

**Business Facilitation Advisory Committee
Task Force on Business Liaison Groups**

*Accepting Installation of Secondary Water Meters
for Calculation of Trade Effluent Surcharge in Hotels*

Purpose

This paper briefs members on the new arrangement on accepting the installation of secondary water meters to facilitate calculation of Trade Effluent Surcharge (TES) in hotels with facilities required to pay TES.

Background

2. Under the Sewage Services Ordinance, a consumer who produces trade effluent that is discharged into the communal drain or communal sewer is required to pay TES. Some trades such as hotels need not pay TES while others such as restaurants are liable to pay TES under the said Ordinance. If a water account is serving both TES and non-TES chargeable trades, operators are advised to register as another consumer and carry out associated separate metering works for determination of the TES for the TES-chargeable trade. If separate metering for the TES-chargeable trade is deemed impracticable, operators are allowed to install private sub-meters (which is technically easier) for determination of TES. Apart from the initial private sub-meter installation, operators have to demonstrate the accuracy of the sub-meters and submit their readings on a regular basis for TES calculation.

Trade's Concern

3. Hotel trade operators required to pay TES for the restaurants located therein are concerned that the compliance cost incurred by separate water accounts for restaurants in existing hotel buildings could be quite high because of the scale of works involved and the possible disruption to business operation during the modification works. Where installation of private sub-meters is adopted, there are also considerable compliance costs of installing, calibrating and reading of the sub-meters. The trade would like greater

facilitation to relieve their burden in regularly maintaining the accuracy of their own sub-meters.

Administration's Response

4. In response, the DSD in collaboration with the WSD will introduce a new facilitation measure under which secondary water meters installed and maintained by the Water Supplies Department (WSD) are acceptable for the purpose of TES charging in lieu of private sub-meters. Hotel operators, as the registered consumers for the water supply, can apply to the WSD for the installation of secondary water meters for TES-chargeable trades such as restaurants and cafes located within a hotel building. They are no longer required to demonstrate that arranging separate water accounts is not feasible before they can apply for the installation of secondary water meters.

5. Under the new measure, WSD would ensure expeditious and consistent processing of applications and advise the size and position of secondary water meters according to the site conditions. In assessing an application, it would take heed of the need to have adequate access for taking readings and replacement of meter while minimising the disturbance to business operation of the hotels. The secondary meters ought to be able to unequivocally separate the water supplies among the TES and non-TES chargeable trades. If necessary, smart water meters may be installed which can allow taking meter readings remotely to allow greater flexibility in the location of the secondary meters.

6. The above initiative will benefit the trade by saving hotel operators' costs of arranging separate accounts or installing private sub-meters as well as the burden of calibrating private sub-meters and reporting the meter readings. The measure will be implemented within 2020.

Way Forward

7. Members are invited to note the content of the paper and offer comments, if any.