For discussion on 11 December 2018

## Legislative Council Panel on Food Safety and Environmental Hygiene

# Review Outcome of the Hawker Assistance Scheme for Licensed Fixed-pitch Hawkers

### **PURPOSE**

This paper briefs Members on the outcome of review of the Hawker Assistance Scheme for licensed fixed-pitch hawkers (the Assistance Scheme) and the proposed arrangement for re-allocation of vacant hawker pitches.

#### BACKGROUND

2. The Food and Environmental Hygiene Department (FEHD) implemented the five-year Assistance Scheme in June 2013 for licensed hawkers operating in 43 fixed-pitch hawker areas (see <u>Annex 1</u>) in the territory. The Assistance Scheme provided hawkers in the fixed-pitch hawker areas with financial assistance for stall relocation cum reconstruction or in-situ stall reconstruction to improve the design and fire resisting capability of hawker stalls, and to relocate stalls away from adjacent staircase discharge points of buildings or emergency vehicular access in a bid to minimise the fire risks posed by on-street hawking activities. FEHD updated Members on the progress of the Assistance Scheme vide LC Paper No. CB(2)1809/17-18(01) in July 2018.

### REVIEW OF THE ASSISTANCE SCHEME

3. The Assistance Scheme ended in June 2018. Among the 4 330 licensed fixed-pitch hawkers, FEHD received applications from 854

eligible hawkers¹under the Assistance Scheme for ex-gratia payment (EGP) on surrender of hawker licences. The approval procedures for applications were all completed and the hawker pitches were vacated. Besides, FEHD received 422 applications for relocation cum reconstruction grant and 3 002 applications for in-situ reconstruction grant. In other words, 98.8% of the licensed hawkers in the 43 hawker areas joined the Assistance Scheme.

- 4. With the implementation of the Assistance Scheme, the Government has satisfactorily reduced the fire risks posed by on-street hawking activities. Besides, we have also brought about a face-lift to the hawker areas, rationalised the overall layout of hawker areas and enhanced the electrical safety of hawker areas.
- 5. Through the surrender of hawker licences, 237 vacant hawker pitches were released after the Assistance Scheme. Besides, as at 31 October 2018, there were 186 hawker pitches within or outside the hawker areas which are vacated due to other reasons. Hence, there is now a total of 423 vacant pitches<sup>2</sup> which have fire safety improved and are suitable for re-allocation. Details are set out in **Annex 2**.

### PROPOSED RE-ALLOCATION FOR VACANT HAWKER PITCH

6. Having considered the fire safety and environmental hygiene situations of the pitches and the concerns of traders, we propose, after careful review of the business environment, to apportion the above vacant pitches, which are suitable for re-allocation, equally among four categories of applicants, namely licensed newspaper hawkers, licensed itinerant hawkers, registered assistants with five years or more experience<sup>3</sup> and members of the general public satisfying some basic criteria <sup>4</sup>, the

<sup>&</sup>lt;sup>1</sup> Hawkers whose licences were issued pursuant to the hawker licensing policy review in 2008/09 were not included.

<sup>&</sup>lt;sup>2</sup> The figure does not include pitches with a higher risk which are unsuitable for setting up stalls (including pitches located within a radial distance of six metres in front of building staircase discharge points and within 1.5 metres of fire hydrants/located at emergency vehicular access), earmarked to accommodate stalls that require relocation due to fire safety considerations, absorbed in the course of rationalisation of the overall layout of hawker areas, and reserved for resite commitments due to other needs

<sup>&</sup>lt;sup>3</sup> The experience of these assistants is calculated in terms of registration at the same hawker pitch and on a cumulative basis.

<sup>&</sup>lt;sup>4</sup> The basis criteria include: Hong Kong resident of 18 years of age or above on or before the deadline

justifications for accepting applications from these four types of applicants are provided at <u>Annex 3</u>. We will adhere to the following principles in allocating pitches:

