

CHAPTER 7

Education Bureau

Vocational Training Council

Maritime Services Training Institute

**Audit Commission
Hong Kong
25 October 2011**

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Report No. 57 of the Director of Audit contains 12 Chapters which are available on our website at <http://www.aud.gov.hk>.

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MARITIME SERVICES TRAINING INSTITUTE

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PART 1: INTRODUCTION

1.1 This PART describes the background to the audit and outlines the audit objectives and scope.

Background

1.2 Hong Kong is a major international maritime centre. The maritime sector provides a whole range of quality maritime services for the global shipping community. As at 31 March 2011, a total of 1,775 ships (including 1,552 ocean-going vessels) with 58.97 million gross tonnage had been registered in Hong Kong. On marine transport, the Government's policy objectives are to enhance the competitiveness of the Hong Kong Port and to strengthen Hong Kong's position as an international maritime centre. To achieve these policy objectives, Hong Kong needs an adequate supply of qualified and experienced seafarers for deep-sea and coastal navigation, the management of the Port, its vessels and maritime services facilities.

1.3 Like many other developed countries/flag administrations, Hong Kong is facing a situation that the younger generation is less attracted to a seafaring career largely because they do not want to leave home for too long and life at sea is perceived to be less colourful. The number of registered seafarers had dropped from a peak of 87,424 in 1982 to 5,249 as at 31 March 2011, indicating a decline of 94% in the past 29 years. In April 2010, the Transport and Housing Bureau informed the Legislative Council (LegCo) Panel on Economic Development that:

- (a) the success of the maritime industry in Hong Kong was largely attributable to a strong pool of maritime professionals, many of whom possessed sea-going experience. The industry, however, had been faced with an acute shortage of professionals with a sea-going background for the last decade; and
- (b) the problem, if left unattended, would only get worse and also erode Hong Kong's edge as a major maritime centre and regional hub port because it hampered Hong Kong's ability to provide essential services, such as pilotage, vessel traffic regulation, surveying, ship management, ship repair, etc.

Maritime Services Training Institute

1.4 In Hong Kong, the responsibility of seafarers' training lies mainly with the **Vocational Training Council (VTC)**, which was a statutory body established in 1982 under the VTC Ordinance (Cap. 1130). It provides vocational education through its member institutions, including the **Maritime Services Training Institute (MSTI)**. The **Education Bureau** provides the VTC with support and subvention necessary for the provision of vocational education and training.

1.5 In 1988, the VTC established the MSTI (previously known as the Seamen's Training Centre) at Tai Lam Chung, Tuen Mun (see Photograph 1). The MSTI's aim is to provide secondary school leavers and in-service personnel with professional training to meet the local standards and international requirements of the maritime industry. The MSTI is the major institution which offers training to persons who pursue a career as a deck officer in Hong Kong (Note 1). It is also the sole provider of training courses meeting the requirements of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) adopted by the International Maritime Organisation (Note 2).

Note 1: *A local university also provides training courses to persons who pursue a career as a deck officer.*

Note 2: *The International Maritime Organisation is the United Nations specialised agency with responsibility for the safety and security of shipping and the prevention of marine pollution by ships.*

Photograph 1**The MSTI campus**

Source: Photograph taken by the Audit Commission in June 2011

1.6 As at 30 September 2011, the MSTI had an establishment of 26 staff, comprising a Manager, 13 Instructor grade staff (1 Chief Instructor, 5 Senior Instructors and 7 Instructors), and 12 staff of the administrative and support grades. In addition, three Lecturer posts under the establishment of the Hong Kong Institute of Vocational Education (Tsing Yi) were deployed to the MSTI to organise the Higher Diploma in Maritime Studies (HDMS) course.

1.7 An organisation chart of the MSTI as at 30 September 2011 is shown at Appendix A. For the financial year 2010-11, the MSTI's recurrent expenditure amounted to \$13 million, of which \$10 million was staff cost.

Maritime Services Training Board

1.8 The operation of the VTC is supported by 21 training boards. The Maritime Services Training Board (MSTB), established in 1998, is one of them. The MSTB is responsible for assessing the manpower and training needs of the maritime industry, and making recommendations for the development of training facilities with a view to bringing about sufficient trained manpower to meet the needs of the industry.

