

THE SIXTY - SEVENTH
ANNUAL REPORT
OF THE

PORT
WELFARE
COMMITTEE

HONG KONG
2015 - 16

PORT
WELFARE
COMMITTEE

Port Welfare Committee
(1 April 2015 – 31 March 2016)

Chairman : Mr Timothy Scott HUXLEY - Hong Kong Shipowners Association

Members : Capt Umesh LULLA - Hong Kong General Chamber of
Commerce

Mr Fared Ahamad KHAN - Hong Kong General Chamber of
Commerce

Mr Micheal MARQUES - Merchant Navy Officers' Guild
Hong Kong

Ms CHIU Sui-hang, Emma - Hong Kong Seamen's Union

Dr TSUI Lok-kin, Edwin - Department of Health (ex-officio)
(up to 16.9.2015)

Dr HO Lei-ming, Raymond
(from 17.9.2015)

Ms CHAN Lai-heung, Esther - Labour Department (ex-officio)

Dr LI Yiu-kwong, Stephen - Marine Department (ex-officio)

Secretary : Mr Jack MF CHAN - Marine Department (ex-officio)

HONORARY AUDITOR

Treasury Accountant/Internal Audit
Marine Department

TERMS OF REFERENCE

1. To co-ordinate on behalf of Government arrangements in Hong Kong for the social and recreational welfare of all serving seamen, with the exception of those who are residing in Hong Kong. The term “serving seamen” is construed to mean “those seamen visiting the port and those temporarily residing here, consequent upon discharge for health or other reasons, awaiting re-engagement or repatriation”.
2. To allocate any grants or monies which the Port Welfare Committee may receive from all sources for the social and recreational welfare of seamen.
3. To obtain information on developments and facilities in connection with seamen’s welfare in other ports, and to take appropriate action in the light of this information.
4. To take such other action as it may see fit to promote the welfare of visiting seamen, including action in conjunction with other social and recreational bodies.
5. To publish an annual report and audited accounts.

REPORT

Introduction

The membership of the Port Welfare Committee (the Committee) is drawn from representatives of the local shipping community and government departments which are concerned with the welfare of visiting seafarers on board ships calling at Hong Kong.

Objectives and Subventions

2. The purpose of the Committee is to ensure that proper arrangements are made to safeguard the welfare of and provide recreational facilities for visiting seafarers of all nationalities. This is achieved by providing financial support to The Sailors' Home and Missions to Seamen (The Mission) and the Danish Seamen's Church, Hong Kong (The Church). These organisations derive their income from the services they offer, such as restaurant facilities. In addition, the Committee's subventions are one of the sources of funds for them.

Finance

3. The Committee relies upon donations from the shipping and commercial community for its financial resources. The total amount of donations collected in 2015–16 was \$338,900. In the same year, a subvention of \$350,000 was granted to The Mission and \$35,000 to The Church.

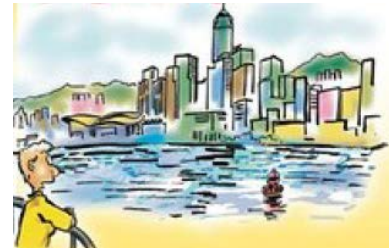
Shipping

4. Hong Kong is one of the busiest ports in the world in 2015. It is a premier gateway for trade with Southern China as well as transportation hub for Asia. In 2015, some 376 040 vessels entered and cleared the Port of Hong Kong, involving 20.1 million twenty-foot equivalent units of containers and 257 million tonnes of cargo. The cross-boundary ferry and cruise passenger journeys also exceeded 30 million.

Employment

5. The shortage of manpower is a subject of concern to the maritime industry in Hong Kong. The government and the industry have joined hands to train up local persons to help alleviate this shortage. A Seagoing Training Incentive Scheme was set up in 2004 with an initial funding of \$9.0 million. An additional amount of \$19.2 million was granted by the government in 2009. A further amount of \$12.4 million was granted in January 2014 to the Scheme from the newly established government Maritime & Aviation Training Fund. As at 31 March 2016, a total of 402 young persons had joined the Scheme; 121 deck and 89 engineer cadets had obtained Class 3 Certificate of Competency (CoC); 32 deck and 23 engineer officers had obtained Class 2 CoC; and 12 deck officers and 6 engineer officers had obtained Class 1 CoC. The result was encouraging.

