

**26th Business Liaison Group Meeting
with the Hotel Trade**

Date: 24 October 2019 (Thursday)
Time: 3:00 p.m.
Venue: Business Facilitation Team Conference Room, 9/F, Revenue Tower,
5 Gloucester Road, Wanchai
Convenor: Mr Andrew KWOK Assistant Commissioner for Efficiency,
(Business Facilitation), Efficiency Office

Trade Attendees:

Federation of Hong Kong Hotel Owners (FHKHO)

Mr Michael LI Executive Director
Miss Stephenie FUNG Assistant to Executive Director

Caritas Hostel Service

Mr Ah Ping LAU Hostel Service Manager

Chinachem Group

Mr Nicholas YIM Managing Director, L'hotel Management Company Limited
Mr Keven CHAN Deputy Managing Director, L'hotel Management Company
Limited
Mr Wilson LEE Director of Engineering, L'hotel Nina et Convention Centre
Mr Chris CHAN Building Services Manager

King's Hotel

Mr Ken KWAN Director
Ms Molly CHAN Administrative Secretary

Oriental Lander Hotel

Mr K.C. LAI Managing Director

Government Representatives

Home Affairs Department (HAD)

Mr Edwin TANG Chief Officer (LA)
Miss Claudia CHAN Senior Building Surveyor (LA)2

Fire Services Department (FSD)

Mr CHEUNG Ngao-tin Divisional Officer (Policy)1
Mr NGAN Hong-yiu Engineer (Ventilation)
Mr CHAN Wing-sum Assistant Divisional Officer (Policy)1

Water Supplies Department (WSD)

Mr LO Tsz Lung, Warren Senior Engineer/Technical Support (2)
Ms CHAN Oi Ming Engineer/Technical Support (5)

Drainage Services Department (DSD)

Mr Thomas WONG Senior Chemist/Sewage Services
Mr Vincent CHAN Senior Engineer/Sewage Services

Efficiency Office (EffO)

Miss Fanny CHENG Chief Management Services Officer (Business
Facilitation)² (*Secretary*)
Miss Jenny YEUNG Business Facilitation Officer

In attendance

Ms June WONG Member, Task Force on Business Liaison Groups
Mr William SIU Member, Task Force on Business Liaison Groups

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 (https://www.gov.hk/en/theme/bf/pdf/H_BLG_25_Notes.pdf) for the trade's reference.

Agenda Item 1 – Briefings

1.1 Hotel and Guesthouse Accommodation (Amendment) Bill 2018 (the Bill)

2. **Mr Edwin TANG** gave a briefing on the subject with presentation slides at **Annex 1**. He said that the major contents of the Bill were: 1) to improve the existing licensing regime, 2) to facilitate enforcement actions, 3) to enhance deterrence, and 4) to provide transitional arrangements after the enactment of the Bill.

3. **Mr Michael LI** appreciated the prohibition on the use of the word “hotel” by licensed guesthouse premises on their business name because it would help tourists differentiate hotels from guesthouses. He also appreciated that HAD would take into account the Deeds of Mutual Covenant / land leases in the licensing process. He believed this could help provide a level playing field for hotel operators.

4. Upon enquiry by Mr Chris CHAN, **Mr TANG** said that affected licensed guesthouses could amend their business name under the established mechanism and the procedures were simple. **Mr TANG** supplemented that the forms for new and renewal application for hotel/guesthouse licences had been revised in July 2018 to alert the licensees about the upcoming naming restriction under the Bill.

5. In response to Mr LI's enquiry, **Mr TANG** advised that marine vessels providing short-term sleeping accommodations were not covered by the Bill. Moreover,

HAD was taking enforcement actions presently to tackle with the issues relating to caravans providing sleeping accommodations.

6. **Mr LI** advised that the hotel trade would continue to provide their views on the Bill after its implementation to make it more effective in protecting the lawful interest of hotel trade operators.

1.2 New facilitation measures for hotel licence applications; and

1.3 Proposed facilitation measures for applications for alteration works

7. **Miss Claudia CHAN** gave a briefing on the subjects with presentation slides at **Annex 2**. She advised that the facilitation measures for new and renewal applications for hotel licences were already in place and the measures for alteration applications would be implemented in Q1 of 2020. She reminded the trade that, apart from submitting addition and alteration (A&A) proposals to the Buildings Department (BD) for approval under the Buildings Ordinance, the trade should also submit the respective A&A proposals to the Office of the Licensing Authority (OLA) for consideration in good time, for example, when submission of final amendment plans to BD. This would minimize the number of submissions to the OLA. Upon the completion of works, the trade was reminded to submit the “Report of Completion” (RoC) Form together with the required documents to OLA for processing.

