

PROVISIONAL LOCAL VESSEL ADVISORY COMMITTEE
Minutes of the 30th Committee Meeting
held in Conference Room 1615, 16/F, Harbour Building
on 3 December 2002 (Tuesday) at 9:30 a.m.

Present

Chairman:	Mr. Roger TUPPER	Deputy Director of Marine, Marine Department
Member:	Mr. Vitus SZETO Kin	Representing Ship Building & Repairing Industry
	Dr. CHENG Jui-shan, MBE	Representing Naval Architects
	Mr. Martin CHU	Representing Ship Survey Industry
	<i>(on behalf of Mr. R.W. Pickup)</i>	
	Mr. Tony YEUNG Pui-keung	Representing Seafarers Training Institutes
	Mr. HO Kwun-yin	Representing Local Seafarers' Associations
	<i>(on behalf of Mr. HUNG Bing)</i>	
	Mr. SHUEN Wai	Representing Cargo Vessels' Operators
	Mr. CHOI Kim-lui, JP	Representing Launch & Excursion Vessels' Operators
	Mr. HO Chi-shing	Representing Ferry Vessels' Operators
	Mr. HE Wei-ping	Representing River Trade Cargo Operators
	Dr. Alan LAU Kwok-lam	Representing Pleasure Boating Operators
	Mr. KEUNG Yin-man, MBE	Representing Fishing Industry
	Mr. LEUNG Chi-hang	Hong Kong Police Force
	<i>(on behalf of Mr. LING Wai-po)</i>	
	Mr. Michael LEE	GM/LVS, Marine Department
	Mr. K. M. NG	GM/Ops, Marine Department
Secretary:	Ms. Shirley HO	ADS/C&G, Marine Department

In Attendance

Mr. CHEUNG Yau-kwong	Marine Excursion Association Ltd
Miss MAK Yuk-yee	Ditto
Mr. CHAN Siu-wing	Tuen Mun Public Cargo Working Area
Mr. KWOK Kam-tung	HK & Kowloon Motor Boats & Tug Boats Association
Mr. KWOK Tak-ki	Ditto
Capt. WU Ka-shun	HK Shipping Staff Association

Absent with Apologies

Ms. Una CHAN	Representing Marine Insurance Industry
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Presentation of Papers

No. 4/2002	Mr. Maurice PAU Ka-chung	Sr. Statistician, Marine Department
No. 5/2002	Mr. CHAN Yau-ning	SMO/LP, Marine Department
No. 6/2002	Mr. CHU Wah-sau	SMO/HPS, Marine Department
	Mr. WONG Siu-fai	MO/HPS, Marine Department
No. 7/2002	Mr. LEE Kwok-ping	SS/LVS, Marine Department
No. 8/2002	Mr. Michael LEE Kwok-fai	GM/LVS, Marine Department
No. 9/2002	Mr. LAI Chi-tung	SMO/ISC, Marine Department
	Mr. Daniel Lam	Electronic Data Systems (EDS) HK
	Mr. Y. C. LAM	Ditto
	Mr. Chris YEUNG	Ditto

I Opening Remarks

1. The Chairman welcomed all to the meeting, especially the following persons who were attending the meeting for the first time-
 - Mr. LEUNG Chi-hang on behalf of Mr. LING Wai-po representing the Marine Police;
 - Miss MAK Yuk-ye representing the Marine Excursion Association Ltd;
 - Mr. CHAN Siu-wing representing the Tuen Mun Public Cargo Working Area; and
 - Mr. KWOK Kam-tung and Mr. KWOK Tak-ki representing the HK & Kowloon Motor Boats & Tug Boats Association.

II Confirmation of Minutes of Last Meeting

2. No comments were received from members and the minutes of the last meeting were confirmed.

III. Presentation of Papers

PLVAC Paper No. 4/2002 – “Summary Findings of the 2002 Assessment of Typhoon Shelter Space Requirements”

3. Mr. Maurice PAU briefly presented the paper. The Chairman highlighted that, at present, the demand and supply of Typhoon Shelter (TS)/sheltered anchorage space were more or less balanced. However, owing to the revised development scheme of the S.E. Kowloon Development Project and the Wan Chai Development Phase II Project, there would be a shortfall of TS space by 2006. Therefore

planning work should be started for constructing and developing a new TS. The Chairman then invited comments and views from the members.

