

LEGCO QUESTION NO. 18
(Written Reply)

Asked by Hon Howard Young

Date of meeting : 7 February 2001

Replied by : Secretary for Economic
Services

Question

Regarding the licensing work of the Travel Agents Registry, will the Government inform this Council:

- (a) of a breakdown of the annual costs incurred in the last three years by the Registry in respect of its licensing work; and the percentage of costs recovered from the relevant levies and fees; and
- (b) whether it has conducted any management audit on the correct staff establishment for discharging its licensing function?

Reply

Madam President,

- (a) The annual cost, revenue and cost recovery ratio of the Travel Agents Registry in respect of licensing work for financial years 1999/2000 and 2000/01, are as follows:

	<u>(\$m)</u> <u>1999/2000</u>	<u>(\$m)</u> <u>2000/01</u> <u>(estimated)</u>
<u>Cost</u>		
Staff Costs	5.1	5.2
Departmental Expenses	0.2	0.2
Accommodation Costs	1.3	1.1
Administrative Overhead	0.2	0.2
Total	6.8	6.7
 <u>Revenue</u>		
Licensing and related services	7.2	7.3

Cost Recovery Ratio

106%

109%

The Registry only started to conduct a comprehensive costing exercise in 1999/2000. We do not have detailed costing figures for 1998/1999.

Under the Travel Agents Ordinance, travel agents are required to contribute 0.3% of the outbound tour fee as a levy to finance the Travel Industry Compensation Fund and the self-regulatory functions of the Travel Industry Council of Hong Kong. The Government does not recover cost for the above-mentioned licensing work from this levy.

- (b) The Travel Agents Registry regularly reviews its internal procedures and staffing requirement to achieve higher efficiency. The last review was carried out in 1999/2000 resulting in the down-grading of 1 post in 1999/2000 and the deletion of 1 post in 2001/2002.

Ends