

立法會
Legislative Council

LC Paper No. CB(4)442/18-19(05)

Ref : CB4/PL/EDEV

Panel on Economic Development
Meeting on 28 January 2019

Background brief on the proposed injection into
the Maritime and Aviation Training Fund

Purpose

This paper provides background information on the Maritime and Aviation Training Fund ("the Fund"). It also summarizes the views and concerns expressed by members of the Panel on Economic Development ("the Panel") on relevant matters in previous discussions.

Background

2. At its meeting on 10 January 2014, the Finance Committee approved the creation of a commitment of \$100 million for establishing the Fund. The aim is to build up in due course a vibrant, diversified and competitive pool of professionals and technical personnel to support Hong Kong's future development in maritime and aviation sectors.

3. The Fund, which came into operation on 1 April 2014, would be used over a period of five years from 2014-15 to 2018-19 to sustain the five existing training schemes and scholarships¹ for the maritime sector, introduce enhancement measures, and launch new initiatives for the maritime and the aviation sectors. Details of the proposal are set out in FCR(2013-14)51.

4. According to the information provided by the Administration in May 2017, a total of 11 maritime and aviation-related funding and scholarship

¹ The five maritime-related training incentive/scholarship schemes are the Sea-going Training Incentive Scheme, Ship Repair Training Incentive Scheme, Hong Kong Maritime and Logistics Scheme, The University of Hong Kong-Dalian Maritime University Academic Collaboration Scheme and Hong Kong Maritime Law Scholarship Scheme.

schemes were launched under the Fund since its inception to encourage workers, in particular the younger generation, to pursue careers in maritime or aviation sectors. As at March 2017, the Fund had benefited 1 168 students, 1 282 in-service maritime practitioners and 631 in-service aviation practitioners. The cumulative expenditure for various incentive and scholarship schemes under the Fund was \$26.47 million, with a balance of \$73.53 million. Brief description, number of beneficiaries and funding provided for the 11 schemes under the Fund are set out at **Appendix I**.

5. At the meeting of the Panel on 22 October 2018 to receive briefing from the Secretary for Transport and Housing on the Chief Executive's 2018 Policy Address, members were advised that the Fund was currently supporting 14 schemes. As at August 2018, the Fund had benefited over 6 200 students and in-service practitioners in the maritime and aviation sectors. The Government would inject \$200 million into the Fund to continue its operation and introduce more new schemes so as to nurture maritime and aviation talents. The progress of the major schemes under the Fund, including improvement measures made/to be made under specific schemes in 2018, is set out at **Appendix II**.

Views and previous discussions of the Panel

6. Members have all along been concerned about the problem of manpower shortage and aging workforce in the maritime and aviation sectors. To attract more young people to join the two sectors, members in general supported the establishment of the Fund and urged the Administration to monitor the effectiveness of the Fund. Some members also urged the Administration to help secure more employment opportunities for the scheme beneficiaries under the Fund.

7. Since the establishment of the Fund in April 2014, the subject matter has been touched upon at the Panel's briefings on the Policy Address and at the Panel meeting on 26 June 2017 when discussing the development of Hong Kong Port and maritime services. The views and concerns expressed by members are summarized in the ensuing paragraphs.

8. On the utilization of the Fund, a member pointed out that the Fund mainly subsidized training courses provided to seafarers at senior levels operating on ocean-going vessels. He urged the Administration to review its support provided to junior staff of the industry. Another member was of the view that currently, only in-service practitioners in the maritime sector, instead of those who were new to the field, could benefit from the Fund. In view of the manpower shortage problem in the maritime and aviation sectors

in Hong Kong, the Administration should review the utilization of the Fund so as to attract new talents to join the industries.

9. On the specific schemes under the Fund, a member noted that recipients of the Local Vessel Trade Training Incentive Scheme were allowed to change companies during the subsidy period, provided that they were still working as local seamen. However, they were only eligible to join this scheme within the first few months upon joining a company. The member suggested relaxing such a restriction, so that seamen could join the training to enhance their professional qualifications even after they had joined their companies for a longer period of time. Another member suggested extending the period of the Sea-going Training Incentive Scheme as participants in this scheme might require a longer period to obtain the required professional qualifications.

