

**IN THE THIRD SESSION OF THE FIFTH PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA**

**REPORT OF THE COMMITTEE ON TRADE, INDUSTRY AND TOURSIM ON THE TOURISM BILL**

**1.0 INTRODUCTION**

The Tourism Bill was laid in the House on 2<sup>nd</sup> November, 2010 and referred to the Committee on Trade, Industry and Tourism for consideration and report in accordance with the 1992 Constitution and the Standing Orders of the House.

To consider the Tourism Bill, the Committee met with the Minister of Tourism Hon, Akua Sena Dansua, the Deputy Minister of Tourism, Hon Kwabena Acheampong and a technical team from the Ministry of Tourism and reports as follows:

**2.0 REFERENCE DOCUMENTS**

The Committee referred to the following documents:

- (i) 1992 Constitution of the Republic of Ghana
- (ii) Standing Orders of the House
- (iii) Memorandum from the Ghana Tourism Federation
- (iv) Memorandum from the Ghana Tourist Development Company Limited

**3.0 BACKGROUND**

Tourism has become a global and highly competitive socio-economic and environmental activity both in developed and developing countries. It has also become the largest and fastest growing industry world-wide, and stimulates other sectors such as agriculture, finance and manufacturing. Apart from generating foreign exchange earnings and revenue for governments, tourism has the potential of becoming an avenue for pro-poor development. It has the ability to create jobs and wealth for local economies as well as contribute to conserving natural resources. Tourism can also create entrepreneurial opportunities in the formal and informal sector. It is envisaged that tourism will become one of the pillars of productive and sustainable sources of decent employment and poverty reduction in this country.

Development in Rural communities can be enhanced where prime tourism attractions are located through visits by tourists. The environment is protected when tourism activity is reliant on lakes, beaches, forests, wetlands and wildlife areas.

Despite the role of tourism in national development and its role in the conservation of historical, cultural and natural resources, there is no formal linkage between tourism sector agencies and the agencies that have direct responsibility for these resources. There are many laws that impact on tourism, however these laws, deal separately with hotels, wildlife preservation, national museums and monuments, investment promotion among others. Co-ordination between tourism and agencies that enforce the laws, some of which impact negatively on tourism promotion and growth, is weak. For competitive and sustainable tourism development, there is the need for linkage between tourism legislation and other related laws to remove bottlenecks against growth in the tourism industry.

Currently, the implementing agency in the tourism structure is the Ghana Tourist Board. The Tourist Board provides co-ordination and regulation of the tourism industry as well as the marketing of tourism, research, registration and licensing. The Ministry has a training Centre known as Hotel Catering and Tourism Training Centre (HOTCATT) which provides basic hotel and catering training. There is also the Ghana Tourist Development Company Limited which is an autonomous entity that has the responsibility for developing and investing in the Tourism Sector.

This structure is incompatible with modern tourism requirements and does not accord with best practice worldwide. The collaboration between Ministries, Departments and Agencies have been weak and the structures at the regional and district levels are not well defined. The relationship between the public and private sector as regards tourism development and promotion has also been weak.

#### **4.0 PURPOSE OF THE BILL**

The purpose of this Bill is to establish the National Tourism Authority to regulate the tourism industry.

#### **5.0 STRUCTURE OF THE BILL**

The Bill is in two main parts. Part one advocates the establishment of the National Tourism Authority whilst Part Two provides for the regulation of tourism enterprises in the country.

**Part one** is divided into four sections.

**Section one** is on the Application, Establishment, functions and governing body and covers clauses 1 to 11. In this section, the functions, composition and scope of the Authority is clearly spelled out. It also covers the tenure of members, meetings, among others.

**Section two** is on the Administration and staff of the Authority and this is contained in clauses 12 to 18. The Section sets up the administrative wing of the Authority. It details out, among others, the departments of the Authority, appointment of the Chief Executive and his/her functions as well as the appointment of other staff.

**Section three** covers the finances of Authority and is from clause 19 to 22

Section four is on the establishment of the Tourism Development Fund and this is covered in clause 23 to 25

**Part two** is divided into six sections.

The **first section** is on the Licensing of tourism enterprises and is from clause 36 to 43. The section spells out the procedure for licensing tourism enterprises, renewal of licenses and complaints procedure, among others

The **second section** covers clause 44 and 45 and is on the setting up of the Tourism Appeal Panel

The **third section** is on the duties, liabilities and privileges of tourism enterprise license holders and is covered in clauses 46 to 49. It requires holders of tourist accommodation licenses to keep registers on guests. It also provides for liabilities to guests, and the right of sale of properties left by guests, among others.

