

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2162/04-05  
(These minutes have been seen  
by the Administration)

Ref: CB1/BC/10/04

**Bills Committee on Merchant Shipping**  
**(Local Vessels and Miscellaneous Amendments) Bill 2005**

**Meeting on**  
**Wednesday, 13 July 2005, at 2:30 pm**  
**in the Chamber of the Legislative Council Building**

- Members present** : Hon Miriam LAU Kin-ye, GBS, JP (Chairman)  
Hon CHAN Kam-lam, SBS, JP  
Hon SIN Chung-kai, JP  
Hon WONG Yung-kan, JP
- Public Officers Attending** : Miss Janice TSE  
Deputy Secretary for Economic Development and Labour  
(Economic Development)
- Mr W K LEE  
Assistant Director of Marine (Shipping)
- Ms Alice LAU  
Principal Assistant Secretary for Economic Development  
and Labour (Port, Maritime and Logistics)
- Mr Y N CHAN  
Senior Marine Officer (Legislation and Prosecution)  
Marine Department
- Ms Marie SIU  
Senior Government Counsel  
Department of Justice
- Ms Amy CHAN  
Government Counsel  
Department of Justice

**Attendance by invitation** : Tung Yee Shipbuilding & Repairing Merchants General Assn. Ltd.

Mr CHAN Chan-ming  
Designation

Mr CHEUNG Chi-keung  
Designation

Hong Kong Fisheries Development Association

Mr FUNG Wa-hing  
Secretary

Mr PO Yan-fu  
Vice-Chairman

**Clerk in attendance** : Mr Andy LAU  
Chief Council Secretary (1)2

**Staff in attendance** : Miss Anita HO  
Assistant Legal Adviser 2

Miss Winnie CHENG  
Legislative Assistant (1)5

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Action

**I Confirmation of minutes and matters arising**  
(LC Paper No. CB(1)2011/04-05 - Minutes of meeting held on 28 June 2005)

The minutes of the meeting held on 28 June 2005 were confirmed.

**II Meeting with deputations/the Administration**  
(LC Paper No. CB(1)2031/04-05(01) - Submission from Hong Kong Fisheries Development Association  
LC Paper No. CB(1)2031/04-05(02) - Submission from Hong Kong Shipowners Association

— the Bill; and  
— marked-up copy of the Bill.)

Action

2. The Bills Committee deliberated (index of proceedings attached at **Annex A**).
3. The Administration was requested to consider ways to address the concern about the impact of the proposed system for delegation of survey work of local vessels by the Director of Marine to individual person, a person belonging to a class of persons or government authorities under the Merchant Shipping (Local Vessels) Ordinance (Cap. 548) on the local shipbuilding and repairing industries.

**III Any other business**

Date of next meeting

4. The Bills Committee agreed that the next meeting should be held on 20 September 2005 at 2:30 pm.
5. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 1  
Legislative Council Secretariat  
1 August 2005

**Proceedings of the second meeting of Bills Committee on  
Merchant Shipping (Local Vessels and Miscellaneous Amendments) Bill 2005  
Wednesday, 13 July 2005, at 2:30 pm  
in the Chamber of the Legislative Council Building**

