

LEGISLATIVE COUNCIL

First Bills Committee Meeting on Travel Agents (Amendment) Bill 2001 (6 December 2001)

INTRODUCTION

The Travel Agents (Amendment) Bill 2001 (the Bill) was introduced into the Legislative Council on 11 July 2001. Members of the House Committee have agreed that a Bills Committee should be formed to examine the Bill. This paper explains the rationale behind the draft legislation and sets out the purpose of the Bill.

THE BILL

2. The Bill is introduced to amend the Travel Agents Ordinance (the Ordinance) to put in place a licensing scheme to regulate inbound travel agents. This will be complemented by self-regulation in the industry through the Travel Industry Council of Hong Kong (TIC). In preparation for the passage of the Bill, the TIC is working with relevant parties to introduce a certification scheme for tour guides based on that for outbound tour escorts.

BACKGROUND

3. At present, the Ordinance only provides for the control and regulation of outbound travel agents. It does not regulate services provided by inbound travel agents. The Ordinance requires all outbound travel agents to apply for a licence. The Registrar of Travel Agents (RTA) is responsible for the licensing of outbound travel agents.

4. The statutory framework is supported by a self-regulatory regime. Membership of the TIC is one of the licence conditions for outbound travel agents. The TIC functions as the regulatory body for the travel industry. It issues and enforces a code of conduct and directives to regulate the business operations of travel agents. Violation of the code of conduct or directives may result in penalties including warning, fine, suspension and revocation of TIC membership.

5. The TIC has set up a Consumer Relations Committee to hear and resolve disputes between travellers and travel agents. Where a complaint against travel agent malpractice is substantiated, the TIC may impose penalties on the travel agent. In cases of complaints about service quality, the TIC may arbitrate or, if not successful, decide on a settlement. The decision of the TIC is binding on the travel agent but not on the complainant, who may seek other forms of redress if dissatisfied with the decision.

6. The RTA works with the TIC in respect of the surveillance of outbound travel agents and the investigation of complaints. The RTA hears appeals against the refusal of TIC membership. Any person aggrieved by the Registrar's decision to refuse to grant, suspend or revoke a licence may appeal to the Administrative Appeal Board.

7. The TIC estimates that there are around 200 travel agents who only deal with inbound tourists and are not members of the TIC. Although there is general consumer protection legislation in place to protect consumers including tourists, there is no appropriate or direct channel for dealing with specific malpractice relating to the treatment of inbound tourists. Examples include leaving tour groups unattended or taking them to shops which charge exorbitant prices not commensurate with the quality of goods sold.

LICENSING INBOUND TRAVEL AGENTS

8. We propose to require all inbound travel agents to apply for a licence from the RTA. Any person carrying on a business as an inbound travel agent without a licence would commit a criminal offence. The RTA will serve as the licensing authority for both inbound and outbound travel agents. We also propose to adopt the licensing requirements currently applicable to outbound travel agents for inbound travel agents, which include membership of TIC. It follows that inbound travel agents will be required to observe the TIC's code of conduct and directives and the TIC will act as the industry regulator for all travel agents.

9. We aim to put the above licensing scheme in place in early 2002. There will be a grace period of six months.

OTHER MEASURES TAKEN TO ENSURE SERVICE STANDARD OF INBOUND TRAVEL AGENTS

The TIC

10. In view of the fact that inbound travel agents are increasingly serving mainland tourists, the TIC has recently issued a circular to its members to set out new requirements to regulate the treatment of mainland tour groups. Inbound travel agents receiving visitors under the Hong Kong Group Tour Scheme will have to sign an agreement with TIC to guarantee that they will abide by the laws of Hong Kong and TIC's Code of Conduct. In addition, inbound travel agents have been reminded that they should draw up a detailed itinerary with their Mainland counterparts and they should not introduce changes without the consent of the visitors.

11. Those who fail to comply with the requirements may be penalized by the TIC and may be suspended from receiving such tour groups.

12. We will work with the TIC closely to monitor the standard of inbound travel agents.

Training for Inbound Tour Guides

13. To further upgrade the standard of service provided by tour guides, the TIC has set up a working group to design a certification scheme for inbound tour guides to ensure they have the right skills and can meet prescribed standards. The working group has submitted an application for funding to the Skills Upgrading Scheme* on the training required and has obtained support in principle. A trade working group, comprising of members from the TIC, employers, employees, Vocational Training Council, Hong Kong Tourism Board and the Tourism Commission, has been formed to finalise details of the training programme.

14. It is expected that training of about 8,000 tour guides will be completed in two years. In future, only those who have studied the prescribed courses and passed an examination will be eligible to apply for a certificate and only those with a certificate will be able to serve as inbound tour guides. Existing tour guides will also have to pass the examination but will be exempted

* The Skills Upgrading Scheme is introduced by the Education and Manpower Bureau earlier this year. The objective of the Scheme is to devise training to upgrade the skills of employees, with a view to helping both the employers and employees to face challenges of the economic restructuring.

from some of the course requirements.

15. The training courses are expected to commence in mid-2002.

CONCLUSION

16. Members are invited to give their views on the Bill.

**Economic Services Bureau
December 2001**