrons of the stalls, the Administration considered it reasonable for tenants to pay for the relevant air-conditioning charges.

### **Motions passed at the Panel meeting**

17. When discussing the Administration's proposal of installing air-conditioning system at Tai Wai Market at the meeting of the Panel on 13 March 2018, the Panel passed two motions urging the Government to implement measures to, among others, (a) expedite and shorten the retrofitting works to not more than six months; (b) provide a waiver of rental and air-conditioning charges to the stall tenants; and (c) provide ex-gratia payments to the affected stall tenants. The wordings of the two motions are set out in **Appendix II**.

### **Latest development**

18. The Administration will brief members on the Market Modernization Programme at the meeting on 10 April 2018.

### **Relevant questions raised at Council meetings**

19. A list of relevant questions raised by Members at Council meetings in the Fifth and the Sixth LegCo is in **Appendix III**.

### **Relevant papers**

20. A list of the relevant papers on the LegCo website is in **Appendix IV**.

Council Business Division 2  
Legislative Council Secretariat  
29 March 2018

**Extract from the Report of  
the Subcommittee on Issues Relating to Public Markets  
formed under the Panel on Food Safety and Environmental Hygiene  
in the Fifth Legislative Council**

X X X X X X X X X X X X X X

**Recommendations**

36. The Subcommittee urges the Administration to take into account the views and concerns expressed by members on various issues as set out above in considering and implementing the consultant's recommendations on improving the operating environment of public markets. The Subcommittee recommends that the Administration should -

- (a) take proactive measures to ensure that public markets are kept clean and hygienic so as to provide a decent and comfortable shopping environment accessible to patrons, and that stall tenants are willing to provide good quality commodities at affordable prices so as to increase the patronage of public markets;
- (b) consider how to better utilize public markets with very low occupancy rates, for example, by converting them into community facilities providing leisure and cultural services and/or other social services;
- (c) ensure that there will be adequate consultation with the concerned stall tenants and representatives of the Market Management Consultative Committees ("MMCCs") before implementing the consultant's improvement proposals for the physical design and layout of the six selected public markets and/or other markets;
- (d) provide the Panel with information on the outcomes of the consultation with the tenants and MMCCs of the six selected markets (and other markets, if any) and the finalized improvement plans;

- (e) ensure that the new management model to be devised for public markets will be able to develop a partnership between FEHD and stall tenants, and provide stall tenants with opportunities to participate in the decision-making process of the daily management of public markets to sustain improvement;
- (f) review comprehensively the criteria adopted in the retrofitting of air-conditioning facilities and consider further lowering the threshold of tenants' support at 80% as the requirement for the retrofitting of air-conditioning facilities in public markets;
- (g) consider measures to facilitate stall operators to reach a consensus on proposals for retrofitting air-conditioning facilities in public markets, and giving consideration to the suggestion of allowing the retrofitting of air-conditioning facilities in public markets on a floor-by-floor basis;
- (h) review the existing air-conditioning charging arrangement for public market stalls and give consideration to the suggestion of excluding common areas of markets from the amount of air-conditioning charges payable by stall tenants; and
- (i) review comprehensively its policy on the provision of new markets and consider ways to respond to the community needs for public markets in new districts.

X X X X X X X X X X X X X

食物安全及環境衛生事務委員會  
Panel on Food Safety and Environmental Hygiene

在 2018 年 3 月 13 日的會議上就  
議程項目 V "大圍街市安裝空調系統工程(項目：3034NM)" 通過的議案  
Motions passed under agenda item V "Installation of air-conditioning system  
at Tai Wai Market (Item 3034NM)" at the meeting on 13 March 2018

議案(一)

何啟明議員動議的議案  
Motion moved by Hon HO Kai-ming

(議案中文措辭)

本事務委員會促請政府，就大圍街市安裝空調系統工程，考慮實施以下措施，以減低工程帶來的影響，包括：

1. 免除街市檔戶租金一年；
2. 在原有街市附近設立臨時街市，供原有檔戶繼續擺檔經營；
3. 向受影響檔戶發放恩恤金；及
4. 免除檔戶日後維修費及冷氣費。

Motion 1

(English translation of the motion)

Regarding the installation of air-conditioning system at Tai Wai Market, this Panel urges the Government to consider taking the following measures to minimize the impact so caused, including the provision of:

1. a rental waiver to all stall tenants for one year;
2. a temporary market in the vicinity of Tai Wai Market so that existing stall tenants could move and continue their business in the temporary market;
3. ex-gratia payments to the affected stall tenants; and
4. a permanent waiver for stall tenants of general maintenance costs and air-conditioning charges.