**Section four** is on Inspectors and is from clauses 50 to 52. The section provides for the appointment of inspectors, their powers and punishment for obstructing them in the performance of their functions.

**Section five** is on Public Private Partnership forum covers clause 53.

**Section six** covers miscellaneous provisions and is from clauses 54 to 64. This section includes regulations, interpretations, control of advertisements and repeals, among others.

## **6.0 OBSERVATIONS**

### **6.1 Rationale for the Bill**

The Committee was informed that the bill if passed would establish an Authority to be known as the Ghana Tourism Authority to replace the Ghana Tourist Board whose function is to regulate the entire tourism industry.

The Minister told the Committee that tourism now plays a significant role in the development agenda of Countries. It has the potential of creating jobs as well as conserving natural resources.

If the country is to benefit from the huge opportunities that tourism holds with respect to development of the country, then there is the need to restructure the existing legal and regulatory framework to make it compatible with modern tourism requirements and ensure that it is consistent with international best practice.

The Minister said in order to restructure the framework, Government considered it expedient to establish an Authority to regulate and sustain the development of the tourism industry. It is as a result of this that Parliament is urged to pass the bill.

### **6.2 Need for the passage of the Bill**

The Committee was informed that the success of this year's programme of activities of the Ministry of Tourism largely depends on the passage of this Bill. This is because a large portion of the Ministry's Internally Generated Fund is to be derived from the fees and levies to be charged under the Bill.

### **6.3 Future of Ghana Tourist Board**

On what would become of the Ghana Tourist Board (GTB) and its staff, the Minister said the Bill, in clause 62, seeks to dissolve the GTB and vest its assets and liabilities in the Authority. The Staff of the Board would be transferred to the Authority.

### **6.4 Ghana Tourist Development Company Limited**

The Bill seeks to transfer the ownership of the assets that belongs to the Ghana Tourist Development Company limited (GTDC) to the Authority.

The Board of GTDC in a Memorandum informed the Committee that contrary to the intent of the bill, GTDC is not wholly owned by the Ghana Tourist Board. GTDC is a limited liability Company formed to lead the private sector in the development of tourism infrastructure and tourism related commercial ventures in the country.

The ownership structure comprises

- GTB - 48%
- Bank of Ghana - 26%
- SIC - 26%

Since GTDC is not wholly owned by GTB, the Authority can only take over the shares of GTB in the company. If the Authority intends to own the Company, then it has to purchase the shares of the other shareholders.

#### **6.5 Inclusion of key Ministries and sectors in the Governing Board**

The Committee observed that the proposed membership of the Governing Board of the Authority does not include ministries such as the Ministry of Roads and Highways, Energy and Trade and Industry. The Ministry of Roads and Highways was identified for the fact that most tourist sites have to be provided goods roads. The Ministry of Energy was identified because the Akosombo dam is a key tourist site in the country. The Ministry of Trade was mentioned as a result of its role in promoting commerce in the tourism industry.

The technical team informed the Committee that tourism is a cross cutting industry and as such every agency plays an important role in its promotion. However, the membership of the Board could not include all of them. With an effective governing board and the appropriate coordination and linkages, all stakeholders could be brought together to promote tourism in the country.

The Committee urges the Members of the Governing Board, when set up, to co-opt key stakeholders to assist them as and when deemed necessary.

#### **6.6 Term of office for Panel members**

Clause 44 of the Bill sets up the Tourism Appeal Panel and provides for a three year term for its members.

Some members wanted to know whether the members of the Panel would be paid throughout the three years whether they sit on a referral or not and how long the Panel should take to consider a referral. They were of the view that the Panel members should be paid allowances as and when they meet to consider an issue.

The technical team informed the Committee that sub clause 10 of Clause 44 provides that the Sector Minister shall prescribe the allowances to be paid in consultation with the Minister responsible for Finance. Thus the mode for payment would be spelt out by the Sector Minister.

#### **6.7 Register to be kept by tourist accommodation licenses**

The Bill provides that the holder of a tourist accommodation licence should keep a register on the premises and ensure that details of guests are recorded in it. Failure to do so would mean the holder having committed a crime and thus is liable on summary conviction to a fine of one hundred penalty units or six months imprisonment or both.

The Committee was of the view that the prison term for this requirement is quite harsh. Often, such responsibilities are assigned to a member of staff who may fail to perform his or her duties satisfactorily. The law as provided holds the owner responsible who may have no knowledge of the matter.

