

**立法會**  
**Legislative Council**

LC Paper No. CB(2)2228/00-01  
(These minutes have been seen  
by the Administration)

Ref : CB2/PL/HA

**LegCo Panel on Home Affairs**

**Minutes of meeting**  
**held on Tuesday, 8 May 2001 at 2:00 pm**  
**in Conference Room A of the Legislative Council Building**

- Members present** : Hon CHOY So-yuk (Deputy Chairman)  
Hon Cyd HO Sau-lan  
Hon Andrew WONG Wang-fat, JP  
Dr Hon TANG Siu-tong, JP  
Hon Albert CHAN Wai-yip  
Hon WONG Sing-chi  
Hon IP Kwok-him, JP
- Members absent** : Hon Andrew CHENG Kar-foo (Chairman)  
Hon Albert HO Chun-yan  
Hon James TO Kun-sun  
Hon LAU Wong-fat, GBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon Timothy FOK Tsun-ting, SBS, JP  
Hon Henry WU King-cheong, BBS
- Public Officers Attending** : Mr Francis LO  
Principal Assistant Secretary for Home Affairs (5)  
  
Miss Stella CHANG  
Assistant Secretary for Home Affairs (5)2  
  
Mr YUEN Hon-kuen  
Chief Officer (Licensing Authority)  
Home Affairs Department

Mr Max KWOK  
Senior Executive Officer (Licensing Authority)  
Home Affairs Department

**Clerk in Attendance** : Miss Flora TAI  
Chief Assistant Secretary (2)2

**Staff in Attendance** : Mr Stanley MA  
Senior Assistant Secretary (2)6

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The Deputy Chairman informed the meeting that as the Chairman could not attend the meeting due to other commitment, she would chair the meeting on his behalf.

#### **I. Confirmation of minutes**

[LC Paper No. CB(2)1427/00-01]

2. The minutes of the special meeting held on 5 February 2001 were confirmed.

#### **II. Information paper issued since the last meeting**

3. Members noted that no paper had been issued since the last meeting.

#### **III. Items for discussion at the next meeting**

[Appendices I and II to LC Paper No. CB(2)1424/00-01]

4. Members agreed to discuss the following items at the next regular meeting scheduled for Tuesday, 12 June 2001 –

- (a) Latest position of the Youth Development Centre project;
- (b) Building Management (Insurance) Regulation; and
- (c) Policy, structure and facilities for the development of sport and recreation.

[Post-meeting note : At the request of the Administration and with the concurrence of the Panel Chairman, an item "proposed creation of an Administrative Officer Staff Grade C Post to be the Press Secretary to the Financial Secretary" was added to the agenda of the meeting on 12 June 2001 and

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discussion of agenda item 4(a) was deferred to the meeting scheduled for 10 July 2001.]

**IV. Proposed amendments to licence fees under the Hotel and Guesthouse Accommodation Ordinance**

[Paper No. CB(2)1424/00-01(01)]

5. At the invitation of the Deputy Chairman, Principal Assistant Secretary for Home Affairs (5) (PAS(HA)5) briefed members on the salient points of the Administration's paper on the subject.

Impact and significance of the proposed amendments

6. Mr Albert CHAN asked about the impact of the proposed fees for the renewed licences on the operation of small guesthouses such as holiday flats. PAS(HA)5 responded that under the proposed amendments, operators of guesthouses would be required to pay the proposed fees for renewal of licences as tabulated in Annex II to the Administration's paper. Operators of small guesthouses with less than four rooms currently had to pay a fee of \$3,000 for the renewal of a one-year licence. Under the proposed amendments, the fees for renewal of one-year, two-year and three-year licences would be \$2,790, \$3,660 and \$4,530 respectively.

7. Mr Albert CHAN expressed concern that the proposed increase for new licence would affect the livelihood of small guesthouse operators under the prevailing economic conditions. Deputy Chairman asked whether the Administration would consider maintaining the current level of fees for new licences with validity of one year.

