

LETTERHEAD OF KARAOKE

LC Paper No. CB(2)1140/00-01(02A)

**Clerk to Bills Committee on
Karaoke Establishments Bill**
Legislative Council Building
8 Jackson Road, Central
Hong Kong

16 March 2001

By Fax: 25099055 and By Hand

Dear Sirs

Re: Karaoke Establishments Bill

We have studied the Consultation Paper on Licensing Control of Karaoke Establishments of February 1998 and the captioned document; and have attended the First Meeting of the Bills Committee on 1 March 2001. As one of the karaoke operators in Hong Kong, we would like to express our views on the Bill.

Fire & Building Safety

For the interest of public at large, we agree that all public places of entertainment, not merely karaoke establishments, should be subject to higher standards of fire safety and building safety requirements. It has been commonly held that the objective of the Bill is to improve the fire and building safety of all karaoke establishments, as highlighted in the Consultation Paper. However, the licensing requirements extend to some vague interpretations of "public interest" in Clause 5(3)(c) and "the views of persons ... in the immediate vicinity" in Clause 5 (6) of the Bill. These are examples of uncertainties to both existing and new karaoke operations.

Karaoke Establishment as a new type of Property Use

To assist investors identifying suitable premises, the Bill should have given a formal status of karaoke establishment in respect of property use. The government should effect "karaoke establishment" as one of the uses in: (a) Statutory Outline Zoning Plans under the Town Planning Ordinance; (b) Occupation Permits issued by the Buildings Department; and (c) Deeds of Mutual Covenant to be executed by owners of strata-titled buildings after the enactment of the new legislation.

Proposed Licensing System

We strongly object the proposed licensing system for karaoke establishments. As specified in Paragraph 6 (d) Public Safety Requirements of the Consultation Paper, "...the Police should be consulted ... unless they are already covered by a liquor licence ..." (page 20). However, the Bill mentioned and the government

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officials further confirmed during the First Meeting that a separate licensing mechanism would be applicable to all karaoke operators. We would like to stress that most genuine karaoke chains in Hong Kong operate their businesses with valid (a) restaurant licences/certificates of compliance and (b) liquor licences/club liquor licences. The proposed exercises dealing with another licensing authority, like the Liquor Licensing Board, would inevitably impose unnecessary transaction costs to the business investors.

New Categories for Karaoke Establishments under Existing Licensing System

We suggest the government to issue a new category of restaurant licence, namely *Karekoke Restaurant Licence*, in addition to (i) *General Restaurant Licence* and (ii) *Light Refreshment Restaurant Licence* under the existing system of the Food & Environmental Hygiene Department. This could effect the tighten control of fire safety through the licensing requirements and conditions. On the hand, the Home Affairs Department could continue to grant certificates of compliance to karaoke establishments, namely *Karaoke Club*, with similar requirements and conditions.

The Holders of Licences

We further recommend the government to issue licences to both personal individuals and companies. The terms "fit and proper person" in Clause 5(3)(a)(i) of the Bill are rather old-fashioned. Modern management theories emphasize team-work and organisational behaviour. We doubt if a single person could successfully manage a business outlet regardless of the scale, complexity and duration of operation. In the First Meeting, a government official answered a question from a Bills Committee Member that a karaoke establishment licence should be granted to a person. This statement contradicted what was mentioned in Clause 7(1)&(2) of the Bill.

If the government insists that licence of this type is to be obtained by a person, then a separate registration system, like the Estate Agents Ordinance, should be implemented to ensure karaoke operators could employ such licensed persons in the market. In this case, a comprehensive education and continuous training programmes should be structured to support this industry.

Yours faithfully
For and on Behalf of
Advance Group Hong Kong Limited

Ivan C K LAW
Executive Director