

## FACTSHEET ON HAWKER CENTRES

### Overview

1 Hawker centres are a central part of Singaporeans' lives, and integral to ensuring that our communities continue to forge strong bonds. They are our community dining rooms, where we mingle with family and friends from all walks of life over affordable meals in a hygienic environment.

### Sustaining the hawker trade and supporting new entrants

#### Incubation Stall Programme

2 To sustain the hawker trade and support new entrants, NEA has been providing accessible, affordable and reasonably short practice-oriented training opportunities and pathways for aspiring hawkers to enter the trade.

3 The *Incubation Stall Programme* by NEA provides eligible and aspiring hawkers the platform to learn the ropes of being a hawker in a practical way, test out their business plans, and decide whether they are suited for the hawker trade. Since the launch of the programme on 23 February 2018, more than 50 applicants have applied for the 15 incubation stalls under the programme.

4 Successful applicants of the *Incubation Stall Programme* will be offered incubation stalls at 50% of the market rent for a six-month period. These stalls come pre-fitted with basic equipment to lower the upfront capital investment needed to start a hawker stall. To be eligible, applicants must have had no prior experience in managing or operating a food stall or food shop. They are also required to have attended the *Introduction to Managing a Hawker Business* course run by the Institute of Technical Education, or other similar WSQ courses, or be a graduate of business management course(s) offered in tertiary institutions, as well as pass a Food Tasting Session.

5 To provide greater support for the incubation stallholders, NEA has extended the six-month tenure at 50% discount off rental rates to nine months from 1 Mar 2019. This resulted as incubation stallholders have shared that they require more time to establish their businesses and assess whether they are suited for the hawker trade.

#### Extension of period of 'Productive Hawker Centres' grant (existing hawker centres)

6 To reduce the overall manpower needed for dishwashing and table-cleaning, NEA had announced in 2018, the implementation of centre-level productivity initiatives over the next few years at selected existing hawker centres.

7 To date, three existing hawker centres, Marsiling Mall Hawker Centre and the two hawker centres at Block 163 Bukit Merah Central and Block 628 Ang Mo Kio Avenue 4, have automated tray return stations integrated with centralised dishwashing (CDW) service in place. NEA has been co-funding up to 70% of the stallholders' cost for CDW service for the first two years of adoption, to ease the transition to using CDW service which will help them realise manpower and cost savings in the longer term.

8 The NEA has received and assessed the feedback from stallholders of these three hawker centres, regarding cost increase at the end of the two-year grant period. To address this concern and further encourage stallholders' adoption of CDW service, the current two-year grant period will be extended to a total of four years, with step-down funding of 50% and 30% in the third and fourth year respectively. Stallholders will thus have a more gradual transition towards assuming the full cost of CDW service.

### **Enhancements to management model of new hawker centres**

9 The Government had announced that 20 new centres will be built by 2027, after a hiatus of about three decades. This was in response to rising public concerns about the availability of affordable food. Seven new hawker centres have started operations from 2015 and are managed by five socially-conscious enterprises. Socially-conscious enterprises leverage their expertise in food & beverage and lease management, and introduce new ideas and innovative practices to achieve the social mission of hawker centres. This Socially-conscious Enterprise Hawker Centre (SEHC) model has brought benefits to both patrons and stallholders.

10 The NEA had reviewed the key contractual terms between the SEHC operators and their stallholders, and had asked the operators to make changes to contractual terms with effect from 1 January 2019. The key changes to the contractual clauses relate to stall operating days and hours, termination notice periods and security deposits, capping of liquidated damages that can be charged to stallholders for breaches, and waiving of legal fees related to the tenancy. From the feedback received so far, these changes have been welcomed by the stallholders at the seven SEHCs.

11 Besides reviewing the contractual terms between operators and stallholders, NEA also conducted a review of the operating costs faced by stallholders at these SEHCs. As these centres may need time to establish themselves and build-up a clientele, the NEA has extended the 'Productive Hawker Centres' grant for CDW service to these stallholders to help them to better manage their operating costs in the initial years as they start-up their businesses. From 1 January 2019, NEA is co-funding the cost of centralised dishwashing service with stallholders, at 50% for the first year and 30% for the second year.

12 To date, all SEHC operators have answered NEA's call to form hawkers' feedback groups and meet on a regular basis, to discuss feedback and brainstorm ideas with our hawkers to improve the hawker centres. All the operators are holding regular feedback meetings and will continue to gather the stallholders' comments on stall operations through these meetings.

13 As of 31 January 2019, a total of 18 feedback sessions have been organised across the seven SEHCs. NEA staff also attend each of these meetings. Regular individual stall-to-stall engagement is also being conducted by NEA's Place Managers to obtain insights and feedback from stallholders.

14 The NEA will continue to work with both operators and stallholders to ensure the success of our new hawker centres, particularly in keeping food prices affordable, being vibrant community dining rooms, while sustaining the hawker trade and ensuring a decent livelihood for our hawkers.

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