- (a) Hawker pitches are mostly situated in the much-needed busy urban areas. At present, the annual licence fee cum pitch fee for fixed-pitch (Other Classes) hawker licence ranges from \$4,347 to \$6,715, depending on the area of the pitch. The pitch allocation mechanism must be fair, impartial and transparent. All eligible persons should be given a reasonable opportunity to enter the hawker trade.
- (b) Given the limited number of vacant hawker pitches suitable for re-allocation, pitch allocation and licensing conditions (such as licence tenure) should complement each other and be conducive to sustaining the vibrant development of the trade.
- (c) Both sentiments of the hawker trade and views of the general public will be taken into account and properly balanced in the design of the pitch allocation mechanism.
- (d) Bearing in mind that the employment relationship between a hawker and his/her assistant is fundamentally private in nature, the Government is not in a position to intervene.
- 7. Each applicant will be given an individual application number specific to each category of applicants. Priority of hawker pitch selection is basically determined by a combination of manual ballot and computer random sequencing. In order to ensure that the allocation mechanism is transparent, fair and impartial, we are seeking comments from the Independent Commission Against Corruption.
- 8. Since the land where hawker pitches are situated is a precious public resource, the renewal of hawker licence should not be taken as a matter of course. We should act under a fair mechanism to promote

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of application; not a current holder of any valid hawker licence; has not participated in any hawker licence voluntary surrender scheme; has not entered into any market stall tenancy agreement that remains in force with FEHD; and none of his/her parents, spouse or children is a current holder of any valid hawker licence.

healthy turnover of hawker licences and allow admission of new traders. Hence, FEHD is considering specifying a licence operation validity period for new hawker licences, say five years, thereby facilitating the turnover of vacant hawker pitches and creating more opportunity for anyone interested in hawking to join the trade.

9. FEHD has consulted the hawker trade on the above proposal and their views are summarised at **Annex 4**.

### **CONCLUSION**

10. Members are invited to comment on the proposal as set out above. We will brief the District Councils concerned on the proposal before conducting the re-allocation exercise. Our tentative plan is to invite applications in the third quarter of 2019.

Food and Health Bureau
Food and Environmental Hygiene Department
December 2018

# Annex 1

# 43 Fixed-pitch Hawker Areas

District	Location of Fixed-pitch Hawker Areas	
Eastern	1.	Chun Yeung Street
	2.	Marble Road
	3.	Kam Wa Street
	4.	Tai Tak Street
	5.	Mong Lung Street
Central & Western	6.	Pottinger Street
	7.	Graham Street
	8.	Gage Street
	9.	Li Yuen Street East
	10.	Li Yuen Street West
	11.	Peel Street
	12.	Wing Kut Street
	13.	Upper Lascar Row
	14.	Man Wa Lane
Wan Chai	15.	Gresson Street
	16.	Cross Street
	17.	Tai Yuen Street
	18.	Jardine's Crescent
Yau Tsim	19.	Reclamation Street
	20.	Pak Hoi Street
	21.	Saigon Street
	22.	Canton Road
	23.	Bowring Street
	24.	Temple Street
Mongkok	25.	Tung Choi Street
	26.	Canton Road
	27.	Fife Street
	28.	Yin Chong Street
	29.	Ki Lung Street
	30.	Poplar Street
	31.	Fa Yuen Street
	32.	Nelson Street

Sham Shui Po	33.	Wing Lung Street
	34.	Fat Tseung Street
	35.	Cheung Fat Street
	36.	Fuk Wa Street
	37.	Fuk Wing Street
	38.	Pei Ho Street
	39.	Apliu Street
	40.	Ki Lung Street
	41.	Tai Nan Street
	42.	Kweilin Street
Kowloon City	43.	Pau Chung Street

# Annex 2

# Summary of Vacant Hawker Pitches Suitable for Re-allocation (Position as at 31.10.2018)

District	Serial No	Hawker Street/Bazaar <sup>1</sup>	Number of Vacant Pitches Available for Re-allocation <sup>2</sup>
	1	Chun Yeung Street <sup>3</sup>	1
	2	Marble Road <sup>3</sup>	11
Eastern	3	Kam Wa Street <sup>3</sup>	6
	4	Tai Tak Street <sup>3</sup>	4
		Sub-total	22
	1	Pottinger Street <sup>3</sup>	3
	2	Graham Street <sup>3</sup>	6
	3	Peel Street <sup>3</sup>	4
	4	Upper Lascar Row <sup>3</sup>	1
	5	Aberdeen Street	1
Central	6	Douglas Lane	1
and	7	Elgin Street	1
Western	8	An unnamed lane	
		connecting Pedder	1
		Street and Theatre	1
		Lane	
	9	Gilman's Bazaar	1
		Sub-total	19
Wan Chai	1	Gresson Street <sup>3</sup>	7
	2	Cross Street <sup>3</sup>	2
	3	Tai Yuen Street <sup>3</sup>	2
	4	Jardine's Crescent <sup>3</sup>	22
	5	Wun Sha Street	26
		Sub-total	59
Yau Tsim	1	Reclamation Street <sup>3</sup>	21
	2	Canton Road <sup>3</sup>	14
	3	Bowring Street <sup>3</sup>	4
	4	Temple Street <sup>3</sup>	69