1.9 MSTB members comprise representatives appointed by the Government from the maritime industry, trade unions, the Marine Department (MD), the Labour Department, the Hong Kong Police Force and tertiary institutions.

International Convention on STCW

1.10 The International Convention on STCW was adopted by the International Maritime Organisation in 1978 and entered into force on 28 April 1984. It was the first to establish basic requirements on training, certification and watchkeeping for seafarers on an international level which countries (who are parties to the Convention) are obliged to meet. Hong Kong, as an Associate Member of the Organisation and a party to the Convention, has the obligation to train and certify its seafarers in accordance with the requirements of the Convention. The MD, as an administrative body to the Convention, is required to ensure that the training courses offered by local training institutes meet the standards required by the Convention. The Convention had major amendments as follows:

- (a) ***1995 amendments.*** The amendments made in 1995 entered into force on 1 February 1997. They impose an obligation on members to make arrangements for training and certification. In this Report, the Convention which includes the 1995 amendments is referred to as the “1995 STCW Convention”; and
- (b) ***2010 amendments.*** Further amendments, which included the introduction of new training and competence standards, were adopted on 25 June 2010 and would enter into force on 1 January 2012. In this Report, the Convention which includes the 2010 amendments is referred to as the “2010 STCW Convention”. This Convention allows the existing training programmes to operate up to 30 June 2013.

1.11 In Hong Kong, the MSTI is the sole provider of the training required by the 1995 STCW Convention. Such training covers different modules (see Appendix B), including some mandatory modules for new entrants who will work aboard vessels.

Audit review

1.12 The Audit Commission (Audit) has recently conducted a review of the MSTI. The audit has focused on the following areas:

- (a) management of training courses (PART 2);
- (b) course fees for short courses (PART 3);

- (c) staff planning and development (PART 4); and
- (d) utilisation of training facilities (PART 5).

Audit has found that there is room for improvement in the above areas and has made a number of recommendations to address the issues.

General response from the VTC

1.13 The **Executive Director (ED), VTC** agrees with the audit recommendations. She has said that:

- (a) the VTC welcomes the Audit Report and fully appreciates that it has made many very useful recommendations. They will no doubt drive the MSTI's process of continuous improvements;
- (b) the VTC will follow up the recommendations proactively and implement them as appropriate; and
- (c) in response to the audit observations, the VTC has decided to, in consultation with the maritime industry, review the operations and strategic development of the MSTI to better serve and support the industry's training needs.

Acknowledgement

1.14 Audit would like to acknowledge with gratitude the full cooperation of the staff of the VTC and the Education Bureau during the course of the audit review.

PART 2: MANAGEMENT OF TRAINING COURSES

2.1 This PART examines the MSTI's management of training courses. The following issues are covered:

- (a) planning of training courses (paras. 2.3 to 2.12);
- (b) intake of the HDMS course (paras. 2.13 to 2.20);
- (c) enrolment of short courses (paras. 2.21 to 2.26);
- (d) student retention rates of training courses (paras. 2.27 to 2.32);
- (e) demand for Maritime Resource Management Course (paras. 2.33 to 2.36); and
- (f) reporting of performance information (paras. 2.37 to 2.40).

Training courses offered by the MSTI

2.2 The MSTI offers pre-employment training courses to trainees intended to pursue a career in the maritime industry. It also offers in-service training courses to local and foreign seafarers, and employees of the industry. The training courses include:

- (a) full-time pre-employment training courses:
 - (i) **HDMS.** This is a 3-year course for Secondary 5 graduates (Note 3). The course provides professional knowledge and practical training on shipboard operations and practices in the industry. Its aims are to prepare students for pursuing careers in the industry. Graduates may choose to undergo their cadetship training aboard ocean-going vessels or find their job opportunities in the industry such as container terminals, bunkering and ship supplies companies; and

