

## Minutes of the 36th POC Meeting

Date : Wednesday, 7 March 2001

Time : 2:30 pm

Venue : Conference Room (A), Marine Department Headquarters, Central

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|---------------|-------------------|--------------------------------|
| Present       | Mr S Y Tsui       | <b>Chairman</b>                |
|               | Mr. K M Lee       | Member                         |
|               | Mr K L Choi       | Member                         |
|               | Mr Rueben Chung   | Member                         |
|               | Mr David C S Ho   | Member                         |
|               | Mr Neil Russell   | Member                         |
|               | Mr S.H. Pau       | Member                         |
|               | Mr Chris Pooley   | Member                         |
|               | Mr John Lee       | Member                         |
|               | Mr F M Luk        | Member                         |
|               | Mr H Y Cheung     | (on behalf of Mr Bosco Louie)  |
|               | Mr Sunny Ho       | (on behalf of Mr Jeffrey Lam)  |
|               | Mr Raymond Cheng  | (on behalf of Mr Terrence Sit) |
| Mr K Y Wong   | Secretary         |                                |
| In attendance | Dr Detlef Nielsen | HK Polytechnic University      |
|               | Mr Alfred Lau     | Plan D                         |
|               | Mr Roger Tupper   | MD                             |
|               | Mr H P Liu        | MD                             |
|               | Mr Maurice Pau    | MD                             |
|               | Mr C Y Tsang      | MD                             |
|               | Mr L K Szeto      | MD                             |
|               | Mr K C Chan       | MD                             |
|               | Mr S C Leung      | MD                             |
|               | Mr S K Anand      | MD                             |
| Apologies     | Mr Luo Hui Lai    | Member                         |
|               | Mr Alex Fong      | Member                         |

## 1. Open of Meeting

- 1.1 The **Chairman** welcomed all to the meeting.

## 2. Confirmation of Minutes of the Last Meeting

- 2.1 The draft minutes of the 35th meeting held on 6 December 2000 were confirmed without amendment.

## 3. New Items

### 3.1 POC Paper No. 1/2001

#### Assessment of Typhoon Shelter Space Requirements, 2000-2016

- 3.1.1 The **Chairman** said that the findings of this round of assessment would be incorporated into the 4<sup>th</sup> Review of the Port Facilities Development Strategy, and this type of assessment had been conducted on an annual basis.
- 3.1.2 In the recent assessment, the **Chairman** said that opportunity had been taken to review the forecasting model and relevant assumptions. With the commissioning of the Hei Ling Chau Typhoon Shelter (HLCTS), coupled with the discrepancies in the effective areas of HLCTS and Kwun Tong TS, the **Chairman** said that existing supply of sheltered space was more or less adequate to meet the demand, and hence the planned Siu Lam TS could be deferred. Moreover, **Mr. Francis Liu** said that the demand for sheltered space was forecast to be about 20 ha lesser than that of the previous assessment on the basis of the latest cargo forecast, which indicated the growth rate in mid-stream cargo had slowed down.
- 3.1.3 **Mr. K L Choi** said that although he appreciated the improvements made in the recent round of assessment there was still room for improvements. Firstly, there could be potential discrepancies between the forecast space requirements and actual requirements considering that vessel counts were mainly based on aerial photographs taken of typhoon shelters at typhoon signal No. 3. In fact, many vessels were still operating outside typhoon shelters at that time. Secondly, although the assessment did not take into account pleasure vessels, many of them did seek refuge within typhoon shelters. For example, pleasure vessels were occupying part of the Yau Ma Tei TS. Thirdly, high spots as a result of siltation had rendered certain parts of typhoon shelters unusable (e.g. Tuen Mun TS). The **Chairman** said that concerted efforts would be made to fully utilize the existing typhoon shelters with a view to accommodating more vessels. As regards the siltation problem, it was the Marine Department's responsibility to

inform Civil Engineering Department (CED) to carry out maintenance dredging after being alerted to such problem. **Mr. Francis Liu** added that maintenance dredging in Tuen Mun TS was just commenced last week.

