

## **Sixth Meeting of the EEC Subgroup on Business Facilitation**

### ***Agenda Item 5 : Progress report of the Retail Task Force***

#### **Purpose**

This paper aims to brief Members on the work progress of the Retail Task Force since the last Subgroup meeting in April.

#### **Overview**

2. The Task Force held two meetings in the last quarter, to explore issues relating to food retail licensing and problems with setting up food retail business in the estates of the Housing Authority. Two focus group discussions were conducted to solicit views of the trade on recommendations generated from the review of the licensing processes and procedures for food retail business. The Task Force continued to monitor the development of the proposed regulation on volatile organic compounds (VOCs).

#### **Improvement potentials on licensing processes and procedures for food retail business**

4. The Director of Food and Environmental Hygiene is generally content with the recommended improvement potentials and action is in hand to implement the recommendations. A progress report is at **Annex**.

#### **Setting up food retail business at the Housing Authority (HA) estates**

5. The retail trade is concerned about the long time taken and the complicated process for setting up food businesses in HA commercial complexes. The setting up of a food retail business in HA premises requires (i) approval of layout plans by the Housing Department and (ii) the issue of relevant licences/permits from the Food and Environmental Hygiene Department (FEHD). While the two approvals could be sought at the same time, it was found from a case review that the approval of fitting-out proposals and the handling of licence application referrals might take an average of 80 and 60 days respectively. The fundamental issues identified include –

- All communication with external parties has to route through the district housing manager. It is not uncommon that a licence application referral from FEHD requires more than 2 weeks to reach the responsible unit for action;
- There is no central repository of building records. It could take several days to trace and obtain building records prior to action on the licence referrals;
- Housing Department examines layout submissions and licence referrals in great detail. Clarification is often sought from tenants/applicants through the respective housing manager. This means further rounds of document flow.

6. At the meeting on 29 July, the Task Force exchanged views with representatives of the Housing Department and the Link Management Limited to identify opportunities for improvement. In addition to some “quick-win” proposals, the Task Force suggested that the Housing Department commission its Management Services Sub-Division to review the vetting procedures in order to remove the non-value-added steps.

### **Proposed regulation of VOCs**

7. The Environmental Protection Department (EPD) has reduced the number of consumer goods categories to be regulated to the following six items –

- Hairsprays;
- Air refresheners;
- Insecticides;
- Insect repellents;
- Floor wax strippers; and
- Multi-purpose lubricants.

Trades are considering a set of revised standards prepared by EPD for control of these products. The Task Force will follow up on this aspect.

### **Implementation Plan on Recommendations to Improve Licensing Processes and Procedures for Food Retail Business**

<b>Recommendations</b>	<b>Task</b>	<b>Implementation date</b>
(1) Enhancing the public consultation mechanism	(a) Extend membership of existing consultative mechanisms to step up consultation with the trade	Implemented
	(b) Launch Regulatory Impact Assessment Studies	Ongoing and as and when required for proposals with significant impact on the trade.  RIA will be conducted after regulatory proposals have come through the initial screening by the relevant LegCo Panel.
(2) Composite licensing	(a) Consolidate the idea and framework for composite licensing	4 <sup>th</sup> quarter 2005/ 1 <sup>st</sup> quarter 2006
	(b) Consult public on details of the initiative	1 <sup>st</sup> quarter 2006/ 2 <sup>nd</sup> quarter 2006
	(c) Make legislative changes for composite licensing	06/07 Legislative Session

<b>Recommendations</b>	<b>Task</b>	<b>Implementation date</b>
(3) Streamlining licensing procedures	(a) Review licensing requirements	Ongoing
	(b) Review details to be shown on layout plans	4 <sup>th</sup> quarter 2005/ 1 <sup>st</sup> quarter 2006
	(c) Introduce performance pledges for permit applications	1st quarter 2006
	(d) Accept private certification for the issue of full licences not involving fire services certification	1 <sup>st</sup> quarter 2006
	(e) Require applicants to highlight changes in applications for layout alteration	Implemented
	(f) Improve internal communication process and data sharing	Implemented since the launch of the Licensing Management Information System in May 2005