

PROVISIONAL LOCAL VESSELS ADVISORY COMMITTEE

Fees Charged for Examination/Certification Related Services under the Merchant Shipping (Local Vessels) (Local Certificates of Competency) Rules

Purpose

The purpose of this paper is to inform PLAVC members of the results of consultation with the industry on the captioned subject.

Background

2. Under the Merchant Shipping (Local Vessels) Ordinance, Cap. 548, which is planned to be implemented by the end of 2006, a new examination and certification system as stipulated in the Merchant shipping (Local vessels) (Local Certificates of Competency) Rules will replace the existing examination system for crew working on local vessels.

3. As the new examination and certification system differs from the existing system quite substantially, therefore for the implementation of the new Rules, a new scale of fees for services provided is has been set (refer to [Annex 1 and 2](#) for the scale of fees set for commercial vessel operators and pleasure vessel operators respectively). To obtain feedback from the industry, representatives of the following three groups of local vessel operators, which represent majority of local vessel operators that will be affected by the new scale of fees, were consulted in June 2006 as follows:-

- i) 2 June 2006 (by meeting) - Operators of local commercial vessels (attendance list at [Annex 3](#));
- ii) 27 June 2006 (by meeting) - Fishermen (attendance list at [Annex 4](#));
- iii) 20 June 2006 (by correspondence) - Pleasure vessel operators (correspondence list at [Annex 5](#)).

Principles in setting the new scale of fees

4. The new scale of fees is determined based on the principles of “user pays” and “full cost recovery” in accordance with the government’s policy. Furthermore, a simple and rationalized 3-tier fee system was proposed taking into consideration of types and grades of certificates involved and nature of examinations (e.g. written or oral examination).

5. Under the above-mentioned principles, examinations for the same grade of certificates have the same fee level. For the same type and grade of certificates, the fee for oral examination is generally higher than written examination due to the higher cost involved. Furthermore, in order to encourage candidates to attend recognized training, the fees charged for the issue of certificate by recognition is lower than that is granted by examination.

6. Under the new system, a candidate who failed an examination can ask for the review of his examination script upon payment of the specified fee. If it is found that he/she warrants passing the examination in the review, the fee paid will be refunded.

Result of the consultation

7. At the consultation meeting held on 2 June 2006, representatives of commercial vessel operators accepted the proposed new scale of fees unanimously.

8. At the consultation meeting held on 27.6.2006, only two fishermen’s representatives raised suggestion for reducing the fee for oral examinations for Coxswain Grade 3 Certificate (\$1140) and Engine Operator Grade 3 certificate (\$1140).

9. The pleasure vessel operators group made no comment on the proposed new scale of fees for pleasure vessel operators.

Conclusion

10. The above-mentioned consultation exercise revealed that the proposed new scale of fees was agreeable to most local vessel operators, which include commercial vessel operators, fishermen and pleasure vessel operators.

11. MD has made serious consideration on the fishermen's representatives' suggestion mentioned in paragraph 8 but however decided to maintain the original proposal because:-

- (a) the proposed fees for such oral examinations could not deviate too much from the "user pays" and "full cost recovery" principles. Also it had already been adjusted downward taking into account the normal candidates' ability to pay such fees;
- (b) the same principles have to be applied in determining fee levels for commercial vessel, fishing vessel and pleasure vessel operators; and
- (c) fishermen have alternative means (i.e., recognition of mainland qualifications) to become qualified to operate their fishing vessels.

The concerned fishermen's representatives have been advised accordingly on MD's decision.

Action required from member

12. This paper is for the information of members.

Shipping Registry and Seafarers' Branch

Shipping Division

Marine department

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