

Translation

6 December 2017

Ms Alice CHEUNG
Clerk, Establishment Subcommittee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms CHEUNG,

**Establishment Subcommittee
Follow-up actions arising from the meeting on 25 October 2017**

Thank you for your captioned letter dated 26 October 2017 to the Financial Services and the Treasury Bureau. The letter has been referred to this Bureau for follow-up actions. Please see attached our reply.

Yours sincerely,

(Miss Irene CHEUNG)
for Secretary for Food and Health

c.c.: Secretary for the Financial Services and the Treasury
(Attn: Mr Sunny Chan)

**Proposed Creation of One Supernumerary Post of
Administrative Officer Staff Grade C in the
Food and Environmental Hygiene Department**

Follow-up Actions Arising from the Meeting on 25 October 2017

Supplementary Information

We are now planning to form a dedicated team to conduct a comprehensive review of public markets and formulate concrete and effective measures to improve the facilities, management and operating environment of public markets, and to consider adopting new approaches to their construction, design and modus operandi when resuming the building of new public markets. The review will cover the positioning of public markets, distribution of existing and new markets, management mode and structure, market operation resources, hardware improvement, ways to handle markets with relatively low patronage, etc.

Public markets are one of the major sources of fresh food provisions for the general public, many of which are located in prime locations with good accessibility. Despite the fact that the Government has made substantial input of resources in public markets in terms of land, hardware facilities and daily operation, a few public markets are still not vibrant. This is indeed not beneficial to society. The underlying objective of a fundamental review is to enhance the operating environment of public markets and encourage tenants to be more active in business operations and to continuously improve their services, thereby enhancing the competitiveness of public markets and attracting consumers with the needs of the community met to ensure a reasonable social return on the investment of public resources. It will benefit stall operators and, eventually and most importantly, the general public.

Our replies to the above questions are as follows:

- (a) The Government has initially identified a suitable site in the east of Tung Chung New Town Extension Area for building a new public market. Being accessible to the proposed Tung Chung East MTR Station, the site is also located in the vicinity of a public transport interchange. According to past

experience, the building of a new public market will take about three years excluding the time required for preliminary planning, preparatory work and seeking funding approval. We will work in tandem with the development schedule of the Tung Chung New Town Extension Area¹ when planning this project and consider adopting new approaches to the design, construction and modus operandi of the market. Some Members' proposal to build a municipal complex is similar to the initiative set out in the Policy Agenda promulgated in October 2017, which involves considering ways to facilitate the implementation of a "single site, multiple use" model in multi-storey development on government land. The relevant policy bureaux are now following up this new initiative. In optimising the planning of Tung Chung, the Government will take into account Members' views and maintain close contact with stakeholders.

- (b) After obtaining sufficient support for retrofitting of air-conditioning system from the tenants of Tai Wai Market, we have promptly taken forward the relevant works. Having completed the technical feasibility study, we have also secured the District Council's support for the works concerned in November 2017. Moreover, we plan to consult the Legislative Council Panel on Food Safety and Environmental Hygiene and seek funding approval from the Finance Committee in the first half of 2018. If all procedures (including seeking funding approval) run smoothly, the works, which will span about 18 months, are expected to commence in December 2018 and complete in June 2020.

Since 2014, the Food and Environmental Hygiene Department (FEHD) has been commissioning the Electrical and Mechanical Services Department to measure the indoor temperature of Tai Wai Market on hot summer days every year for monitoring purpose. A total of 10 measurements have been taken so far. The relevant information is set out at **Appendix 1**. Wherever circumstances permit, FEHD has, as far as practicable installed fans, evaporative air coolers and exhaust ducts in the market and has been conducting air duct cleansing works, with a view to improving the conditions.

- (c) The Government is following up the specific improvement proposals for the six selected markets in phases including assessing their feasibility and

¹ Please refer to the PWSC paper (PWSC(2017-18)3) for details. Funding for the project was approved by the Finance Committee on 13 October 2017.

acceptability to the tenants. Among these markets, the improvement works for Lockhart Road Market have commenced and those for Sheung Fung Street Market will also commence soon.