8. **Mr Chris CHAN** asked whether the RoCs for the fire safety aspect and building safety aspect could be submitted separately and whether OLA could arrange joint inspections on these two aspects. **Mr TANG** said that the RoC forms for building safety aspect and fire safety aspect could be submitted in one go or separately. OLA would provide the result of the new licence application in 35 days upon receipt of the first RoC for both aspects, or on RoCs separate aspects submitted within a reasonably short period of time. OLA officers would accommodate the request of joint inspections as far as practicable.

9. **Mr Chris CHAN** enquired whether OLA would refer A&A applications to BD for comments. **Miss Claudia CHAN** advised that, under the established practice, OLA would not refer A&A applications received from the trade to BD. However, if OLA noted that the proposed A&A works required formal submission to BD for approval, OLA would advise the trade to submit an A&A proposal to BD separately. Moreover, if BD received an A&A proposal related to hotel premises, BD would refer the case for OLA’s comment.

1.4 Details and arrangement for the concession of hotel licence fees

10. **Miss Claudia CHAN** gave a briefing on the subject with presentation slides at **Annex 3**. She said that the concession of hotel licence fees was effective since 1 October 2019 and letters on the detailed arrangement were sent to the trade in late September 2019. The **Secretary** supplemented that the document “Proposed Waiver of Government Fees and Charges” was tabled at the meeting for the trade’s information on

waiver of fees and charges related to the hotel trade.

11. **Mr LI** said that in view of the negative impact on the hotel trade brought by the recent social incidents, he suggested waiving the rates for hotels for one year to help tide the trade over the current difficult period. The **Convenor** undertook to relay Mr LI's views to the Financial Services and the Treasury Bureau for consideration.

(Post meeting note: Mr LI's views were relayed to the Financial Services and the Treasury Bureau and Rating and Valuation Department on 28 October 2019.)

1.5 New facilitation arrangement by product certification on the approval of fusible links for hotel licence applications

12. **Mr NGAN Hong-yiu** gave a briefing on the subject with presentation slides at **Annex 4**. He said that as product certification issued by accredited laboratories or supporting documents (e.g. FSD approval letter) would be submitted for vetting in the application process for the Letter of Compliance for the ventilating systems, conducting practical tests on the fusible links was no longer necessary.

13. **Mr Chris CHAN** appreciated the new business facilitation measure because it would cut the time and efforts required for testing the fusible links and help speed up the hotel licensing processing.

14. **Mr LI** said that the Ventilation Division should deploy more resources to speed up the application processing for the Letters of Compliance. **Mr NGAN** said that the Ventilation Division had already exercised flexibility in processing applications related to hotel licensing.

15. The **Chairman** advised and **Mr NGAN** agreed that FSD would inform ventilation contractors of the new measure.

Agenda Item 2 – Discussion items

2.1 Installation of sub-meters for Trade Effluent Surcharge (TES)

16. The issue on TES was addressed in previous BLGs meetings where facilitation measure was introduced by the DSD for the installation of private sub-meters at hotel premises if the installation of a separate meter is deemed impracticable. In the past years, however, some hotel operators reflected that for cases where the installation of separate meters was deemed practicable, the cost involved was enormous.

17. To address the concerns of the trade, **Mr Warren LO** advised that WSD would introduce additional facilitation measures by allowing trade operators to apply for the installation of “secondary meters” at the concerned premises of existing hotels under the name of the existing consumer. The meters would be installed and maintained by WSD provided that the technical requirements were fulfilled. For the purpose of

calculating TES, reading of water consumption shall be taken at the secondary meters. To apply for the installation of secondary meters, trade operators could submit plumbing proposals with Form WWO 542 for WSD's vetting. To ensure consistent and expeditious processing of the applications for secondary sub-meters, the existing dedicated team for food business applications would be deployed to handle such applications. To further facilitate the trade, the requirement of proof on the impracticability of installing separate meters would not be maintained for existing hotels.

18. **Mr LO** said that compared with the option of installing private sub-meters, compliance cost would be lowered for the trade operators if they opt for the installation of secondary meters because WSD was responsible for meter accuracy and taking the meter readings regularly.

