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Panel on Food Safety and Environmental Hygiene

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 8 December 2020**

Market Modernization Programme project in Aberdeen Market

Purpose

This paper provides background information on the proposed Market Modernization Programme ("MMP") project in Aberdeen Market, and summarizes major views and concerns of members of the Panel on Food Safety and Environmental Hygiene ("the Panel") on relevant issues.

Background

2. Apart from the development of new public markets, the Government has earmarked \$2 billion for implementing the 10-year MMP to carry out various types of hardware improvement works for existing public markets managed by the Food and Environmental Hygiene Department ("FEHD"), with the aim of improving the operating environment of public markets to benefit the public and tenants. In her 2018 Policy Address, the Chief Executive announced that the pioneering project of MMP would be the overhaul of Aberdeen Market. According to the Administration, apart from Aberdeen Market, plans have also been in place to overhaul another three public markets in Kowloon and the New Territories (namely, Yeung Uk Road Market, Ngau Tau Kok Market and Kowloon City Market) and to carry out minor

refurbishment or improvement works for 11 public markets¹ in different districts across the territory under MMP, with a view to upgrading the facilities of public markets and cooked food markets as soon as possible.

Overhaul of Aberdeen Market

3. According to the information provided by the Administration in May 2020, the scope of overhaul works for Aberdeen Market mainly covers (a) retrofitting air-conditioning systems, (b) re-configuring the layout of the market and cooked food centre, (c) enlarging the stalls and passageways, (d) increasing public space and seating, (e) upgrading the barrier-free facilities and (f) refurbishing the façade of the market. Tenants therein have agreed to the full closure of the market for 14 months for carrying out the overhaul works. Subject to the actual progress, the overhaul works is expected to commence in 2021.

Management improvement measures

4. According to the Administration, FEHD is conducting a comprehensive review of its existing public markets and will formulate specific management improvement measures (including rental policy, tenancy renewal, trade mix and daily management, as well as looking into ways to enhance the functions of the Market Management Consultative Committees ("MMCCs")) in response to the recommendations set out in the Office of The Ombudsman's direct investigation reports published in 2018 on FEHD's rental management and regulation of market stalls. In taking forward the comprehensive review of the management of public markets, the Administration will consider how to introduce these new management measures in the public markets under MMP.

Members' concerns

5. At the Panel meeting on 12 May 2020, the Administration briefed members on the progress of developing new public markets and implementing MMP, the latter of which include the overhaul of Aberdeen Market. Members' views and concerns on the overhaul project in Aberdeen Market are summarized below.

¹ Those 11 markets are Nam Long Shan Road Cooked Food Market, Mong Kok Cooked Food Market, Luen Wo Hui Market, Ngau Tau Kok Market, Yeung Uk Road Market, Shek Tong Tsui Market, Fa Yuen Street Market, Ngau Chi Wan Market, Quarry Bay Market, Tsuen Wan Market and Shui Wo Street Market. Depending on the circumstances, the works may include renovation of internal facilities, beautification of external walls, replacement of floor tiles, transformation of idle space to include the element of social functions, repainting market facilities, repairing facilities, renovation of toilets, maintenance of drainage systems and piping as well as installation of rodent-proof devices.

Criteria for selecting public markets for overhaul or minor refurbishment/improvement works

6. Members in general were supportive of the implementation of MMP to carry out various types of hardware improvement works for public markets. Some members enquired about the criteria adopted by the Administration for selecting public markets for overhaul or minor refurbishment/improvement works, and the timetable for taking forward various projects under MMP.

7. In its follow-up paper provided to the Panel in July 2020, the Administration advised that in identifying existing markets for projects of different scales under MMP, the prime objective was to maximize the impact of possible hardware improvement within the 10-year time frame. Public markets would be selected with regard to their geographical location and distribution, condition of facilities, business viability, community needs and tenants' readiness. In particular, the Administration would seek to ensure that the location of markets to be covered under MMP was conducive to their future business viability, and that there was a reasonable spread of such markets across the territory to benefit the community as a whole. FEHD would continue to follow up on the projects of the first phase and identify more markets suitable for MMP, so as to make the best use of the \$2 billion earmarked. If needed, additional resources would be sought for implementation of MMP.

