

# 立法會 *Legislative Council*

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## **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 6 November 2018**

#### **Issues relating to the development of new public markets**

#### **Purpose**

This paper provides background information on issues relating to the development of new public markets, and summarizes the major views and concerns expressed by Members during previous discussions on the subject.

#### **Background**

##### Public markets managed by the Food and Environmental Hygiene Department ("FEHD")

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. 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main positioning and functions of public markets as a means to resiting hawkers and supporting the hawker policy were no longer valid. Following the dissolution of the former MCs on 1 January 2000, FEHD has taken over the responsibility for managing public markets. FEHD is currently managing 99 public markets and over 60% of them were built before 1990s.

## Hong Kong Planning Standards and Guidelines ("HKPSG")

3. HKPSG stipulates general guidelines for determining the scale, location and site requirements of various land uses, community facilities and infrastructures. According to the Administration, the relevant bureaux and departments will formulate, review and update the relevant planning standards, having regard to the policies under their purview and development needs. The Food and Health Bureau and FEHD conducted a policy review of public markets in 2007. Subsequently, those parts concerning public markets in HKPSG were amended in April 2009. Under the revised HKPSG<sup>1</sup>, the planning of public markets was based on a more holistic consideration of all relevant factors, rather than just the size of the population.<sup>2</sup> The relevant factors that should be considered include the demographic mix, community needs, the presence of market facilities nearby, the number of fresh provision retail outlets available in the vicinity, and public sentiment towards the preservation of hawker areas in the particular locality.

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

4. The major views and concerns expressed by Members at various platforms, including the two subcommittees formed under the Panel on Food Safety and Environmental Hygiene ("the Panel") in the Fifth Legislative Council ("LegCo") and the Sixth LegCo respectively to study issues relating to public markets, on the subject are summarized in the ensuing paragraphs.

### Development of new public markets

5. One of the grave concerns of the Subcommittee formed in the Fifth LegCo ("the former Subcommittee") was the lack of public markets in newly developed districts, such as Tin Shui Wai and Tung Chung. The former Subcommittee passed a motion at its meeting on 18 November 2014 urging the Administration to expeditiously take forward the planning for building new markets in Tin Shui Wai and Tung Chung, so as to respond to the needs of the community; and to comprehensively review its policy in regard to the provision of new markets in newly developed districts.<sup>3</sup>

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<sup>1</sup> Please see Chapter 6 of HKPSG on retail facilities.

<sup>2</sup> Before the amendment in April 2009, provision of new public markets was based on the size of population of the areas (i.e. one public market stall should be provided for every 55 to 65 households or approximately 40 to 45 stalls per 10 000 persons).

<sup>3</sup> For the wording of the motion passed by the former Subcommittee and the Administration's response, please refer to LC Paper Nos. CB(2)312/14-15(02) and CB(2)815/14-15(01) respectively.

6. The Administration advised that when considering any proposals to establish a new market in a certain district, FEHD would, on a case-by-case basis, take into consideration various relevant factors, including demographic mix, community needs, the availability of public and private market facilities nearby, the number of fresh provision retail outlets in the vicinity, and public sentiment towards the preservation of hawker areas, in addition to the population in the district concerned. According to the Administration's experience, the viability of the newly established markets would be significantly reduced if there were many similar retail outlets in the vicinity of the new markets, resulting in an increase of vacant stalls and therefore weakening the function of these markets for the provision of services to the public.

7. The Subcommittee formed in the Sixth LegCo ("the Subcommittee") noted that the Panel received a briefing by the Secretary for Food and Health on the Chief Executive's 2017 Policy Address at its meeting on 31 October 2017. Members were advised that the Government would build new public markets in Tung Chung New Town Extension Area, Hung Shui Kiu New Development Area and Tin Shui Wai. If necessary, the Government would study the need and the feasibility of providing new public markets.

8. When the Subcommittee discussed the Market Modernization Programme (MMP)<sup>4</sup> at its meeting on 10 April 2018, Members had enquired about the progress of building new public markets in Tin Shui Wai and Tung Chung. Members were advised that while the Administration was identifying a suitable location to build a new market in Tin Shui Wai, the Administration had already earmarked space near the Tung Chung MTR Station for building a market at Tung Chung East. The Administration would also consider the needs and feasibility of building a market at the town centre of Tung Chung. At the meeting, the Subcommittee passed a motion urging the Government to, among others, identify suitable sites for building new public markets, including the building of municipal complexes, instead of the proposed community complexes, for incorporating public market facilities in line with the "single site, multiple use" principle.<sup>5</sup>

9. Some Members considered that the Administration should regard developing new markets as a way to promote healthy competition among various types of retail outlets as well as to increase consumers' choice. The Administration advised that the Government did not control the prices of the

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<sup>4</sup> In the 2018-2019 Budget Speech, the Financial Secretary announced that \$2 billion would be earmarked for implementing MMP over the next 10 years as a pledge to improve the operating environment of existing public markets managed by FEHD.

<sup>5</sup> For the wording of the motion and the Administration's response, please refer to LC Paper Nos. CB(2)1200/17-18(01) and CB(2)1572/17-18(01) respectively.

goods sold in public markets, and was not in a position to guarantee that the goods sold in public markets would be cheaper than those in other shops.