- 3.1.4 **Mr. Pooley** asked about the possibility of relaxing the current restriction that vessels exceeding 50 metres in length were not permitted to enter typhoon shelters, mindful of the fact that local craft and barges were increasingly built in bigger dimensions. The **Chairman** said that owners or operators of over-length vessels were required to secure a typhoon mooring for their vessels prior to the granting of a license. With the commissioning of the Hei Ling Chau TS, **Mr. K M Lee** said this policy would be revisited to ascertain the feasibility of allowing vessels over 50 metres in length to use the Hei Ling Chau TS when there was a demand.
- 3.1.5 **Mr. Pooley** was concerned that a seven-year lead-time for building a new typhoon shelter might be too long for resolving the shortage of typhoon shelters in a timely manner. The **Chairman** said that the situation would surely be closely monitored by both the Marine Department and the industry. Besides, the assessment of typhoon shelter space requirements would be conducted on an annual basis. **Mr. Tupper** assured members that the balance of supply and demand would be closely monitored, and that improvements would continually be made to the forecasting process.
- 3.1.6 **Mr. K L Choi** said that there was a high demand for typhoon shelters located in urban area. Citing Hei Ling Chau TS as an example, **Mr. K L Choi** said that its unpopularity was due to its remoteness from the core shipping area and inadequate backup facilities. **Mr. K M Lee** said that after the implementation of a number of measures to boost the occupancy rate of the Hei Ling Chau TS, it was now round 40%.
- 3.1.7 **Mr. John Lee** asked the reason why the demand of mainland vessels for sheltered space had reduced from 74 ha to 45 ha in this assessment even though the number of mainland vessels over the years had been increasing. **Mr. Maurice Pau** said that the forecast requirements of mainland vessels were based on a period of ten years rather than on the recent trend.
- 3.1.8 **Mr. John Lee** said that the compound annual growth of river trade vessels calling at container terminals was more than 20% over the last three years. In response, **Mr. K M Lee** said that the annual growth rate of river trade vessels was only around 7.8% in the period 1999-2000.

3.1.9 Noting that dangerous goods anchorage (DGA) was not included in the assessment, **Mr. Reuben Chung** asked whether there was a separate assessment to review this type of provision. **Mr. Francis Liu** said that the exclusion was because the requirements for DGA were more stringent than typhoon shelters. As for the Tsuen Wan Dangerous Goods Anchorage, **Mr. Francis Liu** said that it would be reprovisioned to a site south of Ma Wan when the Tsuen Wan Further Reclamation project proceeded ahead.

3.1.10 After discussion, the paper was endorsed by the Committee.

### **3.2 POC Paper No. 2/2001 Study on the Supply and Demand of Ship Repair Yards in Hong Kong**

3.2.1 **Mr. C Y Tsang** briefed members on the findings of the study. In summary, the survey revealed that the business of local ship repair yards had been declining over the past few years, and many operators expected that the downward trend of their business would continue over the forecast horizon up to 2020.

3.2.2 **Mr. David Ho** inquired and **Mr. Francis Liu** said that the demand arising from government vessels seeking repairs outside Government Dockyard had been taken into account in the study.

3.2.3 **Mr. David Ho** opined that local ship repair yards were plagued by high land costs, and that Government should provide some sort of subsidy to help the industry. In response, **Mr. C Y Tsang** said the primary objective of the study was to map out the current/future supply and demand of local ship repair facilities; however, members' views and the findings of the study would be fed into the 2030 Planning Vision and Strategy Study currently undertaken by the Planning Department.

3.2.4 **Mr. Pooley** said that the surplus highlighted in the study might be underestimated, as some smaller ship repair yards within the pool had been actually idled for a fairly long period of time. In view of such surplus, **Mr. Pooley** opined that there was a need to rationalize those under-utilized ship repair yards with a view to optimizing the effective use of land resources currently occupied by them. **Mr. Tupper** said the subject matter was beyond the scope of the study which mainly looked at the supply and demand of ship repair yards; however, **Mr. Pooley's** concern would be reflected in the study. The **Secretary** confirmed that a statement to that effect had already been made in the report.

