

Notes of the 10th Business Liaison Group Meeting With the Trade of Recreational Clubs

Date: 5 March 2012 (Monday)
 Time: 3:00 p.m. – 4:15 p.m.
 Venue: Conference room 1, G/F, East Wing, Central Government Offices, 2 Tim Mei Avenue, Admiralty

Convenor: Mr CHAN Wah-chan Head, Business Facilitation Division,
 Economic Analysis and Business Facilitation Unit

Trade Representatives

The Helena May

Ms Betty SIMPSON General Manager

The Hebe Haven Yacht Club

Mr Michael FRANCO General Manager

Aberdeen Boat Club

Mr Philippe DE MANNY General Manager

Clearwater bay Golf & Country Club

Mr Eddie CHAN Country Club Manager

Ms Florence KONG Company Secretary

Mr Nick KNIGHT Director of F/B

Mr Damian McMANAMON Executive Chef

Hong Kong Jockey Club

Mr Alan WONG Chief Engineer

Royal Hong Kong Yacht Club

Mr Mark BOVAIRD General Manager

Mr Alfred LEUNG Operations Manager

Aviation Club

Mr Stanley KONG General Manager

Hilltop Country Club

Mr Carl CHAN Finance and Administration Manager

India Club

Mr Cris PEREIRA

General Manager

Government RepresentativesHome Affairs Department (HAD)

Mr T C YU

Chief Officer (Licensing Authority)

Food and Environmental Hygiene Department (FEHD)

Mr Eric CHEUNG

Superintendent (Licensing)

Electrical and Mechanical Services Department (EMSD)

Mr Ken YEUNG

Senior Energy/ Energy Efficiency B5

Mr Brian LEUNG

Engineer/ Energy Efficiency B5/2

Economic Analysis and Business Facilitation Unit (EABFU)

Mr Derek CHAN

Chief Management Services Officer (*Secretary*)

Miss Jenny YEUNG

Business Facilitation Officer

In attendance :

Mr Joseph WONG

Member, Task Force on Business Liaison Groups of
Business Facilitation Advisory Committee**Action**

The **Convenor** welcomed all to the meeting, particularly Mr Joseph Wong, Member of the BLG Task Force of Business Facilitation Advisory Committee, who attended the BLG meeting for the first time as an observer.

Confirmation of the notes of the 9th BLG meeting

2. **The meeting** confirmed the notes of the last meeting (http://www.gov.hk/en/theme/bf/pdf/20111021_notes_rc.pdf) without amendment.

Briefing on new regulation

Buildings Energy Efficiency Ordinance (Cap.610)

3. **Mr Brian LEUNG** briefed the trade on the *Buildings Energy Efficiency Ordinance (Cap.610)* with the presentation slides at the **Annex**.

4. **Ms Betty SIMPSON** enquired whether painting of the premises would be classified as major retrofitting works. **Mr Ken YEUNG** clarified that according to the Ordinance, major retrofitting works were defined as works involving addition or replacement of building services installations. Painting of the premises would not be classified as major retrofitting works.

5. **Mr Cris PEREIRA** enquired whether the legislation had already come into full operation. **Mr YEUNG** replied that the Ordinance would come into full operation on 21 September 2012. The core parts of the Ordinance, which concerned the requirements for compliance with the Building Energy Code (BEC) in newly constructed prescribed buildings and in major retrofitting works of relevant building services installations in both newly constructed and existing prescribed buildings, as well as the requirement for carrying out energy audit in commercial buildings, were now within the grace period. However, applications for registration as Registered Energy Assessors (REAs) were opened up on 21 March 2011.

(Post meeting note : **Mr YEUNG** supplemented that the current version of BEC was 2012 Edition. Pursuant to the Ordinance, the statutory requirement for compliance with the BEC applied to all major retrofitting works completed on or after the full operation date of the Ordinance (i.e. 21 September 2012), irrespective of the commencement date of the works. In other words, even the major retrofitting works commenced before 21 September 2012, the relevant responsible person should duly plan his/her works in order to comply with the new BEC 2012 Edition if the works were expected to be completed on or after 21 September 2012. If the responsible person of the major retrofitting works had difficulties to comply with certain requirements of the BEC 2012 Edition, he/she might apply, with justification, to EMSD for exemption from those particular requirements pursuant to Section 20 of the Ordinance.)

