

CONTROLLING OFFICER'S REPLY

FHB(FE)102

(Question Serial No. 2409)

Head: (49) Food and Environmental Hygiene Department

Subhead (No. & title): (-) Not specified

Programme: (3) Market Management and Hawker Control

Controlling Officer: Director of Food and Environmental Hygiene (Miss Vivian LAU)

Director of Bureau: Secretary for Food and Health

Question:

It is stated that the Department will “take action to close public markets which are under-utilised”. In this connection, please provide information on the following:

- (a) the criteria adopted by the Department in determining the closure of a market; whether the Department will conduct any consultation before the closure with due regard to the views of the stakeholders; if yes, the details; if not, the reasons;
- (b) measures taken by the Department to handle the market tenants affected by the closure of markets; whether ex-gratia compensation proposals will be formulated; if yes, the details and the estimated expenditure in this respect; if not, the reasons; and
- (c) the uses of the premises concerned after closure of these public markets; whether the Department will consider changing the uses of these public markets or stalls, such as re-letting the stalls at low rental to people working in the creative and cultural industries or young people who want to start their own business; if yes, the details and the estimated expenditure in this respect; if not, the reason(s).

Asked by: Hon CHAN Yuen-han (Member Question No. 42)

Reply:

To enhance the patronage of existing public markets, as an on-going initiative, the Food and Environmental Hygiene Department (the Department) conducts promotional activities. These include thematic exhibitions and workshops, festive celebration activities, display of multi-language recipes as well as publication of booklets and quarterly newsletters to provide updated market information. In addition, the Department will attempt to let out long-standing vacant stalls at reduced upset auction prices and introduce a greater variety of service trade stalls to enhance the occupancy rate of public markets.

In addition, the Government is following up the Consultant's improvement proposals for the six selected markets in phases. The Department consulted the Market Management

Consultative Committees (MMCCs) of Sheung Fung Street Market and Lockhart Road Market in the fourth quarter of 2015 on the recommended improvement works. The MMCCs expressed support for some of the proposals that do not require temporary closure of stalls or suspension of business. The Department is carefully considering their views and will conduct feasibility studies, work out the estimated costs and seek funding according to the established mechanism for taking forward the improvement works at those two markets. We will start following up on the Consultant's recommended improvements for the remaining four markets in 2016-17.

Apart from the improvement works for the six markets selected by the Consultant, we have been implementing various improvement works in public markets to improve the operating environment. In 2016-17, in addition to regular maintenance and daily management of markets, the Department will carry out improvement works in Fo Tan Cooked Food Market (East), Fo Tan Cooked Food Market (West), Kwun Chung Market, Haiphong Road Temporary Market, Pei Ho Street Market and Tsuen Wan Market. The estimated cost of these improvement works is \$68.5 million. The scope of works may include installation of a goods lift, improvement of ventilation, lighting systems and fire services, refurbishment of external walls, refurbishment of toilets, etc.

Nonetheless, as a result of demographic changes, new development/redevelopment projects and competition from other fresh provision outlets, the appeal of some public markets has been diminishing over time thus leading to reduced patronage and high vacancy rates. When considering whether an under-utilised market is to be closed, we will take into account a host of factors, including vacancy rate, prospects for improvement, availability of alternative sources of fresh provision outlets in the vicinity, and the likely cost-effectiveness of upgrading works and the views of the relevant District Councils, etc. The Department will consult the relevant District Council(s) and the market tenants to be affected on any market closure plans.

Before a public market is closed, the Department will draw up exit arrangements for tenants concerned having regard to established policy and past practice. The exit arrangements may include the opportunity to bid for renting a vacant stall in another public market under a restricted auction and the provision of a relocation grant if the affected tenants choose to continue their business. Details of the exit arrangements and the amount of expenditure involved would depend on the circumstances of individual cases.

Where a market is closed and the premises is no longer required by the Department, the vacated building space will be handled according to established procedures. Depending on the circumstances, the Government Property Agency, Planning Department or Lands Department may be requested to seek inputs from other government departments on proposals to put the premises to gainful long-term use.

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