

Eighth Meeting of the Economic and Employment Council

Agenda Item 3 : Report of the Subgroup on Business Facilitation

Purpose

This paper reports on the work of the Subgroup on Business Facilitation since the last EEC meeting on 5 October 2005. A summary report of the progress made is set out in the ensuing paragraphs.

Progress of the Pre-construction Task Force

2. The Pre-construction Task Force will consider further study on the lease modification process when more sample cases are put forward by members. On the simplification of lease conditions, LandsD has already deleted 6 Special Conditions and 1 Sub-Special Condition relating to matters ranging from restrictions on use of water supply to stipulation of the minimum size of a residential unit. A further 2 Special Conditions, relating to the construction of run-in and run-out; and compliance with the Buildings and Town Planning Ordinances respectively, are expected to be deleted in January 2006. In addition, a further 14 Special Conditions or Sub-Special Conditions have been or are being simplified and will be adopted as and when re-drafting is finalised. The implementation of simplification of lease conditions is targeted to complete in January 2006.

3. With regard to the revised General Conditions, LandsD will introduce these early next year.

Progress of the Construction Task Force

4. The Chairman of the Task Force to Review the Construction Stage of the Development Process (CTF) wrote to the Legislative Council Panel on Planning, Lands and Works (PLW Panel) on 17 October 2005 clarifying the purposes of the proposed study on private certification of

building submissions. This was followed by a paper submitted by circulation to the meeting of the PLW Panel held on 22 November 2005 responding to the Panel's concerns on the study. The Panel has invited members of CTF to attend its meeting scheduled for 20 December 2005 to further discuss the subject. A meeting of CTF will be held in late December 2005 to deliberate on the overall review of the regulatory framework for the construction stage and streamlining of the development approval process through delegation of authorities and centralized processing.

Formation of the Town Planning Task Force

5. The Town Planning Task Force (TPTF) has been set up under the Subgroup on Business Facilitation to steer and oversee the review of regulatory activities on planning issues in the pre-construction stage. The primary objective of the TPTF is to eliminate repetitive, or excessive regulations, to cut red tape and shorten the long lead-time. The TPTF will meet bi-monthly and will report progress to the Subgroup periodically.

6. The TPTF comprises 14 members including town planners, developer, academic, attorney, professionals, and three LegCo Members (**Annex I**). At the first meeting of the TPTF held on 29 November, members had a candid discussion on the prevailing issues and agreed on a work programme covering planning applications, application for amendments to outline zoning plans, plan making and planning objections.

7. The meeting also discussed the general problems associated with planning applications, the major ones being the depth of details requested by government departments and the Town Planning Board during the planning stage, the prolonged discharge of planning conditions causing delays to building plan approvals, and the inconsistent interpretation of minor amendments to approved scheme.

8. The meeting agreed to consult the Planning Department at an early stage of the review to ensure a better understanding of the problems. Other relevant bureaux and departments would be invited at a later stage of the review as the planning process involves multi-disciplinary inputs.

Progress of the Retail Task Force

Regulatory review of the beauty products/cosmetics/medicine retail categories

9. The Retail Task Force (RTF) met with trade representatives in early October. At the meeting, the trade raised concerns on the absence of guidelines on the kind of beauty/health products that need registration, the long processing time for registering drugs/beauty products/health food, the antiquity of the Pharmacy and Poisons Ordinance, the lack of enquiry service for the trade on advertising matters and the ineffective communication between the trade and regulatory authorities. The sector was also of the view that much improvement could be made regarding the regulations governing the operation of pharmacy. The RTF conveyed the issues and concerns of the trade together with some potential improvement suggestions to the Department of Health (DH) for consideration.

10. The RTF will meet the DH in January 2006 to discuss improvement measures that the department will take in addressing the concerns of the trade.