4. Mr. CHOI Kim-lui and Mr. SHUEN Wai gave comments which were summarized as follows-

- (a) Regarding Para. 4 (iii) of the paper, the river trade containers handled at locations other than the Container Terminals should also be incorporated as a parameter in the assessment.
- (b) Regarding Para. 5 (ii) of the paper, it was appreciated that 100% provision of TS space for locally licensed vessels was assumed in the previous and the present assessments.
- (c) Since the Stonecutter Island TS was limited for use by Government Fleets, both the calculation of the Government Dockyard (8 ha.) and the government vessels (6.8 ha.) should be excluded when considering the supply and demand of the TSs.
- (d) Regarding Para. 8 of the paper mentioning the average size of barges/lighters, members would like to know the sources and the calculation of the figures.
- (e) The 10% tolerance between demand and supply mentioned in Para. 16 of the paper was absolutely unacceptable for the following reasons and Mr. CHOI Kim-lui proposed to exclude the 10% tolerance in doing the next forecast –
 - (i) It was difficult to anticipate the number of vessels happened to be working in HK during typhoon season but we could not assume that 5-10% of the locally licensed vessels, which happened to be not in the vicinity of HK during typhoon passage in the past, would not seek shelter in HK at the same period in future. Any miscalculation might lead to disaster.
 - (ii) Apart from mainland vessels, there were a number of small Vietnamese cargo vessels and Taiwanese fishing vessels taking shelter in HK, which should also be taken into account in assessing the demand.
 - (iii) There was serious mismatch of provision of shelter space for certain categories of vessels, e.g. lighters/barges/river trade vessels. With the proposed phasing out of To Kwa Wan and Wanchai shelters, it was

estimated that only 6 of the remaining TS/sheltered anchorages would be available for use by these vessels and there would be a shortfall of about 110 ha. sheltered space for these vessels in 2006 (demand 264 ha. – supply 153 ha.).

- (iv) The RTT basin could not serve as a buffer to meet part of the demand unless it was gazetted as a TS. Otherwise, there would be no insurance cover for the barges/lighters staying there during typhoon passage.
- (v) Instead of a 10% tolerance, a 10-20% safety allowance should be considered to ensure that there would not be any shortage of TS space.
- (f) Planning Department's present proposal to phase out the S.E. Kowloon Typhoon Shelters, neglecting the previous consultations with the PLVAC, was strongly opposed.

5. In response, Mr. Maurice PAU provided the following information-

- (a) Statistical data on river trade (RT) containers handled at locations other than the Container Terminals were only available as from 1998. As the forecast model captured the trend in the past 30 years as to how demand would correlate with the economic growth, population growth and port container throughput growth, it was technically not feasible to include the said data as one of the basic parameters. However once a longer time series of RT data was available, it would be incorporated in the forecast model. It was statistically sound to adopt ocean container throughput as a forecasting parameter in the mean time as ocean containers represented about 90% of the mid-stream throughout.
- (b) Whether to include or exclude the Government Dockyard in estimating the demand and supply of the TSs would make very little difference 1.2 ha. (less than 0.5%) to the total supply/demand balance.
- (c) Regarding the average size of barges/lighters, the calculation was based on the Marine Department's (MD) Local Licence Records for Class II vessels that included various kinds of barges and lighters.
- (d) Regarding the 10% tolerance between demand and supply–
 - (i) The figures that 5-10% of the locally licensed vessels were absent from

HK during typhoon passage was based on detailed surveys conducted in 2001 and 2002. Many supporting considerations, including this point, had been listed in the report of the 2001 Assessment of TS Space Requirements.

- (ii) During 2001, there were only 1-2 cargo/fishing vessels hoisting flags of South Korea, Vietnam or Philippines or other foreign flags entering HK waters based on MD's records.
 - (iii) The said shortfall of 110 ha. shelter space for vessels such as lighters/barges/river trade vessels was based on the assumption that only 5/8 of the 6 mentioned TS/sheltered anchorages were available for mooring by barges/lighters. MD had in general imposed no restrictions on the usage of TS by different types of non-dangerous-goods vessels. Mr. CHU Wah-sau confirmed that the MD had adopted a flexible management plan to make all the TS space fully and strategically utilized.
 - (iv) The RTT was a privately-owned facility and it would not be practicable to gazette it as a TS. However the location was used as a TS by river trade vessels thus relieving demand on TS space. MD suggested that operators might request local insurers to include the RTT in their insurance policies and were ready to assist in that dialogue.
6. Mr. HO Chi-shing worried about the approval of funding, location identification and limited time available for developing a further TS by 2006. He requested that the reclamation of the S.E. Kowloon TS should be deferred until a reprovisioning of the TS was made. The Chairman agreed to forward this request to the appropriate department.
7. Dr. CHENG Jui-shan expressed his concern that any shortage of TS space was not acceptable but the report had given the impression that the "10% tolerance" was allowable. He opined that excess capacity of TS space was better than even 1 ha. of shortfall in TS space. The report should emphasize the importance of providing sufficient TS space to any vessels staying in HK and consider not only the statistical data collected during the past years but should look ahead. Mr. Pau responded that not only the past trend but also some up-to-date economic forecasts made by the Government would be plugged into the regression model for forecasting. MD would also survey the owners of the locally licensed vessels for the opinion about the future operating environment. Moreover, the assessment of

