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16 January 2018

Mr Anthony CHU  
Public Accounts Committee  
Legislative Council Complex,  
1 Legislative Council Road,  
Central, Hong Kong

Dear Mr CHU,

**Consideration of Chapter 6 of the Director of Audit's Report No. 69  
Regulation of Hotel and Guesthouses  
Queries and Information Requested by the Public Accounts Committee  
Responses from the Home Affairs Department**

Thank you for your letter dated 19 December 2017 to the Director of Home Affairs.

In response to your request, our responses to the matters raised are set out in Annex. Please contact the undersigned for further enquiries.

Yours sincerely,

(Ammon TAM)

for Director of Home Affairs

c.c. Secretary of Financial Services and the Treasury (fax no.: 2147 5239)  
Director of Audit (fax no.: 2583 9063)

**Chapter 6 of the Director of Audit's Report No. 69**  
**Regulation of Hotels and Guesthouses**  
**Questions raised and Information required by the Public Accounts Committee**  
**Responses from the Home Affairs Department**

**Questions to be responded by the Home Affairs Department**

**Part 2: Regulating Licensed Establishments**

1) Paragraph 2.4 – Need to monitor lead time

Regarding the situation mentioned in paragraph 2.4 of the Report, please advise:

- (a) What are the current procedures of handling new licence applications and renewal applications, and the respective manpower and expenditure involved?

Reply to (a) As mentioned in paragraph 2.2 of the Director of Audit's Report No. 69 (the Report), the Office of the Licensing Authority (OLA) under the Home Affairs Department (HAD) processes applications for new and renewal guesthouse licences, and these applications usually go through six stages, including (a) acknowledgement of applications, (b) initial inspection, (c) improvement works by applicants, (d) follow-up inspection, (e) approval of applications and (f) collection of licences by applicants.

Apart from issuing licences pursuant to the Hotel and Guesthouse Accommodation Ordinance (HAGAO), the OLA is also responsible for issuing 11 types of licences and carrying out relevant duties pursuant to other ordinances. Since the OLA carries out its duties conferred by respective ordinances as a team, we do not have a breakdown of the manpower and funding devoted solely to processing applications for new or renewal licences pursuant to HAGAO. As a whole, for 2017-18, the establishment of the OLA is 132 (including civil servants and Non-Civil Service Contract staff) and the staff cost is \$66.3 million.

- (b) Will the Government consider adjusting the manpower establishment for handling the related work so as to reduce the disparities in lead time between new licence application and renewal application?

Reply to (b) As mentioned in paragraph 2.2 of the Report, processing applications for new and renewal guesthouse licences involves six sequential steps, during which many factors will affect the processing time for new and renewal applications. As shown in Table 2 of the Report, the time taken by applicants to carry out improvement works and submit the required documents accounts for about two-thirds of the processing time for new licence applications, and manpower establishment is just one of the factors affecting the processing time for applications. The HAD has implemented a number of measures to improve the situation, which included monitoring closely the processing time for licence applications, reviewing the internal workflow and target time for processing licence applications and implementing measures that facilitate the submission of necessary documents so as to shorten the processing time. To expedite vetting and approval of licence applications, the OLA has employed part-time staff to help clear the backlog.

- (c) What measures will the Government take to strengthen control of the lead time? When will the measures be implemented?

Reply to (c) The OLA closely monitors the progress of processing licence applications through a number of measures, which include issuing weekly reports by the Chief Officer (Licensing Authority) to the head of respective teams to remind them of the progress of processing applications, holding monthly internal meetings to monitor the lead time, and reporting to and discussing with the Headquarters the situation of processing licence applications on a regular basis. Besides, the OLA has already applied for funding with the aim to upgrade the computer system in 2018-19 to better monitor the progress of its licensing work.

2) Paragraphs 2.6 to 2.8 – Internal targets not attained and need to enhance performance management practices

Paragraph 2.7 of the Report largely suggests that the seven internal targets are unattained, please advise the following:

- (a) It is mentioned in paragraph 2.6 of the Report that “the two performance pledges (see Table 2 in para. 2.3) are the OLA’s promulgated commitments of performance to the public. The OLA spares more efforts and resources to meet these two performance pledges as far as possible.” Does it mean

that since there is no need to give an account of the performance of the other seven internal targets to the public, the Government considers it unnecessary to step up efforts to attain the targets, thus becomes lax in handling the cases?