| Time marker   | Speaker   | Subject(s)   | Action required |
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| <i>Agenda Item I – Confirmation of minutes and matters arising</i>  |   |  |                 |
| 000000 –<br>000040  | Chairman  | - Confirmation of minutes of the meeting held on 28 June 2005 (LC Paper No. CB(1)2011/04-05)   |                 |
| <i>Agenda Item II – Meeting with deputations/the Administration</i> |   |  |                 |
| 000041 –<br>000259  | Chairman  | - Opening remarks  |                 |
| 000300 –<br>001616  | Hong Kong Fisheries Development Association (HKFDA) | <p><u>Presentation of views</u><br/>(LC Paper No. CB(1)2031/04-05(01))</p> <ul style="list-style-type: none"> <li>- Steel hull fishing vessels were at present subject to stringent safety requirements as other commercial vessels which were not necessary and difficult to comply with. The safety requirements for steel hull fishing vessels should simply follow those of wooden fishing vessels.</li> <li>- For the fishery industry, it was not clear how the new delegation system for the statutory safety survey of vessels would work and how it would affect the industry.</li> <li>- As fishing vessels operated mostly outside Hong Kong waters, the proposed compulsory third party risks insurance would not be of much use to the trade, but would inevitably add to the trade's operating costs. The trade therefore requested exemption from the requirement or the offer of a low premium insurance package for the trade by the Government.</li> <li>- The requirement that fishing vessels with an overall length exceeding 30.4 metres should obtain a permit from the Director of Marine (the Director) in order to use typhoon shelters was outdated, since small fishing vessels were fading out and fishing vessels with an overall length exceeding 30.4 metres were very common nowadays.</li> <li>- There had not been adequate consultation with the fishery industry on the proposed legislative amendments in the Bill.</li> </ul> |                 |

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| 001617 – 002623 | Tung Yee Shipbuilding & Repairing Merchants General Assn. Ltd. (TYSRMGA) | <p><u>Presentation of views</u></p> <ul style="list-style-type: none"> <li>- The new delegation system for the statutory safety survey of vessels would seriously affect the viability of the local shipbuilding and repairing industry, in particular the small operators.</li> <li>- When the new delegation system came into operation, operators of shipbuilding and repairing services in the Mainland could simply employ an authorized surveyor from Hong Kong to provide one-stop services (shipbuilding/repairing together with survey services). Since the Mainland operators could offer their services at much lower prices than the operators in Hong Kong, more local vessels would then be built or repaired in the Mainland.</li> <li>- In introducing the new delegation system, the Government had not taken into account the impact of the change on the local shipbuilding and repairing industry and the workers employed in the industry.</li> </ul>   |                 |
| 002624 – 010009 | Administration Chairman<br>Mr WONG Yung-kan<br>HKFDA                     | <ul style="list-style-type: none"> <li>- The Administration's advice that –               <ul style="list-style-type: none"> <li>(a) The safety requirements in respect of different types of vessels were set out in codes of practice issued by the Marine Department (MD), which had been drawn up in consultation with the Provisional Local Vessels Advisory Committee (PLVAC). Technical requirements were not covered in the present Bill.</li> <li>(b) The present safety requirements for local fishing vessels were drawn up on the basis of the international convention applicable to locally operated fishing vessels. As wooden fishing vessels were usually traditionally built long time ago, it was not practicable to apply certain requirements under the international convention to these vessels, and hence, certain relaxations were granted.</li> <li>(c) In view of the concerns of the fishery industry about the safety requirements applicable to steel hull fishing vessels, the Technical Sub-committee and</li> </ul> </li> </ul> |                 |

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|             |         | <p>Fishing Vessel Working Group of PLVAC might have to examine the matter as necessary.</p> <p>(d) The third party risk insurance requirement under the Merchant Shipping (Local Vessels) Ordinance (Cap. 548) only applied to, inter alia, vessels employed in sea fishing plying regularly in the waters of Hong Kong, or using the waters of Hong Kong as a base, and thus only applicable when vessels were within Hong Kong waters.</p> <p>(e) Substantial discussions had been held at PLVAC on the proposals in the Bill. Meetings of the PLVAC were held in public and interested parties were welcome to attend the meetings to give views.</p> <ul style="list-style-type: none"> <li>- Mr WONG pointed out that the standards applicable to local steel hull fishing vessels were the same as those applicable to ocean going vessels but the local fishing vessels in fact could not operate in other jurisdictions. When the safety requirements were introduced in the early 1990s, the Administration had not explained them clearly to the fishery industry. Problems arose when more wooden fishing vessels changed to steel hull fishing vessels.</li> <li>- With regard to the proposed amendments to the Merchant Shipping (Trawler Survey) Regulations (Cap. 281L) under Clause 32 of the Bill, the Administration advised that the regulations under Cap. 281 were not applicable to local fishing vessels. Instead, local fishing vessels were subject to regional requirements specifically for fishing vessels which were based on the Torremolinos International Convention for the Safety of Fishing Vessels.</li> <li>- Referring to the definition of “trawler” in section 91 of the Merchant Shipping Ordinance (Cap. 281), the Administration advised that since local fishing vessels were not registered in Hong Kong, they did not fall within the definition of “trawler” and thus the Merchant Shipping (Trawler Survey) Regulations (Cap. 281L)</li> </ul> |                 |