TS space requirements was rolled-forward annually with a view to fine-tuning the forecasts in a timely manner.

8. Mr. HE Wei-ping raised that, at present, most of the river trade vessels would shelter in the S.E. Kowloon TS, which was close to their loading and unloading area. He pointed out that the government should make due consideration for the location of the new TS so that sufficient and usable TS space could be provided for river trade vessels in future.
9. The Chairman concluded that it was an open and useful discussion and all views and comments from the members would be gathered and put up for consideration by the relevant authorities. To sum up, the following main points were noted and would be reflected –
 - (a) Members raised strong objections to the loss of TS space resulted from the S.E. Kowloon Development Project.
 - (b) Members supported to seek and develop some 50 ha. additional TS space as soon as possible. Location of which should be subject to further thorough discussion and deliberation.
 - (c) To assess and forecast the TS space requirements, MD would discuss more with the industry for an agreeable assessment parameters and assumptions.

Paper No. 5/2002 - “Repeal Regulation related to Water Boats”

10. Mr. CHAN Yau-ning informed members that regulation 46 of the Merchant Shipping (Miscellaneous Craft) Regulations, Cap. 313F and its related exemption would be repealed upon commencement of the Merchant Shipping (Local Vessel) Ordinance Cap. 548 and presented the paper in details.
11. Upon enquiries from Mr. KEUNG Yin-man, the Chairman clarified that the hygiene conditions of water boats were governed by regulations administered by the Director of Health.

Paper No. 6/2002 - “Establishment of Speed Restricted Zones”

12. Mr. CHU Wah-sau presented the paper and told the meeting that the Committee on Boating and Yachting (COMBAY), the Lantau Boat Club (LBC) and the Hong Kong Sea School (HKSS) had been consulted and they all had given in-principle

support to the proposal. The LBC suggested that the inner bay of the Discovery Bay should be included as part of the speed restricted zone and its boundary should be extended to somewhere easy and obvious for water skiing players to know whether they had entered the zone. Besides, the HKSS proposed that the restriction should be extended to 24 hours throughout the year. Nevertheless, to balance interests of all parties concerned, the present proposal detailed in the paper was considered adequate for the purpose and put up for the members' consideration.

13. The Chairman invited members' views on the proposed establishment of speed restricted zones at Discovery Bay, Repulse Bay and Tai Tam Bay.
14. Dr. Alan LAU Kwok-lam proposed that MD should exercise the power vested under regulation 67(1)(a) of the Shipping Port Control Regulations, Cap. 313A (SAPCR), rather than Regulation 19(3) of the SAPCR, to prohibit water skiing or other similar activities at the areas concerned. Mr. CHU Wah-sau and Mr. K M NG replied that MD had given due consideration in these two regulations and decided to exercise the power vested under Regulation 19(3) mainly because-
 - (a) Regulation 67(1)(a) had controls over vessels towing any water ski, aquaplane or other similar object, or any person, or any person riding upon a water ski, aquaplane or other similar object. It would not be applicable for controlling vessels such as speedboats with no tow.
 - (b) It was expected that exercising the power vested under Regulation 67(1)(a) would receive strong objections so that the legislative amendment process could be delayed and the proposal could not be implemented in time to enhance marine safety.
15. In response to Mr. Tony YEUNG Pui-keung, Mr. K M NG said that having studied the vessel movement pattern and time and to obtain a better balance among various marine activities, it was considered that the present proposed restriction in certain time and period would suffice. With regard to the suggestion that high speed activities have been prevalent round the year, MD would collect relevant data in the coming years then review the appropriateness of the existing restriction time.
16. Mr. KEUNG Yin-man and Mr. SHUEN Wai both agreed to the proposal but they commented that, instead of establishing "Speed Restricted Zones", "Designated Water Skiing Zones" at places such as Sha Lo Wan or Hoi Ha might be a better alternative. Mr. K M NG explained that this alternative had been considered,

however it was difficult to reach a consensus from all parties concerned on the location and the size of the designated area.