Reply to (a) As mentioned in paragraph 2.6 of the Report, the purpose of the seven internal targets are for the OLA's reference for guiding its work priority. Amongst the seven internal targets, three of them were 100%, 96% and 94% attained, the remaining four internal targets were 38% to 78% attained. As these four targets are mainly affected by the progress of improvement works conducted by applicants (including whether applicants have applied to the OLA for extension of time to complete the improvement works) and timeliness of submission of the complete set of necessary documents by applicants. Accordingly, the attainment of these internal targets is not solely under the control of OLA, as they are different in nature from the other two promulgated performance pledges. Nonetheless, apart from endeavouring to attain its performance pledges, the OLA will step up its efforts to achieve its internal targets, without any lax in efforts.

(b) It is mentioned in paragraph 2.7 of the Report that the percentages of cases attaining the four internal targets had generally decreased. What are the reasons for that and whether corresponding follow-up actions have been taken?

Reply to (b) The percentages of cases attaining the four internal targets have generally decreased mainly due to the increasing number of licence applications. As shown in Figure 1 of the Report, the number of licensed hotels and guesthouses steadily increased from 1 493 in early 2012 to 2 024 in June 2017, representing an increase of 36%. Moreover, to assist the industry to adapt to the new licensing regime after the review of the HAGAO, the OLA has implemented different measures by phases. These included restricting the licence period for guesthouse (general) licences and guesthouse (holiday flat) licences to a period of (i) not more than 24 months for licences issued during September 2014 to December 2015, and (ii) not more than 12 months for licences issued thereafter. As a result of the shortening of licence period, renewal of licence applications have become relatively frequent. Furthermore, licences granted between September 2014 and December 2015 started to expire gradually from the latter half of 2016 and the end of 2017.

The OLA has to process the related renewal applications. The OLA has also implemented three administrative enhancement measures in December 2015 and applicants may require more time to understand and comply with the relevant requirements. The OLA has employed additional part-time staff since 2015 to cope with the increased workload, and monitor the lead time for granting licences more closely, with a view to taking timely action for improvement.

- (c) In view of the unsatisfactory situation mentioned in paragraph 2.8(a) of the Report, will the Government formulate guidelines for compliance by staff members so as to attain the internal targets? If yes, has the Government drawn up initial directions for the guidelines, and when will the guidelines be implemented?
- (d) What are the progress and effectiveness of the follow-up actions to be taken by the Home Affairs Department (HAD) in response to paragraph 2.16(b) of the Report?

Reply to (c) & (d)

The OLA will enhance the practices in managing performance on internal targets, and suitably review the appropriateness of such targets, with a view to publishing appropriate target times. The OLA is also reviewing its workflow for processing licence applications, so as to set up reasonable targets to shorten the time for licence applications.

3) Paragraphs 2.10 to 2.13 – Long processing time for licence applications due to many rounds of submission

Regarding Case 1 in paragraph 2.10 of the Report, an applicant had made 16 submissions of reports/documents. Please advise:

- (a) whether similar issues were detected in the past, and if yes, whether the Government had rectified such situations or rendered assistance to the applicants; and
- (b) whether the Government will take any measures to shorten the processing time.

Reply to a) and b)

As licence applications involve various building safety and fire safety requirements, applicants are required to submit a number of related reports and certificates in the course of application. The case quoted in the Report is in fact an extreme and isolated incident.

The OLA has implemented a number of measures to assist applicants in carrying out improvement works and submitting information on the completion of such works, including:

- (i) since 2011, “A Layman’s Guide to Licence Applications under the HAGAO”, setting out the general requirements and procedures of licence applications, has been uploaded onto the OLA’s website at [www.hadla.gov.hk](http://www.hadla.gov.hk);
- (ii) since September 2013, the OLA has held meetings with applicants and their agents (e.g. consultants and contractors) to go through the letter of requirements or any list of outstanding requirements;
- (iii) since July 2015, for information of applicants, e-mail addresses of responsible officers have been uploaded onto the Application Tracking Facility System (to which applicants have access); and
- (iv) since August 2017, all licence conditions and requirements have been uploaded onto the OLA’s website.

Apart from reviewing its workflow for processing licence applications and modifying the letter of requirements to enhance applicants’ understanding of the works requirements and submission of necessary documents, the OLA will closely liaise with applicants to explain the requirements by using a checklist of documents. Moreover, the OLA will duly update its website on the relevant guides and necessary documents to be submitted, as well as the Frequently Asked Questions. The OLA is also examining to upgrade the computer system to better monitor its licensing work.

