

Fifth Meeting of the EEC Subgroup on Business Facilitation

Agenda Item 5 : Progress report of the Retail Task Force

Purpose

This paper briefs Members on the work progress of the Retail Task Force since the last Subgroup meeting in January.

Overview

2. The Task Force held three regular meetings and conducted two focus group discussions with trade representatives in the last quarter. As the Food and Environmental Hygiene Department (FEHD) was responsible for most of the non-restaurant food licences, the Task Force met with FEHD representatives to discuss the trade's views and concerns over the existing licensing regime. The Task Force also considered two proposals, one on formalizing the public consultation process for regulatory and legislative proposals that had significant impact on the business sector and the other on composite licensing for the retail of ready-to-eat food. The Task Force also monitored the progress of the proposed regulation on volatile organic compounds (VOCs).

3. In early March, the Task Force Convener and the EEC secretary attended a meeting of the Subcommittee to Study the Streamlining of Food Business Licensing formed under the LegCo Panel on Food Safety and Environmental Hygiene to report on the work undertaken by the Task Force.

Trade's views and concerns over existing licensing regime on non-restaurant food business

4. The trade's views on problems and improvement opportunities have been conveyed to relevant departments for consideration. The Task Force will closely monitor the development and, if necessary, assist departments in identifying improvement opportunities.

Formalizing the public consultation process

5. The trade has expressed concerns on the Government's practice in introducing new regulations. In particular, the trade is of the view that there was insufficient public consultation prior to introducing new regulatory requirements. Bureaux/departments are seen to have been selective in seeking feedback from trade and industry bodies. Not all stakeholders have been given the opportunity to comment on proposed regulations. Bureaux/departments do not always respond adequately to the trade's comments and concerns in the formal consultation document.

6. To address the above, the Task Force has agreed that there is a need to formalize the public consultation procedure, particularly on proposals that have significant impact on the business sector. The Task Force further considered the setting up of an independent committee for public consultation and the need for Regulatory Impact Assessment studies before proposals are put up to LegCo. Some bureaux and departments have expressed concern that this would mean an extra layer to the consultation process, thus delaying the legislative process. The Task Force was considering possible alternatives, one option being that the responsible bureau be required to incorporate in detail the parties consulted and their views in the LegCo submission.

Composite licensing

7. The secretariat conducted a review of the licences and permits required for the food retail business. The conclusion was that while some licences had unique requirements (*e.g. bakery, fresh food provision and food factory*), there were commonalities on licensing requirements and conditions of many licences/permits for ready-to-eat food. It was therefore considered appropriate to simplify the licensing regimes by combining the existing food licences/permits on ready-to-eat food into one composite licence.

8. The **Annex** shows a schematic presentation of the proposal. To introduce this regime, standard and product-specific requirements and conditions should be laid down. Operators may change the product mix under the composite licence without the need to apply for a new licence

provided that the new product meets the requirements and falls within the list of allowable product items stipulated in the licence.

9. The trade has been positive about this proposal. The Task Force is awaiting comments from the Administration before developing the proposal further.

Proposed Regulation of VOCs

10. The Task Force has taken note of the Environment, Transport and Works Bureau's plan to set up individual working groups for consultation with trade and has written to the Bureau to request for dedicated group(s) for cosmetics, household consumer products sectors and general retailers. The Task Force will follow up on this aspect.

EEC Subgroup on Business Facilitation Secretariat
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*Composite Food Premises Licensing***Types of Licences**

Food Manufacturing + Retail* Licence

Bakery**Food Factory**

** Retail involves the sale of food manufactured at the site, not re-sale of food from suppliers.*

Retail Food Licence

Fresh Food Provision**Ready-to-Eat Food**

- Chinese herb tea
- Cut fruits
- Frozen confections (packaged, soft ice-cream)
- Meat to be eaten in raw state
- Milk
- Non-bottled drinks
- Pre-cooked food requiring re-heating facilities
- Oysters to be eaten in raw state
- Siu mei and lo mei
- Sushi/Sashimi