

Information Paper

**LOCAL VESSELS ADVISORY COMMITTEE
Subcommittee on Class IV Vessels**

**Subsidy Scheme for Provision of Lifejackets on
Commercial Passenger-Carrying Local Vessels**

Purpose

This information paper sets out the details of a subsidy scheme for the provision of lifejackets on commercial passenger-carrying local vessels (including pleasure vessels let for hire or reward). Members are invited to note the content of this paper.

Background

2. The Local Vessels Advisory Committee (“LVAC”) endorsed the proposed legislative amendments for enhancing the provision of lifejackets on local vessels at its meeting on 12 November 2018¹. Unless otherwise specified for individual vessels, the new legislation will require suitable lifejackets to be carried for every person (regardless of whether he/she is a child or an adult but excluding infants) on board, and commercial passenger-carrying local vessels (including pleasure vessels let for hire or reward) licensed to carry more than 12 passengers to provide infant lifejackets in a number that equals 2.5% of the maximum number of passengers to be carried as specified in their licences. The proposed legislative amendments were discussed by the Legislative Council Panel on Economic Development (“ED Panel”)² on 19 December 2018 and gained its support. The new legislation is planned to come into operation on 1 July 2019.

3. The trade indicated that as it was difficult to forecast the number of child

¹ Please refer to Paper No. 8/2018 of the LVAC for the details of the legislative proposal.

² Please refer to LC Paper No. CB(4)322/18-19(03) for the discussion paper.

passengers on board, there were practical difficulties for the proposed measures to be put in place. In order to address the concerns of the trade and to ensure the practicability of new lifejacket provision requirements, the MD commissioned a subsidiary consultancy company of the Hong Kong Polytechnic University (“PolyU”) to develop a type of lifejacket suitable for both adults and children (“Common Lifejacket”), and it was successfully developed in mid-2016. The PolyU has applied for the protection of the intellectual property rights concerned and has entered into a co-operation agreement with a manufacturer for the production of the lifejacket. The production of the Common Lifejacket will soon commence.

4. During the consultation period, trade representatives repeatedly stated that replacement of lifejackets without a subsidy would pose a heavy financial burden on the trade and affect its operation. In response to the trade’s strong appeal and to encourage the trade to replace lifejackets as soon as possible for meeting the requirements of the new legislation, the MD reached a consensus with the trade that a one-off subsidy would be provided for the purchase of conforming lifejackets for eligible vessels on an accountable basis.

Details of the Subsidy Scheme for Provision of Lifejackets

Application Period

5. The subsidy scheme for the provision of lifejackets is planned to be open to applications on 1 July 2019. It will run for 24 months until 30 June 2021. Considering that vessel owners or their agents may need to purchase the Common Lifejackets in advance, applications may be made for subsidies for conforming Common Lifejackets and/or children lifejackets purchased or ordered on or after 19 December 2018³ during the above application period.

Eligibility Criteria

6. The subsidy granted is vessel-specific, regardless of whether there is a

³ The MD submitted the proposed legislative amendments to the ED Panel for discussion on 19 December 2018 and gained its support.

change in the ownership of the vessel. An eligible vessel is only entitled to be granted the subsidy once. Eligible vessels refer to local vessels which meet the following criteria before the commencement of the new legislation (i.e. on or before 30 June 2019):

- (i) being a Class I vessel licensed by the MD⁴;
- (ii) being a Class II vessel licensed by the MD to carry passengers⁴;
- (iii) being a Class IV vessel let for hire or reward and licensed by the MD to carry passengers⁵; or
- (iv) being a vessel of a class mentioned in (i) or (ii) above which has been issued with an Approval-in-Principle (AIP) Letter by the MD and is under construction⁶.

7. The applicant for the subsidy scheme must be an individual or a Hong Kong registered company. In making the application, the vessel owner or his/her agent is required to submit the required documents for verification and vetting. The MD reserves the right of final decision on whether or not to grant any subsidies.

Subsidy Limit

8. An eligible vessel may be granted a subsidy for the purchase of Common Lifejackets and/or children lifejackets which comply with the requirements stipulated in the relevant Code of Practice (“Conforming Lifejackets”) on an accountable basis, subject to a ceiling of HK\$110 for each Conforming Lifejacket. The number of lifejackets each eligible vessel may be subsidised for the cost of purchase is limited to the maximum number of passengers to be carried by the vessel. Examples of cases relating to the subsidy scheme for the provision of lifejackets are at **Annex 1**.

9. Since the requirement for the provision of infant lifejackets is only

⁴ The vessel owner or his/her agent is required to submit the application together with a copy of the valid Operating Licence of the vessel.

⁵ The vessel owner or his/her agent is required to submit the application together with a document such as a Certificate of Inspection, policy of third party insurance or charter agreement to prove that the vessel has been let for hire or reward during the period from 1 July 2018 to 30 June 2019.

⁶ The vessel owner or his/her agent is required to submit the application together with the AIP Letter and materials like photos to prove that the vessel is under construction.

applicable to commercial passenger-carrying vessels which carry more than 12 passengers and the quantity required to be provided on a vessel is not large, the MD considers that the trade should be able to bear the relevant cost incurred. Thus, this subsidy scheme does not cover the purchase of infant lifejackets.

Undertaking for Receiving Subsidy and Application Arrangement

10. Application forms together with relevant documents must be submitted within the application period. Applicants are also required to undertake that the subsidised Conforming Lifejackets will be properly placed on board for use by passengers.

11. Save for what is stated in paragraph 12, the MD will in principle vet the subsidy application by scrutinising the documents provided by the applicant, including payment vouchers, delivery orders and other relevant supporting documents mentioned above. The MD will grant the subsidy to the applicant if the documents are found to be in order.

12. To ensure that the Conforming Lifejackets have been properly placed on board vessels in respect of which subsidy applications have been made, the MD will carry out on-site checks on some randomly selected vessels before granting approval. For vessels which are not selected, such checks will be carried out by officers of the MD or competent surveyors during annual surveys of the vessels.

Way Forward

13. Members are invited to note the sample of the application form as well as guidance notes for the subsidy scheme at **Annex 2** and comment on the above subsidy scheme.

Marine Department
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