The progress of improvements for the six selected markets is set out as follows

Name of Market	Progress
Lockhart Road Market	<p>FEHD has consulted the Market Management Consultative Committees (MMCCs) of these two markets. The MMCCs expressed support for some of the proposals that did not require temporary closure of stalls or suspension of business. Given that the MMCCs opposed to those that necessitated temporary closure/business suspension, the scope of improvement would be significantly less than that envisaged in the Consultancy Report.</p> <p>Having considered MMCC's views and the result of the feasibility study, the improvement works for Lockhart Road Market would include: beautification of the façade and upgrading market external wall facing the major road; enhancement of the ventilating system; upgrading of market toilets, loading bay facilities, fire service installation, barrier free access and lightings; provision of Closed-circuit Television System and a new TV broadcast system; replacement of old directional signboards and floor tiles; and conversion of former poultry stalls into trading stalls. The improvement works commenced in the second quarter of 2017 and are expected to complete in the fourth quarter of 2019, at an estimated cost of \$21.2 million.</p>
Sheung Fung Street Market	<p>For Sheung Fung Street Market, having considered MMCC's views and the result of the feasibility study, the improvement works would include: improvement of market appearance; installation of ceiling mounted exhaust fans at poultry stalls; addition of air dampers at entrances next to the loading bay; provision/upgrading of Closed-circuit Television System; upgrading of fire service installation; replacement of old directional signboards; and revitalisation of vacant former poultry stalls by converting them into additional storage space. At an estimated cost of about \$5 million, the improvement works are expected to commence in the second quarter of 2018 and complete in the fourth quarter of 2018.</p>

Yau Ma Tei Market	The MMCCs of these two markets were consulted in the fourth quarter of 2016. The MMCCs expressed support for some of the proposals that do not require temporary closure of stalls or suspension of business. Given that the MMCCs opposed to those that necessitate temporary closure, the scope of improvement would be significantly less than that envisaged in the Consultancy Report. FEHD is carefully considering their views and will conduct feasibility studies with funding application, if necessary, according to the established mechanism for taking forward the improvement works.
Wing Fong Street Market	
Tsuen Wan Market	FEHD is now following up with the Architectural Services Department on the Consultant's recommended improvements for these two markets. As indicated by recent surveys, Tsuen Wan Market has attained the 80% threshold support for the installation of air-conditioning system. This will be taken into account in conducting the technical feasibility study and further consultation with the MMCC concerned.
Ngau Chi Wan Market	

- (d) The areas, major tasks and directions involved in the fundamental review to be taken forward by the holder of the proposed post are detailed in the Legislative Council paper EC(2017-18)6. Each of the tasks will have to deal with a number of factors varying with the unique circumstances of individual markets² and beyond the sole control of the Government. On enhancing the hardware of markets, we need to achieve consensus among stall tenants on matters such as the scope of works, whether full or partial closure of market is required, the duration of closure and the number of stalls to be deleted. We also need to overcome the technical difficulties arising from the constraints of the design and layout of older markets. As a result, it is difficult to estimate accurately the pace of progress. On improving market management, notwithstanding the overarching objectives of modernising and revitalising the operation of markets to benefit the community, the reform could affect different stakeholders and the process would be complicated. It is necessary to balance the interests of various parties in order to ensure effective implementation of the improvements.

² The over 100 public markets/cooked food markets vary greatly in terms of design, physical conditions/constraints, vibrancy, demographic mix, trade mix, tenants' sentiment, patronage, community needs, accessibility, competition from surrounding area, etc.