District	Serial No	Hawker Street/Bazaar <sup>1</sup>	Number of Vacant Pitches Available for Re-allocation <sup>2</sup>
	5	Pitt Street	2
		Sub-total	110
Mongkok	1	Tung Choi Street <sup>3</sup>	28
	2	Canton Road <sup>3</sup>	31
	3	Fife Street <sup>3</sup>	8
	4	Yin Chong Street <sup>3</sup>	4
	5	Ki Lung Street <sup>3</sup>	5
	6	Poplar Street <sup>3</sup>	3
	7	Nelson Street <sup>3</sup>	3
	8	Nam Tau Street	1
		Sub-total	83
Sham Shui Po	1	Wing Lung Street <sup>3</sup>	37
	2	Fat Tseung Street <sup>3</sup>	6
	3	Cheung Fat Street <sup>3</sup>	14
	4	Fuk Wing Street <sup>3</sup>	1
	5	Pei Ho Street <sup>3</sup>	1
	6	Apliu Street <sup>3</sup>	4
	7	Ki Lung Street <sup>3</sup>	2
		Sub-total	65
Kowloon	1	Pau Chung Street <sup>3</sup>	18
City		Sub-total	18
Tsuen Wan	1	Hau Tei Square Hawker Bazaar	47
		Sub-total	47
		Total	423

### Note:

- 1 Hawker streets/bazaar outside 43 hawker areas under the Hawker Assistance Scheme are included.
- The figure represents the number of pitches suitable for re-allocation. The figure does not include pitches with a higher risk which are unsuitable for setting up stalls (including pitches located within a radial distance of six metres in front of building staircase discharge points and within 1.5 metres of fire hydrants/located at emergency vehicular access), earmarked to accommodate stalls that

require relocation due to fire safety considerations, absorbed in the course of rationalisation of the overall layout of hawker areas, and reserved for resite commitments due to other needs.

These are hawker areas among the 43 hawker areas which have pitches suitable for re-allocation. Hawker areas without suitable pitches for re-allocation, i.e. Mong Lung Street, Gage Street, Li Yuen Street East, Li Yuen Street West, Wing Kut Street, Man Wa Lane, Pak Hoi Street, Saigon Street, Fa Yuen Street, Fuk Wa Street, Tai Nan Street and Kweilin Street, are excluded.

# Re-allocation of Vacant Hawker Pitches Categorisation of Applicants

In order to put vacant hawker pitches to gainful use and add ambiance to the hawking environment as well as be more responsive to public expectation and trade demand, applicants are proposed to be categorised below -

## Licensed Newspaper Hawkers

- 2. At present, there are 390 licensed newspaper hawkers operating at hawker pitches or on itinerant basis. With the rapid advancement of information technology, newspaper and magazines are no longer the basic communicating media. Although compatible sideline commodities are permitted to be sold at newspaper stands in addition to printed media, many newspaper hawkers point out that their business is Sometimes, non-permitted items are sold at newspaper stands, declining. they even dominate the approved commodities in terms of size and volume. This has caused serious street obstruction at locations of heavy pedestrian flow and become the main source of complaints. Permitting more sideline items to be sold at newspaper stands for sustaining business income of newspaper hawkers will not only adversely affect street obstruction problem, but also poses unfair competition to neighboring retailers. More importantly, it is inconsistent with the original intent of newspaper hawker licensing.
- 3. In view of the changes in society, newspaper hawkers may be given an opportunity to apply for allocation of vacant hawker pitches. It will not only relieve the pavement congestion but also alleviate keen competition among newspaper hawkers and reinforce sustainability of the hawker trade.

#### Licensed Itinerant Hawkers

4. At present, there are 310 licensed itinerant hawkers in the territory. They usually ply their trade at locations with heavy pedestrian

flow as well. As some trolleys used for hawking are large, they often cause obstruction and give rise to environmental hygiene concerns. Furthermore, itinerant hawkers are getting old and some of them call for a more stable operating environment. Giving an opportunity to licensed itinerant hawkers to apply for allocation of vacant hawker pitches and, if successful, will also improve pedestrian traffic and alleviate environmental problem.