The technical team explained that this requirement is part of international standards in the industry. It is also one of the requirements by the GTB. There is therefore the need to make it punitive in view of the recent spate of crimes, sudden deaths as well as missing items in many tourism enterprises. If such information is not well kept it would be difficult for the holders of the tourism enterprises to assist the law enforcement agencies and the public whenever a serious issue bordering on criminality crops up at any such premises.

#### **6.8 Establishment of a Tourist Development Fund**

The Committee observed that the Bill establishes a Tourism Development Fund to provide the needed funding for the Authority to undertake tourism and tourism-related activities.

The Minister said the main sources of funding are spelt out in clause 25 of the Bill. They include:

1. Seed capital from Government
2. A one percent accommodation levy paid by the patron of an accommodation enterprise.

On the need for the one percent accommodation levy, the technical team informed the Committee that this is an internationally accepted levy. Most countries call it 'bed tax' and it is solely used to promote tourism related products. The levy is to be charged on accommodation provided by hotels, guest houses, resorts and other similar enterprises. These enterprises have been detailed in the First Schedule.

The Committee noted that the levy is to be used to develop tourism in the country. If tourism is well developed, the country derives a lot of benefits from it including foreign exchange for development. Hence the proposed levy is in the right direction and should not be limited to only accommodation enterprises but extended to other selected tourism activities in the country.

The Committee however noted that the cost of hospitality services in the country is quite high. As a result domestic tourism is very low. In most countries, domestic tourism plays a significant role in the tourism industry. Hence there is the need for the incoming Authority to look into and come up with ways by which domestic tourism can be made attractive and affordable.

The technical team assured the Committee that in the administration of the levy, care would be taken to ensure that it does not result in higher prices. Furthermore, one of the functions of the Board of the Authority is to promote tourism in the country and this includes domestic tourism

#### **6.9 Sex Tourism**

The Minister informed the Committee that the bill provides for Sex Tourism as an illegal venture. This is to lay emphasis on sex tourism as a criminal offence. She said this was to prevent Ghana from becoming a sex haven like Thailand or Gambia.

The Committee's attention was drawn to the fact that sex tourism is not a crime as it is not captured in the Criminal and Offences Act. The Act rather provides for sexual offences which includes prostitution.

Furthermore, the definition of sex tourism, in the Bill, as "the engagement of a person in a sexual offence with a tourist" is misleading as the definition of sexual offences are provided for in general in the Criminal Offences Act and do not necessarily have to be engaged in with a tourist.

In the Committee's view, even though sexual offences should not be encouraged, the provisions in the Criminal and Offences Act should be enough to deal with it.

## 7.0 AMENDMENTS PROPOSED

After carefully considering the bill, the Committee proposes the following amendments

- i. **Clause 1 - Amendment proposed - Delete**
- ii. **Clause 2 - Amendment proposed - Head note - delete 'National' and insert 'Ghana'**
- iii. **Clause 2 - Amendment proposed - Line 2 - delete 'National' and insert 'Ghana' and wherever it appears in the Bill.**
- iv. **Clause 3 - Amendment proposed - Head note - delete 'objects' and insert 'object'**
- v. **Clause 4 - Amendment proposed - paragraph (c) - delete**
- vi. **Clause 4 - Amendment proposed - paragraph (f) line 3, delete '35' and insert '30' and interchange '(p)' and '(q)'**
- vii. **Clause 5 - Amendment proposed - Sub clause (1), paragraph (a) - delete 'the' and insert 'a' and delete 'must be' and insert 'is'**
- viii. **Clause 5 - Amendment proposed - Sub clause (1), paragraph (b) line 1 - delete 'must not be' and insert 'is not'**
- ix. **Clause 9 - Amendment proposed - Sub clause (2) - delete**
- x. **Clause 12 - Amendment proposed - Sub clause (2) - delete**
- xi. **Clause 12 - Amendment proposed - Sub clause (3) - delete**
- xii. **Clause 12 - Amendment proposed - Sub clause (4) - delete**
- xiii. **Clause 13 - Amendment proposed - Sub clause (3) - delete**
- xiv. **After Clause 13 - Amendment proposed - Insert a new clause as follows:**  
"Secretary  
The Chief Executive shall delegate an officer of the Authority to serve as Secretary to the Board."
- xv. **Clause 17 - Amendment proposed - delete and insert the following:**  
**'District Offices of the Authority**  
(1) The Board shall establish district offices of the Authority in each district.  
(2) The District Offices shall perform the functions determined by the Board.'
- xvi. **Clause 18 - Amendment proposed - delete**
- xvii. **Clause 21 - Amendment proposed - Sub-clause (4) - delete**