3.2.5 After discussion, the paper was endorsed by the Committee.

### **3.3 POC Paper No. 3/2001 Declaration of Waglan Lighthouse and Tang Lung Chau Lighthouse as Historical Buildings**

- 3.3.1 **Mr. L K Szeto** provided members with information on the two lighthouses being declared as historical buildings.
- 3.3.2 The **Chairman** said that such declaration did not affect the normal function of the lighthouse as aids to navigation. In fact, such moves were in line with the International Association of Lighthouse Authorities' direction to preserve reputed lighthouses overseas.
- 3.3.3 **Mr. Tupper** inquired and **Mr. L K Szeto** said that the Antiquities and Monuments Office had further plans to declare two lighthouses on the Green Island and one at Cape D' Aguilar as historical buildings.
- 3.3.4 **Mr. David Ho** inquired and the **Chairman** said that the upkeep of the lighthouses would still be borne by the Marine Department after the declaration.
- 3.3.5 The **Chairman** said that if members were interested to visit the lighthouses a tour could be arranged.

### **3.4 POC Paper No. 4/2001 Review on the Supply and Demand of Public Cargo Working Areas (PCWA)**

- 3.4.1 The **Chairman** said that the review based on the latest available data would form an integral part of the update of the 3<sup>rd</sup> Port Development Strategy Review, and that there was sufficient seafrontage to meet the cargo handling demand before 2015. He then invited **Mr. K C Chan** to present the paper.
- 3.4.2 **Mr. K C Chan** briefed members on the findings of the review and its recommendations. The **Chairman** then invited **Mr. Alfred Lau** of the Planning Department to provide members with some background information on the "Planning Study on the Harbour and its Waterfront Area," which was outside the scope of the existing review. A paper entitled "Vision & Goals for Victoria Harbour" prepared by the Town Planning Board was tabled at the meeting.
- 3.4.3 **Mr. Alfred Lau** said that the primary objectives of the study were to make the harbour more accessible, to enhance its scenic views, to create more tourist spots, and to provide better design of the waterfront instead of displacing those PCWAs in the harbour. According to **Mr. Alfred Lau**, more detailed plans concerning the study would be put forward for public consultation shortly and members' s views would be duly solicited.

- 3.4.4 **Mr. Alfred Lau** said that market forces were being relied upon in determining the need for PCWAs. **Mr. K L Choi** was doubtful about this and pointed out that PCWAs had certain functions of its own which were essential to the port. Citing the recent congestion at Kwai Chung Terminals as an example, **Mr. K L Choi** said that the relief provided by PCWAs could not be ignored.
- 3.4.5 The **Chairman** said that a number of PCWAs in the harbour would be affected by future developments. The Wan Chai PCWA would be the first one to be affected. **Mr. K C Chan** said that the latest indication from Territory Development Department was that the Wan Chai PCWA had to make way for land development in the first quarter of 2003. As far as the Western District PCWA was concerned, the operators could stay on until 2004, considering the implementation timeframe of Western District Development Strategy.
- 3.4.6 Whilst agreeing the findings of the review, **Mr. K L Choi** opined that the productivity of PCWA could be enhanced through the lengthening of each berth to around 45 to 50 metres. In response, the **Chairman** said that in coping with the need of the industry, standardization of the length of berths had been carried out in the recent round of tendering exercise and that this was the first step towards future berth improvements.
- 3.4.7 **Mr. Russel** inquired and the **Chairman** said that the ultimate objective of PCWA Management Reform was to privatize the PCWAs by way of open tender but so far there was no fixed implementation programme. The last two phases of the Reform were successfully completed which involved the tendering out of berth management and the introduction of an operating area permit system. In the recent tendering exercise for reallocating the PCWA berths, an open tender system was adopted to dispose of the berths which remained unallocated after the first round of restricted tender. The next stage of the reform was to go for open tender for reallocating the berths upon the expiry of the current agreements in early 2004.
- 3.4.8 After discussion, the paper was endorsed by the Committee.

