

**Tenth Meeting of
the Business Facilitation Advisory Committee**

***Agenda Item 4(c) : Report on the work of the
Food Business Task Force***

Purpose

This paper reports on the work of the Food Business Task Force (FBTF) since the last Business Facilitation Advisory Committee (BFAC) meeting on 13 November 2008.

Work progress of the FBTF

Review of Bakery Licence

2. The FBTF has commissioned the Efficiency Unit (EU) to conduct a review of Bakery Licence. The objective of the review is to examine the regulatory regime of bakery licensing with a view to identifying improvement opportunities to help remove unnecessary regulatory controls.

3. The review commenced in mid-December 2008. The Study Team has conducted interviews with relevant departments and trade representatives, explored the feasibility of suggestions from the trade such as relaxing the fire safety requirements, and identified some issues and potential improvement areas. The Study Team has also developed some recommendations and will discuss with the departments concerned. A pragmatic action programme for taking forward the agreed recommendations will be formulated. The review findings and recommendations will be reported to the FBTF in due course.

Additional licence conditions for conducting temporary/occasional hot-pot or food warming activities

4. In view of the restaurant operators' mounting demand for using portable stoves to provide temporary/occasional hot-pots or food warming in the seating accommodation of restaurants (excluding outside seating accommodation) not purposely licensed for hot-pot business, and the need to

mitigate the fire risk so generated, the Food and Environmental Hygiene Department (FEHD) and the Fire Services Department (FSD) plan to regulate the hot-pot/food warming activities by imposing additional licence conditions on General Restaurant and Factory Canteen Licences.

5. The trade expressed concerns on some of the additional licence conditions and requested the Administration to provide adequate grace period for the trade to prepare for the changes. Subsequently, the Administration clarified the matter with the trade and also held a briefing session with small restaurants/factory canteens with gross floor area less than 230m². With a better understanding of the proposed additional licence conditions and fire safety considerations, the trade generally finds the proposal acceptable.

6. The trade requests the Administration to implement the new conditions in the winter of 2009 with a view to minimizing impact on the trade in the current economic downturn. The Administration agrees to the proposed timeframe.

Proposed Amendments to the Demerit Points System (DPS) for Licensed Food Premises

7. To strengthen the effectiveness of the DPS, the FEHD decided to review the DPS for licensed food premises and subsequently briefed the FBTF of the proposed changes at its meeting on 22 May 2008. Members expressed the following concerns on the department's proposals –

- (a) the proposed changes were stringent, ineffective and not business-friendly. They would have adverse impact on the trade;
- (b) while large establishments found it hard to comply with the proposed changes, the SMEs would be under even greater pressure; and
- (c) it was doubtful whether the revised DPS could effectively reduce the incidence of food poisoning.

8. In the light of the current economic climate, the Administration has recently informed the FBTF that consultation sessions with the trade on how to improve the DPS for licensed food premises would be reconvened upon further notice.

Regulatory/licensing issues related to the food business raised by trade representatives during the SME focus group meetings

9. Regarding the possibility of reducing the impact of smoking ban on the food business, the Administration commissioned the Hong Kong University of Science and Technology in August 2007 to carry out a technical feasibility study of “smoking rooms”. The study is scheduled for completion in the first quarter of 2009. The FBTF will monitor the progress of the study.

10. As regards the trade’s request for relaxing the over-stringent licensing conditions of factory canteens, the FBTF completed a review on factory canteen in late 2006. The review revealed that the existing policy managed to strike a balance between the interests of the restaurant and fast food shop operators who had paid full premium/waiver fee to open a normal restaurant in the industrial area and the factory canteen operators who were given concessionary terms to operate under a different set of regulatory requirements. Any relaxation in the regulatory requirements might create unfairness to the restaurant operators. Recently, the FEHD, FSD, Buildings Department, Lands Department and Planning Department have reviewed the situation and concluded that the current licensing requirements could not be relaxed due to public safety considerations.

11. Regarding the trade’s request that the Administration should rationalize the regulatory requirements of food licences to facilitate the food business (e.g. issuing a liquor licence to a corporation or otherwise allowing multiple authorized persons to supervise the liquor licensed premises), the FBTF completed a review on liquor licensing in early 2007. The review recommendations include allowing multiple authorized persons to supervise the liquor licensed premises. The Food and Health Bureau is now studying the details of the proposals and plans to consult parties concerned on these proposals and other related matters regarding liquor licensing in 2009. In response to the FBTF’s earlier recommendations, the Administration has already introduced a number of measures to rationalize the regulatory requirements of food licences. Major ones include –

- (a) Relaxation on the Outside Seating Accommodation requirements of restaurants by removing the “at least 5M walkway width” licensing condition;

- (b) Acceptance of certificates of Authorised Persons/Registered Structural Engineers to certify the structural suitability of village type houses built prior to the enactment of Buildings Ordinance (Application to the New Territories) Ordinance, Cap. 121 on 16 October 1987 in processing food business licence applications;
- (c) Expansion of the list of movable appliances and furniture, such as electric mincers, electric mixers, bread slicers, computer terminals, etc., not required to be shown on approved layout plans of licensed food premises so as to offer operators with greater flexibility; and
- (d) Instead of automatically terminating the offensive trade clause waiver for the singly-owned building covering more than one restaurant/hotel, reserving the right to terminate the waiver in respect of the unit that is in breach of the licensing condition only.

Way forward

12. Members are invited to note the work progress of the FBTF. The FBTF will monitor the development of the issues.

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