### Registered Assistants

- 5. During the implementation of the Assistance Scheme, hawker assistants have on numerous occasions reflected to the Government their views of giving priority to experienced registered assistants when hawker pitch re-allocation takes place, as they can apply their experience in the trade to enhance the vibrancy of the hawker areas. Besides, those registered assistants who have been rendered jobless after their hawker licensee employers have left the trade should also be given priority for pitch re-allocation for similar reasons.
- 6. We are aware of the aspiration of registered assistants, yet it has been a standing hawker policy which has made known to the hawker trade that registered assistants are assistants to their hawker licensees. The employment relationship between registered assistant and his/her hawker licensee is fundamentally private between the two parties. only purpose of the hawker registration system is to differentiate those assistants employed by licensed hawkers to assist in the business from others to avoid them being prosecuted for unlicensed hawking when the hawker licensees could not personally attend to the hawking activity at the pitches concerned due to reasonable cause (for example, away for meal or The implementation of the registration system is purely ordering goods). enforcement-based. We do not acknowledge that the status of assistants is equivalent to hawkers. We also do not accept that in allocating hawker pitches, which are public resources, special treatment should be given to assistants employed by licensed hawkers, as this would cause unfairness to members of the public who are also non-licensed hawkers but have an intention to join the trade. The present proposal of giving a greater chance to registered assistants of being allocated a pitch should be viewed as a discretionary arrangement.

### The General Public<sup>5</sup>

7. Street vending is small-scale business involving relatively low It would be seen as suitable for the general public attempting investment. The Food and Environmental Hygiene Department small businesses. (FEHD) has reached out to some 7 500 general public applicants between March and April 2018 who did submit applications in the 2010 hawker pitch re-allocation exercise but were unsuccessful. In brief, amongst the 3 600 applicants we successfully interviewed, over 70% express interest in joining the hawker trade if opportunity arises. This indicates that a critical mass of general public applicants who participated in the 2010 exercise would likely lodge an application in the upcoming exercise, not to mention others who had not expressed their intention to join the hawking trade before.

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<sup>&</sup>lt;sup>5</sup> Hong Kong resident of 18 years of age or above on or before the deadline of application; not a current holder of any valid hawker licence; has not participated in any hawker licence voluntary surrender scheme; has not entered into any market stall tenancy agreement that remains in force with FEHD; and none of his/her parents, spouse or children is a current holder of any valid hawker licence.

### Annex 4

## **Hawker Trade Consultation**

Meetings were held with the Hawker Management Consultative Committees ("HMCCs") of 43 hawker areas and relevant trade associations to listen to their views.

# Re-Issue of Fixed-pitch Hawker Licences

- 2. All hawker trade associations and the majority of the HMCC representatives supported the issue of licences to new operators to fill existing vacant hawker pitches.
- 3. A few HMCC representatives suggested that existing vacant pitches should first be used to further rationalise the overall layout of hawker areas where circumstances permit to improve hawking environment.

# Apportioning Vacant Pitches Equally among four Categories of Applicants and Pitch Selection Priority by Random Sequencing

- 4. The majority of HMCC representatives were supportive to the proposal. They generally agreed that apart from registered assistants and the general public who have an opportunity to be allocated with hawker pitches, licensed newspaper hawkers and licensed itinerant hawkers should also be given an option to take up a fixed-pitch selling other classes of commodities by means of random sequencing to determine the priority in pitch selection.
- 5. Trade associations representing licensed newspaper hawkers and itinerant hawkers welcomed the proposal of setting aside some vacant pitches for their selection.
- 6. Trade associations representing the majority of fixed-pitch hawkers selling other classes of commodities considered that all vacant pitches should be re-allocated with priority to experienced registered assistants who are currently in the trade or displaced as a result of surrender of hawker licences or through natural causes, so that they can operate in the same hawker area or same district. These registered assistants

- have ample hawking experience and would contribute to the vibrancy of street trading.
- 7. Some other views from HMCCs were that vacant pitches could be apportioned between licensed hawkers and non-licensed hawkers for selection, or that licensed hawkers and experienced registered assistants could be grouped in one category while the general public in another in a certain proportion. Some also thought that, as a matter of fairness and impartiality, anyone interested in the hawking trade should have an equal opportunity to select the vacant pitches and priority list for pitch selection should be done by random sequencing.

## **Experience of Registered Assistants**

8. The majority of the hawker trade suggested that four to five years' minimum experience would suffice as one of the pre-qualifying criteria for setting up an independent category in the pitch re-allocation mechanism.

# **Licence Operation Validity Period**

9. A few HMCC representatives suggested that the validity period should be no less than 10 years. Others held a sympathetic view on new hawker licensees on livelihood considerations and did not support imposing a licence operation validity period.