We believe that it is neither practicable nor flexible to formulate in advance an exhaustive list of work targets and schedules for the next five years for the proposed post. Nevertheless, we will try every effort to put resources and the five years' time to best use and grasp the opportunity of conducting a fundamental review by being responsive to circumstances and striving to achieve the most in all major aspects. Specifically, we hope to achieve results in the following areas:

- As regards building new public markets, we will study the new demands and feasibility; identify and locate potential sites; consider new approaches to construction, design and modus operandi (including drawing up new design standards and layout, and reviewing the tendering and management arrangements); and formulate specific proposals for priority projects before conducting the relevant preparation work;
- Examine the current situation of over 100 existing public markets/cooked food markets, with a view to formulating overall strategies (including different proposals for revitalisation and consolidation) and setting priorities of the tasks.
- As regards enhancement of public markets' facilities, we will follow up the improvement proposals for the six representative markets as recommended by the consultancy report, as well as the request for retrofitting of air-conditioning facilities in 11 markets and/or cooked food centres which have obtained sufficient support from the tenants. We will also strategically study the implementation of improvement and modernisation works of a larger scale in individual markets to enhance the viability of markets. Depending on the maturity of different market projects, we will define the scope of works, take forward the technical feasibility studies, follow up the design and works options as well as funding proposals, and monitor the progress of works.
- As regards market management, in order to improve the hygiene conditions and enhance the vitality of markets, strategies and implementation programmes will be formulated for major improvement proposals. The focus will be on looking into the feasibility of introducing a new management model for public markets, covering

aspects such as the power and responsibilities of MMCCs, enforcement and publicity, etc.

- Based on the positioning of market and nature of operation, review resources for management of markets, including the source and use of operating funding, and adjustment and improvement proposals that are worth considering.
 - Maintain close contact with stakeholders, collate and consolidate different views, formulate implementation proposals and take forward action plans.
- (e) The occupancy of public markets is influenced by many factors, such as competition from retail outlets selling similar commodities in the vicinity, demographic changes in the district, etc. The statistics on the occupancy rate of each public market as at 30 September 2017 are set out in **Appendix 2**.
- (f) In general, taking account of the impacts on tenants caused by various situations such as improvement works, retrofitting of air-conditioning facilities, consolidation of market stalls or market closure, the Government may consider different concessionary arrangements where appropriate, including waiver (in whole or in part) of rental and air-conditioning charges for the tenants concerned for a specified period, arrangement for the tenants concerned to be relocated temporarily to other stalls in the market or to other locations for continuation of business, ex-gratia payments, etc.

Food and Health Bureau
Food and Environmental Hygiene Department
December 2017

Indoor Temperature of Tai Wai Market

Date	Time	Outdoor Temperature (°C)	Average Indoor Temperature (°C)
2014			
3 July 2014	2:10 p.m.	32.4	32.4
16 July 2014	2:00 p.m.	36	33.5
17 August 2014	2:00 p.m.	33	32.3
15 September 2014	2:00 p.m.	32.7	32.9
2015			
15 May 2015	2:00 p.m.	31.9	31.7
14 July 2015	2:15 p.m.	33.5	32.9
2016			
19 June 2016	12:00 n.n.	34.5	32.5
	4:00 p.m.	34.3	32.9
23 August 2016	12:00 n.n.	35.8	33.2
	4:00 p.m.	34.5	33.1
2017			
9 June 2017	12:00 n.n.	34.5	32.8
	4:00 pm	33.8	32.6
7 August 2017	12:00 n.n.	32.8	32.6
	4:00 pm	33.6	32.8

Serial No.	Name of Market	As at 30 September 2017
		Occupancy rate*
1	Aberdeen Market	97%
2	Aldrich Bay Market	100%
3	Ap Lei Chau Market	97%
4	Bowrington Road Market	95%
5	Causeway Bay Market	98%
6	Centre Street Market	83%
7	Chai Wan Kok Cooked Food Market	94%
8	Chai Wan Market	94%
9	Cheung Chau Cooked Food Market	100%
10	Cheung Chau Market	39%
11	Cheung Sha Wan Cooked Food Market	39%
12	Cheung Tat Road Cooked Food Market	100%
13	Choi Hung Road Market	67%
14	Electric Road Market	96%
15	Fa Yuen Street Market	99%
16	Fo Tan Cooked Food Market (East)	100%
17	Fo Tan Cooked Food Market (West)	100%
18	Haiphong Road Temporary Market	70%
19	Heung Che Street Market	98%
20	Hung Cheung Cooked Food Market	100%
21	Hung Hom Market	100%
22	Hung Shui Kiu Temporary Market	65%
23	Java Road Market	96%
24	Ka Ting Cooked Food Market	63%
25	Kam Tin Market	100%
26	Kik Yeung Road Cooked Food Market	100%
27	Kin Wing Cooked Food Market	100%
28	Kin Yip Street Cooked Food Market	100%
29	Kowloon City Market	99%

