

## **Notes of the 15th Business Liaison Group Meeting With the Hotel Trade**

Date: 26 March 2013  
Time: 2:30 p.m. – 6:15 p.m.  
Venue: Conference room 6, G/F, East Wing, Central Government Offices, 2 Tim Mei Avenue, Admiralty

Convenor: Mr CHAN Wah-chan      Head, Business Facilitation Division,  
Economic Analysis and Business Facilitation Unit

### **Trade Participants**

#### Federation of Hong Kong Hotel Owners

Ms Belinda YEUNG	1 <sup>st</sup> Vice Chairman
Mr Michael LI	Executive Director
Ms Fanny CHAN	Association Manager
Mr Teddy FUNG	Vice President of Engineering, Regal Hotels International
Mr Logan LAM	Chief Engineer, Conrad Hong Kong
Mr Edmond WAN	Project Director, Harilela Hotels Limited
Mr Jerome LEE	Director of Engineering, Mandarin Oriental Hong Kong
Mr Wilson LEE	Director of Engineering, The Mira Hong Kong

#### Hong Kong Hotels Association

Mr James LU	Executive Director
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#### Acesite Knutsford Hotel

Mr Philip HU	General Manager
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#### Caritas Oswald Cheung International House

Mr Tony CHAN	Manager
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#### Chinachem Group

Mr Chris CHAN	Senior Building Services Engineer
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#### Oriental Lander International Hotel

Mr K C LAI	Managing Director
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#### YMCA of Hong Kong

Mr William SO	Property Manager
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## Government Representatives

### Home Affairs Department (HAD)

Mr Winston LEUNG                      Chief Officer (Licensing Authority)

### Buildings Department (BD)

Mr Patrick TSUI                      Chief Building Surveyor/Mandatory Building Inspection 2

Mr Robert CHENG                      Senior Building Surveyor/MBI2-B (Atg.)

Ms Monika YIM                      Senior Building Surveyor/Hong Kong East1

### Electrical and Mechanical Services Department (EMSD)

Mr K K CHONG                      Senior Engineer/Lifts and Escalators 2

Mr Wallace CHUI                      Electrical and Mechanical Engineer/Lifts and Escalators/6

### Environmental Protection Department (EPD)

Dr Alain LAM                      Principle Environment Protection Officer(Waste Management Policy)

Mr Stephen SIU                      Senior Environment Protection Officer(Waste Management Policy)2

### Economic Analysis and Business Facilitation Unit (EABFU)

Mr Peter FUNG                      Chief Management Services Officer (*Secretary*)

Miss Jenny YEUNG                      Business Facilitation Officer

### **In attendance:**

Mr Anthony LOCK                      Member, Task Force on Business Liaison Groups of Business Facilitation Advisory Committee

### **Action**

The **Convenor** welcomed all to the meeting, particularly Mr Anthony LOCK, member of the BLG Task Force of Business Facilitation Advisory Committee, who attended the BLG meeting as an observer. He said that the notes of the last Business Liaison Group (BLG) meeting had been posted to the Business Facilitation Initiatives website ([http://www.gov.hk/en/theme/bf/pdf/Notes-Hotel\\_14.pdf](http://www.gov.hk/en/theme/bf/pdf/Notes-Hotel_14.pdf)) for the trade's reference.

2. The **Convenor** reiterated that the Terms of Reference of the BLG were -
  - a) to enhance communication between the trade and the stakeholding bureaux or departments to exchange views on licensing and regulatory matters;
  - b) to solicit trade's views on the licensing regime so as to identify possible

- improvement opportunities; and
- c) to serve as a platform to brief the trade about the related regulatory requirements and business compliance facilitation measures, and consult the trade on regulatory proposals.

The BLG meeting was open for enrolment and participation by members of the trade. Individual cases would not be discussed at the BLG meetings.