6. **Mr Philippe DE MANNY** enquired for the reasons of classifying the premises of recreational clubs as commercial buildings. **Mr YEUNG** replied that according to the Ordinance, “commercial building” meant a building that was used for the purpose of any trade, business or profession. Since the premises of recreational clubs were used for the purpose of a trade or business, they were classified as commercial buildings. The Ordinance would not be applicable on the outdoor area of the club premises.

7. **Mr DE MANNY** was of the view that since the premises of recreational clubs were not similar to other commercial buildings such as shopping malls, EMSD should set out different technical standards on them. **Mr YEUNG** clarified that the minimum energy efficiency standards of building services installations for all types of buildings were the same. However, commercial buildings would be required to comply with one additional requirement (i.e., to carry out energy audit every ten years). **Mr YEUNG** advised that trade operators should note the timetable set out in Schedule 5 of the Ordinance for the period within which the first energy audit

should be carried out for an existing commercial building. The timing would be dependent on the date of issue of occupation permit in respect of a building. Buildings which obtained occupation permit earlier would be required to carry out the first energy audit later.

8. Upon enquiry by **Mr DE MANNY** and **Ms SIMPSON**, **Mr YEUNG** clarified that it was not necessary for all existing club premises to carry out energy audit before the full operation of the Ordinance on 21 September 2012, but energy audit should be completed in 4 years after the full operation of the Ordinance according to the timetable set out in Schedule 5 of the Ordinance.

9. In response to the enquiry raised by **Mr Michael FRANCO** on the classification of hotels, **Mr YEUNG** clarified that under Schedule 1 of the Ordinance, hotels and guesthouses were not classified as commercial buildings. They were classified as a separate type of “prescribed buildings” under Schedule 1 of the Ordinance.

10. **Mr DE MANNY** enquired whether the trade should display the Certificate of Compliance Registration (COCR) at the club premises. **Mr YEUNG** clarified that COCR would be issued for newly constructed prescribed buildings only. The trade should display the Energy Audit Form instead of the COCR in their premises pursuant to the Ordinance. For a building which had obtained a COCR from EMSD, the name of the building would be recorded in the Register of "Buildings issued with COCR" which would be uploaded to the EMSD website (www.emsd.gov.hk) after the full operation of the Ordinance in September 2012 for public's reference.

11. **The Secretary** enquired whether there would be sufficient supply of REAs in the market after the full operation of the Ordinance, and the pay-back period for compliance with the Ordinance. **Mr YEUNG** advised that currently there were about 300 successfully registered REAs in the market and EMSD was confident that there would be sufficient REAs after the full operation of the Ordinance, taking into account the fact that a lot of applications for registration were coming in. In general, the pay-back periods for replacing existing fluorescent lamps and air conditioners with more energy-saving models would be a few months and 1 to 2 years respectively.

Matters arising from the previous meetings

Application for restricted food permits

12. **Mr Eric CHEUNG** reported that as noted in the previous BLG meeting, some recreational clubs were not clear about the need to apply for restricted food permits for the sale of restricted food items on club premises. In that meeting, a trade member suggested the FEHD to remind recreational

club operators of this requirement. To address the trade's concern, the FEHD would inform the trade association concerned and the trade representatives of the BLG in writing about the need for them to apply for restricted food permits for the sale of restricted food items inside the club premises.

FEHD

13. **Mr DE MANNY** opined that clubs usually offered a large variety of food to their guests and club chefs were very cautious about food hygiene standard. He asked whether the FEHD could consider issuing a single type of food business licence to clubs to save their time for applying for restricted food permits. **Mr CHEUNG** advised that according to the Food Business Regulation (Cap. 132X), the definition of food business did not include "club". As such, it would be necessary for them to apply for restricted food permits to cover the sale of restricted food items at club premises.

Time frame for alteration applications of club licence

14. **Mr TC YU** reported that to establish a practical time frame for processing applications for alteration, amendment or change in layout of licensed premises, the HAD had started stocktaking for 6 months the processing time of such applications received on or after 1 October 2011. A practical internal management target would be formulated after analyzing the stocktaking data. As at 29 February 2012, 15 alteration proposals were received since the start of the stock-taking exercise and 4 of them had been processed. **The Convenor** requested HAD to report the progress at the next BLG meeting.

