

**22nd Business Liaison Group Meeting
with the Hotel Trade**

Date: 29 June 2016 (Wednesday)
Time: 9:15 a.m. – 11:00 a.m.
Venue: Conference Room 5, G/F, Tamar Central Government Offices, Admiralty
Convenor: Mr CHAN Wah-chan Head, Business Facilitation Division,
Economic Analysis and Business Facilitation Unit

Trade Attendees:

Federation of Hong Kong Hotel Owners (FHKHO)

Mr Michael LI Executive Director
Miss Stephenie FUNG Assistant to Executive Director
Mr CK LAM Representative
Mr Teddy FUNG Representative

Acesite Knutsford Hotel

Mr Jeff MA Sales Manager

Chinachem Group (hotels)

Mr Christopher CHAN Licensing Manager

Kings De Nathan Hotel

Mr Ken KWAN Director
Ms Janet KWAN Manager
Ms Molly CHAN Administrative Secretary

Oriental Lander Hotel

Mr KC LAI Managing Director

Government Representatives:

Home Affairs Department (HAD)

Ms Catherine YIU Chief Officer (Licensing Authority)(Acting)

Electrical & Mechanical Services Department (EMSD)

Mr Chris CHAN Engineer/Energy Efficiency B7/1

Food and Environmental Hygiene Department (BD)

Ms Jacqueline HO Superintendent (Licensing)2

Water Supplies Department (WSD)

Mr Kevin LEE Engineer/Customer Services (Technical Support) 3
Mr Kalvin LAI Principal Consultant
Mr Ronald HO Consultant

Economic Analysis and Business Facilitation Unit (EABFU)

Mr Peter FUNG Chief Management Services Officer (Business Facilitation)2 (*Secretary*)
Miss Jenny YEUNG Business Facilitation Officer

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The **Convenor** welcomed all to the meeting. He said that the notes of the last meeting had been posted to the Business Facilitation Initiatives website (http://www.gov.hk/en/theme/bf/pdf/H_BLG_21_Notes.pdf) for trade's reference.

Agenda Item 1 – Consultation

Proposed Mandatory Water Efficiency Labelling Scheme

2. **Mr Kevin LEE** gave a briefing on the subject with the presentation slides at **Annex 1**. **Mr LEE** advised that the original voluntary Water Efficiency Labelling Scheme (WELS) was first launched in 2009 and formed part of the Total Water Management Strategy which was launched in 2008. The aim of the mandatory proposal was to further promote WELS and the use of water efficient devices so as to enhance water conservation, and it would be implemented in two stages: Stage 1 would involve the mandatory use of designated products registered under WELS for all new buildings and existing buildings under major renovation; and Stage 2 would involve legislative amendments such that the designated products in the retail market shall be registered under WELS.

3. **Mr Michael LI** said that the trade was very supportive to environment friendly initiatives including water conservation. He opined that WSD should consult the trade on the implementation details of the mandatory proposal to facilitate compliance. Moreover, he asked whether compliance with the mandatory proposal would become a requirement for application/renewal of hotel licence. **Mr LEE** said that Stage 1 of the proposal would only involve the mandatory use of designated products registered under WELS for all new buildings and existing buildings under major renovation, which necessitated the submission of the WSD Forms WWO542 and WWO46, and involved the use of designated products.

4. **Mr LI** further enquired whether WELS Grade 4 was one of the acceptable standards under the mandatory proposal and the differences between Grade 1 and Grade 2. **Mr LEE** made reference to relevant overseas experience in similar mandatory proposal such that Grade 4 products, being the lowest water efficiency under WELS, would not be accepted under Stage 1 of the proposal. As regards the differences between water efficiency of Grade 1 and Grade 2, **Mr LEE** explained that Grade 1 had a lower nominal water flow rate and thus more water efficient. For example, a Grade 1 mixing type water tap had a nominal flow rate of no more than 5 litres per minute whereas a Grade 2 counterpart had a nominal flow rate between 5 and 7 litres per minute. For details of the water efficiency grading of various WELS products, the trade could browse the scheme documents posted on the WSD website (http://www.wsd.gov.hk/en/plumbing_and_engineering/wels/index.html).

5. **Mr Teddy FUNG** enquired about the relevance of the mandatory proposal to existing buildings and whether WSD would require existing hotel buildings to comply with the proposed new requirements even if there was no major renovation.

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6. **Mr LEE** said that under Stage 1 of the proposal, existing buildings would only be affected and required to comply with the new requirements when they were under major renovations that necessitate the submission of the WSD Forms WWO 542 and WWO 46, and involved the use of designated products. He added that the Waterworks Ordinance (Cap. 102) specified that only approved person was permitted to construct, install, alter or remove inside service. In this regard, the above works would necessitate the submission of the aforementioned forms, and the licensed plumber and/or the Authorised Person related to the waterworks were required to provide details of the pipes and fittings on the Annex of Form WWO 46 if applicable. After the implementation of the Stage 1 proposal, only designated products registered under WELS could be used and they should be reported on the said Annex. WSD would inform the Authorised Persons and the licensed plumbers via WSD Circular Letters of the details of Stage 1 of the proposal before its implementation.