4) Paragraphs 2.17 to 2.27 – Renewing licences for unprotected cases

Regarding paragraph 2.19, please advise the following:

- (a) Is there any existing ordinance or regulation requiring the OLA to accord priority to processing unprotected cases? Will separate teams be assigned to process the two types of cases?

- (b) It is mentioned in paragraph 2.20 of the Report that “according to the OLA, this practice had taken into account the consequence to the licensees concerned if the applications were not approved before the licence expiration date”. That is why these cases were accorded priority. However, has the Government considered that it may be unfair to cases with timely submission if the OLA accords priority to processing unprotected cases in which the hotel or guesthouse concerned has not submitted a renewal licence application in a timely manner? In this connection, will the Government take any action to rectify the situation?
- (c) Has the HAD conducted the review mentioned in paragraph 2.27 of the Report? What are the results of the review?

Reply to (a), (b) and (c)

As the OLA carries out the above duties as a team, both the protected and unprotected cases are processed by the same team. Although the OLA is not required to accord priority to processing unprotected cases, as unprotected cases may be subject to the risk of ceasing business after expiration of licences until the renewal applications are approved, on the premise of supporting the Government to facilitate business operations, the OLA, as the licensing regulatory body, has to strike a balance in according priority to processing unprotected cases without affecting the processing of protected cases as appropriate. Given the larger number of protected cases and those licences will remain in effect until the applications are determined by the Authority, the current practice of the OLA does not have any substantial impact on protected cases. In fact, the present practice is an established practice and in line with the general call of the trade. Nonetheless, the OLA will step up its effort in promoting timely submission of applications under section 9(1) of the HAGAO.

5) Paragraphs 2.30 to 2.35 – Need to ensure compliance with licence requirements

Regarding the three guesthouses in which irregularities were found as mentioned in paragraph 2.31 of the Report, please advise the following:

- (a) The three guesthouses have apparent potential safety hazards. Has any follow-up action been taken by the Government upon detection of the irregularities?
- (b) Has the Government imposed any penalty on the guesthouses? If yes, what are the details? If no, what are the reasons?

Reply to (a) and (b)

Regarding paragraphs 2.31(a) and (b) of the Report, the OLA issued warning letters to the guesthouse licensees after detecting the irregularities. The licensees had rectified the irregularities within the required timeframe.

- (c) Has the HAD conducted the review mentioned in paragraph 2.35(b) of the Report? When will the HAD incorporate a risk-based approach and surprise elements for annual inspections of licensed premises?

Reply to (c) The OLA is reviewing the arrangements of the annual inspections. The initial target is to incorporate a risk-based approach and surprise elements into the inspections by phases in 2018-19.

### **Part 3: Combating Unlicensed Establishments**

#### **6) Paragraphs 3.2 to 3.8 – Keeping watch on suspected unlicensed establishments**

Regarding paragraph 3.4 of the Report, please advise the following:

- (a) What are the current procedures of handling outstanding suspected cases, and the respective manpower and expenditure involved?
- (b) Why did the OLA not compile and report information on the number of outstanding suspected cases and their outstanding durations (paragraph 3.6 of the Report)?
- (c) It is worrying that the unlicensed establishments related to outstanding cases have been in operation for a long time as mentioned in paragraph 3.5 of the Report. Given the considerable number of outstanding cases accumulated over the years, has the Government taken any follow-up actions to expedite processing of the cases?

Reply to (a), (b) and (c)

Regarding outstanding suspected cases, the OLA will adjust its enforcement strategies with reference to individual merits and difficulties of each case.

As the OLA carries out its duties conferred by the HAGAO as a team, both newly reported cases and outstanding suspected cases are processed by the respective responsible teams. Therefore, we do not have a breakdown of the manpower and funding devoted solely to processing outstanding suspected

cases. As a whole, for 2017-18, the establishment of the OLA is 132 (including civil servants and Non-Civil Service Contract staff) and the staff cost is \$66.3 million.

The OLA has been requiring its staff from different teams to submit information on outstanding cases to their team supervisors for review every month in order to adjust enforcement strategies. After reviewing the outstanding suspected cases, the OLA found that prosecution had been instigated against some cases, but subsequent inspections after prosecutions revealed no unlicensed guesthouse operation or insufficient preliminary evidence, and hence follow-up investigation was terminated. The OLA will actively follow up the cases and require the investigation teams to provide a monthly update of the investigation progress to the management. Prosecutions will be instigated against the offenders if there is sufficient evidence that the establishments concerned are involved in operation of unlicensed hotels/guesthouses.