Serial No.	Name of Market	As at 30 September 2017
		Occupancy rate*
30	Kut Shing Street Cooked Food Market	100%
31	Kwai Shun Street Cooked Food Market	83%
32	Kwu Tung Market Shopping Centre	100%
33	Kwun Chung Market	92%
34	Kwun Tong Ferry Concourse Cooked Food Market	97%
35	Lai Wan Market	98%
36	Lam Tei Market	100%
37	Lau Fau Shan Market	88%
38	Lei Yue Mun Market	100%
39	Lockhart Road Market	78%
40	Luen Wo Hui Market	100%
41	Mong Kok Cooked Food Market	100%
42	Mui Wo Cooked Food Market	100%
43	Mui Wo Market	100%
44	Nam Long Shan Road Cooked Food Market	82%
45	Ngau Chi Wan Market	90%
46	Ngau Tau Kok Market	87%
47	North Kwai Chung Market	95%
48	North Point Market	95%
49	On Ching Road Flower Market	100%
50	Pei Ho Street Market	100%
51	Peng Chau Market	100%
52	Plover Cove Road Market	92%
53	Po On Road Market	90%
54	Quarry Bay Market	77%
55	Queen Street Cooked Food Market	100%
56	Sai Kung Market	97%
57	Sai Wan Ho Market	97%
58	Sai Ying Pun Market	91%

Serial No.	Name of Market	As at 30 September 2017
		Occupancy rate*
59	San Hui Market	97%
60	Sha Tau Kok Market	98%
61	Sha Tin Market	98%
62	Sham Tseng Temporary Market	90%
63	Shek Tong Tsui Market	95%
64	Shek Wu Hui Market	99%
65	Sheung Fung Street Market	100%
66	Sheung Wan Market	99%
67	Shui Wo Street Market	99%
68	Smithfield Market	100%
69	Stanley Waterfront Mart	95%
70	Sze Shan Street Cooked Food Market	88%
71	Tai Kiu Market	99%
72	Tai Kok Tsui Market	100%
73	Tai O Market	92%
74	Tai Po Hui Market	100%
75	Tai Shing Street Market	94%
76	Tai Tong Road Cooked Food Market	100%
77	Tai Wai Market	86%
78	Tai Yuen Street Cooked Food Market	35%
79	Tang Lung Chau Market	94%
80	Tin Wan Market	98%
81	To Kwa Wan Market	99%
82	Tsing Yeung Cooked Food Market	100%
83	Tsing Yi Market	95%
84	Tsuen Wan Market	92%
85	Tsun Yip Cooked Food Market	98%
86	Tui Min Hoi Market	59%
87	Tung Chau Street Temporary Market	37%

Serial No.	Name of Market	As at 30 September 2017
		Occupancy rate*
88	Tung Yick Market	41%
89	Tung Yuen Street Cooked Food Market	100%
90	Wan Chai Market	98%
91	Wing Fong Street Market	97%
92	Wo Yi Hop Road Cooked Food Market	100%
93	Wong Nai Chung Market	97%
94	Yan Oi Market	98%
95	Yau Ma Tei Market	94%
96	Yee On Street Market	100%
97	Yeung Uk Road Market	98%
98	Yue Kwong Road Market	97%
99	Yue Wan Market	94%

* Occupancy rate is the percentage of let-out stalls versus the total number of stalls in a market. The total number of stalls includes those set aside for designated purposes (for instance, consolidation or improvement works etc.). Degree of activity of let-out stalls varies. Some of the stalls may be used by tenants for storage.