



中華人民共和國香港特別行政區政府總部食物及衛生局
Food and Health Bureau, Government Secretariat
The Government of the Hong Kong Special Administrative Region
The People's Republic of China

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[English Translation]

Clerk to Panel on Food Safety and Environmental Hygiene
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(Attn: Ms Josephine SO)

16 February 2021

Panel on Food Safety and Environmental Hygiene
Follow-up matters on Market Modernisation Programme project in
Aberdeen Market and related arrangements

Regarding the captioned matters as discussed at the Panel meeting on 25 January 2021, our reply is set out below.

(a) Implementation timetable for the Market Modernisation Programme

The Government has earmarked \$2 billion for implementing the 10-year Market Modernisation Programme (MMP). Apart from the overhaul of Aberdeen Market as the pioneering project, we are carrying out the preparatory and consultation work for the overhaul works in Yeung Uk Road Market, Ngau Tau Kok Market and Kowloon City Market, including arranging small group meetings with tenants, briefings for the relevant Market Management Consultative Committees (MMCCs) to collect their views on the projects, etc., with a view to reaching a consensus with tenants as soon as possible. Upon ascertaining the scope of works, we will conduct technical feasibility studies with relevant departments. The works timetable will be confirmed upon completion of the technical feasibility studies and assessments. We will continue to maintain close liaison with stakeholders (including the tenants) during the process and report to the relevant District Councils in

a timely manner having regard to the work progress.

In addition, we have consulted and obtained the support from the MMCCs on the minor refurbishment or improvement works for 11 public markets¹. Depending on the circumstances, the works include renovation of internal facilities, beautification of external walls, replacement of floor tiles, repainting market facilities, renovation of toilets, maintenance of drainage systems and piping as well as installation of rodent-proof devices, etc. Works in 10 markets have commenced and preparation work for the remaining one is underway.

(b) New management model

We consider that hardware upgrading would only be effective in achieving sustainable vibrancy in public markets if taken together with management improvement measures and new running models. Regarding the management, the Food and Environmental Hygiene Department (FEHD) has been engaging service contractors to provide cleansing, security and minor repairs services, etc. in public markets. To enhance the quality of market operation, we are adopting a new management model on a pilot basis at FEHD Skylight Market (formerly known as Tin Shui Wai temporary market) to strengthen the role of the service contractor in market management and expand its scope of services, with a view to enhancing business vibrancy and meeting the needs of the public.

FEHD is not outsourcing the operation of public markets. The signing of tenancy agreement is also not being contracted out to the service contractor as a single operator. As the landlord of public markets, FEHD is responsible for determining the rental level, signing agreements with tenants and carrying out relevant enforcement work. The service contractor is still engaged by FEHD under the current arrangement and the scope of services include formulating promotion and development strategies for the market; providing pre-commissioning hardware support as well as daily management, cleansing, security and minor repairs services for the market; maintaining liaison and communication with stakeholders; advising on the trade mix in the market and enforcing tenancy terms, etc. In addition, the service contractor is required under the contract to conduct regular opinion surveys to collect views of stakeholders on the operation of and services provided at the market, with a view to assisting the formulation of improvement measures.

¹ Including Ngau Tau Kok Market, Yeung Uk Road Market, Luen Wo Hui Market, Fa Yuen Street Market, Quarry Bay Market, Shui Wo Street Market, Tsuen Wan Market, Mong Kok Cooked Food Market, Ngau Chi Wan Market, Shek Tong Tsui Market and Nam Long Shan Road Cooked Food Market.

The service contractor must comply with the contract terms for provision of management services for the market. In addition to daily on-site inspections at the market carried out by FEHD staff to evaluate the performance of the contractor, supervisory staff will also conduct surprise checks. In the event of unsatisfactory performance of the contractor or contravention of requirements, FEHD may issue default notices to the contractor, deduct monthly payment of service charge, issue warning letters or even terminate the contract in accordance with the contract terms. Besides, FEHD will also make reference to the number of patrons visiting the market, the satisfaction level and views of stakeholders on market operation, effectiveness of management and promotional activities, etc. when evaluating the performance of the contractor.