Given the existing difficulties faced by the OLA in collecting evidence, the HAD has completed the review on the HAGAO and will put forward legislative proposals to enhance the OLA's enforcement actions. The OLA will step up its effort in monitoring and following up outstanding suspected cases, and explore ways to further combat suspected unlicensed establishments.

- (d) Will the Government consider increasing the manpower for handling outstanding cases? If yes, when will it be implemented, and what are the related staffing and expenditure? If no, what are the reasons?

Reply to (d) The OLA reviews its manpower requirement from time to time, and plans to strengthen its manpower (including Licensing Inspectors) in 2018-19. It will deploy its staff flexibly and effectively to ensure that all outstanding cases are duly processed, monitored, and followed up.

- (e) What are the details of the new measures to be adopted by the HAD in response to paragraph 3.8 of the Report?

Reply to (e) The OLA will complete enhancement of the Enforcement Management Information System in the second half of 2018.

7) Paragraphs 3.10 to 3.18 – Investigating suspected unlicensed establishments

Regarding Case 2 in paragraph 3.10 of the Report, please advise the following:

- (a) Will the Government review why prosecution is yet to be instigated against the establishment despite the considerable efforts and resources spent on investigation during the five years from 2012 to 2017?
- (b) Are any follow-up actions being taken on the case by the Government?

Reply to (a) and (b)

As the operation of unlicensed hotels/guesthouses is a criminal offence, the court has very stringent requirements for evidence. In order to institute prosecution, the OLA must collect sufficient admissible evidence during investigation and prove the offence beyond reasonable doubt. The OLA will continue to actively follow up the case and collect during investigation sufficient admissible evidence. Prosecution will be instituted immediately if there is sufficient evidence that the establishment concerned is involved in the operation of unlicensed hotel/guesthouse.

- (c) Will the Government step up the existing enforcement measures or establish a more effective investigation mechanism to ensure that breaches will be prosecuted through efficient use of resources?

Reply to (c) Apart from continuing its work in carrying out proactive inspections, web browsing and instituting prosecutions, the OLA also mounts inter-departmental joint operations and organises experience sharing sessions with other relevant departments (such as the Hong Kong Police Force, Immigration Department and Labour Department) in order to combat unlicensed hotels/guesthouses effectively. Given the existing difficulties faced by the OLA in collecting evidence, the HAD has completed the review on the HAGAO and will put forward legislative proposals to enhance the OLA's enforcement powers. Moreover, the OLA will explore ways to further combat suspected unlicensed guesthouse operation, and deploy staff flexibly and effectively to ensure the proper performance of relevant regulation and enforcement duties of the HAGAO.

- (d) When are the amendments in paragraph 3.14 of the Report expected to be implemented?

Reply to (d) The HAD is working closely with the Department of Justice (DoJ) to review the HAGAO with a view to introducing the Hotel and Guesthouse Accommodation (Amendment) Bill into the Legislative Council (LegCo) in 2018.

Regarding the HAD's response in paragraph 3.18(a) of the Report, please advise the following:

- (e) What is the progress of the exploration? What overseas experience has the HAD made reference to and is there anything to learn from? If yes, will the Government draw on such experience? If yes, when will the Government implement the measures and what are they? If no, what are the reasons?

Reply to (e) The HAD has completed the review on the HAGAO and proposed to enhance enforcement powers. It is proposed that the Authority will be empowered to rely on circumstantial evidence showing that any premises are used as an unlicensed guesthouse, to prosecute the owner, tenant, or occupier, who will be liable, unless the statutory defence is met (i.e. they do not have control over the use of the premises); apply for a search warrant to break into a suspected unlicensed guesthouse; and apply for a closure order against an unlicensed guesthouse if there is a previous conviction in respect of the premises concerned within a specified period. The above-mentioned proposals are generally similar to the overseas experience to which we have made reference. We are working closely with the DoJ with a view to introducing the Hotel and Guesthouse Accommodation (Amendment) Bill into the LegCo in 2018.

- (f) Has the HAD formulated any measures to facilitate investigating and combating suspected unlicensed establishments? If yes, when will they be implemented? If no, what are the reasons?