Note 3: *The 3-year HDMS course was introduced in the academic year 2007/08 to replace the 2-year Diploma in Maritime Studies course. Following the implementation of the new academic structure for senior secondary education, the VTC planned to reduce the study duration of the course from 3 years to 2 years with effect from 2012/13. The entry requirement of the course will be raised from Secondary 5 graduates to Secondary 6 graduates accordingly.*

- (ii) ***Junior General Purpose Rating (JGPR).*** This is a 23-week course for Secondary 3 school leavers. Admissions of trainees are conducted throughout the year by four intakes. The course provides elementary training such as seamanship, fire fighting, engineering and engine room watchkeeping knowledge. The objective of the course is to supply properly trained and qualified personnel to meet the manpower demand of the industry and to meet the local and international training standards for general purpose ratings. The majority of JGPR graduates serve on local tugs, bunker barges, harbour ferries and Hong Kong-Mainland and Hong Kong-Macau high-speed craft; and

- (b) a number of short courses with various training periods, ranging from a half-day to a few weeks, as follows:
 - (i) pre-sea training courses offered in accordance with the STCW Convention for graduates of maritime courses who opt to work aboard vessels;

 - (ii) refresher and upgrading courses for seafarers to meet the requirements of the STCW Convention;

 - (iii) training courses such as oil carrier safety, radar operation and basic training for local vessels' crew; and

 - (iv) training courses on subjects such as container handling, shipboard cargo handling and shipboard crane operation for employees of the industry.

In the academic year 2009/10 (Note 4), the MSTI organised 52 courses (i.e. the HDMS, the JGPR and 50 short courses — Note 5) which provided a total of 5,105 trainee-places and 167,928 trainee-hours.

Note 4: *Unless otherwise specified, all years mentioned hereinafter refer to academic years which start on 1 September of a year and end on 31 August of the following year.*

Note 5: *To make better use of its specialised training facilities, the MSTI also organised short courses (e.g. fire fighting training courses) for employees of commercial organisations/government departments.*

Planning of training courses

2.3 Each year, the MSTI submits a Three-year Programme of Activities to the MSTB for information and advice. The MSTI also prepares an Annual Course Plan with reference to the Programme.

Audit observations and recommendations

Preparation of the Three-year Programme of Activities and the Annual Course Plan

2.4 It is imperative that the training courses offered by the MSTI meet the requirements of the STCW Convention and the needs of the maritime industry. To achieve this objective, the MSTI prepares the Three-year Programme of Activities and the Annual Course Plan.

2.5 The MSTB used to conduct biennially manpower surveys to collect up-to-date information on the manpower situation, forecast the manpower growth and devise measures for meeting the demand of the maritime industry. In the surveys, information about the respondents' training requirements was collected and analysed, and formed a basis for the MSTB to make recommendations on course planning. The latest three manpower surveys conducted were:

- (a) *2004 Manpower Survey of the Seafarers and Local Vessels' Crew.* The survey covered the ocean-going, the river trade and the local vessel sectors of the shipping industry;
- (b) *2006 Manpower Survey of the Seafarers.* The survey covered the ocean-going and the river trade sectors; and
- (c) *2008 Manpower Survey of the Local Vessels' Crew.* The survey covered the local vessel sector only.

2.6 The surveys were inadequate in that the 2006 Survey covered only seafarers whereas the 2008 Survey covered only local vessels' crew, and no more manpower survey was conducted after the 2008 Survey. At a meeting held on 3 May 2010, the MSTB noted the difficulties of using the survey findings to assess the manpower supply and demand. **Audit considers that there is a need to explore ways to conduct more effective manpower surveys to support the MSTI's course planning work.**

2.7 The MSTI informed Audit that it planned the training courses for inclusion in the Three-year Programme of Activities and the Annual Course Plan mainly based on manpower survey findings, past experience and direct dialogues with the maritime industry. Audit examined the supporting documents for the Programmes covering the period 2008/09 to 2013/14 and the Plans for 2008/09 to 2011/12. There was no documentation available showing how the above factors had been taken into account by the MSTI in the preparation of the Programmes and the Plans. **Audit considers that the MSTI needs to document its planning work as far as possible.**

Preparing for new requirements on maritime training

2.8 In the International Maritime Organisation's STCW conference held in June 2010, amendments to the 1995 STCW Convention (the 2010 amendments) were adopted. The 2010 amendments introduced the following new requirements on maritime training:

- (a) new requirements in specific areas (e.g. training in the Electronic Chart Display and Information System);
- (b) new requirements for retraining at intervals of every five years in respect of three STCW modules; and
- (c) new requirements for upgrading a number of existing training courses (e.g. the Tanker Familiarisation Course).