10. To encourage more young people to join the maritime sector, a member considered that the Administration should further enhance the education and career prospects of these young people, as well as improve their employment benefits by, for example, setting up a seafarers' club to cultivate a sense of belonging among them. Another member suggested that the Administration could provide relevant on-the-job training similar to the Earn and Learn Pilot Scheme implemented by the Vocational Training Council for young people. The Administration should also cooperate with overseas shipping companies in providing relevant trainings and job opportunities to local talents, and devise measures to encourage shipping companies to hire more local seamen.

11. The Administration advised that similar to other top ranking flag States which did not impose nationality requirements on crew members, the Hong Kong Shipping Register did not require its registered ships to employ locally trained personnel, in order to continually attract overseas and Mainland shipowners to register their ships with Hong Kong. To enhance the employment opportunities of local talents, on the maritime front, the Government had been encouraging local shipowners and shipping companies to employ graduates trained in Hong Kong through various channels, including regular meetings between the Marine Department and the maritime industry. On the aviation front, the Government had been encouraging local aircraft maintenance companies/organizations through educational institutions to employ students who have completed specialized aircraft maintenance programmes, thereby attracting more new blood and promote the sustainable development of the aircraft maintenance industry. In fact, the employment prospect of the local maritime and aviation professionals had been good, and there were keen demands for local talents in both sectors.

12. On members' concern about the number and proportion of the beneficiaries who had joined the maritime or aviation sectors after completing the schemes under the Fund, the Administration advised that it did not have such statistics. Nevertheless, some schemes were applicable for in-service practitioners of the maritime and aviation sectors only. Besides, students who were awarded scholarships to pursue maritime or aviation-related bachelor or master degree programmes were subject to relevant conditions, which included the requirement of serving in the maritime or aviation sector for one year after graduation. According to the surveys conducted by relevant tertiary institutions, in 2016, about 55 per cent of the beneficiaries continued to serve in the maritime or aviation sector in Hong Kong after completing the one-year mandatory service period.

Council questions

13. At the Council meetings of 10 and 17 May 2017, Hon Holden CHOW and Hon LUK Chung-hung raised questions relating to the utilization of the Fund and the development of high-value added maritime services. Hyperlinks to the Council questions and the Administration's responses are provided in **Appendix III**.

Latest development

14. At the Panel meeting on 28 January 2019, the Administration will brief members on the proposed injection into the Fund.

Relevant papers

15. A list of relevant papers which are available on the Legislative Council Website (<http://www.legco.gov.hk>) is in **Appendix III**.

**Brief Description, Number of Beneficiaries and Funding of the
Schemes under
the Maritime and Aviation Training Fund (MATF)
(position as at end-March 2017)**

Schemes under MATF	Details	Funding (\$ million)	Number of Beneficiaries
(a) Professional Training and Examination Refund Scheme	<p>The Scheme aims to enhance the professionalism and competency of practitioners in the maritime and aviation sectors and encourage them to acquire relevant professional qualification(s). The approved courses include maritime- or aviation-related courses and professional examinations provided by various education institutions, professional organisations and trade bodies.</p> <p>Eligible applicants are refunded with 80 per cent of the fees after completing approved courses or passing examinations, subject to a cap of \$18,000.</p>	3.132	1,518
(b) Maritime and Aviation Internship Scheme	<p>The Scheme offers summer intern places in maritime- and aviation-related companies for students of tertiary institutions through tripartite co-operation among the Government, the industry and academia.</p> <p>The MATF will cover up to 75 per cent of the intern's monthly honorarium, or \$6,000 (whichever is lower), for an internship period of up to three months.</p>	8.723	914