19. Upon suggestion by Mr LI, **Mr LO** agreed to brief the FHKHO members on the details of the above business facilitation measures. **Mr LI** would make necessary arrangements and inform WSD in due course.

20. Upon enquiry by Mr Wilson LEE on the technical details of the installation of secondary meters, the **Convenor** suggested the trade should allow some time for WSD to work out the application details and encourage them to exchange views with WSD at the said briefing.

2.2 *Efficiency and transparency of application processing workflow*

- i. Passing of ventilation plans from Office of the Licensing Authority to Fire Services Department*
- ii. Updating of information on Application Tracking Facility (ATF)*

21. To shorten the lead time for application processing for Letters of Compliance for the ventilating system, the trade enquired whether they could submit the plans to the Ventilation Division (VD) of FSD only, or whether the plans could be submitted to OLA and VD in parallel. They also enquired whether OLA would enhance the ATF because the application status provided on it was often not up-to-date.

22. **Mr TANG** responded that in order to avoid abortive processing by OLA and VD, OLA had to verify the information contained in the submitted plans and check whether they were corresponding to the licensing area as shown on the layout plan. **Mr TANG** opined that the ventilation plans would be dispatched directly to VD and for straightforward cases, it would take only one to two days for delivery and this would not have significant impact on the whole processing time. **Mr Chris CHAN** said that during the licence application process, the trade would like the departments concerned to inspect the ventilating systems prior to other fire safety equipment and installations because ventilating systems were usually concealed within the false ceilings on which fire safety installations and equipment such as sprinklers and smoke detectors were installed. As such, the trade would like to get in touch with the VD's case officer as soon as possible to kick off the vetting process. **Mr NGAN** replied that a case officer

was assigned on the first day upon receipt of the ventilation plans from OLA. The trade was welcomed to contact the case officer any time thereafter.

23. As regards the ATF, **Mr TANG** advised that currently the application status was updated by OLA staff manually and the information would be automatically updated to the ATF open-up system daily during midnight. The system was undergoing revamp. OLA staff would be urged by the system automatically for timely update of the application status. The enhanced ATF was anticipated to be rolled out in late 2020.

2.3 Consistency in compliance standards among OLA officers

24. A trade representative shared his experience and was concerned that compliance standards varied when different people assumed office. **Mr TANG** responded that all OLA officers had always based on the same set of statutory building and fire safety standards to determine the requirements for each premises, though the set of standards might be updated from time to time to tally with the latest technical requirements promulgated by BD and FSD. The OLA made every endeavour to promote consistency in the judgement on compliance standard exercised by different OLA officers. It had introduced the business facilitation measures mentioned in the agenda item 1.2 above where the required licensing requirements and the supporting documents to be submitted for compliance would be clearly spelled out in the revised standard Letter of Requirements and RoC Forms. Moreover, if the trade had any questions on the judgement of any OLA staff, they were welcomed to contact their supervisors for clarifications.

25. **Mr LI** appreciated the business facilitation measures introduced by OLA and believed that compliance inspection would be conducted in a more objective manner as a result.

2.4 Site inspection arrangements for purpose-built hotels

26. The trade would like OLA to inspect purpose-built hotels before the issuance of the Occupation Permits (OP) so as to speed up the licensing processing.

27. **Mr TANG** advised that earlier inspection conducted by OLA might not necessarily shorten the processing time because it was usually the hotel operators of a purpose-built hotel who would commence renovation for licensing purpose after the issuance of the OP. As such, as briefed at the last BLG meeting, to speed up the licensing process and avoid abortive works for purpose-built hotels, when commenting building plans as requested by BD under the centralised plan processing system, OLA would encourage the project Authorised Persons (APs) (who act on behalf of the developers) to liaise with hotel operators for early incorporation of as much building and fire safety installation works associated with their hotel operation as possible. This would allow early preparation for hotel licensing and facilitate better co-ordination and planning of related works which would shorten the lead time for obtaining a hotel licence. Moreover, a pre-submission enquiry service to the APs and/or consultant to

facilitate clarifying and/or resolving specific hotel licensing requirements/issues well before submission of the hotel licence application was also made available.

28. **Mr TANG** added that since the pre-submission enquiry service was in place, some APs and/or consultant had clarified important licensing requirements before submission of their licence applications such as the area to be included in the licensed area and they found the service helpful.

2.5 Requirements on fire safety installations

i. Fire rated doors and walls

ii. Fire alarm bells

29. The trade enquired about the requirements of installing door parts such as door chains and locks on fire rated doors and electricity outlets on fire rated walls, and they enquired whether the requirement on providing a fire alarm bell in each room of a licensed club premises was also applicable to hotel premises.