The Sailors' Home and Missions to Seamen



6. In 2015, the chaplain and ship visitors of The Mission have been continually visiting vessel's crew both in Hong Kong Terminals in Kwai Chung and by use of its motor launch in the anchorage. A total of 3 355 crew were visited, provided with welfare support and valued contact with crew and officers aboard. All seafarers are visited regardless of race, creed or colour; all are treated equally and valued as fellow members of the maritime community. Services provided at these visits range from pastoral counselling, legal advice, contact with home, contact and communication with the shipping company or management (often overcoming language difficulties), transport to and from its seafarers centres, shopping, sightseeing and off the vessel BBQ's, religious services aboard particularly after a death on board, ship blessing and many other services - too small to name individually. In addition to The Mission's daily visiting of ships, it also actively covers all the hospitals in Hong Kong and the New Territories. The Mission visits all seafarers in hospital, helping them with communication to home, and providing for them anything which they may need during their stay and recovery. It is particularly important to visit seafarers in hospital. When other patients are receiving family and friends nearby, the seafarer can feel even more isolated than normal. A visit from the chaplaincy staff can help the seafarer feel wanted, respected and homely. However, nothing can replace a family member, and over the last year, The Mission has hosted many families of seafarers who were visiting Hong Kong to see their loved ones in hospital. In 2015, The Mission conducted 77 separate hospital visits and cared for 53 seafarers who were hospitalised in Hong Kong. Seafarers from 12 countries were taken to hospital in Hong Kong through the year, the largest number were from the Philippines, then Nepal and China, closely followed by Malaysia and Ukraine.

7. The Mission operates two Mariners' Clubs, one in Tsim Sha Tsui which is in the heart of the tourist area of Kowloon and the second is located right in the centre of "container port city" of Kwai Chung. The Kwai Chung facility is very accessible for those seafarers whose vessels are often only in port for a matter of hours while the Tsim Sha Tsui Club is an ideal location for those seafarers who are leaving or joining their vessels and require accommodation. The Tsim Sha Tsui Club building is close to the shopping malls, the night markets and the downtown activity of the tourist nightlife. In 2015, 23 940 active seafarers used the accommodation at the Tsim Sha Tsui Club for a night stay or more. Of these, the largest groups by nationality were Filipinos, followed by Chinese, Indians, Cambodians, Ukrainians, Russians and Kiribati. The number of seafarers staying at the Tsim Sha Tsui Club has declined again this year. The main reason for the decline was the falling number of mainland tourists to Hong Kong. This has led to a reduction in hotel room rates. This notwithstanding, The Mission still cannot compete with the discounts offered by the hotels, and as most of the facilities (e.g. bathrooms) are separate from the bedrooms in the Tsim Sha Tsui Club, they are less attractive to the seafarer or shipping agent placing a seafarer in a bedroom overnight. Until The Mission achieves the redevelopment of the building and can provide all full facility rooms with toilet and bathroom included, The Mission will not be the first choice for seafarers expecting the same standards they now have aboard. The Mission would still actively encourage more shipping companies to place their seafarers with it, and The Mission has now brought in a new room rate to significantly discount all its rooms to shipping companies trying to redress the balance and bring seafarers back to stay with The Mission in an environment that has been made conducive to their needs and stay in Hong Kong. With The Mission's local knowledge and its understanding of the needs of seafarers, The Mission can make seafarers stay more homely and welcoming compared to any commercial hotel. Alongside those seafarers who stay at the Tsim Sha Tsui Club, The Mission also has many seafarers who visit the Kwai Chung

Club whilst their ships are in port. Both the Kwai Chung and Tsim Sha Tsui Clubs were used by 12 626 seafarers as a drop in facility throughout 2015, which is a year-on-year increase of 8% from 2014. Putting all this together, The Mission provided facilities for 36 566 local and international seafarers during 2015.

8. As with 2015, the future challenges for The Mission will be to try to improve on the services provided for all seafarers who visit Hong Kong. The Mission will try to increase the number of ships that it visits, although turnaround times of ships in Kwai Chung mean that often seafarers are unable to gain any realistic shore leave - this makes the work of the ship visitor even more vital for the life of the seafarer. The Mission will continue to keep up its high visitation rate of ships at anchor, and where possible offer the use of the launch to give a chance of shore leave.

9. Towards the end of 2015, The Mission has seen a number of lower end casino ships operating from Hong Kong whose owners and management are having difficulty in paying crew costs. This has led to the arrest of the first of these vessels Mega-vessel New Imperial Star, whose 46 crew have not been paid for seven months as at June 2016. Having secured legal aid, the crew have arrested the vessel pending judicial sale with the total wage bill being over HK\$4 million. The Mission working with Merchant Navy Officers' Guild - Hong Kong and Amalgamated Union of Seafarers Hong Kong have established a fund to help with repatriation and payment of a certain percentage of the wages to those crew ordered by the court to return home to China and Myanmar. It is feared that this will be the first of a number of such claims of vessels operating in this sector of the casino market. Pictured at the next page are 18 of the crew of Mega-vessel New Imperial Star having received their wages and about to fly back to Myanmar. This would not have been possible without the collaboration of The Mission and the Unions.



