

**Business Facilitation Advisory Committee  
Food Business Task Force**

***Response to Concerns of Factory Canteen Operators***

**Purpose**

This paper summarizes the proposed changes of the factory canteen operators to the terms of granting a factory canteen licence and the response from the Lands Department (LandsD) and Food and Environmental Hygiene Department (FEHD) for Members' discussion.

**Background**

2. In April 2006, the Factory Canteen Association considered that some terms and conditions of the waiver of a factory canteen are outdated and had written to the Food Business Task Force to explore the feasibility to relax the licensing requirements. Initial comments from LandsD and FEHD on various concerns raised by the trade were discussed in the second FBTF meeting dated 16 June 2006. However, Members were not entirely satisfied with the comments and concluded that the Task Force should follow up with departments concerned to explore potential improvement opportunities. In July, the factory canteen operators proposed some changes to the terms of granting the licenses for departments' consideration. The response from LandsD and FEHD is appended below:

*A. Reduction in overall provision of canteens in an industrial building to 5%*

*Trade's proposal:* The maximum rate of factory canteen area to the total gross floor area of the industrial building could be reduced from 1/10 to 1/20;

*(LandsD: The cap on the maximum percentage of floor space within an industrial building that can be used for canteen purpose is written down in the lease. Most of the industrial buildings have fallen into multiple ownership. This makes any changes to the lease conditions impossible as the suggestion to impose a more onerous restriction on the lot will require agreement from all the unit owners.)*

- B. *Increase the aggregate area of kitchen, food preparation area and scullery space from 15% to 20%*

*Trade's proposal:* The minimum proportion of the aggregate area of kitchen, food preparation area and scullery space to the total business area could be increased from 15% to 20%;

*(FEHD: Allowing outsiders to patronize factory canteens means that the operator of a factory canteen will have to comply with all the licensing requirements and conditions on fire and building safety and hygiene for a general restaurant or a light refreshment restaurant, as the proposal would turn the factory canteen into a restaurant in essence. Regarding the ratio of food preparation space, scullery and kitchen area to gross floor area of the premises, Part I (for general restaurants) and Part II (for light refreshment restaurants) of Schedule 5 to the Food Business Regulation (Cap. 132X) should be observed.)*

- C. *Allowing canteen to receive patrons who work in the industrial area*

*Trade's suggestion:* The present requirement that factory canteens are intended to cater for employees working in the same industrial buildings only should be revised to cater for relevant persons in the industrial area.

*(LandsD: The purpose of allowing canteen within an industrial building is to provide catering facility to the workers working in the building so that they do not have to walk a long distance for a meal. Canteen is an ancillary facility to the industrial building, a proposal to allow it to serve people other than workers in the same building will turn it into a normal restaurant or fast food shop. Such a move will be unfair to those restaurant and fast food shop operators who have paid full premium/waiver fee in order to have the benefit of serving the public at large).*

- D. *Allowing hanging of canteen name*

*Trade's proposal:* Display of signboards should be allowed at the front of the canteen, but the area of the signboard shall not exceed 50% of the area of the façade of the canteen. Moreover, signboards with neon tubes should not be allowed. Only the word "canteen" should be used to

describe the nature of the business carried out in the premises, and words such as “café” and “restaurant” should not be displayed.

*(LandsD: Canteen aims to serve workers in the same building. To deter any outsider visiting the canteen, no sign showing the existence of the canteen will be allowed to be exhibited on any part of the building or the canteen so as to make such sign visible from outside the building. There is no intention to relax this restriction.)*

*EABFU understands from LandsD that it has no objection to the display of the signboards as long as they are not visible from outside the building.*

*E. All emergency exits to be used as normal access*

*Trade’s proposal:* All means of escape should be accessible to the customers of the canteens.

*(LandsD: Outsiders not working in the industrial building should be discouraged to use the canteen and hence it is the policy that the canteen should not have direct access to the street or if an emergency access onto street is provided it should be kept closed.)*

## **Way Forward**

3. Representatives from LandsD will attend the meeting to answer questions from Members.

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