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**Review of the Mechanism for Encouraging a Quality Built Environment
through Gross Floor Area Concession
Views from Business Environment Council Limited 商界環保協會有限公司**

Over the last 26 years, Business Environment Council Limited 商界環保協會有限公司 (“BEC”) has played a leading role in advocating the business case for environmental excellence, given the importance of sustainable development to Hong Kong. Our members are committed to actively engage with the HKSAR Government (“the Government”) to help develop a supporting policy framework as well as impactful implementation in respect of environmental protection and sustainability.

Views expressed in this submission are those of BEC, in line with BEC’s Mission and Vision as well as policy position on relevant issues, but may not necessarily be the same as the views of each individual member. BEC is an independent charitable membership organisation comprising over 200 member companies from Hong Kong’s major holding companies to small and medium-sized enterprises.

Introduction

In recent years, there are growing aspirations in Hong Kong for a quality and sustainable built environment. On the one hand, people are looking for better living conditions and quality of life for individual wellbeing. On the other hand, there is increased urgency to combat the challenge of climate change. Pursuing sustainable design and management of the built environment will go a long way in reducing carbon emissions and other environmental footprints, as well as making it more climate resilient.

In order to promote sustainable building designs and energy efficient features in new developments, the current practice of the Government is to require new buildings to obtain BEAM Plus certification as one of the prerequisites in applying for a gross floor area (“GFA”) concession. In the Chief Executive’s 2017 Policy Address, it was announced that the Government will review such arrangement so as to further promote green buildings and the sustainable built environment. We understand that AD+RG Architecture Design and Research Group Limited was commissioned by the Buildings Department to undertake the review.

BEC's Views

BEC welcomes and supports the Government's review of the mechanism for encouraging a quality and sustainable built environment through gross floor area concession ("GFA concession mechanism"). As explained above, the built environment is an integral part of our city. Making it sustainable and resilient plays an important role in Hong Kong's climate action and long-term decarbonisation strategy. BEC is of the view that improvements to the current GFA concession mechanism to more effectively incentivise the actual implementation and utility of green and energy efficient features in buildings are greatly needed, as they would deliver significant environmental benefits to the community. For example, the prerequisites required to obtain the GFA concession should be reviewed and strengthened, as well as expanded to cover a wider spectrum of sustainability features so as to generate more diverse social and environmental improvements. Furthermore, we believe that there is scope to explore whether there should be performance-based or site-specific arrangements in the mechanism. For example, the Government should consider a provisional assessment rating of Bronze as the minimum requirement to qualify for the award of GFA concession as a means to encourage applicants to increase their level of ambition and performance.

By the same token, while BEC supports BEAM Plus as the basis to determine GFA concession, we also welcome the consideration of specific aspects of other internationally recognised green building assessment schemes that could complement and enhance our local scheme.

Having said that, we stress that the GFA concession mechanism is only one of many possible means to encourage and promote a quality and sustainable built environment. BEC recommends taking a multi-pronged approach, hence it is important for the Government to also explore other feasible and practical options as complementary measures, such as tax concessions, that encourage the business sector to invest in sustainable building design, construction and operation.

In the medium to long term, the Government should take action towards mandating green and amenity features in new buildings. This is increasingly expected and viewed as the norm by the business community and is increasingly a concern in the international arena. Accordingly, BEC suggests the Government to take a longer-term approach in the current review, with appropriate incentive schemes being considered as interim arrangements. An important matter the Government should explore is what are the priority features that can be mandated in the short and medium term? And what are the green features that are more appropriate to be promoted only through incentives?

Finally, BEC suggests that it is essential to take a life cycle approach to green buildings and sustainable built environment. Efforts should be made to improve the current GFA concession mechanism to ensure, firstly, that benefits are actually delivered as approved and, secondly, that ongoing monitoring and assessment of building performance are included. New measures should be explored and considered so that our buildings could maintain the highest sustainability performance standards over their full life span, rather than just in the early years of their construction and operation.

The current GFA concession mechanism is primarily designed to encourage the sustainability performance of new buildings and as most of the buildings that will be in use in the 2030s and 2040s are already built, government should also consider how improvements in Hong Kong's existing buildings stock could be incentivised. Appropriate upgrade arrangements should also be seriously considered. A way forward is perhaps to review the effectiveness of some of the current schemes, such as the Energy Efficiency Registration Scheme for Buildings, and the mandatory energy audits. Other approaches may be to expedite approval of certain alteration and addition works, and to provide government operated loans and grants that incentivise energy efficiency measures in addition to those provided under the Scheme of Control Agreements.

For queries related to this submission, please contact our Chief Executive Officer, Mr Adam Koo at adamkoo@bec.org.hk.

Yours sincerely,



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