FEHD engages service contractors to provide management services for markets through open tender. All interested service providers may participate in the tenders. We trust that service providers will, having regard to market needs, formulate competitive service proposals. We will keep in view of the operation effectiveness of FEHD Skylight Market and, in addition to implementing the MMP for the improvement of existing market hardware, consider how to update management measures in a bid to keep abreast of time and enhance the overall competitiveness of markets.

(c) Allocation of stalls at Aberdeen Market upon completion of overhaul works

All existing tenants of Aberdeen Market who opted to continue their businesses in the overhauled Aberdeen Market may rent a new stall through “restricted auction” upon completion of the works. Relevant arrangements were already clearly stated in the form for confirmation of intention distributed to tenants in early 2020. FEHD has collected the forms from all tenants. Remaining stalls after the “restrict auction” will be allocated through open auction.

(d) Ex-gratia payment arrangements

Under the existing ex-gratia payment (EGP) arrangements, market tenants affected by market development or consolidation plans may choose to permanently relocate to a vacant stall of a designated FEHD market to continue operation. They would also be granted an EGP equivalent to 24 months’ rental or of a fixed amount applicable (whichever is the higher) and arranged to participate in “restricted auction” for allocation of a stall at a designated market. If market tenants choose to close down the business, they may receive an EGP equivalent to 27 months’ rental or of a fixed amount applicable

(whichever is the higher) for each stall tenancy under their name. For markets to be overhauled under the MMP, in addition to the two options above, tenants may choose to continue operation in the overhauled market by renting a new stall at the market through “restricted auction” upon completion of the works. For tenants who choose permanent relocation or re-entry through auction, their new stalls will be granted a waiver of rental and air-conditioning charges (if applicable) for a specified period upon commencement of business as appropriate.

The Government will consider granting an EGP to the affected tenants, on the premise that the grant of EGP must observe the principle of prudent use of public moneys and achieve a reasonable balance between the interests of the public and tenants to ensure the proper use of public resources.

(e) The views of the Federation of Hong Kong Kowloon New Territories Hawker Associations on the MMP

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, etc., as well as looking into ways to enhance the functions of the MMCCs. By introducing the management improvement measures, the Department responded positively 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 (including rental adjustment, automatic renewal, succession of stalls and the arrangement on “single tenant, multiple stalls”).

As set out in paragraph (b) above, on the premise of maintaining FEHD’s role as the landlord of public markets responsible for determining the rental level and signing tenancy agreements with tenants, we are adopting a new management model at FEHD Skylight Market on a pilot basis. We understand that owing to the historical background of public markets, it is difficult for the management improvement measures to achieve expected results in one go. In taking forward the comprehensive review on the management of public markets, we will consider how to update the management measures in the public markets under the MMP. We will proceed in a prudent and reasonable manner during the process.

We have been liaising closely with tenants and relevant stakeholders in respect of the MMP project in Aberdeen Market, including briefing them on the overhaul works, arrangements during the works period and the concessionary arrangements in detail. To address the concerns of some tenants, we further enhanced the concessionary arrangements and already collected the forms for confirmation of intention from all tenants in early

2020. The Government will provide possible assistance to the affected tenants in accordance with the existing policy with due observation of the principle of prudent use of public moneys.

The tenants have preliminarily agreed to full closure of the market for 14 months for the works to proceed. The construction will adopt the use of pre-fabricated parts to enhance works efficiency and shorten the works period. We will explore whether the project programme could be further shortened and continue to maintain communication with tenants and relevant stakeholders.

Yours sincerely,

[Signed]

(Gilford LAW)
for Secretary for Food and Health

c.c. Clerk to Public Works Subcommittee of the Legislative Council
Director of Food and Environmental Hygiene
(Attn: Miss LEUNG Tsz-ying, Almaz)
Director of Architectural Services
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