### **3.5 POC Paper No. 5/2001 Review on the Supply and Demand of Buoys and Anchorages**

- 3.5.1 **Mr. S C Leung** briefed members on the findings and conclusions of the review.

- 3.5.2 The Chairman said that the current trend revealed by the study was that cargo operations were shifting from buoys to anchorages. As for buoys, deep-water buoys were generally more popular than shallow-water buoys. Also, the Chairman pointed out that if the length of a vessel exceeded that permitted by deep-water buoys she had to go to an anchorage for working cargo.
- 3.5.3 **Mr. Pooley** inquired and **Mr. Maurice Pau** said that the productivity of 200 tonnes/hour only referred to deep-water anchorages. The overall productivity of anchorages (i.e. shallow-water anchorages plus deep-water anchorages) was estimated to be 60 tonnes/hour, which was rather close to the estimated overall buoy productivity. **Mr. Pooley** opined that higher productivity recorded at deep-water anchorages than shallow-water anchorages was perhaps due to bigger vessels working thereat.
- 3.5.4 **Mr. K L Choi** inquired and **Mr. S C Leung** said that deep-water anchorages were more popular because they were more suitable for vessels of deeper draught to handle containers. With reference to the port cargo statistics, **Mr. S C Leung** added that about 50% of the cargoes handled at buoys and anchorages were containerized cargo.
- 3.5.5 **Mr. Sunny Ho** asked whether it was still valid that vessels would only be allowed to work cargo at anchorages if suitable buoys were not available. **Mr. K M Lee** said that as from 1995 it was no longer necessary for a cargo vessel to apply to the Marine Department for using the anchorages outside the harbour limit for loading and unloading of cargo. **Mr. Sunny Ho** said that this accounted for the popularity of anchorages because the cost incurred by vessels using anchorages was lower than buoys. **Mr. K M Lee** supplemented that since 1996, tug companies had charged the same for towage within or outside the harbour limit, albeit **Mr. K L Choi** said that some tug companies still maintained two different tariff schemes.
- 3.5.6 **Mr. Russel** asked what was the underlying assumption in estimating that the percentage of port cargo handled at buoys and anchorages would gradually decline from 26% to 19% by 2020. **Mr. Maurice Pau** said that the estimation was made by the Planning Department having regard to the competition from other Container Terminals and Tuen Mun River Trade Terminal (RTT), as well as the growing trend of containerization.
- 3.5.7 The **Chairman** said that about one-quarter of all cargo handling took place with vessels at buoys or at anchor, and this figure had been quite steady over the past few years. **Mr. Russel** said that the commissioning of Container Terminal 9 (which was expected to absorb some of the mid-stream cargo) and the increasing proportion of cargo handled at Shenzhen port should be factored into the forecast. The

**Chairman** said that the Port Facilities Development Strategy undertaken by the Port and Maritime Board would give a more holistic picture as to the distribution of cargo shares amongst different cargo handling modes.

- 3.5.8 **Mr. Russel** said that the demand for anchorages arising from such purposes other than cargo handling and the loss of anchorage space as a result of the planned Hong Kong Disneyland should be taken into consideration in matching the overall supply and demand. **Mr. S H Pau** agreed the same and asked what was the likely split between deep-water and shallow-water facilities in terms of the existing 50% surplus. **Mr. S C Leung** said that the purpose of the current review was to map out a broad picture on the demand/supply of buoys and anchorages; however, an in-house review on the utilization of mooring facilities was being conducted to assess the current situation and identify possible measures to improve the utilization and productivity of these facilities. The **Chairman** supplemented that once the in-house review was completed the industry would be duly consulted. (Post-meeting note : Due to the Disneyland Project, part of the Pun Shan Shek Anchorage and Western Anchorage No. 1 would be displaced when the Project's Phase III Development is implemented. There is no timeframe yet for the said development. Nevertheless, reprovisioning of the lost anchorage spaces will be required and it is anticipated that this would not cause any impact on the projected supply level of anchorage.)
- 3.5.9 **Mr. S H Pau** was concerned about the likely increase in local traffic, particularly in areas where under-utilized buoys had been removed. **Mr. S C Leung** said that this would not be the case, for example, the water space released by the removal of two tidal buoys to the east of the Western Fairway was being used as an waiting area for container vessels. **Mr. K M Lee** said that the space vacated by the removal of under-utilized buoys would be reserved for ocean-going vessels, and the industry would be consulted in due course. **Mr. K L Choi** stressed that there was a strong demand for deep-water mooring facilities.
- 3.5.10 **Mr. K L Choi** said that he did not consider competition from RTT was one of the elements contributing to the decline in the percentage of port cargo handled at buoys and anchorages, as a lot of containers handled in mid-stream actually went to RTT. **Mr. K M Lee** expressed his reservation and said that a lot of cargo handling activities took place in Yau Ma Tei anchorage where it was observed that barges had been loaded by river trade vessels prior to their being towed to large vessels in mid-stream for unloading.