Schemes under MATF	Details	Funding (\$ million)	Number of Beneficiaries
(c) Local Vessel Trade Training Incentive Scheme	The Scheme provides a monthly allowance of up to \$30,000 for eligible deck or engine room ratings newly employed by the local vessel trade.	1.02	71
(d) Sea-going Training Incentive Scheme	The Scheme offers a monthly subsidy of \$6,000 to deck or engine room cadets on ocean-going vessels for a maximum period of 18 months.	13.139*	159
(e) Ship Repair Training Incentive Scheme	The Scheme offers a monthly subsidy of \$1,500 to eligible graduates of the Vocational Training Council (VTC) who have enrolled for apprenticeship in the ship repair industry for a maximum period of 36 months.	1.135*	19
(f) Hong Kong Maritime and Logistics Scholarship Scheme	Scholarship for selected students of the Master of Science in International Shipping and Transport Logistics of the Hong Kong Polytechnic University (PolyU).	5.44	32
(g) The University of Hong Kong (HKU) - Dalian Maritime University (DMU) Academic Collaboration Scheme	The Scheme consists of two parts – (1) provides scholarship to selected students of DMU to undertake the Master of Common Law course at the HKU; and (2) supports HKU students and in-service practitioners to undertake summer courses and professional seminars.	2.454*	165
(h) Hong Kong Maritime Law Scholarship Scheme	Scholarship for selected students of the Master of Laws (Maritime and Transportation Law) programme of the City University of Hong Kong (CityU HK).	1.596*	15

Schemes under MATF	Details	Funding (\$ million)	Number of Beneficiaries
(i) Overseas Exchange Sponsorship Scheme	The Scheme provides financial support (\$30,000 - \$50,000) to undergraduates or postgraduates of selected maritime-related disciplines in PolyU, CityU HK, the Chinese University of Hong Kong and the Hong Kong University of Science and Technology (HKUST) to attend maritime-related overseas exchange courses.	0.93	31
(j) Partial Tuition Refund Scheme for the Specialised Aircraft Maintenance Programme	Eligible applicants undertaking the Higher Diploma in Aircraft Maintenance Engineering or Diploma in Vocational Education (Aircraft Maintenance) offered by the VTC and joining the aircraft maintenance industry after graduation are refunded with 50 per cent of the total tuition fee, subject to a cap of \$30,000.	1.706	146
(k) Hong Kong Aviation Scholarship Scheme	Scholarship for selected students of aviation-related bachelor or master degree programmes of the PolyU or HKUST.	1.011	11
		40.286*	3,081

* Schemes which have been launched before the establishment of the Fund. In addition to the funding under MATF, these schemes are also supported by other funding sources. The total amount of funding involved by all the schemes accounts for HK\$40.28 million, of which HK\$26.47 million is funded by MATF.

Source: Annex to the Administration's response to the Council question on "Development of high value-added maritime services" raised by Hon Holden CHOW at the Council meeting of 10 May 2017

Details and Progress of the Key Initiatives under the Maritime and Aviation Training Fund

To support the long-term development of the maritime and aviation industries and nurture more talent for the two sectors, the Government established the Maritime and Aviation Training Fund (the Fund) in April 2014 with a commitment of \$100 million. The Fund serves to support and encourage more young students and in-service practitioners to receive relevant technical training and undertake professional degree programmes for joining the two sectors, thereby enhancing the overall competitiveness and professional competency of the industries.

2. There are a number of training and incentive schemes covering various aspects of the aviation and maritime sectors launched under the Fund. As at August 2018, the Fund has benefited over 6 200 students and in-service practitioners in the maritime and aviation sectors. Details and progress of six key schemes under the Fund are set out in the ensuing paragraphs.

Professional Training and Examination Refund Scheme (ProTERS)

- The Scheme aims to encourage maritime and aviation in-service practitioners to enrol in courses offered by various academic institutions, professional or trade bodies, and to take part in professional examinations, so as to raise their professional competency and help them acquire relevant professional qualifications. To date, the Scheme covers some 235 professional courses and examinations and has disbursed about \$8.05 million to over 3 350 applicants. The Government will continue to increase the number of approved courses and professional examinations under ProTERS.

