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Panel on Food Safety and Environmental Hygiene

**Background brief prepared by the Legislative Council Secretariat
for the special meeting on 28 January 2019**

**Government's proposed arrangements for
re-allocation of vacant hawker pitches**

Purpose

This paper provides background information on the Government's proposed arrangements for re-allocation of vacant hawker pitches, and summarizes major views and concerns of members of the Panel on Food Safety and Environmental Hygiene ("the Panel") on the subject.

Background

The Hawker Assistance Scheme

2. The Food and Environmental Hygiene Department ("FEHD") implemented a five-year assistance scheme from June 2013 to June 2018 for licensed hawkers operating in 43 fixed-pitch hawker areas ("the Hawker Assistance Scheme"). The Hawker Assistance Scheme provided hawkers operating 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 minimize the fire risks posed by on-street hawking activities.

3. According to the Administration's paper provided for the Panel meeting on 11 December 2018, through the surrender of hawker licences, 237 vacant hawker pitches were released after the Hawker Assistance Scheme. Besides, as at 31 October 2018, there were 186 hawker pitches within or outside the hawker areas which have been vacated due to other reasons. Therefore, there is currently a total of 423 vacant pitches which have fire safety improved and are suitable for re-allocation.

Proposed re-allocation for vacant hawker pitches

4. At the Panel meeting on 11 December 2018, the Administration briefed members on its proposed arrangements for re-allocation of vacant hawker pitches. Having considered the fire safety and environmental hygiene situations of the pitches and the concerns of traders, the Administration proposes to apportion the 423 vacant pitches equally among four categories of applicants, namely (a) licensed newspaper hawkers, (b) licensed itinerant hawkers, (c) registered assistants with five years' or more experience and (d) members of the general public satisfying some basic criteria¹. In allocating the vacant pitches, the Administration will adhere to the following principles:

- (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 HK\$4,347 to HK\$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 hawking 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 hawking trade and views of the general public will be taken into account and properly balanced in the design of the pitch allocation mechanism; and
- (d) bearing in mind that the employment relationship between a hawker and his/her assistant is fundamentally private in nature, the Administration is not in a position to intervene.

5. 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.

¹ The basic criteria include: 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.

Members' views and concerns

6. Panel members' major views and concerns over the Administration's proposal to re-allocate the vacant hawker pitches are summarized below.

Proposed arrangements for re-allocation of pitches

7. There was a view that instead of apportioning the vacant pitches equally among four categories of applicants, the Administration should consider according priority to experienced registered hawker assistants (e.g. those with seven years or more experience), as this group of applicants could apply their experience gained from the past several years of operation more easily in the hawking business, which in turn would help enhance the vibrancy of the hawker areas. Some members further suggested that in re-allocating vacant pitches to the fourth category of applicants "members of the general public satisfying some basic criteria", priority should be accorded to those applicants with low income or financial difficulties.

8. According to the Administration, the current proposal of setting aside one-fourth of the 423 vacant hawker pitches to registered assistants with five years' or more experience would give the latter a greater chance of being allocated a pitch, when compared with the chance of success of members of the general public. Stressing the importance of ensuring and acting under a fair mechanism to promote healthy turnover of hawker licences and allow admission of new traders, the Administration advised that it was not appropriate to approach the allocation from a welfare perspective. The Administration's intention was to provide the four categories of applicants with a reasonable opportunity to enter the hawking trade by putting in place a fair and impartial pitch allocation mechanism.

9. Some members were of the view that the relocation of newspaper stands to vacant hawker pitches would not help much in improving the business environment of licensed newspaper hawkers. Existing newspaper hawkers might wish to continue their business in the same area/district where they had been plying their trade. In response to members' enquiry about the rationale behind this proposed arrangement, the Administration advised that at present, there were 390 licensed newspaper hawkers operating at hawker stands or on an itinerant basis. Although compatible sideline commodities were permitted to be sold at newspaper stands in addition to printed media (12 items in total), many newspaper hawkers had pointed out that their business was declining. Sometimes, non-permitted items were sold at newspaper stands and these items even dominated the approved commodities, in terms of size and volume. This had caused serious street obstruction at locations of heavy pedestrian flow. Permitting more sideline items to be sold at newspaper stands for sustaining newspaper hawkers' business income would not only aggravate street

obstruction, but also pose unfair competition to neighbouring retailers. Giving newspaper hawkers an opportunity to apply for allocation of vacant hawker pitches would relieve the pavement congestion, alleviate keen competition among newspaper hawkers and reinforce sustainability of the hawking trade.

