

LEGISLATIVE COUNCIL BRIEF

Hong Kong Tourist Association Ordinance
(Chapter 302)

HONG KONG TOURIST ASSOCIATION (AMENDMENT) BILL 2001

INTRODUCTION

At the meeting of the Executive Council on 2 January 2001, the Council ADVISED and the Chief Executive ORDERED that the Hong Kong Tourist Association (Amendment) Bill 2001 (the Bill), at Annex A, should be introduced into the Legislative Council.

 A

BACKGROUND AND ARGUMENT

General Background

2. The Hong Kong Tourist Association (HKTA) was set up as a membership organisation under the Hong Kong Tourist Association Ordinance in 1957. Since then, the tourism industry in Hong Kong has experienced many challenges, including keen competition from other regional destinations. In mid-1997, the Board of Management of the HKTA decided to commission a consultancy to undertake the Strategic Organisation Review (SOR) to better define the role of the HKTA so as to draw up long term development strategies to meet the challenges. The SOR aimed to identify the HKTA's corporate objectives and review its organisation structure including its governance and the membership system.

Present Position

3. As part of the SOR, the HKTA has undertaken thorough consultation with the travel trade and relevant organisations. The SOR concluded and the HKTA Board endorsed that the main role of the HKTA should be to promote Hong Kong as a tourist destination, to enrich visitors' travel experience and to enhance Hong Kong's attractiveness through improving and developing new tourism itineraries in collaboration with the tourism industry.

4. The SOR consultancy made a number of specific recommendations which have been endorsed by the HKTA Board –

- (a) The HKTA's membership system is outdated. The HKTA's work goes beyond its members. In fact, the HKTA has been working with concerned organisations of the tourism industry in its promotion work and not just with its members. The HKTA should therefore abolish the membership system to fully reflect its operation and functions.
- (b) Currently the Board of Management of the HKTA comprises 11 members and five of them are nominated by the HKTA members. To enhance the representativeness of the Board and to gather more expertise from different fields for advice to enhance tourism development, the size of the Board of Management should be expanded from 11 to 20.
- (c) With the cessation of the membership system, the name of HKTA should be changed to "Hong Kong Tourism Board" (香港旅遊發展局) to better reflect its overall role in the tourism industry.

- (d) The HKTA should remain as a public body with the flexibility of working independently. It should continue to co-operate with the Government and the private sector to enhance the effectiveness of marketing and promotional activities.

The Respective Roles of the Tourism Commission and HKTA

5. The Tourism Commission was established in May 1999. We have since completed a review of the roles and division of responsibilities between the Tourism Commission and the HKTA. The Tourism Commission is mainly responsible for formulating and coordinating the implementation of policies, strategies, infrastructure and plans for promoting tourism development. At the same time, it also leads and co-ordinates the work of other Government bureaux and departments on policies and plans which have an impact on tourism development.

6. The principal role of the HKTA is to promote Hong Kong as a tourist destination globally, at specific markets, and to assist in enriching visitors' travel experience. The focus of its work is on market promotion, and on co-ordination of all sectors in the tourism industry with a view to improving tourism products and enhancing Hong Kong's attractiveness. The SOR confirmed the need first to boost efforts in promotion and marketing in future and secondly, to restructure the organisation of HKTA and its administrative framework to enhance support for its overseas promotion.

The Proposal

7. To implement the recommendations of the SOR as set out at paragraphs 3 and 4 above, we propose to amend the Hong Kong Tourist Association Ordinance.

THE BILL

8 The main provisions of the Bill include –

- (a) Clause 1(2) : Providing for bringing into effect the legislation on a date to be appointed by the Secretary for Economic Services by notice in the Gazette. This is intended to allow time for the HKTA to complete the procedures for abolishing the membership scheme and changing its name.

- (b) Clause 5 : Establishing a new body corporate known as the “Hong Kong Tourism Board” to replace the HKTA and its Board of Management.

- (c) Clause 6 : Updating some of the objects of the HKTA to put emphasis on promoting Hong Kong globally as a world class destination and stepping up its advisory role to the Government.

- (d) Clauses 7 to 9 : Repealing provisions relating to the criteria of, application for, and termination of membership of the HKTA and substituting provisions relating to the seal and general powers of the Hong Kong Tourism Board.

- (e) Clause 11 : Providing that the Hong Kong Tourism Board shall consist of 20 members to be appointed by the Chief Executive and providing for the appointment of a new Deputy Chairman from amongst the Board members

- (f) Clauses 32 and 33: Prohibiting, until midnight of 31 December 2010, any unauthorized use of the existing badges or emblems and the title of the HKTA.
- (g) Clause 34: Repealing the Hong Kong Tourist Association Rules (Cap. 302 sub. leg.) which provide for matters relating to the meetings and membership system of the HKTA.

The existing provisions in the Hong Kong Tourist Association Ordinance to be amended and provisions in other Ordinances to which consequential amendments are to be made are at Annex B.

B

PUBLIC CONSULTATION

9. We have consulted the HKTA and the Legislative Council Panel on Economic Services on the proposed amendments. Both of them supported the proposal.

10. The HKTA has consulted its members and key industry bodies on the recommendations of the SOR. They generally welcomed the recommendations.

BASIC LAW IMPLICATIONS

11. The Department of Justice advises that the proposed Bill does not conflict with those provisions of the Basic Law carrying no human rights implications.

HUMAN RIGHTS IMPLICATIONS

12. The Department of Justice advises that the proposed Bill is consistent with the human rights provisions of the Basic Law.

BINDING EFFECT OF THE BILL

13. The proposed Bill will not affect the current binding effect of the Hong Kong Tourist Association Ordinance.

FINANCIAL AND STAFFING IMPLICATIONS

14. At present, the HKTA receives an annual Government subvention of about \$500 million. Membership subscriptions only account for less than 1% of the HKTA's overall income. The cessation of the membership scheme and relevant income would not affect the healthy financial status maintained by the HKTA. There is no need to provide additional Government subvention to the HKTA because of this change. The Amendment Bill will not give rise to additional financial and staffing implications for Government.

ECONOMIC IMPLICATIONS

15. The proposed amendments should not have any cost impact on the tourism industry. The overall impact on the economy is positive as the marketing role of the proposed Hong Kong Tourism Board would be more clearly defined. This will enhance the effectiveness of the Board's work in future.

ENVIRONMENTAL IMPLICATIONS

16. The proposed amendments do not have any impact on the environment.

LEGISLATIVE TIMETABLE

17. The legislative timetable will be as follows –

Publication in the Gazette	5 January 2001
First Reading and commencement of Second Reading debate	17 January 2001
Resumption of Second Reading debate, committee stage and Third Reading	to be notified

PUBLICITY

18. We will issue a press release on the day when the Bill is published in the Gazette on 5 January 2001. A spokesman will be available to handle enquiries.

ENQUIRY

19. Enquiries may be directed to Mr Wu Kam Yin, Assistant Commissioner for Tourism, Economic Services Bureau at tel no. 2810 3525.

Economic Services Bureau
4 January 2001
ESB CR 20/2091/2000