2.9 Given that the 2010 STCW Convention will enter into force in January 2012, the implementation of the Convention is a challenge to the MSTI. As the new training requirements have to be met by July 2013, there is an urgent need for the MSTI to start the planning work and have them reflected in the Three-year Programme of Activities and the Annual Course Plan as early as possible. **Audit however found that such new training requirements had not been reflected in the Programme for 2011/12 to 2013/14 and the Plan for 2011/12.** Audit considers that the MSTI should develop new training courses, upgrade existing training courses, and expand the number of trainee-places as soon as possible.

Submission of Annual Course Plan to the MSTB

2.10 After the MSTB’s review of the Three-year Programme of Activities, the MSTI prepares the Annual Course Plan. However, there is no requirement for submitting the Plan to the MSTB. Audit reviewed the Programmes covering the period 2008/09 to 2013/14 and the Plans for 2008/09 to 2011/12 and noted that there were revisions to the planned training activities after the Programmes had been reviewed by the MSTB (see Table 1). Audit considers it desirable to submit the Plan to the MSTB for information and advice if there are substantive revisions to the planned training activities.

Table 1
Planned trainee-places and trainee-hours per year
(2008/09 to 2013/14)

Three-year Programme of Activities			Annual Course Plan		
Period	Trainee-places per year	Trainee-hours per year	Year	Trainee-places per year	Trainee-hours per year
2008/09 to 2010/11	9,657	199,851	2008/09	6,564	221,002
2009/10 to 2011/12	6,693	200,011	2009/10	6,836	203,291
2010/11 to 2012/13	4,436	201,259	2010/11	6,836	203,291
2011/12 to 2013/14	6,836 (Note)	203,291	2011/12	4,834 (Note)	184,058

Source: MSTI records

Note: No new training courses were included.

Audit recommendations

- 2.11 **Audit has recommended that the VTC should urge the MSTI to:**
- (a) **request the MSTB to conduct more effective manpower surveys to support the MSTI's course planning work;**
 - (b) **document the factors taken into account in the preparation of the Three-year Programmes of Activities and the Annual Course Plans as far as possible;**
 - (c) **develop new training courses, upgrade existing training courses and expand the number of trainee-places as soon as possible with a view to meeting the requirements of the 2010 STCW Convention;**
 - (d) **reflect the new training requirements of the 2010 STCW Convention in the Three-year Programmes of Activities and the Annual Course Plans; and**
 - (e) **submit the Annual Course Plans to the MSTB for information and advice if there are substantive revisions to the planned training activities after the Programmes have been reviewed by the MSTB.**

Response from the VTC

- 2.12 The ED, VTC agrees with the audit recommendations. She has said that:
- (a) the VTC will request the MSTB to review the methodology and questionnaire design for conducting more comprehensive manpower surveys biennially to support the MSTI's course planning work;
 - (b) factors taken into consideration in the preparation of the Three-year Programmes of Activities and the Annual Course Plans will be documented as far as possible;
 - (c) the MSTI has commenced the development of new training courses and the upgrading of existing courses to meet the requirements of the 2010 STCW Convention; and
 - (d) the MSTI will submit the Plans to the MSTB for information and advice where appropriate if there are substantive revisions to the planned training activities.

Intake of the HDMS course

2.13 A strong pool of sea-going professionals is important to the success of Hong Kong's maritime industry. However, according to the Administration:

- (a) the industry is faced with an acute shortage of sea-going professionals;
- (b) the rapid growth and diversification of the economy has led to a wide choice of job opportunities for young people;
- (c) the problem of manpower shortage will likely be more challenging in the near future because the majority of Hong Kong's sea-going professionals will reach the retirement age very soon; and
- (d) the problem, if left unattended, will erode Hong Kong's edge as a major maritime centre and regional hub port.