- 3.5.11 **Mr. Tupper** said that the forecast decline from 26% in 2000 to 19% by 2020 in terms of the percentage of port cargo handled at buoys and anchorages could be attributed to the physical migration of cargo to terminals. However, **Mr. Tupper** said that indeed the river trade had grown considerably over the years as evidenced by the fact that the percentage of ocean cargo as compared to river trade cargo as part of the total was declining.
- 3.5.12 **Mr. Sunny Ho** cautioned that classifying all the cargo handled at RTT as river trade cargo might give rise to a distorted picture, as a large proportion of this cargo was in fact handled in mid-stream and should therefore be considered as mid-stream cargo. The **Chairman** noted **Mr. Sunny Ho's** suggestion.
- 3.5.13 After discussion, the paper was endorsed by the Committee.

### **3.6 POC Paper No. 6/2001**

#### **Manpower Survey on the Demand for Ex-seafarers for the Port Maritime and Related Industry (PMSI) in Hong Kong**

- 3.6.1 The **Chairman** said that the Marine Department had submitted a paper to the Hong Kong Port & Maritime Board (PMB) with regard to the potential problems arising from the shortage of local marine professionals. Thereafter, the PMB had requested MD to conduct a manpower study on the projected need of the port and maritime industry in Hong Kong for the foreseeable future and to recommend measures to overcome the problem. The Hong Kong Polytechnic University had been engaged to conduct the study. To solicit the views of the shipping industry, an extensive survey was being conducted. The **Chairman** then invited **Dr. Nielsen** to present the paper.
- 3.6.2 **Dr. Nielsen** briefed members on the problems identified as a result of the shortage of qualified local seafarers, the methodology of the study and a number of possible options to overcome the problem.
- 3.6.3 **Mr. David Ho** said that the local demand for seafarers as a result of the implementation of ISM code should not be underestimated. Besides, **Mr. David Ho** opined that more maritime training should be provided to graduates from the Stanley Seamen Training School (SSTS). The **Chairman** said that the linkage between the SSTS and the Vocational Training Council had been strengthened by the virtue that fresh graduates from SSTS would continue to receive their maritime training at VTC.

- 3.6.4 The **Chairman** said that the crux of the issue was not so much a question of whether we had sufficient seafarers to man our ships but rather whether we could rely on overseas seafarers to manage our port. If not, then we had to train our people. **Mr. Tupper** agreed and said that local marine professionals were needed to manage the port as some of the jobs could not possibly be done by overseas professionals because of language problem.
- 3.6.5 **Mr. K L Choi** said that since only a limited number of shipping companies were willing to offer training vacancies the Government should provide some incentives for the industry to train local seafarers.
- 3.6.6 The **Chairman** requested members to fill in the questionnaire and return it to **Dr. Nielsen** as soon as possible.
- 3.6.7 After discussion, the paper was endorsed by the Committee.

#### **4. Date of Next Meeting**

- 4.1 The date of the next meeting will be advised in due course.

#### **5. Close of Meeting**

- 5.1 The meeting was closed at 1730 hours.

Confirmed this                      day of    2001

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**Chairman**

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**Secretary**