HAD

Improvement opportunities for CoC renewal applications

15. **Mr YU** reported that the average time taken from receipt of renewal applications to issuance of CoC for recreational clubs was 134 calendar days in 2010 and 144 calendar days in 2011. Most of these cases were submitted to the Office of Licensing Authority (OLA) of the HAD more than 3 months before the CoC expiry dates.

16. **Mr YU** advised the trade that to ensure timely renewal of CoC, the trade should submit their renewal applications more than 3 months before the expiry date. According to the Clubs (Safety of Premises) Ordinance (Cap. 376), the subject CoC would remain valid until the Secretary for Home Affairs made a determination for this category of renewal application. These were the protected cases under the current legislation. He also reminded the trade not to commence any alteration works before obtaining a written approval from the OLA because alteration works without prior approval by the OLA would delay the process of renewal applications and contravene the licensing conditions.

17. **Mr YU** supplemented that to facilitate renewal of CoC, the following measures had been in place :

- (i) A reminder letter would be generated by the Application Tracking Facility and issued to each CoC holder 4 to 5 months before expiry of the CoC reminding him/her to renew the CoC in time;
- (ii) A checklist for submission of renewal application would be attached to the reminder letter mentioned in (i) above;
- (iii) For cases protected under Cap. 376, renewal inspections would be carried out during the first 29 working days within the 3 month period before the expiry of the CoC;
- (iv) For cases not protected under Cap. 376, inspections would be carried out within 29 working days upon issue of acknowledgement of receipt of the renewal application; and
- (v) A preliminary inspection checklist on outstanding building safety items would be issued to recreational club operators on the spot after compliance inspection.

Briefing on new business facilitation measures

Review and revision of the guide to application for restricted food permits

18. **Mr CHEUNG** briefed the trade that the current guide to application for restricted food permits covered only non-bottled drinks, frozen confection and milk permits, which were the three most common restricted food permits accounting for more than 75% of the total number of permits issued by the Department. For the other types of restricted food permits (covering cut fruit, Chinese herb tea, leung fan (涼粉), sushi/sashimi, oysters to be eaten in raw state, meat to be eaten in raw state, food sold by means of a vending machine, and shell fish), FEHD would review the situation and consider providing application guide for other types of restricted food permits as necessary.

FEHD

19. In response to the **Convenor**, **Mr CHEUNG** advised that the FEHD would consider uploading the relevant application information to FEHD's website before the revised guide could be published at a later stage.

FEHD

20. **Mr DE MANNY** suggested that the FEHD should consult the trade on the draft revised guide to make the application process simpler and easier for the trade to comply with. **Mr CHEUNG** noted the trade's concern and responded that FEHD would review the situation whenever necessary.

Issuance of a letter of proof for licence validity for clubs which have submitted renewal applications more than 3 months before the licence expiry date

21. **Mr YU** briefed the trade that the issuance of a letter of proof for licence validity for renewal applications submitted to the OLA more than 3 months before the licence expiry date was previously requested by the guesthouse trade at a BLG meeting for guesthouses, holiday camps and holiday flats (as the licensing regime for guesthouse licences was similar to that for CoC, i.e., it could be protected by the relevant Ordinance in the same manner as mentioned in para. 16 above). The guesthouse trade was of the view that the said letter of proof could ease the mind of their customers regarding the validity of the guesthouse licences in cases where the renewal applications could not be approved by the expiry date. The HAD agreed to issue the said letter to the holders of guesthouse licences and planned to extend this practice to other licensing regimes under its purview.

22. Both **Mr DE MANNY** and **Mr Mark BOVAIRD** opined that the OLA had made it clear in its acknowledgement letter for renewal application that the CoC concerned would remain valid as the subject application was submitted more than 3 months before the expiry date.

23. **Mr YU** said that the HAD would take into account the trade's views when rolling out the above plan.

HAD

Date of next meeting

24. **The Secretary** would inform members of the date of the next meeting in due course.

Economic Analysis and Business Facilitation Unit

March 2012