

**Economic and Employment Council
Retail Task Force**

Setting up of a Unified Food Licence Office

Background

The food retail sector has proposed, inter alia, the setting up of a unified food licensing office to process the application and renewal of food licences that are currently issued by the Food and Environmental Hygiene Department (FEHD). The proposed arrangement should be adopted for restaurant licensing, food retail and manufacturing licensing and permit regimes for food factory, bakery, fresh provision shop, siu mei and lo mei shop, milk, restricted food, etc. The proposed office will have the function similar to the existing arrangement for hotels, guesthouses, clubs and karaoke establishments administered by the Home Affairs Department (HAD).

2. The proposed unified licensing office would involve the pooling of staff resources of the stakeholding departments under one roof. The office would comprise professional staff seconded from the Buildings Department (BD), the Fire Services Department (FSD), and FEHD.

Supporting arguments

3. The industry believes that a proposed unified food licensing office is a “win-win” solution for all, bringing benefits as follows –

To Industry

- It will provide a single point of contact for obtaining a licence including renewal and payment of fees. Applicants will deal with only one office (*unified licensing office*), which has the relevant professional knowledge and expertise to handle diversified issues such as hygiene, building and fire safety requirements;
- A dedicated licensing team for food licences will mean that case managers could be more sensitive to industry needs when dealing with specific licensing issues and requirements;

- It will reduce duplication of effort and documentation for different food licences and permits; and
- It will speed up the issue of licences/permits as delivery time and any inefficiencies between departments could be removed from the licensing process.

To Government

- A dedicated team of licensing officers for industry-specific licensing activities will allow the pooling of expert knowledge of industry issues and requirements, and it will be more efficient and it will focus more on risk areas;
- Co-location can facilitate improved communication and understanding between officers from different departments involved in the licensing process, and hence work better towards enhancing the overall efficiency of the licence application process; and
- Greater efficiency in handling licensing activities may free up resources, say for enforcement.

Contrary arguments

4. Currently, FEHD operates a one-stop “front” shop licensing service which provides convenience and efficiency to applicants of food-related licences/permits. A unified food licence office will not yield significant benefits to the trade. There are also arguments which challenge the merits for the establishment of a proposed unified food licence office, and these include –

To Industry

- Co-location of licensing officers will not eliminate the need for applicants to comply with the unique requirements of individual departments under the respective legislation (*e.g. fire, building safety*);
- It will not reduce the administrative effort and time of applicants to prepare application submissions and comply with the licensing

requirements. Each discipline has its own focus, and one cannot override or make decisions on behalf of another on hygiene, fire and building safety issues; and

- Applicants are still faced with numerous, sometimes overlapping, retail food licences if these licences continue to exist;
- The timeframe for approval of licences will not be significantly shortened, if the processes or requirements are not streamlined. According to HAD, the unified licensing office issues a Letter of Requirements for clubhouses within 43 days, twice as long when compared to FEHD's current practice for food licences (*20 days for general restaurants, about 30 days for non-restaurant licences*).

To Government

- Secondment of professional staff from various departments to one single agent is not an efficient and cost-effective use of resources. FEHD, FSD, and BD licensing staff are also responsible for processing other non-food licences and some of them also carry enforcement responsibilities; and
- Licensing officers from various departments still have to check compliance according to the respective legislation, carry out site inspections, issue requirements to satisfy hygiene, fire and building safety standards, and refer to records of parent departments (*e.g. approved building plans*). Joint site inspection has the disadvantage of a longer waiting time as the appointment time needs to fit the work schedules of all FEHD, FSD and BD seconded staff.

Overseas experience on one-stop licensing

5. There are 3 common modes of “one-stop” licensing which may vary according to the depth and breadth of services provided. These are –

- Centralised information repository (*one-stop portal*)
- Co-location of licensing offices
- Integrated one-stop licensing office.

A description of each is outlined below.

6. Irrespective of the mode adopted, it is a common practice in overseas jurisdiction that applicants of food-related business licences are required to satisfy the respective requirements of, and deal with, various authorities separately on food hygiene, town planning, fire safety and ventilation, building safety, etc.