Rev Canon Stephen Miller
Senior Chaplain
The Sailors Home and Missions to Seamen
16 June 2016

The Danish Seamen's Church, Hong Kong



10. The Church is a private organisation. Its two primary tasks are the spiritual, pastoral and cultural care of the Danish congregation and the Danish seafarers. The Church staff consists of one chaplain and two assistants. The salary of the chaplain and part of the salary for the two assistants are covered by the Danish government, as a part of the government budget for welfare towards seafarers. All other expenses are covered by donations and, for the majority, by fundraising within the local community, such as its bazaars.

11. Unlike some other seafarer's missions, The Church's work with the local congregation and the seafarers is not separated, and the work and fundraising done by its church council and local volunteers is what creates the foundation for its work with seafarers. Especially these days, where the stays in port are so short, that the seafarers rarely have the time to go to ashore, which also mean that while some of the seafarers were previously very engaged in various ways of supporting The Church, they rarely have the time now. However there is still a very great and outspoken appreciation among the crew for the work of The Church. The short stays in port also mean fewer breaks from the life at sea, and make The Church visits to the ships much more needed. In terms of working with the ships, The Church visits to all the ships under Danish flag, but its care is to the entire crew, not only the Danes. The Church brings newspapers, takes care of shopping (anything from socks to DVDs and guitars). The Church cares for the spiritual welfare of the crew, brings church papers and magazines, restock ships, libraries and serves as tour guides or shuttle buses on the rare occasions. That the crew has time to go ashore, The Church buys presents and prizes for Christmas, anniversaries, raffles, etc. In the rare cases when a crew member is hospitalised or detained for whatever reason it might be, The Church also helps them during these times.

12. The Church publishes a magazine 10 times a year, which is provided to both seafarers and the local congregation, and provides information on both the life at sea, current events in the community, and spiritual and theological articles. Furthermore, The Church tries to do its best to bring its two congregations together, by having members of its local congregation visit the ships, in order for them to get to know more about the seafaring life, and what they are supporting. The Church also brings students who are studying subjects related to shipping on visits, in order for them to get to see the practical side of their field. A great part of The Church's work is also done in the Danish Room in Kwai Chung, where The Church has the opportunity to bring the local congregation closer to the seafaring world, and where The Church also gets visits from the seafarers, when they have time to go ashore. The Church has a service on the first Sunday of every month except for a short break during the summer, and on average The Church has one other service every month, normally in connection with Church or Danish holidays. Currently The Church has around 30 to 40 people attending its regular services. The number for the remaining services varies a lot, as these tend to have a strong focus on a particular group, such as children's services, evening services, youth services, etc. Also, since there are currently a large number of cadets on the Danish vessels berthing in Hong Kong, The Church focuses on familiarising the next generation of seafarers with The Church. This also means that The Church is experiencing a growth in Danish seafarers arriving in Hong Kong. Lastly The Church also provides care for both Danish students, interns and tourists arriving in Hong Kong for shorter stays although they are not members of The Church. That said, The Church provides its services to all Danes and people with relation to Denmark, normally spouses, children or other family members, but not limited to these. For weddings, however, The Church does require that at least one member of the couple is baptised, and for confirmations baptism is mandatory. In term of funerals, The Church normally requires the deceased to be baptised, unless there has been a very clear wish from the deceased for the service to be handled by a

pastor, in which case The Church might defer from this, in accordance with the tradition of The Church of Denmark. In terms of oversight of supervision of clergy, the chaplain refers to “The Danish Church Abroad / Danish Seamen’s Church” for practical and administrative matters, and to the Diocese of Copenhagen for theological and clerical matters.

13. Your continuing support is very important to The Church, in order for The Church to continue its work. Since January 2016, The Church has experienced an increase in expenses, since the price has increased for the charge on its bazaars and community events in Tsim Sha Tsui. As this increase came unexpectedly, The Church’s budget for 2016 has been very tight, and your support fell on a very dry spot.



List of donors who made donations to the Port Welfare Committee in 2015 - 16

Donors

- 1 Arrow Asia Shipbrokers Limited
- 2 Asia Container Terminals Limited
- 3 Bocimar Hong Kong Ltd
- 4 Chellaram Shipping (Hong Kong) Ltd
- 5 Cheoy Lee Shipyards Limited
- 6 Chugoku Marine Paints (HK) Ltd
- 7 COSCO (Hong Kong) Insurance Brokers Limited
- 8 COSCO-HIT Terminals (Hong Kong) Limited
- 9 Fenwick Shipping Services Ltd
- 10 Grand Seatrade Shipping Company Limited
- 11 Hong Kong Mid-Stream Operators Association Limited
- 12 Hong Kong Pilots Association Ltd
- 13 Hongkong International Terminals Limited
- 14 Howse Williams Bowers
- 15 IMC Development & Management Limited
- 16 K. H. Koo Charitable Foundation
- 17 K. M. Tam International Limited
- 18 Keesal, Young & Logan, LLP
- 19 Modern Terminals Limited
- 20 Parakou Shipping Limited
- 21 Ruttonjee Estates Continuation Limited
- 22 Santana Shipping Services Limited
- 23 Star Cruises (HK) Limited
- 24 Tai Chong Cheang Steamship Co. (H.K.) Limited
- 25 Taiship Company Limited
- 26 Teh-Hu Cargocean Management Co Ltd
- 27 The Britannia Steam Ship Insurance Association (H.K.) Limited