### Consultation by department

#### *New Producer Responsibility Scheme on Glass Beverage Bottles*

3. **Dr Alain LAM** gave a briefing on the “New Producer Responsibility Scheme on Glass Beverage Bottles” with the presentation slide at Annex 1. **Dr LAM** told the trade that the Environmental Protection Department (EPD) launched on 7 February 2013 a public consultation to solicit views on the introduction of a new mandatory producer responsibility scheme (PRS) on glass beverage bottles. The three-month public consultation would end on 6 May 2013. The proposed PRS on glass beverage bottles aims at organizing the relevant stakeholders along the supply chain to share out the eco-responsibilities in recovering and recycling of glass beverage bottles. To assess the possible impacts on the trade by the PRS, the EPD would conduct a Business Impact Assessment (BIA) before its implementation.

4. **Mr Michael LI** enquired about the fee paid by hotels participating in the current voluntary Glass Container Recycling Programme for the Hotel Sector. **Dr LAM** replied that the Programme was launched by EPD in collaboration with the Hong Kong Hotels Association in November 2008. There were 34 hotels participating in the Programme at present. The Programme was jointly funded by the participating hotels and depending on the services level requested, majorities were paying a fee of \$24,000 per year.

5. **Ms Belinda YEUNG** enquired whether the hotel trade would be required to pay recycling fee after the implementation of the PRS. **Mr LI** opined that as the participation rate of the current Programme was low, EPD might consider exempting certain small hotels (say, in terms of no. of guestrooms) from paying the recycling fees as an incentive to encourage more hotels to participate. **Dr LAM** advised that the consultation document proposed to impose a recycling fee on suppliers of glass-bottled beverages. The collected fee would be used to finance the collection and proper treatment of spent glass bottles. As such, there would not be any recycling fee imposed on the hotel trade direct under the PRS. Nevertheless, **Dr LAM** encouraged more hotels to participate in the current Programme so that they could prepare themselves for glass bottle recycling before the implementation of the PRS and the waste charging.

6. Upon enquiry by the Convenor, **Dr LAM** clarified that there would not be any mandatory requirement for hotels to source-separate and cleanse their glass bottles. However, to make the PRS more effective, the hotel trade could assist in source-separating glass beverage bottles and put them into proper recycle bins.

7. **Mr Teddy FUNG** enquired whether the Government would provide any supporting measures. **Dr LAM** replied that the Government would consider providing necessary support as appropriate. For example, the area on each floor of new buildings used for recycling purpose had already been excluded from the calculation of gross floor area under the Buildings Ordinance.

8. **Mr Logan LAM** opined that since the transportation cost for glass bottles was high, it would be very important for the Government to ensure that there would be a sufficient demand for recycled glass to make the scheme cost-effective. Moreover, to avoid over accumulation of glass bottles in hotel premises, EPD should arrange the contractors to pick up these bottles frequently. **Dr LAM** advised that EPD was well aware of the high transportation costs for recycling glass bottles. To help reducing the transportation costs, EPD had put up a new initiative on Community Green Stations which could provide some space for temporary stockpiling of glass bottles collected in district level so that contractors could store their bottles up to certain quantity before sending them to recycling facilities. On the demand for recycled glass bottles, **Dr LAM** explained that besides turning into eco-pavers, there were many potential applications for the reuse of recycled glass materials in construction works under close examination including use as fill materials in replacement of river sand.

### **Briefings by departments**

#### *Mandatory Building Inspection Scheme and Mandatory Windows Inspection Scheme*

9. **Mr Patrick TSUI** gave a briefing on “Mandatory Building Inspection Scheme (MBIS) and Mandatory Windows Inspection Scheme (MWIS)” with presentation slides at [Annex 2](#). The MBIS and MWIS came into force on 30 Jun 2012. The MBIS covered buildings aged 30 years or above, and the MWIS covered buildings aged 10 years or above. Selection of buildings for the MBIS and MWIS would be conducted quarterly and the inspection cycles for MBIS and MWIS were 10 years and 5 years respectively. The buildings selected for MBIS would synchronize with MWIS (i.e., MBIS cum MWIS), and about 500 buildings for MBIS cum MWIS and 950 buildings for MWIS quarterly would be selected for inspection. BD would issue pre-notification letters and statutory notices to owners of the selected buildings. The owners/owners corporation (OC) would be liable should they fail to comply with the statutory notice for MBIS and MWIS without reasonable excuse. Except domestic buildings not exceeding 3 storeys, all private buildings, including hotel buildings, were under the scope of MBIS and MWIS.