8. The Administration further advised that FEHD would consult the respective MMCCs and tenants concerned on the scope of works and implementation timetable for individual markets. FEHD and the Architectural Services Department ("ArchSD") would work out the approach for the hardware improvement works, and conduct technical feasibility studies, etc. The Administration hoped that the proposed scope of works and implementation timetable for individual markets could be worked out in 2020. The Administration planned to consult relevant District Councils ("DCs") on the preliminary plans for the three overhaul projects, as mentioned above in paragraph 2, in late 2020 or early 2021.

Overhaul of Aberdeen Market

9. Some members expressed concern whether the Administration could make effort to compress the works schedule for Aberdeen Market and shorten the 14-month full market closure period. Members also pointed out that existing tenants were worried whether they would be given priority in renting stalls in the overhauled market and whether the stall rentals would increase.

10. The Administration advised that in order to complete the overhaul works for Aberdeen Market in 14 months, it was necessary for relevant

departments to apply for extension of daily works hours and carry out works during night time and holidays. ArchSD would complete the process of engaging a consultant in May 2020 to commence the detailed design of building plan and preparation of tender documents. The Administration would explore with ArchSD to see whether there was room to further compress the works schedule. Existing tenants wishing to return to the overhauled Aberdeen Market could take part in a restricted auction to bid for stalls before open auctions were held. In determining the rental level for the stalls, the Administration would take into account relevant factors, including the market rentals as assessed by the Rating and Valuation Department, as reference.

11. There was a concern on how the Administration would ride on the experience of the Aberdeen Market project in taking forward the other overhaul projects. The Administration advised that with the experience of Aberdeen Market as blueprint, it would kick-start the preparatory and consultation work for other overhaul projects shortly, ascertain the scope of and approach for the overhaul works, and conduct technical feasibility studies, etc. The Administration would maintain close liaison with stakeholders during the process and report to the relevant DCs on the progress of work in a timely manner.

Consultation with stakeholders on overhaul projects

12. Some members expressed concern whether the Administration would consider setting up an advisory committee comprising relevant stakeholders (including the Federation of Hong Kong Kowloon New Territories Hawkers Associations) to engage views on the overhaul projects (including the Aberdeen Market project) and to enhance communication with the tenants concerned during project implementation.

13. According to the Administration, FEHD and ArchSD briefed the relevant committee of the Southern DC on the details and progress of the Aberdeen Market project in February 2020. Upon the Southern DC's request and with the assistance of District Office (Southern), FEHD conducted local consultation at the district level in May 2020 to invite views on the project. The Administration advised that in taking forward the MMP overhaul projects, FEHD would keep close liaison with relevant stakeholders (including the respective MMCCs) during the process, with a view to improving the facilities and management of the markets concerned through the overhaul works and involvement of MMCCs. The Administration would also report to the relevant DCs in a timely manner, having regard to the progress of work.

Latest development

14. The Administration will consult the Panel on the proposed MMP project in Aberdeen Market at the meeting on 8 December 2020, before proceeding to seek funding from the Public Works Subcommittee and the Finance Committee.

Relevant papers

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

Council Business Division 2
Legislative Council Secretariat
2 December 2020

**Relevant papers on
Market Modernization Programme project in Aberdeen Market**

Committee	Date of meeting	Question / Paper
Panel on Food Safety and Environmental Hygiene	12.5.2020 (Item IV)	<u>Agenda</u> <u>Minutes</u> Administration's follow-up paper on implementation of the Market Modernization Programme and development of new public markets (LC Paper No. <u>CB(2)1314/19-20(01)</u>)

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