- xviii. **Clause 24 - Amendment proposed** - Sub clause (2), line 1- delete 'For the purpose of achieving' and **insert** 'To achieve'
- xix. **Clause 24 - Amendment proposed** - Sub clause (2), add a new paragraph (e) as follows:  
'tourism education and training'
- xx. **Clause 25 - Amendment proposed** - line 1 - **delete** 'shall'
- xxi. **Clause 25 - Amendment proposed** - paragraph (b) - **delete** and **insert** the following  
'one percent levy payable by a patron of a tourism enterprise,  
specified in the First Schedule'
- xxii. **Clause 25 - Amendment proposed** - paragraph (c) - 'and grants'
- xxiii. **Clause 25 - Amendment proposed** - paragraph (d) line 1, at end, **add** 'or investments'
- xxiv. **Clause 26 - Amendment proposed** - **delete**
- xxv. **Clause 27 - Amendment proposed** - **delete** and **insert** the following:
- (1) 'The Fund shall be administered by the Board and a representative of the Controller and Accountant-General
  - (2) The moneys for the Fund shall be paid into a bank account opened by the Board with the approval of the Controller and Accountant-General
  - (3) Payments issued from the Fund shall be signed by the Chief Executive and Accountant, both of the Authority
  - (4) In furtherance of subsection (1), the Board shall
    - a. Arrange for the effective and efficient collection of moneys assigned to the Fund;
    - b. Identify other sources of funding
    - c. Co-ordinate and ensure total and timely accountability of the Fund
    - d. Prepare and publish procedures for disbursement of the Fund
    - e. Formulate general financial strategies and policies for the growth of the fund
    - f. Evaluate and approve projects in need of funding
    - g. Determine the certification necessary to ensure that work is completed in according to specification
    - h. Review the annual programmes and projects submitted by the public and private sector agencies for funding; and
    - i. Perform other functions that may be incidental to its functions
  - (5) Sections 21 and 22 on accounts and audit and annual report and other reports apply to the Fund.
- xxvi. **Clause 28 - Amendment proposed** - **delete**
- xxvii. **Clause 29 - Amendment proposed** - **delete**
- xxviii. **Clause 30 - Amendment proposed** - **delete**
- xxix. **Clause 31- Amendment proposed** - **delete**
- xxx. **Clause 32- Amendment proposed** - **delete**

- xxxi. **Clause 33 - Amendment proposed - delete**
- xxxii. **Clause 34 - Amendment proposed - delete**
- xxxiii. **Clause 35 - Amendment proposed - delete**
- xxxiv. **Clause 36 - Amendment proposed - Sub clause (3), line 2, delete two at end and insert 'one' and line 3 delete 'and fifty' and in line four, delete 'two years' and insert 'six months'**
- xxxv. **Clause 42 - Amendment proposed - Sub clause (3) - delete**
- xxxvi. **Clause 42 - Amendment proposed - Sub clause (8), line 3, delete '43' and insert '45'**
- xxxvii. **Clause 44 - Amendment proposed - Sub clause (1), line 1, delete 'Tribunal' and insert 'Panel' and wherever it appears in the bill.**
- xxxviii. **Clause 44 - Amendment proposed - Sub clause (2), (a), after 'Minister', insert 'in consultation with major stakeholders'**
- xxxix. **Clause 45 - Amendment proposed - Sub clause 1, paragraph (d) insert 'other' before 'decision'**
  - xi. **Clause 51 - Amendment proposed - Sub clause 2, line 2, delete 'provide the means required by' and insert 'facilitate the requirements of' and also delete 'as' in the same line**
  - xii. **Clause 53 - Amendment proposed - Sub clause (2), at end, add 'in collaboration with the Authority and the private Sector'.**
  - xlii. **Clause 53 - Amendment proposed - Sub clause (5) line 1, insert 'at least' after 'meet' and in line 2, insert 'to be' at the beginning**
  - xliii. **Clause 54 - Amendment proposed - delete**
  - xliv. **Clause 55 - Amendment proposed - delete and insert the following**  
*'In accordance with the Alternative Dispute Resolution Act, 2010 (act 798), tourism enterprises may agree to use alternative dispute resolution methods for the resolution of conflict between them'*
  - xlv. **Clause 56 - Amendment proposed - delete**
  - xlvi. **Clause 56 - Amendment proposed - Headnote - delete 'Control of'**
  - xlvii. **Clause 58 - Amendment proposed - Sub clause (3) line (5), delete 'District Assembly' and insert 'Institution'**
  - xlviii. **Clause 61- Amendment proposed -Sub clause (1), paragraph (c) delete**
  - xliv. **Clause 61- Amendment proposed -Sub clause (2) line 1, at end, insert 'liable' and line (2), at end, insert 'units'**
    - I. **Clause 61 - Amendment proposed - Add the following new Sub Clause:**  
"The Minister responsible for Finance and Economic Planning shall prescribe fees to be paid under this Act."