2.14 In 2004, the MD introduced the Sea-going Training Incentive Scheme (STIS) with an approved commitment of \$9 million to address the manpower shortage problem. The STIS involves collaboration between the Government and the maritime industry in that the Government provides a financial incentive to attract youngsters to the sea-going career while the industry provides the required training aboard ships and support in the form of sponsorships and internship opportunities. Participants under the STIS may receive a monthly subsidy of \$5,000 during their cadetship training aboard ocean-going vessels.

Audit observations and recommendation

2.15 After the launch of the STIS in 2004, there had been a growing interest among local talents in joining the sea-going profession. The average annual intake of the HDMS course and its predecessor, Diploma in Maritime Studies course, increased from 18 for the period 1998 to 2003 to 38 for the period 2004 to 2009.

2.16 In May 2010, the Finance Committee of LegCo approved an increase in the commitment from \$9 million to \$28.2 million for extending the operation of the STIS for four years up to the financial year 2013-14. The Finance Committee was informed that the MSTI had expanded the class size of the HDMS course to **“60 since 2009”** and the Government expected that 55 deck cadets would join the STIS in the financial year 2012-13.

2.17 Notwithstanding the collaborative efforts of the Government and the maritime industry in encouraging young people to take on and complete sea-going training, the MSTI had not increased the planned trainee-places of the HDMS course which remained at the level of about 40. The MSTI increased the intake for the HDMS course to 61 in 2009/10 (with a workshop being converted into a bigger classroom to meet the increased intake). The MSTI informed Audit that:

- (a) based on the past trends of the number of applicants who took up the trainee-places offered to them, as well as the availability of training venues, the number of planned trainee-places for 2010/11 and 2011/12 was maintained at 40; and
- (b) since the only classroom in the campus that could accommodate a class of more than 40 students (the converted one) would not be available until 2012 after the graduation of the intake in 2009/10, no substantial increases in planned trainee-places were contemplated (Note 6).

2.18 The objective of extending the STIS was to attract more youngsters to join the maritime industry to address the problem of ageing sea-going professionals. Audit considers that the MSTI's restricted intake of the HDMS course might hamper the success of the Government's efforts to tackle the problem of shortage of sea-going professionals. The lack of a proper classroom for accommodating a class of 60 students does not appear to be a good reason for restricting the annual number of student intake. Audit found that in 2009/10, only about 35% of the originally designed training capacity had been put into use (see para. 5.4). The VTC and the MSTI should take more proactive measures to attract applications and enrolments, and make more forward planning to provide the necessary training venues and facilities. To match with the STIS, the MSTI in particular needs to increase the planned trainee-places of the HDMS course (e.g. at least maintaining the class size at 60 as the Finance Committee was so informed in May 2010 — see para. 2.16).

Audit recommendation

2.19 **Audit has recommended that the VTC should urge the MSTI to take effective measures to ensure that there are sufficient HDMS trainee-places to match with the Government's efforts to tackle the problem of shortage of sea-going professionals for the maritime industry.**

Note 6: *Nonetheless, Audit noted that there was a constant demand for trainee-places of the HDMS course. Since the course was introduced in 2007/08, the number of applicants for the course each year had always exceeded the number of available trainee-places.*

Response from the VTC

- 2.20 The ED, VTC agrees with the audit recommendation. She has said that:
- (a) the MSTI supports the Government's efforts to tackle the problem of shortage of sea-going professionals for the maritime industry; and
 - (b) in deciding the number of planned trainee-places, the MSTI took into consideration factors including the actual student enrolment, the historical take-up rates, and the number of training berths available in the industry to support the graduates. Moreover, there is flexibility to allow for over-enrolment.

Enrolment of short courses

2.21 The MSTI accepts applications for short courses throughout the year. For applicants who are not offered a trainee-place immediately, they will be put on the waiting lists. According to the MSTI's enrolment procedures, when trainee-places for the courses applied for are available again, the MSTI will contact the applicants on the waiting lists and offer the trainee-places to them on a first-come first-served basis.