Allergen and nutrition labelling

11. In November, the RTF met with the Food and Environmental Hygiene Department (FEHD) to discuss the proposed guidelines for allergen food labelling and the regulatory proposal for nutrition labelling. The FEHD now planned to adopt the stringent condition of holding the trade accountable for any allergen in the form of detectable trace as opposed to ingredient as the basis for compliance in its current allergen labelling guidelines. Despite repeated representations from the trade that the guidelines could not be complied with in the absence of Allergen Management Systems in the production of food items, the department was not prepared to consider other standards along the line of food ingredients. The defence provision under the legislation is also difficult to invoke given the stringent basis of compliance.

12. On nutrition labelling, the trade has repeatedly requested the department to consider exempting items with small sales volume so that SMEs can stay in business, and to allow flexibility in the format for nutrient

labelling for practical reasons. The department has yet to respond substantially to the trade's suggestions. The RTF has conveyed the above concerns to the department again and would monitor the developments in this aspect.

Food licensing and Housing Department's vetting procedures

13. The RTF also met with the FEHD to discuss the implementation plan for recommendations of the retail food licensing review and the hygiene manager and hygiene supervisor scheme for non-restaurant food premises. In a consultative meeting with the trade in November, the department presented its initial ideas on the arrangement for the composite licence for ready-to-eat food. More meetings would follow to work out the details. The FEHD would also review the licensing conditions of the hygiene manager and hygiene supervisor scheme in the context of the composite licence.

14. As regards facilitating food-retail business in public housing estates, the Housing Department is drawing up instructions for implementing the new pledges on vetting fitting out works proposals. It will look into the potentials for further streamlining the vetting of licence application. The RTF will monitor the progress of these subjects.

Regulatory Impact Assessment (RIA) on vehicle waste tyres

15. Producer Responsibility Schemes (PRS) are important tools in the government's overall Municipal Solid Waste management strategy. PRS are being taken forward for targeted waste types. The options detailed in the RIA study report on vehicle waste tyres will form the basis of consultation with stakeholders in early 2006. The Environmental Protection Department will report to the Subgroup on further progress.

Review of Cinema Licensing

Progress of implementation

16. The law drafting for legislative amendments to introduce the "Provisional Cinema Licence" is in progress. The trade has been consulted on the design of a licence disc for display in licensed cinemas and it will be issued

to licensed cinemas by January 2006 to enhance public awareness of the importance of patronizing licensed cinemas. The first discussion forum with the trade will be held in early 2006. Regarding the licensing requirements, with effect from October 2005, a cinema in a non-domestic building or a non-domestic part of a composite building is allowed to share exit routes with other non-domestic uses subject to compliance with certain fire safety requirements, including a dedicated smoke extraction system for all cinema boxes.

Other issues

17. The secretariat is examining or following up with the concerned Bureaux and Departments on the following issues/referrals –

- (a) Licensing requirements of “Places of Public Entertainment Licence” for operating theme parks and family amusement centres;
- (b) Licensing conditions for factory canteen, alfresco dining and liquor licence;
- (c) Energy efficiency labelling scheme;
- (d) Providing linkage between pharmaceutical patents and drug registration and other concerns of the pharmaceutical trade; and
- (e) Customs procedures for levying vintage import tax.

EEC Subgroup on Business Facilitation
December 2005

**Composition of
Town Planning Task Force**

Convener :	Ms Iris Tam, JP	(Town Planner)
Members :	Mr Chan Cheung-kit	(Surveyor)
	Prof K C Chan	(Academic)
	Mr Evans Iu	(Landscape architect)
	Mr Andrew Lam	(Town Planner)
	The Hon Emily Lau, JP	(LegCo Member)
	The Hon Alan Leong Kah-kit, SC	(LegCo Member)
	Mr Victor Li Tzar-kuoi	(Developer)
	Mr Ng Wing-shun Vincent	(Architect)
	Ms Y Y Pong	(Town planner)
	Ir Wong Yiu-sun Peter	(Engineer)
	Dr The Hon Philip Wong Yu-hong, GBS	(LegCo Member)
	Dr Allan Zeman, GBS, JP	(Entrepreneur)
	Mr Jon Zinke	(Attorney)