## 議案(二)

### **葛珮帆議員動議的議案 Motion moved by Dr Hon Elizabeth QUAT**

(議案中文措辭)

鑒於大圍街市的商戶在安裝冷氣工程期間生計大受影響，本事務委員會促請政府實施以下措施：

1. 加快工程進度，縮短工程至不超過 6 個月；
2. 工程完畢後街市重開，免租金及冷氣費用 12 個月(當中並不包括全封街市的幾個月份)；
3. 以協商而非競投處理原有檔戶拆遷安排；
4. 由於安裝冷氣期間檔戶沒有收入，檔內生財工具放置太久會有損耗，故此為商戶提供恩恤及補償；及
5. 將來街市公共地方的冷氣費、冷氣的保養及維修費用由政府承擔。

## Motion 2

(English translation of the motion)

As the livelihood of the stall tenants would be seriously affected during the installation of air-conditioning system at Tai Wai Market, this Panel urges the Government to implement the following measures:

1. to expedite and shorten the retrofitting works to not more than six months;
2. to provide a waiver of rental and air-conditioning charges for 12 months (excluding the several months of full market closure) to the stall tenants when the market reopens after completion of works;
3. to handle the reprovisioning of existing stall tenants through negotiation rather than auction;
4. to provide ex-gratia payments to the stall tenants to compensate for their loss of income during the installation of air-conditioning system, as well as the wear and tear to their tools of trade which will be left idling for a prolonged period; and
5. to permanently shoulder the air-conditioning charges for common areas in the market, as well as the repair and maintenance costs of the air-conditioning system.

**Relevant Council questions  
raised by Members in the Fifth and Sixth Legislative Council on  
Issues relating to the improvement works of and installation of air-  
conditioning facilities in public markets**

Meeting	Date of meeting	Question
Legislative Council	26.6.2013	<a href="#">Official Record of Proceedings Pages 13892 to 13896 (written question raised by Hon CHAN Yuen-han on "Air-conditioning systems in public markets")</a>
	9.4.2014	<a href="#">Official Record of Proceedings Pages 9542 to 9544 (written question raised by Hon LEUNG Yiu-chung on "Assistance to stall tenants in public markets")</a>
	26.11.2014	<a href="#">Official Record of Proceedings Pages 2605 to 2612 (written question raised by Dr Hon Elizabeth QUAT on "Management of public markets")</a>
	4.2.2015	<a href="#">Official Record of Proceedings Pages 5643 to 5652 (oral question raised by Dr Hon Elizabeth QUAT on "Provision of new public markets and retrofitting of air-conditioning systems in existing public markets")</a>
	24.2.2016	<a href="#">Official Record of Proceedings Pages 5871 to 5874 (written question raised by Hon WU Chi-wai on "Measures to improve operating environment of public markets")</a>

<b>Meeting</b>	<b>Date of meeting</b>	<b>Question</b>
Legislative Council	16.3.2016	<a href="#">Official Record of Proceedings Pages 6634 to 6637 (written question raised by Hon CHAN Han-pan on "Provision and management of public markets")</a>
	22.6.2016	<a href="#">Official Record of Proceedings Pages 12219 to 12223 (written question raised by Hon TANG Ka-piu on "Retrofitting of air-conditioning systems in public markets")</a>
	1.3.2017	<a href="#">Official Record of Proceedings Pages 4714 to 4723 (oral question raised by Hon Wilson OR on "Retrofitting air-conditioning systems for public markets")</a>
	15.11.2017	<a href="#">Official Record of Proceedings Pages 2285 to 2297 (oral question raised by Hon SHIU Ka-fai on "Retrofitting air-conditioning systems for public markets")</a>

Council Business Division 2  
Legislative Council Secretariat  
29 March 2018

**Relevant papers on  
Issues relating to the improvement works of and installation of air-  
conditioning facilities in public markets**

<b>Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
Panel on Food Safety and Environmental Hygiene ("FSEH Panel")	8.1.2013 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Subcommittee on Issues Relating to Public Markets formed under FSEH Panel in the Fifth Legislative Council ("the former Subcommittee")	25.3.2014 (Item II)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	29.4.2014 (Item II)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	18.11.2014 (Item II)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	20.1.2015 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	1.6.2015 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	29.6.2015 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>
FSEH Panel	-	<a href="#">Report of the former Subcommittee</a>
	8.11.2016 (Item V)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	11.4.2017 (Item V)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	31.10.2017 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>

<b>Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
FSEH Panel	13.3.2018 (Item V)	<a href="#">Agenda</a>

Council Business Division 2  
Legislative Council Secretariat  
29 March 2018