

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Commercial Properties Committee

Proposed Assistance for Tenants of Poultry Stalls in Housing Authority Markets

PURPOSE

The purpose of this Paper is :

- (a) to inform Members the measures taken by the Department to assist in combating the Bird Flu Virus; and
- (b) to seek Members' endorsement on the proposed assistance for tenants of poultry stalls in Housing Authority markets.

BACKGROUND

2. The Housing Authority has some 235 poultry stalls in 91 Public Housing Estates and HOS Courts.

3. Since the recent discovery of Bird Flu Virus in Hong Kong, the poultry stalls in Housing Authority markets, as well as those in Provisional Urban Council/Regional Council markets and the private sector, have suffered from a declining business. This has been aggravated by the suspension of importation of chickens from the Mainland. On 28 December 1997, Government announced its decision to destroy all 1.2 million chickens in Hong Kong.

PREVENTIVE MEASURES TAKEN

4. Upon discovery of the virus in Hong Kong this year, the Housing Department has taken the following action :

- (a) Close contacts have been maintained with Department of Health, Agriculture and Fisheries Department, Urban Services/ Regional Services Departments and other departments concerned;
- (b) Cleansing of all markets, especially the poultry stalls, has been stepped up; and
- (c) All single-operators of market (SOM) and single-operators of shopping centre (SOSC) has been reminded to keep their premises clean and hygienic.

5. Immediately after Government's announcement on 28 December 1997, the following action has been taken :

- (a) Housing Department staff have been rendering all possible assistance to poultry stall tenants, and relevant departments in order to make this territory-wide operation a success;
- (b) daily cleansing in markets has also been increased from once to three times per day.

PROPOSED ASSISTANCE

6. The effect of the Bird Flu Virus on poultry sales, and the decision to destroy all local chickens has totally frustrated the business of "poultry" stalls. In order to assist these tenants to bridge over this difficult and unique situation, the following stop-gap measures are proposed :

- (a) to offer the "poultry" stall tenants a three months rent-free period with effect from 1 January 1998;
- (b) to allow the "poultry" stall tenants to terminate their tenancy with immediate effect by waiving the tenancy requirement of three-month advance notice and payment of rent for the month in which the tenancy has been surrendered;
- (c) to provide a rent reduction to SOM and SOSC in proportion to any reduction in license fee given by them to poultry stalls in

Housing Authority premises, for a three month period with effect from 1 January 1998; and

- (d) to review the concession on a monthly basis should the ban on importation of live poultry continue beyond March.

7. It is considered that compensation for loss of business should not be entertained, as financial risk is an integral aspect of running a business.

8. The proposals are in line with the concessions agreed by the Provisional Urban and Rural Councils on 30 December 1997.

FINANCIAL IMPLICATIONS

9. The estimated rental loss for the rent-free period of three months is \$9.3M.

PUBLICITY

10. Subject to Members' approval of the proposal, a press release will be issued.

PRESUMPTION

11. It is not thought that Members will object to the proposals made in paragraph 6 above. If no objection or request for discussion is received by the Committees' Secretary **by noon on 2 January 1998**, Members' approval will be presumed and appropriate action taken.

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