

Issues raised by members at the meeting on 24.5.99

1. To provide a breakdown of marine accidents in the past three years according to type of vessels and causes, in particular whether any accidents occurred because of the substandard construction of vessels.

Please refer to Appendix I.

2. To advise on the criteria in determining whether pleasure vessels are engaged in commercial purposes which are considered violating the legislation, the scope of activities permitted to be carried out on chartered pleasure vessels under the Bill, details of the regulatory control in respect of chartered pleasure vessels as well as the specific safety survey standards for pleasure vessels.

The sub-legislations to be made under the Bill will define clearly the term “pleasure vessels”. The letting of pleasure vessels to a party/organisation other than the family, relatives will only be allowed under charter agreement. The scope of activities permitted, including under charter agreement will be restricted to pleasure purposes. That is to say, a pleasure vessel cannot be used to convey workers to their work places nor transporting cargoes. The regulatory control is that a charter agreement must be entered before the owner executes the service and the charter agreement must be kept on board for ready inspection by law enforcing officer. There is no survey standard for pleasure vessels.

3. To consider further subdividing Class IV - pleasure vessels into two types, namely vessels used solely for private pleasure purpose and pleasure vessels are hired or let under the terms of a charter agreement.

The new licence classification system proposed in the Bill is based on the usage of the vessels and not on the nature of ownership

of the vessels. The new Class I is for vessels built and designed for carrying fare paying passengers (i.e. for a commercial and public purpose); Class II is for vessels built for carrying cargoes; Class III is for fishing vessels; and Class IV is for pleasure vessels. This follows the international practice of regulating vessels based on operational and usage requirements and not ownership, since the safety requirements for a vessel irrespective of the nature of the ownership of the vessels. Since under each licence category, a vessel can be owned, chartered or leased to another user, the same argument for sub-dividing the licence into two sub-categories would apply to all classes of licences if Class IV licence is split into two different categories. For example, cargo vessels are often operated on a chartered basis. The flexibility is needed to allow owners who do not use their vessels on a regular basis to charter them to other users.

The objective of the bill is to ensure that a local vessel operating in Hong Kong waters, whether for business or private recreational use, should have adequate third party insurance. The future regulation will set out the requirements for this when a vessel is chartered to other users.