- ii. **Clause 62 - Amendment proposed - Sub clause (2), last line - delete 'to the' before 'Authority'**
- iii. **Clause 63 - Amendment proposed - Interpretation - 'Ghana Tourist Development Company', delete**
- iiii. **Clause 63 - Amendment proposed - Interpretation - 'Management Board', delete**
- lv. **Clause 63 - Amendment proposed - Interpretation - 'public agency', delete**
- lv. **Clause 63 - Amendment proposed - Interpretation - 'public officer', delete**
- vi. **Clause 63 - Amendment proposed - Interpretation - 'Sex Tourism', delete**
- vii. **Clause 63 - Amendment proposed - Interpretation - 'Sex Tourism', delete**
- lviii. **Clause 63 - Amendment proposed - Interpretation - 'Tourism Activity', line 2, after 'catering' insert 'and other related tourism ventures'**
- lix. **Clause 63 - Amendment proposed - Interpretations - Add the following new interpretation -**
  - 'Inspector' means 'a person with the requisite qualification appointed by the Authority under Section 5.*
  - 'Panel' means 'The Tourism Appeals Panel established under Section 33'*
- ix. **First Schedule - Amendment proposed - delete and insert the following**

**'FIRST SCHEDULE**

**TOURISM ENTERPRISES**

**A. Establishment**

1. Tourist accommodation includes:

- (a) Hotel,
- (b) Guest House,
- (c) Motel and Highway rest stops,
- (d) Home Lodge, Home Stay and Inn,
- (e) Serviced Flats, Holiday Apartments,
- (f) Tourist Camp, Caravan
- (g) Hostels,
- (h) Resorts,
- (i) Lodges,
- (j) Highway Rest Stops
- (k) Ecologies
- (l) Commercial Accommodation on Silt
- (m) Commercial Village Tourism Facilities

2. Places where food, beverages and entertainment services are provided including:

- (a) Restaurants,
  - (b) Entertainment Centres,
  - (c) Tea rooms/spots
  - (d) Rest Stops,
3. Night Club
- (a) Night Clubs,
  - (b) Pubs, and
  - (c) Movie Houses.
4. Travel Trade Enterprises including
- (a) Tour Operator,
  - (b) Travel Agency,
  - (c) Car Rental,
  - (d) Tour Guide,
  - (e) Charter Flight Operator, and
  - (f) Site Guides.
5. Banqueting Facilities
- (a) theme Parks,
  - (b) Commercial Swimming Pool Facilities,
  - (c) Beach Recreational Facilities,
  - (d) Event Houses,
  - (e) Health Farms, and
6. Conference facilities including multi-purpose function rooms
- (a) Golf Course,
  - (b) Commercial Tennis Facilities,
  - (c) Gymnasiums, and
  - (d) Other Commercial Health Related Tourism Facilities
7. Spa,
8. Tourist Site,
9. Resorts, and
10. Any other tourism-related enterprise.

**B Activity**

- (a) Eco-tourism activities,
- (b) Tour operation services,,
- (c) Boat riding,
- (d) Operation a boat house,
- (e) Marina,
- (f) Vehicle rental service, such as buses, mine buses, cars, motorcycles, Bicycles,
- (g) Tour guiding including those employed by a tour operator,

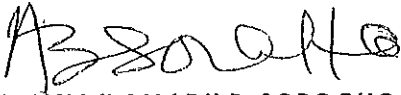
- . (h) Travel agency services,
- (i) Water sport,
- (j) Sport fishing,
- (k) Aero sports in paragliding, and
- (l) Other tourism-related activity'

lxi. **Second Schedule - Amendment proposed - delete**

## 8.0 CONCLUSION

The Bill is timely, relevant and necessary for the purposes of promoting and sustaining the tourism industry in Ghana. In view of the above, the Committee recommends to the House to adopt this report and pass the Tourism Bill as amended.

Respectfully submitted.



HON. ALHAJI AMADU B. SOROGHO  
CHAIRMAN



ASANTE AMOAKO-ATTA  
CLERK TO THE COMMITTEE

25 February 2011

PARLIAMENT OF GHANA LIBRARY