17. Mr. HO Chi-shing supported the proposal and said that it was reasonable and necessary to establish the speed restricted zones for sake of safety for not only the waterborne users but also the ferry passengers who would be affected when they had to get on/off the ferry.
18. The Chairman concluded that it was a reasonable proposal in line with what had been applied so far. MD would publicize it widely to the yacht clubs and sports associations and continue to observe and study the winter level of activities. If there were justifications for expanding the restriction period, the PLVAC would be consulted again on some new recommendations. Members had no further comments and endorsed the proposal.

Paper No. 7/2002 - “Code of Practice – Safety Standard for Class I, II and III Vessels”

19. Mr. LEE Kwok-ping presented the paper and sought members’ approval on the draft “Code of Practice – Safety Standard for Class I, II and III Vessels”.
20. Upon members’ enquiries, Mr. LEE Kwok-ping and Mr. Michael LEE made the following clarifications-
 - (a) “Authorized Surveyor” meant a person, or a person belonging to a class of persons, who is not a public officer, appointed by the Director under section 7(1) of the Merchant Shipping (Local Vessels) Ordinance (LVO) to be a surveyor for the purposes of the LVO and noticed in the MD Notice from time to time, including the RPE.
 - (b) Further details of the delegation survey items would be discussed and reviewed by the Technical Sub-Committee under PLVAC. A report would be compiled and submitted to the Committee for comments and approval.
 - (c) The new standard would mostly affect new vessels only. For those existing licensed vessels, they would find no difficulty to meet the requirements.
 - (d) Regarding the survey item (21) on Page II-8, upon request from the ship owners, MD would help by writing to ship building companies for a copy of the drawings. If in all cases the drawings were not available, the ship

owners would have to obtain information/drawing through other sources.

- (e) Regarding the general requirements for fire fighting appliances stipulated in Chapter 6, though MD had adopted a lenient approach in the past, it had always been a requirement applicable to all types of vessels that fire fighting appliances and structural fire protection items should be of approved types and it was not a new requirement for vessels such as barges.
 - (f) It was noted that the wording “adequate engineering knowledge” mentioned in Para. 3.3 on Page X-3 was a bit vague and agreed that it could be amended to read “common engineering knowledge”. Mr. Michael LEE said that use of words in this Code could be further discussed and amended by the Working Group of the committee.
21. Mr. CHOI Kim-lui raised two questions regarding the vessel operator requirements stipulated in Chapter 10. Firstly, as nowadays there were many vessels that were fitted with over 3000 kW total propulsion power, he wondered if the Engine Operator Grade 1, who was restricted to control vessels that were fitted with up to and including 3000 kW total propulsion power, would be upgraded to facilitate the vessels operation. Secondly, he would like to know the entry requirements for the rank Engine Operator Grade 2. Mr. LEE Kwok-ping replied that, as the requirements were originated from the Merchant Shipping (Local Vessels) (Local Certificates of Competency) Rules, he was not in an appropriate position to answer and he would refer the questions to responsible officers of the Examination Unit.
22. Mr. Vitus SZETO Kin was concerned about the legal status of the Code and its legal implication to and impact on insurance claims for the persons involved as mentioned in Para. 1.2 on Page I-1. Dr. CHENG Jui-shan supported Mr. SZETO’s views and suggested that MD should, taking reference to the Shipping Ordinance, further look into the matter more seriously before the paper could be endorsed. Mr. Michael LEE agreed to seek legal advice from the Department of Justice (DoJ) on this issue regarding the LVO and Para. 1.2 of Chapter 1 of the Code and would then come back to let members know.
23. Regarding the expiry date of the certificate or endorsement to be determined as stipulated in section 2 of Chapter 2, Mr. CHOI Kim-lui, on behalf of the HK & Kowloon Motor Boats & Tug Boats Association, requested a “CED + 12 months” expiry date with a limit of the most 14 months, instead of a “FSD + 12 months”, for those existing vessels which had their final survey more than two months before CED. Mr. LEE Kwok-ping replied that feasibility of the suggestion would

be studied and members would be informed of the result in due course.

24. Mr. Vitus SZETO Kin would like to comment further on details of the Code and asked if he could join the Working Group. Mr. Michael LEE responded that he was welcome to sit in the working group meetings as observer to offer views and all other members were also welcome to give comments or proposal on the Code, if any.
25. The Chairman told the meeting that MD would follow up those points discussed at the meeting, specifically on the legal status issue. MD would seek the DoJ's advice as soon as possible and then circulate the information to all members for comments and endorsement.