Donors

-
- 28 The Caravel Group Limited
 - 29 Unique Shipping (H.K.) Limited
 - 30 Valles Steamship Co., Ltd.

Total donations received in 2015–16: \$338,900.



PORT WELFARE COMMITTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



HONORARY AUDITOR'S REPORT

TO THE MEMBERS OF PORT WELFARE COMMITTEE (the 'Committee')

(Operated by Marine Department of the Hong Kong Special Administrative Region ('HKSAR'))


With the appointment of the Treasury Accountant/Internal Audit of the Marine Department as the Honorary Auditor of the Committee according to the Standing Accounting Instructions (SAI) 1975 (6) of the Government of HKSAR, I have audited the attached financial statements of the Committee set out on pages 2 to 4, which comprise the balance sheet as at 31 March 2016, and the statement of receipts and payments for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The financial statements were prepared by the Secretariat of the Committee, which managed the fund of the Committee. In accordance with SAI 1975 (4), the public officer responsible for the management of a non-Government fund shall cause a statement of receipts and payments to be prepared for the fund for each of its accounting periods and at least once a year.

As a public officer independent of the management of the fund of the Committee, I have carried out reviews and tests of the receipts and payments of the fund of the Committee for the year ended 31 March 2016 to ensure that it was managed with adequate internal control and, in particular, I have :-

- a. reviewed whether the payment items are reasonable and appropriate taking into account the nature of the fund; and
- b. obtained certificate from the bank on the correctness of bank balances as at the end of the accounting period for bank accounts separately kept for the Committee.

In my opinion, the financial statements were properly prepared from the books and records maintained, and reflected fairly the receipts and payments of the fund of the Committee for the year ended 31 March 2016.



MAK On-kei
Treasury Accountant/Internal Audit
Marine Department
Date: 27 September 2016

**PORT WELFARE COMMITTEE
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

	<u>2016</u> HK\$	<u>2015</u> HK\$
RECEIPTS		
Annual donations	338,900	369,700
Bank interest income	1	2
	<u>338,901</u>	<u>369,702</u>
PAYMENTS		
Grant to The Sailors' Home and Missions to Seamen	350,000	400,000
Grant to The Danish Seamen's Church	35,000	40,000
Bank charges	240	200
	<u>385,240</u>	<u>440,200</u>
DEFICIT FOR THE YEAR	(46,339)	(70,498)
RETAINED SURPLUSES AT THE BEGINNING OF THE YEAR	75,372	145,870
RETAINED SURPLUSES AT THE END OF THE YEAR	<u>29,033</u>	<u>75,372</u>

The annexed notes form an integral part of these financial statements.

**PORT WELFARE COMMITTEE
BALANCE SHEET
AS AT 31 MARCH 2016**

	<u>2016</u> HK\$	<u>2015</u> HK\$
CURRENT ASSETS		
Cash at bank	29,033	75,372
NET CURRENT ASSETS	<u>29,033</u>	<u>75,372</u>
<i>Representing:</i>		
RETAINED SURPLUSES	<u>29,033</u>	<u>75,372</u>

The annexed notes form an integral part of these financial statements.

We certify that the statement of receipts and payments has been properly prepared and reflects fairly the receipts and payments of the Fund.

Approved by the Committee on 27 September 2016



Chairman
(Mr Timothy Scott Huxley)



Treasurer
(Mr Simon CHAN)

**PORT WELFARE COMMITTEE
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

Reporting entity

Port Welfare Committee is a committee operated by the Marine Department of the Hong Kong Special Administrative Region. The Committee's registered office is located at 21/F, Harbour Building, 38 Pier Road, Hong Kong.

The Committee is a non-profit making body and its principal activity is to ensure that proper arrangements are made to safeguard the welfare of and provide recreational facilities for visiting seafarers of all nationalities.

1. Basis of preparation and accounting policies

The financial statements have been prepared under the historical cost convention and are prepared on a cash basis. Moreover, the financial statements are prepared on the assumption that the committee is a going concern.

2. Taxation

No provision for taxation is necessary as the Committee is exempted as a charitable body.

3. Committee Members' emoluments

The Committee Members did not receive any emoluments from the Committee.