Licence operation validity period and licence fee

10. Noting that FEHD was considering specifying a licence operation validity period (say, five years) for new hawker licences, members expressed deep concern that the proposed licence operation validity period would hinder the development of the hawking trade, as it could not give certainty to fixed-pitch hawkers to make long-term investment and would discourage interested parties from joining the trade. According to the Administration, since the land where hawker pitches were situated was a precious public resource, the renewal of hawker licence should not be taken as a matter of course. Hence, FEHD was considering specifying a licence operation validity period for new hawker licences, thereby facilitating the turnover of vacant hawker pitches and creating more opportunity for anyone interested in hawking to join the trade.

11. In response to members' enquiry about the feasibility of lowering the licence fee for fixed-pitch hawker licence, the Administration advised that at present, the annual licence fee cum pitch fee for fixed-pitch (Other Classes) hawker licence ranged from HK\$4,347 to HK\$6,715, depending on the area of the pitch. The licence fee was already set at a relatively low level, and there was not much room for a fee reduction.

Setting up new hawker areas and bazaars

12. Members were concerned that only 423 vacant hawker pitches could be made available for re-allocation after the surrender of 854 hawker licences under the Hawker Assistance Scheme. Some members queried whether it was the Administration's intention to "phase out" the hawking trade. These members opined that the Administration should proactively consult District Councils ("DCs") on the establishment of new hawker areas at suitable sites in various districts and re-issue 431 more hawker licences so as to make up for the reduction in hawker licences surrendered under the Hawker Assistance Scheme. The Administration advised that while it could not undertake to re-issue more hawker licences at the current stage, it would consider the way forward if a number of pitches were vacated due to various reasons in the future.

13. There was a view that the Administration should review the existing policy on hawker control and management, with a view to facilitating the long-term development of the hawking trade and boosting the community economy. Some members suggested that the Administration should

collaborate with DCs and consider the feasibility of (a) re-issuing more hawker licences/temporary hawker licences and (b) setting up in various districts, e.g. in new towns such as Tin Shui Wai and Tung Chung, new fixed-pitch hawker areas, hawker bazaars, morning bazaars and night markets.

14. The Administration advised that it would first take forward the re-allocation of vacant hawker pitches among the four categories of applicants to give them an opportunity to enter the hawking trade. While the Administration was open-minded towards proposals for setting up bazaars or hawker areas based on a bottom-up approach, the support from local communities and DCs had to be obtained for these proposals. With suitable sites identified by the organizers concerned and support from local communities and respective DCs obtained, as long as the proposals would not compromise law and order, food safety and environmental hygiene or cause obstruction to public passageways, FEHD would assist the organizers in applying for the necessary permits or licences from the relevant departments.

Recent developments

15. The Panel will receive deputations' views on the Administration's proposed arrangements for re-allocation of vacant hawker pitches at the special meeting on 18 January 2019.

Relevant papers

16. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Appendix

Relevant papers on the Government's proposed arrangements for re-allocation of vacant hawker pitches

Committee	Date of meeting	Paper
Panel on Food Safety and Environmental Hygiene	12.7.2018*	Administration's paper entitled "Progress Report on the Implementation of the Hawker Assistance Scheme" (LC Paper No. <u>CB(2)1809/17-18(01)</u>)
Legislative Council	31.10.2018	<u>Written question raised by Hon HO Kai-ming on "Hawker Assistance Scheme"</u>
Panel on Food Safety and Environmental Hygiene	11.12.2018 (Item V)	<u>Agenda</u>

* Issue date

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