

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

***Agenda Item 3 : Report on the Work of the Task Forces***

**Purpose**

This paper reports on the work of the five business facilitation task forces since the last Business Facilitation Advisory Committee (BFAC) meeting on 14 February 2006.

**Pre-construction Task Force (PCTF)**

2. Mr Leung Kam-leung has replaced Mr Keith Kerr as the Convener of the PCTF, which resumed its meeting on 15 May. In view of the industry's concerns about the very long lead time (*an average of about 56 weeks*) for processing a lease modification or land exchange application by the Lands Department (LandsD), the PCTF has endorsed the commissioning of a consultancy study with a view to identifying the scope for re-engineering the existing processes and developing practical recommendations to enhance operational efficiency. A tendering exercise is underway and the study is expected to commence in July for completion in four months.

3. The PCTF has discussed various problems in the processing of building plans under the lease by the LandsD. The major problems include delays of approval arising from the proposed combination of tree felling approval with building plan approval; delays arising from the requirement to charge a premium for amendment to the Master Layout Plan; very low transparency in the processing of building plans; very wide discretionary power to reject building plans under the design, disposition and height clause without giving reasons; and non-alignment of the interpretation of some major development control parameters among the LandsD, Planning Department (PlanD) and Building Department (BD). The PCTF will critically examine these issues in the coming meetings and explore the improvement opportunities with departments concerned.

**Task Force to Review the Construction Stage of the Development Process [Construction Task Force (CTF)]**

4. The CTF held its fifth meeting on 26 April. On the co-ordination of concerned departments in processing development proposals,

the CTF was advised that an appropriate mechanism had been put in place to resolve inter-departmental issues arising from the approval of building plans and that synchronization problems normally should not arise since the turnaround time pledged by the BD, PlanD and LandsD for processing building plans was generally consistent. The CTF however considers that instead of continuing to take a compartmentalized approach, further attempts should be made to break down the departmental barriers and streamline the approval process with a view to facilitating building developments, shortening the construction cycle and reducing the compliance cost. The CTF has proposed that there should be a one-stop facilitator to eliminate the circuitous process of dealing with individual departments and an arbiter to expedite the resolution of inter-departmental issues. The Housing, Planning and Lands Bureau has undertaken to explore the feasibility of improving the building plan approval process.

5. On overall review of the regulatory framework for the construction stage, the CTF was briefed that the BD is conducting an overall review of the Buildings Ordinance covering the control of minor works and the transformation of the prescriptive requirements of the building regulations into performance-based standards. The CTF supports the development of performance-based standards. On apportionment of responsibilities under the Buildings Ordinance, the CTF notes that since developers of large projects are becoming more involved in project management, building professionals have shifted their focus to design and quality checking but could no longer exercise the same degree of control on site activities as in the past. The CTF has therefore proposed that the apportionment of responsibilities in relation to site supervision should be reviewed to align responsibilities with the actual scope of control.

6. Regarding the Study on Private Certification of Building Submissions, the inception report was endorsed on 15 March 2006. The draft final report is scheduled for submission in July 2006. A more detailed report on the background, purpose and scope, progress and work plan of this study is provided vide BFAC Paper 5/06 under agenda item 4.

### **Town Planning Task Force (TPTF)**

7. Representatives of the PlanD attended the TPTF meeting on 30 March and agreed to implement some recommendations to improve the main planning processes. Some notable improvement measures include the holding of regular District Planning Conference meetings to resolve issues between the applicant and concerned departments within a shorter and more definite time frame, stating clearly the PlanD's stand in the Town Planning

Board (TPB) Paper during the planning review to improve transparency, etc. Concerning the review of Class A and Class B minor amendments to the approved development proposals being conducted by the PlanD, the TPTF has reminded the PlanD to consult stakeholders concerned. The TPTF will meet with the PlanD to clarify some of these issues.

8. The TPTF further met on 6 June to discuss the problems of planning appeals to the Town Planning Appeal Board (TPAB) and the draft TPB guidelines for submission of visual impact assessment. The TPTF considers that an average waiting time of 8.5 months for the hearing of a planning appeal is too long. A meeting will be arranged with the TPAB Secretariat to explore scope for improvements. The TPTF also examined the draft guidelines on visual impact assessment and considered that the proposed guidelines are very subjective, vague and difficult to comply without investing a lot of resources. The TPTF has requested the TPB to defer the promulgation of the guidelines and invite representatives of the PlanD to attend the next TPTF meeting in September to discuss how a better system can be established.