8. PAS(HA)5 responded that it was the Government policy that the licence fees under the Hotel and Guesthouse Accommodation (Fees) Regulations should be set at levels sufficient to recover the full cost of providing the services. He pointed out that given the work involved in the issuance of a new licence, the existing fees only recovered 34% to 56% of the full costs incurred. As regards renewal of licences, the existing fees recovered 77% to 100% of the full costs incurred.

9. Mr Albert CHAN said that he supported the overall proposal of increasing the licence fees but adjustments would be needed to rationalise the fee structure. Mr CHAN pointed out that under the proposed amendments, operators of a small guesthouse with less than four rooms had to pay \$3,450 for a one-year licence and \$14,080 (408% of \$3,450) for a seven-year licence. However, the corresponding fees for a large hotel with over 500 rooms were only \$92,790 and \$117,270 (126% of \$92,790) respectively. He considered that the scales of fees for new licences with a long validity period was proposed to the disfavour of small guesthouses. Mr CHAN urged the Administration to give due regard to the financial difficulties of small guesthouses during the economic downturn.

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10. PAS(HA)5 reiterated that the proposed amendments were set in accordance with the costs incurred for issuance of the licences concerned. The Administration did not seek to recover a larger percentage of the costs from operators of small guesthouses.

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11. Mr Andrew WONG expressed support for the proposed fee structure since it was in line with the "users pay" principle and supported by the hotel and guesthouse industries. However, he queried why there was a substantial difference in recovery of costs between issuance of new licences and renewal of licences. At Mr WONG's request, the Administration agreed to provide a breakdown of the costs and cost recovery ratios for issuance and renewal of licences for hotels and guesthouses with different numbers of rooms.

Regulation of fire and building safety

12. Miss Cyd HO said that she supported the proposed increase in licence fees in principle because it would simplify the licensing process and lower the operational cost of hotels and guesthouses. Miss HO asked how the Administration would conduct inspections in order to ensure the fire and building safety of hotels and guesthouses if the operators could apply for a licence with validity period of up to seven years.

13. In response, PAS(HA)5 said that in the light of the suggestion by members of the Bills Committee on Hotel Accommodation (Miscellaneous Provisions) Bill 1998, the Hotel and Guesthouse Accommodation Ordinance was amended to provide for the issuance and renewal of licences with validity periods of up to seven years. Applications for licences of validity periods of more than 12 months would be considered on a case-by-case basis. In order to avoid abuse of the multiple year licensing arrangements, such licences would be issued to establishments which had demonstrated good records of compliance with the fire safety and building safety standards. For licences with a validity period exceeding 36 months, certification by authorized persons that there had been no substantial alteration to the latest plan agreed to by the Licensing Authority of the Home Affairs Department was required. In addition, the Administration retained the right to inspect the premises any time during the licence period so as to ensure compliance with the safety requirements.

14. Miss Cyd HO further asked about the licensing arrangements in case of change of ownership. Chief Officer (Licensing Authority) of the Home Affairs Department explained that licence was issued to the operator and it was unlikely that licences with a validity period of longer than 12 months would be issued to a new operator if he did not have a good record of compliance with relevant legislation.

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Consultation

15. Mr IP Kwon-him said that the Administration had stated in paragraph 7 of the paper that both the hotel and guesthouse industries supported the proposed fees. He asked about the scope of consultation. PAS(HA)5 clarified that the Administration had consulted the Federation of Hong Kong Hotel Owners Limited and two guesthouse associations on the proposed fee structure. All of them acknowledged the benefits of licences with longer periods of validity and had expressed support. Deputy Chairman reminded the Administration that new operators of hotel and guesthouse industries might oppose to the proposed increase of fees for a one-year licence as they would not be benefited from the decrease in fee for renewed licence.

**V. Any other business**

16. There being no further business, the meeting ended at 3:10 pm.

Legislative Council Secretariat

30 August 2001