30. **Mr TANG** explained that fire rated doors and walls should have been tested by laboratories accredited by the Hong Kong Laboratory Accreditation Scheme before installation and they should be installed in accordance with the specifications in the test reports. To install additional ironmongeries on these doors or electricity outlets etc. on these walls not covered by the test reports, the trade should appoint an accredited laboratory for carrying out an assessment to confirm that such installation would not adversely affect the fire resisting performance of that fire rated door or wall as stipulated in its original test report.

31. **Miss Claudia CHAN** said that the requirement on fire alarm bells for individual rooms was imposed on club premises lest the alarm sound generated by the fire alarm bell outside a cubicle/room was not loud enough to alert the occupants therein because the activities conducted inside the cubicle/room could be very noisy (such as playing mah-jong and karaoke singing). Due to the difference in the mode of operation and the central management provided by the hotel, the said requirement was not applicable to function rooms in hotels. However, the requirement should still be applicable to a club premises within a hotel, no matter the club was within or outside the hotel licensed area. The requirement on installing a fire alarm bell in each cubicle/room within a club premises had already been laid down in the licensing guide for club licences.

32. **Mr Chris CHAN** enquired whether it was necessary to provide a vision panel on the door of a cubicle/room within a club premises. **Miss Claudia CHAN** clarified that a vision panel could be waived on such door if a fire alarm bell was provided inside the cubicle/room.

2.6 Requirements on minor works for licence processing

33. The trade enquired about OLA's requirement on works completed under the

Minor Works Control System. **Mr TANG** advised that the hotel licence applicant had to submit a copy of the specified forms and relevant supporting documents submitted to the BD to OLA together with the RoC Form. Otherwise, documentary proof for such minor works could not be established and would hinder the progress of licence application. As BD would only select a certain percentage of minor works submissions for audit check and at a different time frame, it was essential for OLA to check the completion of the relevant minor works when processing and approving the licence applications for ensuring the building safety of the premises.

2.7 Requirement on items to be shown on layout plans

34. Some trade operators would like to place loose furniture such as coffee tables, chairs etc. on the flat roof of a hotel and enquired whether loose furniture items could be omitted from the layout plan. In response, **Mr TANG** said that the flat roof of a hotel should only be used in accordance with the plans approved by the BD. Placing loose furniture on the flat roof might constitute a change in use and would require reassessment of the discharge values of the staircases and the adequacy of means of escape on that floor. If the operator wished to change the approved use of the flat roof, prior approval from the BA should be obtained.

2.8 Enforcement actions on unlicensed guesthouses

35. Hotel trade operators enquired about the enforcement actions and the related prosecution figures against unlicensed operation of guesthouses. **Mr TANG** said that as operation of unlicensed guesthouses was a criminal offence, a high standard of proof (i.e. beyond reasonable doubt) was required by the court in the prosecution. The suspect must be caught red-handed under the existing Hotel and Guesthouse Accommodation Ordinance. **Mr TANG** reiterated that the legislative intents of the Bill, inter alia, were to facilitate enforcement actions against unlicensed premises and enhance deterrence against unlicensed guesthouse operations. The enforcement actions on unlicensed guesthouse premises was expected to be more effective after the implementation of the Bill. As regards the prosecution figures, there were about 150 prosecution cases in each of the past few years. As of September 2019, there were 93 prosecution cases, 64 of them were successful, 26 were in the legal proceedings and the remaining were not successfully prosecuted.

36. **Mr LI** was concerned that usually the person under prosecution was not the business owner of the unlicensed premises and it was especially difficult for OLA to catch them when the transactions were made on the Internet. **Mr TANG** advised that with new modes of operation including those with the aid of technology, operators might not need to be physically present on the premises and could thus easily circumvent the licensing regime. To address the above problems and facilitate enforcement actions against unlicensed guesthouses, the Bill introduced a strict liability offence on the owners and tenants of premises if there was evidence to prove that the premises were used as an unlicensed guesthouse. Moreover, regarding Online Travel Agency (OTA)

which provided online platforms for advertisement of sleeping accommodations, OLA had been reminding them not to post advertisements of unlicensed premises.

Agenda Item 3 – Date of next meeting

37. The **Convenor** said that the Secretariat would inform the trade of the date of the next meeting in due course.

**Efficiency Office
December 2019**