10. The trade participants agreed that building safety was important to all, including the hotel trade. **Mr LI** enquired whether MBIS and MWIS would require hotel buildings to do upgrade building safety to the current standards. **Mr TSUI** clarified that the MBIS and MWIS required old buildings to carry out the prescribed inspections and repair works according to the latest approved plans or latest applicable standards. As such, the schemes did not require any upgrading works to the current standards unless they involved the fire safety improvement works required under the Fire Safety (Commercial Premises) Ordinance (Cap. 502) and the Fire Safety (Buildings) Ordinance (Cap. 572).

11. **Mr Edmond WAN** opined that the qualification for the Registered Inspector (RI) appeared higher than that of the Authorized Person (AP).

Moreover, he enquired whether BD had kept the latest drawings for buildings aged more than 30 years. **Mr TSUI** clarified that it was not a matter of higher qualification but rather the role of a RI was different from that of the AP. Under the MBIS, APs, Registered Structural Engineers, Registered Architects, 5 specified disciplines of Registered Professional Engineers, and 2 specified divisions of Registered Professional Surveyors were qualified to become RI if they had the relevant practical experience in building construction, repair and maintenance gained in HK. As regard to the building plans for existing private buildings, BD had kept all available approved building plans in the Building Records Access and Viewing On-line (BRAVO) system, whereas, for old buildings without approved building plans (such as pre-war buildings), BD would share information with the RI concerned or even accept plans drawn by on-site inspections.

12. **Mr LAM** said that hotels with licence validity more than 36 months were required by the HAD to provide annual AP certificate in respect of fire safety and building safety. He enquired whether the parts being certified by the AP annually could be exempted from MBIS and MWIS. **Mr TSUI** replied that there was no such exemption under the MBIS and MWIS. However, he would consider the trade's concern.

*(Post meeting notes: The BLG Secretariat explored with Mr TSUI on any business facilitation opportunities after the meeting. Mr TSUI advised that for hotels requiring annual AP certification, the trade could discuss with BD on the schedule of MBIS/MWIS so that a suitable qualified person with RI status could perform the MBIS/MWIS inspection and the annual AP certification in one go. For hotels with alteration and repair works completed or being carried out, they could contact BD to provide information about the recent repair works and BD would consider deferring the issue of statutory notices under MBIS/MWIS on a case-by-case basis.)*

#### *Duties of responsible person under the Lifts and Escalators Ordinance (cap 618)*

13. **Mr Wallace CHUI** gave a briefing on "Duties of responsible person under the Lifts and Escalators Ordinance (cap 618)" with presentation slides at Annex 3. The Lifts and Escalators Ordinance (Chapter 618) ("the Ordinance"), and the two regulations made under the Ordinance, viz. the Lifts and Escalators (General) Regulation and the Lifts and Escalators (Fees) Regulation, had come into force and repealed the Lifts and Escalators (Safety) Ordinance (Chapter 327) since 17 December 2012. The Ordinance and the related Regulations were applicable to lifts and escalators in both public and private sectors. Under the Ordinance, both hotel owners/management are the Responsible Persons (RPs) for lift/escalators in their premises and would be held responsible and liable.

14. **Mr LAM** enquired whether one log-book could be used for more than one lift/escalator in the same hotel building. Moreover, he opined that most of the RPs did not possess the required technical knowledge to assess the quality of the contractor's work. **Mr K K CHONG** clarified that one log-book could be used for all the lifts/escalators in one hotel building, and the RPs were required to countersign the log-book from a management perspective only (e.g. the date and time when the contractor had actually performed the service) and required no technical knowledge from the RPs.

15. Upon enquiry by Mr LAM on the timing of notifying incident to EMSD,

**Mr CHUI** clarified that the Ordinance required that if there was an incident relating to a lift/escalator, the RP should notify EMSD within 24 hours after the incident came to the person's knowledge, which was not necessarily within 24 hours after the occurrence of the incident.