| Time marker        | Speaker                                       | Subject(s)  | Action required |
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|                    |   | <p>did not apply to local fishing vessels.</p> <ul style="list-style-type: none"> <li>- The Chairman said that as the safety requirements applicable to local fishing vessels did not fall within the ambit of the Bill, the safety requirements and inspection of fishing vessels should be followed up in a separate forum.</li> <li>- The Administration indicated that it would invite the fishery industry to attend the coming meeting of the working group to further discuss the matter.</li> </ul>   |                 |
| 010010 –<br>011633 | Administration<br>TYSRMGA<br>Mr WONG Yung-kan | <ul style="list-style-type: none"> <li>- On the concern about the impact of the proposed system for delegation of survey work of local vessels by the Director to individual persons or government authorities through an authorization/recognition mechanism on the local shipbuilding and repairing industry, the Administration advised that the objective of the delegation system was to provide vessel owners/operators with choices on inspection service and flexibility in their operation. The delegation system was not a form of contracting out of government services as MD would continue to provide survey services.</li> <li>- TYSRMGA opined that the representative from the local shipbuilding and repairing industry sitting on the PLVAC could not represent small operators in the industry. Most operators in the industry were not aware of the new legislation affecting them.</li> <li>- TYSRMGA also expressed concern that since the services of classification societies and relevant government authorities in the Mainland offered vessel survey services at relatively lower prices, with the new delegation system in place, many vessel owners would probably arrange their vessels to be surveyed in the Mainland rather than in Hong Kong.</li> <li>- While acknowledging that the Administration could not regulate the prices of survey services charged by registered professional engineers (RPEs), the Administration advised that compared to classification societies and relevant</li> </ul> |                 |

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|                    |   | <p>government authorities in the Mainland, RPEs based in Hong Kong in general were more familiar with the safety requirements applicable to local vessels, and thus they might have an edge over the classification societies and relevant government authorities in the Mainland.</p>   |  |
| 011420 –<br>012310 | Administration<br>TYSRMGA<br>Mr WONG Yung-kan             | <ul style="list-style-type: none"> <li>- On the concern that prior permission of the Director was required for a local vessel with an overall length exceeding 30.4 metres to use typhoon shelters, the Administration advised that for those typhoon shelters built in earlier days, the permitted length of local vessels not requiring prior permission was 30.4 metres and for the other typhoon shelters, the permitted length was 50 metres. Given the physical constraints of the typhoon shelters, the restriction on the use of typhoon shelters by larger local vessels was necessary to ensure safety and smooth operation of vessels in typhoon shelters.</li> <li>- Mr WONG opined that the Administration should conduct a review of the relevant regulations, taking into account the fact that the length of local vessels were generally longer than those in the earlier days.</li> <li>- The Chairman considered that the Administration should have concrete measures to address the problem of the lack of typhoon shelter facilities and/or the inconvenience of use of the facilities for longer local vessels.</li> <li>- The Administration took note of members' concern and agreed to review the provision of typhoon shelter facilities and the relevant regulations taking into account the demand side factors.</li> </ul> |  |
| 012311 –<br>020105 | Mr SIN Chung-kai<br>Administration<br>Chairman<br>TYSRMGA | <ul style="list-style-type: none"> <li>- In reply to Mr SIN, TYSRMGA explained that MD charged a few thousand dollars for a vessel survey conducted in Hong Kong and some \$20,000 for a survey conducted in the Mainland. Under the existing arrangements, the safety survey for issuance/renewal of licence must be undertaken by MD. So there was still a small room for survival of the small shipbuilding and repairing operators in Hong Kong. With the implementation of</li> </ul>   | The Administration to consider ways to address the concern about the impact of the delegation system on the local shipbuilding and repairing industry. |