7. **Mr FUNG** suggested that WSD should clearly define what constituted a “major renovation” and confine the scope of the new scheme to cover water works involving water supply fittings only. He also commented that under the existing regulation, it was required to submit the aforementioned forms to seek WSD’s approval for re-plumbing works such as replacing old degraded pipes with new pipes but not involving any water supply fittings (e.g. water taps). According to the proposed scheme, it would be necessary for the trade to replace all water taps/shower heads with those registered under WELS even if only the piping material was changed. **Mr LEE** responded that even though the trade was required to submit the aforementioned forms for re-plumbing works, it would not be necessary for the trade to replace the unaffected fittings such as the water taps/shower heads if no associated works were involved.

8. **Mr CK LAM** suggested that as there were a lot of shower heads in hotels which consumed more water than water taps, WSD should provide a more realistic water efficiency grading for them so that hotels would not be perceived as not supportive in water conservation. **Mr LEE** responded that the nominal flow rates for showers for bathing were less stringent for the same water efficiency grading and details were available at (http://www.wsd.gov.hk/en/plumbing_and_engineering/wels/index.html).

9. **Mr LAM** enquired whether the mandatory proposal would have any restriction on the use of flow restrictors. **Mr LEE** said that flow restrictors would not be covered by Stage 1 of the proposal.

10. **Mr Christopher CHAN** said that as it usually took a very long time for WSD to process Forms WWO542 and WWO46, his concern was whether the new proposal would further lengthen the process. **Mr LEE** responded that the processing time depended on the complexity of each case. After the implementation of the proposal, WSD would check against the WELS registers on designated products. However, the checking process would be straightforward and had minimal effect on the processing time.

11. **Mr CHAN** said that after the incident of lead in drinking water, WSD had amended the validity period of the General Acceptance (GA) of water supply pipes and fittings from permanent to a maximum of 5 years. This new requirement would increase

the business compliance cost of the proposal because GA was a pre-requisite for WELS registration. **Mr Ken KWAN** echoed that it was expensive to obtain GA for water supply pipes and fittings. **Mr LEE** clarified that the amended validity of GA was not part of the proposal in question and the trade shall obtain GA for water supply pipes and fittings whenever they were to be installed to the inside service. On the other hand, Mr LEE understood that there was not a significant difference in price between ordinary water consuming products and water efficient products. Moreover, WSD had engaged a consultancy firm to carry out a Business Impact Assessment of the proposal to identify the compliance difficulties and compliance costs of the trade arising from Stage 1 of the proposal.

Agenda Item 2 - Briefing

Implementation of revised Building Energy Code and Energy Audit Code

12. **Mr Chris Chan** gave a briefing on the subject with the presentation slides at Annex 2. He said that under the Buildings Energy Efficiency Ordinance (Cap 610) (BEEO), EMSD set out the minimum energy efficiency standards and energy audit requirements of the major building services installations (BSIs) of a building under the Building Energy Code (BEC) and the Energy Audit Code (EAC) respectively. The BEC and EAC were reviewed in a 3-year interval. The newly issued BEC edition, namely the BEC 2015, imposing new energy efficiency requirements and tightening the existing ones on the four prescribed BSIs to meet the latest technology advancement and development of international standard. For a new hotel building, the BEC 2015 was applicable to the BSIs covered in a stage one declaration signed by the developer on or after 11 June 2016. For any major retrofitting works carried out in an existing hotel building (or an existing building being converted to a hotel building), the BEC 2015 was applicable to the BSIs covered in a Form of Compliance (FOC) signed by the registered energy assessor on or after 11 September 2016.

13. In response to Mr LAM's enquiry about lift installation, **Mr Chris CHAN** said that the maximum allowable electrical power could be reduced since the lift motor available in the market was more energy efficient. However, for existing lift installation wherein there was space limitation in the machine room or the lift shaft, BEC 2015 allowed a provision for the building owner (or the owner of the installation) to follow the BEC 2012 should they plan to carry out major retrofitting works on the lift. Moreover, in order to comply with the reduction of maximum allowable lift decoration load, the trade should lower the weight of material used for decorative purpose in a lift car (e.g. by using lighter materials).

Agenda Item 3 - New issue

Improving business-friendliness in electronic submission of liquor licence applications

14. The **Secretary** said that the trade did not consider it business friendly to sign on the e-application form of liquor licence applications with a digital signature (e-Cert) and enquired whether there was any other way to facilitate them to use the e-licensing

system.

15. In response, **Ms Jacqueline HO** briefed the trade on "Electronic Submission of Liquor Licence Application Using Passwords" with the presentation slides at Annex 3. She said that the Dutiable Commodities (Liquor) (Amendment) Regulation 2015 came into effect on 3 August 2015 and allowed the trade an additional option to use a password assigned or approved by the Liquor Licensing Board (LLB) for electronic submission of liquor licence applications. As such, FEHD had updated the electronic system in "Online Licence Service website" for the submission of liquor licence applications by phases. The first phase (July 2016) would cover application for renewal and amendment applications which the licensees would be provided with login name and password assigned by the LLB for access to the website. The second phase (October 2016) would cover the remaining new and transfer applications.

16. **Mr LI** appreciated the above business facilitation initiative and enquired any new development on "reserve licensee" for liquor licence. **Ms HO** replied that some progress had been made and she would report the said new initiative at future BLG meeting.

Agenda Item 4 - Date of the next meeting

17. The secretary would inform the trade of the date of the next meeting in due course.

**Economic Analysis and Business Facilitation Unit
July 2016**