16. **Mr Teddy FUNG** opined that as the Ordinance was quite new and there were a lot of duties required from the RPs, EMSD should make clearer the requirements to facilitate RPs' compliance. **Mr CHONG** advised that EMSD had conducted more than 30 forums for more than 3,000 RPs before the enactment of the Ordinance to inform them of their duties under the Ordinance and to answer their enquiries. EMSD would conduct similar forums regularly in future so that more and more RPs would be clearly informed of their required duties.

### **Matters arising**

#### *Business compliance costs of hotel licence renewal*

17. **The Secretary** reported the progress update of the exercise to the meeting with presentation slide at Annex 4. He advised that after the last BLG meeting, the BLG secretariat had conducted a background study and examined the workflow of the hotel licence renewal process with the help of HAD. A data collection form was drafted to measure the compliance costs of hotel licence renewal according to the government's Business Compliance Cost (BCC) framework. **The Secretary** tabled the draft form at the meeting for the trade's comments. **The Secretary** planned to complete the exercise in six months' time and would report the progress at the next BLG meeting.

**BLG  
secretariat**

### **New items**

#### *Reassessment criteria of hotel concession arising from application for alteration*

18. **Mr LI** said that in the past, before the introduction of the practice note on Hotel Development PNAP APP-40 (formerly known as PNAP111), the Government encouraged hotel development by disregarding the hotel basement area from the calculation of the GFA ("hotel concessions"). Recently, a purpose-built hotel with GFA concessions in its basement applied to BD for alteration. BD requested the hotel to demonstrate that the hotel concessions were in compliance with PNAP APP-40 and advised previous hotel concessions would not be considered. He enquired under what circumstances the GFA concessions previously granted for a hotel would be reassessed when BD processed an application for alteration.

19. **Ms Monika YIM** advised that since the enactment of the Building (Planning) Regulations (B(P)Reg) 23A in the year 2000, the Building Authority may grant hotel concession to hotels which satisfied the criteria set out in PNAP APP-40. If any application for alteration to existing hotel thereafter involved the granting of new hotel concessions, such as changing a certain area from non-domestic use to domestic use resulting in excessive site coverage etc., the plot ratio and site coverage for the whole hotel should be reassessed under B(P)R 23A and in accordance with the prevailing criteria set out in PNAP APP-40 to ensure no

double benefit.

20. **Mr LI** further enquired whether the hotel concessions given to the basement area were no longer to be excluded from GFA concessions under PNAP APP-40. **Ms YIM** reiterated that if the alteration did not involve the granting of new hotel concessions, BD normally would not request the applicant to carry out the reassessment. **Ms YIM** added that if alteration works were proposed at the basement which had been completely discounted from GFA under the old hotel concessions policy, any conversion to other non-domestic uses would be permissible provided the basement area remained as part of the hotel premises, and the proposal complied with the provisions of the Buildings Ordinance. In such cases not involving the granting of new hotel concessions, BD normally would not request the reassessment. .

21. **Mr Teddy FUNG** opined that the definition for supporting facilities under the (B(P)Reg) 23A and PNAP APP-40 was too restrictive. **Ms Belinda YEUNG** opined that if BD would request hotels to reassess GFA concessions according to the principle mentioned above, it would make it very difficult for hotels to change the use of different hotel areas to accommodate changing business needs (e.g. use of laundry area after the service was outsourced). **Mr LI** suggested that BD should review the PNAP APP-40 to update the definition of supporting facilities in-line with today's hotel operation. **Ms YIM** responded that BD would consider the trade's comments when reviewing the PNAP. Meanwhile, to reduce business uncertainties, she advised that the trade could discuss with BD earlier through BD's pre-submission enquiry service before formal submission of any alteration and addition proposals.

#### **Date of next meeting**

22. The Secretary would inform members of the date of the next meeting in due course.

### **Economic Analysis and Business Facilitation Unit**

May 2013