| Time marker | Speaker | Subject(s)   | Action required |
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|             |         | <p>the new delegation system, a shipbuilding and repairing operator in the Mainland could simply employ an authorized RPE from Hong Kong to provide survey services in the Mainland. Hence, there would be fewer incentives for vessel owners to carry out repair works for their vessels in Hong Kong before undertaking the statutory safety survey. Under such circumstances, there would be no more room for viable operation of the small shipbuilding and repairing operators in Hong Kong.</p> <ul style="list-style-type: none"> <li>- In reply to Mr SIN as to whether the policy intention was to encourage local vessels to undertake statutory safety surveys in Hong Kong, the Administration advised that the delegation system was introduced in response to the requests of some operators of the sea transport trades to provide greater flexibility for vessel owners/operators in respect of statutory safety surveys. The authorization was granted to the surveyor concerned and did not restrict the place where the surveyor carried out the surveys. If the surveys were required to be conducted in Hong Kong, the objective of providing greater flexibility to vessel owners/operators would be defeated.</li> <li>- The Administration further advised that the introduction of the delegation system was not meant to impact on the local shipbuilding and repairing industry. In fact, at present many local vessels already undertook repair works and safety surveys in the Mainland before the vessels were surveyed by MD. The Administration had undertaken a lot of consultations on the delegation system and the majority views of the sea transport trades were to open up the statutory safety survey system.</li> <li>- On the concern about the control over the survey services provided by authorized surveyors, the Administration advised that – <ul style="list-style-type: none"> <li>(a) In granting authorization, MD would issue a letter of authorization together with a set of authorization conditions. MD would conduct random checks at least once a year on the services of</li> </ul> </li> </ul> |                 |

| Time marker | Speaker | Subject(s)  | Action required |
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|             |         | <p>each authorized surveyor, either by on-site observation of the survey work of the authorized surveyor or by conducting a post-survey inspection of vessels.</p> <p>(b) MD maintained records on the surveys conducted by authorized surveyors and if any potential problem was noticed, such as an authorized surveyor having surveyed a large number of vessels within a day, MD would follow up accordingly. The Administration did not consider it necessary to restrict the number of vessels to be surveyed by an authorized surveyor within a certain period. The main concern of the Administration was to ensure that the services of authorized surveyors met the required standards and in compliance with the authorization conditions. The Director had the power to revoke the authorization if the services of an authorized surveyor were found not up to the required standards or in breach of delegation conditions.</p> <p>(c) Upon satisfactory completion of the statutory survey of a vessel, the authorized surveyor should submit a declaration of survey in the prescribed form and, where applicable, survey reports to the Director. A certificate of survey would then be issued by MD accordingly. The authorized surveyor would be responsible for the declaration he had submitted.</p> <p>(d) The delegation system did not apply to passenger vessels and high risk vessels such as dangerous goods vessels.</p> <p>- The Administration further advised that there was no delegation system under the Mainland's statutory vessel survey system. However, the Mainland authorities would readily issue a licence to a vessel surveyed and certificated in Hong Kong as they were confident in Hong Kong's statutory vessel survey system. As such, there would continue to be incentives for vessel owners/operators to undertake vessel surveys in Hong Kong after the new delegation system came into operation.</p> |                 |

| <b>Time marker</b>                          | <b>Speaker</b> | <b>Subject(s)</b>   | <b>Action required</b> |
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|   |                | <ul style="list-style-type: none"><li>- The Chairman said that the concern raised by the local shipbuilding and repairing industry might not have been duly taken into account by the Administration in introducing the delegation system. She requested the Administration to explore ways to prevent/alleviate the potential adverse impact of the delegation system on the industry.</li></ul> |                        |
| <i>Agenda Item III – Any other business</i> |                |   |                        |
| 020023 –<br>020106                          | Chairman       | <ul style="list-style-type: none"><li>- Date of next meeting</li></ul>  |                        |

Council Business Division 1  
Legislative Council Secretariat  
1 August 2005