Reply to (f) As regards combating and raiding unlicensed hotels/guesthouses soliciting lodgers via online platforms, the OLA has strengthened intelligence collection by forming a dedicated team to search information and intelligence on suspected unlicensed hotels/guesthouses through browsing webpages, mobile applications, social media, discussion fora, blogs, etc. Law enforcement officers of the OLA will initiate follow-up investigation when information on unlicensed hotels/guesthouses is found. Prosecution will be

instituted immediately if there is sufficient evidence that the establishments concerned are involved in operation of unlicensed hotels/guesthouses.

The OLA also writes to all online platform operators on a regular basis to emphasise the licence requirement for operating a hotel/guesthouse in Hong Kong and request them to post only information of licensed hotels/guesthouses in Hong Kong on their websites, including the type of licence issued to and the licence number of the premises concerned, and appeal to them to remind lodgers to patronise licensed premises.

Furthermore, with the arrival of the festive season, to ensure the safety of tourists and combat unlicensed hotels/guesthouses letting out through online platforms, the HAD has, in collaboration with members of the local community and owners' corporations of estates and buildings, launched a new round of enhanced enforcement actions and public education activities, inspected housing estates and residential buildings on Hong Kong Island and in Kowloon and the New Territories, and posted advisory notices in target estates and residential buildings, alerting tourists and visitors that there are no licensed hotels/guesthouses in those buildings.

8) Paragraphs 3.22 to 3.25 – Prosecuting unlicensed establishments

Please advise the following:

- (a) Regarding the situation mentioned in paragraph 3.22 of the Report, will the Government consider increasing the term of imprisonment and fine to enhance the deterrent effect? Will the Government, in consultation with the DoJ, relay to the Judiciary that increased term of imprisonment and fine should be imposed on recalcitrant operators?

Reply to (a) The HAD has completed the review on the HAGAO and proposed to increase the maximum fines for operating unlicensed hotels/guesthouses from \$200,000 to \$500,000 and imprisonment from two years to three years, and empower the Authority to apply to the Court for a Closure Order of six months against the relevant premises upon the second conviction of operating an unlicensed hotel/guesthouse.

- (b) Regarding paragraph 3.23 of the Report, what is the latest progress of the review on the Hotel and Guesthouse Accommodation Ordinance (Cap. 349)?

Reply to (b) The HAD has reported to the Panel on Home Affairs of the Legislative Council the progress on the proposed legislative amendments to the HAGAO and the implementation of the administrative enhancement measures, and sought Members' views on the further legislative proposals to amend the HAGAO on 17 July 2017. The relevant proposals were generally supported by Members and the general public. The DoJ is now actively assisting the HAD in drafting the Hotel and Guesthouse Accommodation (Amendment) Bill and we expect to submit the specific proposed legislative amendments to the LegCo in 2018.

- (c) As mentioned in paragraph 3.24 of the Report, the continuous offence provision set out in paragraph 3.19 has so far not been invoked. What are the reasons for the Government's failure to instigate prosecutions pursuant to the existing legislation? Will the Government confirm that the said provision will be invoked to prosecute recalcitrant operators? If no, what are the reasons?

Reply to (c) To instigate prosecution of continuous operation of an unlicensed hotel/guesthouse is rather difficult, as it requires the collection of sufficient evidence to prove that the offender has committed a continuous offence in the relevant premises over the relevant period. Therefore, the usual practice of the OLA is to consider instituting a new prosecution against a recalcitrant operator if there is sufficient evidence to prove that he is operating an unlicensed hotel/guesthouse. Nevertheless, the OLA will seek legal advice for warranted cases for instituting prosecution by invoking the continuous offence provision.

#### **Part 4: Other Administrative and Licensing Issues**

##### **9) Paragraphs 4.2, 4.3 and 4.6 to 4.11 – Cost recovery**

Please advise the following:

- (a) Does the Government also consider the situation that “the cost recovery rates ranged from 32% to 75% for new licences, and from 40% to 72% for renewal licences” mentioned in paragraph 4.6 and that in paragraph 4.7 of the Report unsatisfactory? What new policy/initiative will be implemented to tackle the problems?

- (b) Will the Government consider reviewing the cost recovery system on a regular basis, say, at least once a year, to recover the cost as far as possible?
- (c) Please advise of the implementation progress by the HAD in response to paragraph 4.11 of the Report, including the schedule for licence fees revision.