### **Retail Task Force (RTF)**

#### ***Regulatory review of the beauty products/cosmetics/medicine categories***

9. Further to the meeting with the Department of Health (DH) in January, the RTF conducted a focus group session for trade representatives to discuss in detail their concerns and improvement opportunities with the DH. The DH has set out the following tasks with a view to addressing some of the trade's concerns –

- (a) produce guidelines for the trade to determine if a beauty/health product would need registration;
- (b) put forward new proposals on scheduling of meetings for the consideration of the Pharmacy and Poisons Board so as to speed up the registration process;
- (c) strengthen the registration guidelines to help the trade comply with the labeling requirements in order to minimize the delay in registration due to non-compliance; and
- (d) explore possible administrative measures for facilitating the pharmacy trade.

10. The RTF will monitor the progress of the improvement measures and explore further improvement potentials with the DH and the Health, Welfare and Food Bureau.

### ***Allergen and nutrition labeling***

11. In March, the RTF compiled a set of revised guidelines for allergen labeling with input from the trade and sought advice of the Department of Justice (DoJ). The DoJ's advice was that the legislation aimed to add an 'allergen disclosure' responsibility on the trade in addition to the requirement of ingredient labeling. The proposal put forward by the trade to limit allergen labeling to substances knowingly added would defeat the intent of the legislation and would require legislative amendment. The trade is aware that more efforts are required to fulfill the 'allergen disclosure' requirement but it is at a loss as to how it could comply in the case of inadvertent cross-contamination under the guidelines proposed by the Administration. Since the ordinance was passed with the understanding that the Government would issue compliable guidelines, the RTF will bring the issue to the attention of the Legislative Council Panel on Food Safety and Environmental Hygiene.

12. On nutrition labeling, the trade is still awaiting the response of the Administration to its suggestions. The RTF will continue to monitor the development.

### ***Mandatory Energy Efficiency Labeling Scheme***

13. The Environmental Protection Department gave an initial response to the trade's views along the official lines in March, explaining why it is necessary to implement the mandatory scheme and that it is in line with the established Government policy to recover administrative cost for licensing or registration services. The RTF then held a meeting with representatives from the trade and relevant departments on 3 May to exchange views on the scheme. The RTF urged the departments to critically review the potential impact on small traders and consumers, and reconsider whether the registration fee under the proposed mandatory scheme could be waived.

### ***Licensing processes and procedures for food retail business***

14. The RTF completed a review of the relevant processes and procedures in mid-2005. FEHD implemented a number of the recommendations. In November 2005, FEHD consulted the trade on the

framework for the introduction of a composite licence, which would reduce the number of licences/permits required for retailers selling multiple kinds of ready-to-eat food. At the RTF meeting on 15 June, FEHD presented its latest plan on introducing the composite licence. The RTF reminded FEHD of the need to consult the trade on the further details of the composite licence, and would monitor the implementation progress.

### **Food Business Task Force (FBTF)**

15. Subsequent to the first BFAC meeting, the FBTF led by the Hon Tommy Cheung was set up in April to steer and oversee a programme to review the regulatory activities affecting the food business with a view to creating a more business-friendly environment. The terms of reference and composition of the FBTF are at **Annex**. The FBTF held its first meeting on 25 April and agreed to first examine the problems encountered by the trade in the areas of outside seating accommodation (OSA), liquor licence and factory canteen where there were clear improvement potentials, to be followed by other priority areas identified.

16. The FBTF commissioned the Efficiency Unit (EU) to conduct a study on the business-friendliness of the regulatory regime for OSA of restaurants in April. The study aims to shorten the processing time of applications and improve the transparency of the process. The study team interviewed eight departments involved in the approval of OSA. Questionnaires had been sent to collect views of business operators and a focus group session was held in mid-June to gauge the concerns of the trade in greater detail. The FBTF will monitor the progress of the study which is expected to be completed by August.

17. The FBTF met again on 16 June to discuss the concerns and recommendations of the factory canteen operators on the licensing requirements of factory canteens and the comments from the LandsD and FEHD. The FBTF plans to commission the EU to conduct a study on the regulatory regime of liquor licensing and the processing of the liquor license applications. The terms of reference of this study is being finalized.

## **Food Business Task Force**

### ***Terms of Reference***

Having regard to the overall aims of the Business Facilitation Advisory Committee (BFAC), to –

- ❑ develop a review programme, in order of priority areas identified, for the regulatory activities affecting the food business to eliminate outdated or burdensome regulations and to cut red tape;
- ❑ review other relevant areas to enhance the business-friendliness of government services to facilitate the food business;
- ❑ oversee and monitor development of the review work; and
- ❑ report progress to BFAC on a regular basis.

### ***Membership***

Convener : Hon Tommy Cheung, JP

Members : Mr John Chong  
Mr Fung Bing-hau  
Mr David Hooi  
Mr William Ko  
Mr Dennis Kwok  
Hon Emily Lau, JP  
Mr Leung Kam-leung  
Mr Roger Li  
Mr Anthony Lok  
Mr David Pao  
Mr Wat Siu-fai  
Mr Yu Pang-chun, SBS, JP  
Dr Allan Zeman, GBS, JP