Paper No. 8/2002 - "Proposal for the Appointment of Two Mainland Institutions as Authorized Surveyor"

26. Mr. Michael LEE presented the paper and sought members' endorsement on the proposed appointment of two mainland institutions, i.e. "Guangdong Maritime Safety Administration (Guangdong MSA)" and the "Register of Fishing Vessel of People's Republic of China (China RFV)", as Authorized Surveyor. They were the PRC Government bodies with inspection expertise on cargo and fishing vessels.
27. Dr. CHENG Jui-shan commented that, if the two mainland institutions were appointed as Authorized Surveyor to undertake inspection of HK licensed vessels to be built or repaired in Mainland, reciprocal arrangement should be made to protect interest of the industry in HK. Mr. Martin CHU supported that interest of the Authorized Surveyors of the Registered Professional Engineers "RPEs" (Marine and Naval Architecture) should also be taken care of, especially at a time of high unemployment rate and economic downturn. The Chairman responded that, from point of view of the HK vessel operators/owners, the proposed authorization would help make the inspection system simplified and reduce cost. The reciprocity would be a separate issue and could be further followed up by the department.
28. Mr. Martin CHU declared that as far as he understood, Classification Societies were not currently carrying out any inspections on non-Classed local crafts in Hong Kong. He raised that, when professional standard and qualification of the HK recognized organizations or Authorized Classification Societies had to be audited critically and regularly, check and audit system should also be set up for

the recommended mainland institutions before they were authorized, to ensure that safety standard of the ships could be upheld. Dr. CHENG Jui-shan suggested that, for sake of safety, MD should conduct a final survey either in HK or at the place the ship was built. Mr. Michael LEE replied that, to avoid duplication of effort and unnecessary cost to the ship owners, MD would focus on monitoring and auditing the authorized organizations and RPEs when they conducted the survey works. As for details of the check and audit system, it was under active discussion and due consideration by the relevant working groups and, upon completion, would be submitted to the PLVAC for consideration and endorsement at the next meeting.

29. The Chairman thanked all members for offering valuable comments and clarified that MD had never had any intents to lower the safety standard which was applied on each ship, local or otherwise. He pointed out that the intended LVO was to ensure that all parties would discharge fully their responsibilities in regard to safety of vessels. MD intended to outsource some survey responsibilities, as it was recognized that there was considerable expertise in the industry to undertake those surveys. To ensure that there would be a very good, accepted and well understood audit/monitoring system for any organizations that were authorized to undertake the survey works, the Chairman suggested and members agreed that proposed details of the check and balance system should be studied and reported back to the PLVAC at the next meeting.

IV. Matters Arising From Minutes of Last Meeting

Development of Legislation for Coastal Trade Vessels

30. Mr. Michael LEE reported that, after a regular meeting with Beijing MSA in end October 2002 discussing further the draft safety standard, a revised version was submitted to the Technical Sub-Committee for consideration. Some outstanding issues such as the requirements of the safety management for coastal ships, minimum manning and crew examination and certification would be further discussed and followed up with the Beijing MSA.

Working Group to Study Registered Professional Engineer (Marine and Naval Architecture) (RPE(MNA)) as Authorized Surveyor

31. Mr. Michael LEE told the meeting that certain contents of the draft “Guideline for Appointment of RPE(MNA) as Authorized Surveyors” previously disagreed by some members were reflected in the revised report, which was submitted to the

Working Group for consideration in End November 2002. Besides, the mechanism for appointment of Classification Society as Authorized Surveyors was prepared for consultation with CS representatives in early 2003. It was expected that the finalized guidelines could be completed by mid-2003.

V. Any Other Business

Paper No. 9/2002 - "Feasibility Study on Establishing an Electronic Business System (EBS) for Handling Port Formality Documents and Related Services"

32. Mr. LAI Chi-tung introduced the paper and Mr. Daniel LAM presented it in details. The meeting was informed of the summary results of the study and the recommendations for establishing an EBS for handling port formality documents and related services. The results showed that it was technically feasible and cost justified for implementing the proposed EBS and it was recommended that the EBS should be implemented in two phases to allow maximum flexibility to integrate with future e-Government initiatives.
33. Members noted the initiative and made no particular comments.

VI. Date of Next Meeting

34. There being no other business, the meeting ended at 1:00 pm. The date of next meeting would be announced in due course.