### Review of HKPSG

10. The Subcommittee noted that at the Council meeting of 7 December 2016, the Council passed a motion on "Updating the Hong Kong Planning Standards and Guidelines and increasing community facilities to enhance living environment". The motion urged the Administration to adopt the principles of 'people-orientation' and 'enhancing community participation' to expeditiously update HKPSG and relevant town planning guidelines by, among others, incorporating public markets into the item of 'community facilities' and restoring the prescription of a standard for population-to-market stall ratio, etc. In response to the motion, the Administration stated in its progress report to the Council that when planning for new markets, the Government should consider a host of factors, including but not limited to population-based consideration. This would provide greater flexibility in assessing the local circumstances and the need to improve the provision of facilities in public market.

11. Some Members held the view that while HKPSG listed a set of factors pertaining to the provision of public markets, community needs should be an overriding factor in deciding whether a new market should be established. The Subcommittee passed a motion at its meeting on 10 July 2018 urging the Government to, among others, to review the planning standards for public market facilities as set out in HKPSG, with a view to ensuring an adequate supply of market stalls for the community.<sup>6</sup>

### Provision of A/C systems in public markets

12. Members considered that the availability of A/C systems in public markets was important in attracting customers. In some Members' view, the installation of A/C systems in public markets was for the benefit of the public and the "user-pays" principle should not be adopted in recovering the A/C charges. There was also a view that stall tenants should not be required to pay the A/C charges for common areas in public markets such as the passageways, A/C charges attributable to public areas of markets should be borne by the Administration while stall tenants should only pay charges on the basis of the actual size of their stall areas. At its meeting on 10 April 2018, the Subcommittee passed a motion requesting the Government to bear the A/C charges attributable to the common areas of markets.<sup>7</sup>

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<sup>6</sup> For the wordings of the motion, please refer to LC Paper Nos. CB(2)1812/17-18(01).

<sup>7</sup> For the wordings of the motion and the Administration's response, please refer to LC Paper Nos. CB(2)1200/17-18(02) and CB(2)1572/17-18(01) respectively.

13. The Administration advised that recurrent expenses including electricity charges and general maintenance costs were to be borne by the stall tenants on a pro rata basis, based on the floor area of their respective stalls and it was reasonable for tenants to pay the A/C charges in accordance with the "user-pays" principle. Furthermore, the high capital costs of retrofitting of A/C facilities were borne entirely by the Government. Unlike landlords in private commercial venues, who sought to recover the capital costs of retrofitting of A/C facilities through rental adjustments, the Government did not recover the capital costs.

#### Operating environment of public markets

14. Some Members were of the view that apart from installing A/C systems, it was equally important to find the right trade mix to improve the operating environment of public markets. There was also a suggestion that in order to improve the operating environment of public markets, FEHD should consider removing the wall(s) between the stalls if neighbouring stalls were rented by the same tenant.

15. The Administration acknowledged that the sheer small size of a typical market stall made reasonable daily retail operation near impossible without intruding into the aisles. It would consider encouraging tenants renting multiple stalls to conduct their business in one single stall. In addition, MMP would provide a prime opportunity to review management issues and offer new running models in the new market setting with complete new hardware and stall design. In the Administration's view, only with a holistic hardware-cum-software package would be able to increase patronage as well as competitiveness of public markets, thus making them more vibrant and serving the community better. The new Wan Chai Market commissioned in 2008 was a near-example of the kind of change that the Administration might be able to bring by more recent design standards and a tenancy and management re-boot.

#### **Latest developments**

16. At the policy briefing given by the Secretary for Food and Health on 22 October 2018, the Panel was advised that the Administration proposed to build a market with brand new design on the section of Tin Fuk Road outside Tin Shui Wai MTR Station, and another one in Tung Chung Town Centre on the lower floors of a commercial building in Area 6 adjacent to Tung Chung MTR Station. The Administration was identifying sites for public markets in Tseung Kwan O and Kwu Tung North New Development Area to provide more choices to the public in purchasing fresh food.

17. The Subcommittee will discuss with the Administration the development of a new generation of public markets at its meeting on 6 November 2018.

**Relevant papers**

18. A list of relevant papers available on the LegCo's website is in **Appendix**.

Council Business Division 2  
Legislative Council Secretariat  
2 November 2018

## Appendix

### Relevant papers on Issues relating to the development of new public markets

Committee	Date of meeting	Paper
Subcommittee on Issues Relating to Public Markets formed under the Panel on Food Safety and Environmental Hygiene ("FSEH Panel") in the Fifth Legislative Council	18.11.2014 (Item III)	<a href="#">Agenda</a> <a href="#">Minutes</a>
FSEH Panel	-	<a href="#">Report of the Subcommittee on Issues Relating to Public Markets formed under FSEH Panel in the Fifth Legislative Council</a>
Legislative Council	4.2.2015	<a href="#">Official Record of Proceedings Pages 5643 – 5653 (Oral question raised by Hon Elizabeth QUAT)</a>
	11.11.2015	<a href="#">Official Record of Proceedings Pages 1244 – 1255 (Oral question raised by Hon LEUNG Che-cheung)</a>
	16.3.2016	<a href="#">Official Record of Proceedings Pages 6649 – 6653 (Written question raised by Hon Alice MAK)</a>
	7.12.2016	<a href="#">Motion moved by Hon CHAN Han-pan</a>  <a href="#">Progress Report</a>

<b>Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
Legislative Council	15.2.2017	<a href="#">Official Record of Proceedings Pages 3717 – 3723 (Written question raised by Hon Fernando CHEUNG)</a>
FSEH Panel	31.10.2017	<a href="#">Agenda</a> <a href="#">Minutes</a>
Subcommittee on Issues Relating to Public Markets formed under the FSEH Panel in the Sixth Legislative Council	10.4.2018	<a href="#">Agenda</a> <a href="#">Minutes</a>
	10.7.2018	<a href="#">Agenda</a>

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