Maritime and Aviation Internship Scheme

- Through the tripartite collaboration among the Government, industries and academic institutions, the Scheme provides internship opportunities for tertiary students to encourage them to join the

maritime and aviation industries. In 2018, about 500 students participated in the Scheme and worked as interns in about 60 maritime and aviation companies. This year, the Government will continue to promote the Scheme to the industries and academic institutions to encourage more companies, tertiary students and secondary six school-leavers (only applicable to the aviation industries) to join.

Overseas Exchange Sponsorship Scheme

- The Government implemented the Scheme in 2015 in collaboration with four universities, namely the Hong Kong Polytechnic University, City University of Hong Kong, the Chinese University of Hong Kong and the Hong Kong University of Science and Technology. To provide opportunities for students to study abroad and broaden their horizons, sponsorships are given to those students enrolling in maritime-related programmes to attend overseas exchange courses relating to maritime. As at mid-2018, over 50 students received sponsorships under the Scheme.

Local Vessel Trade Training Incentive Scheme

- The Scheme provides an allowance of up to \$30,000 per person for those who are newly employed by the local vessel trade, with a view to encouraging them to acquire their first professional qualification as coxswains or engine operators on local vessels. To date, 125 applications were approved under the Scheme.

Hong Kong Aviation Scholarship Scheme

- Since 2015, scholarships have been offered to selected students for completing aviation-related degree or higher degree programmes to encourage the continuing professional enhancement of the aviation sector. As of school year 2017/18, a total of six master and bachelor programmes were eligible under the scheme. To date, 24 students were awarded the scholarship. In school year 2018/19, four programmes are made eligible under the scheme. The Government will continue to identify suitable programmes for the scheme.

Partial Tuition Refund Scheme for the Specialised Aircraft Maintenance Programme

- To encourage young people to choose specialised aircraft maintenance programmes and join the aircraft maintenance industry after graduation, the Scheme offers extra financial incentive for those who have completed specialised aircraft maintenance programmes and meet the eligibility criteria. As at August of 2018, over 190 applicants successfully applied partial tuition refund totalling about \$2.64 million under the Scheme.

3. In addition, some enhancements of the existing Schemes were or will be introduced under the Fund in 2018. Details of the maritime-related enhancements are set out as follows.

- To increase the monthly subsidy from \$1,500 to \$3,000 for each apprentice joining the apprenticeship in ship repairing industry for a maximum period of 36 months under the Ship Repair Training Incentive Scheme with a view to attracting more apprentices enrolling in the Scheme.
- To strengthen the support to the ocean going vessels (OGVs) deck cadets and engineering cadets who have joined the Sea-going Training Incentive Scheme (SGTIS) by providing a special monthly financial subsidy to cadets for up to six months (with the maximum additional subsidy of \$54,000 per applicant) during the period when they prepare for the examination on shore after having served on board for 18 months (for deck cadets) and 12 months (for engineering cadets), as well as the period when they return to OGVs after having acquired the qualification but are yet to be promoted. The new arrangement would be launched within this year to encourage more young people to join the seafaring sector.

Source: Annex to LC Paper No. CB(4)21/18-19(01)

List of relevant papers

Issued by	Meeting date/ Issue date	Paper
Panel on Economic Development	16 December 2013 (Item I)	Administration's paper Background brief Minutes
	2 February 2015 (Item IV)	Administration's paper Minutes
	26 January 2016 (Item VI)	Administration's paper Minutes
	26 June 2017 (Item V)	Administration's paper Minutes
	30 October 2017 (Item III)	Administration's paper Minutes
	22 October 2018 (Item III)	Administration's paper
Finance Committee	10 January 2014	Administration's paper Minutes (Under Item No. 6 - FCR(2013-14)51)
Council Meeting	10 May 2017	Council question on "Development of high value-added maritime services" raised by Hon Holden CHOW
	17 May 2017	Council question on "Utilization of the Maritime and Aviation Training Fund" raised by Hon LUK Chung-hung