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22 February 2019

Ms Alice Cheung Establishment Subcommittee Secretariat Legislative Council Secretariat Legislative Council Complex 1 Legislative Council Road Central, Hong Kong

Dear Ms Cheung,

Establishment Subcommittee Follow-up Action to the Meeting on 15 February 2019

We refer to your letter dated 15 February 2019, which requests the Government to provide supplementary information mentioned in the <u>Annex</u> with respect to the proposal in Item No. EC(2018-19)19. Our reply is as follows.

Preparatory Work and Timetable

The Travel Industry Bill was passed by the Legislative Council in November last year to provide for the establishment of the Travel Industry Authority ("TIA") as an independent statutory body. We expect that about two years will be needed to finish all necessary preparations in order for TIA to take over the trade regulatory and licensing functions from the Travel Industry Council of Hong Kong ("TIC") and the Travel Agents Registry ("TAR") respectively for the full implementation of the new regulatory regime.

Since late last year, the non-directorate staff members of the Preparatory Team have been reporting for duty progressively. When the proposed Senior Principal Executive Officer ("SPEO") assumes office, the whole Preparatory Team will plan and undertake a number of preparatory tasks full steam ahead. At present, the Preparatory Team is making preparations for establishing TIA, including –

- (a) to undertake an appointment exercise of TIA;
- (b) to formulate the governance framework and work plans for TIA;
- (c) to formulate internal administrative, personnel, accounting, financial management, stores and procurement rules and procedures for TIA;
- (d) to formulate the strategy, timetable and procedures on the recruitment of TIA's staff, as well as the remuneration packages of the staff; and
- (e) to arrange office accommodation for TIA.

We expect that, upon the establishment of TIA, the Preparatory Team will assist TIA in recruiting the Executive Director and other staff in phases from the second half of this year onwards, such that the staff concerned can assume office in batches next year. Meanwhile, the Preparatory Team will assist TIA in taking forward various preparatory tasks in phases, including formulating subsidiary legislation, rules and procedures related to licensing and regulation, transferring relevant records of licensed travel agents and accredited tourist guides and tour escorts to TIA, taking up the Travel Industry Compensation Fund ("TICF") as well as establishing a Travel Industry Development Fund, etc. The team will also assist TIA in conducting trade consultation as well as launching public education and a publicity campaign on the implementation details of the new regulatory regime.

Handover of Work between Proposed SPEO and TIA's Executive Director

The preparatory tasks mentioned in the two foregoing paragraphs are voluminous and complex, and involve liaison and co-operation with many stakeholders including relevant Government departments, TIC, TICF Management Board, etc. The Executive Director and other staff of TIA will assume office in batches. It will take some time for the staff concerned, after reporting for duty, to understand and grasp the various requirements of both the existing and new regulatory regimes, before smoothly taking up the various preparatory tasks. Therefore, before the full implementation of the new regulatory regime, it will be necessary for the proposed SPEO to continue leading the Preparatory Team to support the initial operation of TIA and its secretariat for carrying on the various preparatory tasks in an orderly and smooth manner.

Moreover, the proposed SPEO is familiar with the Government's internal operation, and will be responsible for planning and co-ordinating the work on all relevant transitional and handover arrangements involving TIA, TAR, the Police, the Department of Justice, as well as the TICF Management Board for which TAR provides secretariat support, prior to the full implementation of the new regulatory regime. The officer will also be responsible for formulating the appeal mechanism independent of TIA, as well as assisting the Secretary for Commerce and Economic Development in appointing members to the independent panel in charge of handling disputes not involving disciplinary matters.

Yours sincerely,

(Nicky Ng) for Commissioner for Tourism

c.c. Financial Services and the Treasury Bureau (The Treasury Branch) (Attn.: Ms Emily Tsang)

Annex

Establishment Subcommittee Follow-up Action to the Meeting on 15 February 2019

EC(2018-19)19

As regards the Government's proposed creation of a supernumerary Senior Principal Executive Officer post in the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) for a period of two years to lead a Preparatory Team in planning and implementing the preparatory work for the establishment of the Travel Industry Authority ("TIA") and a new regulatory regime of the travel industry, a member requested the Government to provide supplementary information about the work and timetable of the Preparatory Team upon creation of the proposed post, including the arrangements about handover of work between the officer and the future Executive Director of TIA.