Reply to (a), (b) and (c)

Generally speaking, the OLA conducts annual costing exercise for issuing licences. Considering that the proposed amendments to the HAGAO will result in substantial changes in the licensing conditions, and have an impact on the processing of new and renewal applications in terms of procedures and workload, and these uncertainties will affect the calculation of cost recovery, we consider it more prudent and reasonable to conduct a review on the fees after the amendments to the HAGAO are finalised. The HAD is working closely with the DoJ to review the HAGAO with a view to introducing the Hotel and Guesthouse Accommodation (Amendment) Bill into the LegCo in 2018. We will closely monitor the progress of amending the HAGAO and devise a work plan for reviewing the fees (including regular review) with a view to achieving cost recovery.

10) Paragraphs 4.15 to 4.18 – Need to closely monitor caseloads

Please advise the following:

- (a) Why the OLA has never compiled statistics of caseloads for management information or for discussion in regular management meetings, which eventually resulting in uneven caseloads among Licensing Inspectors? Will the Government formulate guidelines at the earliest convenience to facilitate management of caseload data?

Reply to (a) The OLA has been monitoring the caseloads of Licensing Inspectors. Apart from conducting monthly reviews, random checks will also be performed to verify the situation. If the caseload of an individual Licensing Inspector is getting unmanageable, the supervisor (i.e. the Senior Licensing Inspector) will review the situation and assign other Licensing Inspectors to assist as appropriate, or conduct inspections personally if the situation warrants. Since November 2017, the OLA has established standing arrangements and required all teams to report to the management the caseloads of their

members to facilitate monitoring.

As all cases vary in complexity and factors such as operating hours of the premises (mainly open to lodgers during holidays or night-time) and the scale and mode of operation (letting out via online platforms) may also affect the time taken for investigation, the workload of individual Licensing Inspectors should not be assessed by the number of cases. Some cases are rather complicated that investigation can hardly be completed within a short period of time. Therefore it is inevitable that there are uneven caseloads among Licensing Inspectors.

The OLA will complete upgrading the Enforcement Management Information System in the second half of 2018, to better monitor the caseloads of Licensing Inspectors.

- (b) The caseloads of individual Licensing Inspectors are quite uneven. Why is that so? What are the procedures and rules of case distribution and handling? Have any corresponding follow-up actions been taken against the situation?

Reply to (b) Generally, when allocating cases, supervisors will consider allocating cases in the same or nearby locations to the same Licensing Inspector so as to minimise the travelling time required and facilitate follow-up action. With the reduction in travelling time, Licensing Inspectors allocated with cases in the same or nearby locations can take up relatively more cases. Therefore, the number of cases allocated to each Licensing Inspector may be different at the same time. Depending on the progress of individual cases, the number of outstanding cases held by each Licensing Inspector varies. Supervisors will keep in view the situation of each Licensing Inspector, including the number of cases on hand, nature and complexity, and suitably reallocate the cases when necessary.

- (c) Has the Government conducted any assessment to see if the existing manpower can cope with the current workload?
- (d) Will the Government consider re-organising and increasing manpower to prevent overloading individual officers?

Reply to (c) and (d)

The OLA reviews its manpower requirement from time to time. It plans to strengthen its manpower (including Licensing Inspectors) in 2018-19 and will deploy its staff flexibly and effectively to ensure that cases are duly processed, monitored and followed up.

11) Paragraphs 4.22 to 4.25 – Need to conduct comprehensive review of issues relating to home-stay lodging

- (a) Regarding paragraphs 4.24 and 4.25 of the Report, please advise the follow-up actions taken by the HAD so far in connection with the comprehensive review of issues relating to home-stay lodging.

Reply to (a) HAD notes that regulation of hotels and guesthouses in different regions varies with the overall environment and living conditions without any uniform standard. In reviewing the HAGAO, HAD will fully consider the views of different stakeholders and actual circumstances, for instance, there are many densely populated multi-storey buildings in Hong Kong, etc. to ensure that the HAGAO can keep pace with the times and suit the needs of Hong Kong.

In fact, currently, HAGAO does not preclude licence applications for “home-stay lodging”. Any premises, including “homestay-like” guesthouses, may apply for a licence provided that they comply with the prescribed fire and building safety requirements. The OLA has all along been issuing guesthouse (holiday flat) licences to village-type houses in the New Territories operating in the mode of “home-stay lodging” with reference to “A Guide to Licence Application for Holiday Flat”. The OLA will continue to adopt a flexible and pragmatic approach in processing the relevant licence applications.

Home Affairs Department  
January 2018