Centralised repository of licensing information

7. It is generally the first step into 'one-stop' licensing . This is for the provision of information only and is the most common form. This one-stop information repository, either a physical office or on-line, provides business users ready access to information for licences/permits administered by various government departments. Such information may include licence application requirements, renewal requirements, fee information, application forms and contact details. If the repository is available on web, a search engine will enable users to look up all related information about licences/permits and regulatory requirements for a business.

8. To enhance customer service, the one-stop portal would be supplemented by on-line or telephone enquiry service to handle enquiries, referrals, and search requests for relevant licensing and regulatory information.

9. The Hong Kong Business Licence Information Centre maintained by the Trade and Industry Department follows this mode. Overseas examples include Kentucky's (USA) One-Stop Business Licensing Program, which covers 600+ licences and permits. There is a plan to provide on-line submission of applications when the system is enhanced. Pennsylvania (USA) also offers a web-based, one-stop licensing system.

Co-location of licensing offices

10. To facilitate business, various licensing authorities set up licensing offices at the same location so that applicants could have convenience in the application submissions of different licences. The operation of each of these licensing offices is independent of others.

11. Research of overseas food licensing practices shows that Shenzhen (PRC) follows this mode. The licensing activities of various agencies are carried out by different agencies physically located at a single

location. Each agency has its own licensing process, staff and requirements, and applicants will approach each agency desk to submit applications and comply with requirements.

Integrated one-stop licensing office

12. An integrated licensing office is responsible for generic processing and handling of applications, coordination, checking completion of supporting documents (*received via online/fax/mail*), payment processing, and issuance of licences and renewals on behalf of individual authorities. Specific and professional aspects of the process such as plan layout review, site inspections, fire safety and ventilation inspection, building permits, are still carried out by individual authorities. Applicants fill out a single form to apply for multiple licences, instead of a series of forms, and make a one-time payment instead of multiple licence fees to different authorities. The licensing office will disseminate the submission to the respective agencies for processing. This mode is implemented in Singapore.

13. The integrated licensing office works closely with individual authorities throughout the licensing process, but there is a clear division of responsibilities between parties. Food licensing in Hong Kong adopts a similar system.

Hong Kong experience

14. FEHD offers a “one-stop” front shop service for food licensing regimes. In addition to its role as the licensing authority, FEHD also acts as a coordinator (“*front shop*”) between the applicant and other departments that have determinant authorities on aspects of ventilation, fire safety and building safety for food business premises. FEHD collects application forms and supporting documents. Applicants still have to work with and obtain separate approvals from individual departments before the food licence is issued.

15. The Office of the Licensing Authority (OLA) of the HAD issues Certificate of Compliance (CoC) under Cap. 376 Clubs (Safety of Premises) Ordinance for clubhouses to operate. The CoC is about fire and building safety only, and does not exempt its holder from the consequences of non-compliance with the provision of any other enactments (*e.g. hygiene*). For clubhouses, the OLA’s one-stop licensing service is restricted to the issue of

CoC in relation to safety of premises. If the facilities carry regulatory requirements other than the safety of the premises, the clubhouse operator must approach the relevant authorities separately and apply for their approvals.

16. It should be noted that clubs are specifically excluded from “food business” under Regulation 4, Cap 132X Food Business Regulation. Clubs can provide catering service to club members and accompanied guests without obtaining a food business licence from FEHD. Nevertheless, FEHD will inspect clubs with catering service to enforce hygiene conditions and standards related to food catering.

17. OLA also provides one-stop licensing service for hotels and guesthouses under Cap 349 Hotel and Guesthouse Accommodation Ordinance. Licence applications are processed in relation to fire and building safety of premises. If a hotel/guesthouse has facilities or amenities that carry more regulatory requirements other than safety of the premises, the licensee must approach other authorities separately for approvals/licences, e.g. applications to FEHD for the general restaurant licence and the swimming pool licence.

EEC Subgroup on Business Facilitation Secretariat
May 2005