Audit observations and recommendations

Short courses with long waiting lists

2.22 For some short courses, there is a great demand for trainee-places. As at 30 June 2011, there were applicants on the waiting lists of 20 short courses. Audit noted that:

- (a) for one course, there were 84 applicants on the waiting list. However, 37 (44%) applicants did not meet the requirement of the course and were not eligible to enrol in the course; and
- (b) for eight other courses, the numbers of applicants on the waiting lists were larger than the corresponding numbers of planned trainee-places in the 2011/12 Annual Course Plan (see Table 2). The applicants may have to wait for more than one year before they will be offered trainee-places.

Table 2
Short courses with long waiting lists
(30 June 2011)

Course	No. of applicants on waiting list (a)	No. of planned trainee-places in 2011/12 Annual Course Plan (b)	Estimated waiting time (c) = (a) ÷ (b) (Year)
1. Radar Navigation, Radar Plotting and Use of Automatic Radar Plotting Aids	108	30	3.6
2. Global Maritime Distress Safety System (GMDSS) General Operator Certificate	34	12	2.8
3. Proficiency in Medical Care	25	12	2.1
4. Ship Repairing and Ship Breaking Works Supervisor Safety	42	25	1.7
5. Shipboard Crane Operator Safety	48	30	1.6
6. Shipboard Cargo Handling Works Supervisor Safety	29	25	1.2
7. GMDSS Restricted Operator Certificate	55	48	1.1
8. Basic Handling of Dangerous Goods (Local Vessel)	27	25	1.1

Source: Audit analysis of MSTI records

Enrolment on first-come first-served basis

2.23 Audit reviewed the enrolment records of a class held in January 2010 for Course 1 in Table 2, which had 108 applicants on the waiting list as at 30 June 2011. The number of applicants enrolled in the class was 12. Audit found that 34 applicants on the waiting list had filed their applications earlier than some of the enrolled applicants, but no record was available showing that the MSTI had contacted and offered them trainee-places. The MSTI informed Audit in August 2011 that although admission would be on a first-come first-served basis in the normal circumstances, in exceptional cases, the Manager of the MSTI might approve urgent cases of admission where the circumstances so warranted. However, for 8 of the 12 enrolled applicants, no documentation was available showing that they were justified by urgent needs.

Completeness of course information on website and in prospectus

2.24 The MSTI makes available information of courses which are open to the public on its website and in the prospectus. In June 2011, Audit reviewed the information on the website and in the prospectus and found that:

- (a) the prospectus did not include any timetables for the short courses, whereas the website only included the timetables for 12 short courses. Including a timetable on the website and in the prospectus can facilitate the applicants (who are mostly seafarers) to plan for attending appropriate courses; and
- (b) information of six short courses was not found on the website and in the prospectus, and information of one short course was not found in the prospectus.

Audit recommendations

2.25 **Audit has recommended that the VTC should urge the MSTI to take effective measures to ensure that:**

- (a) **only applicants who meet the entry requirements are placed on the waiting lists for short courses;**
- (b) **more classes are held with a view to shortening the waiting lists;**
- (c) **applicants on the waiting lists are offered trainee-places on a first-come first-served basis in accordance with the MSTI's admission policy;**

- (d) **for deviations from the MSTI's admission policy (e.g. applicants on the waiting lists not being offered trainee-places on a first-come first-served basis), they must be fully justified and approved, with the justifications properly documented; and**
- (e) **information, including timetables, on all short courses which are open to the public for application is available on the website and included in the prospectus.**

Response from the VTC

2.26 The **ED, VTC** agrees with the audit recommendations. She has said that:

- (a) the MSTI will screen and place only applicants who meet the course entry requirements on the waiting lists;
- (b) staffing issues in the MSTI in the past years have caused a build-up of backlogs of applications. Plans have been made to hold more classes to shorten the waiting lists as far as practicable;
- (c) in exceptional cases, the Manager of the MSTI may authorise urgent cases of admission. For instance, an applicant may need to attend a short course urgently in order to be qualified for a licence required for a post. The justifications for these cases will be properly documented. Internal admission policy and procedure statements will be updated to reflect the current practice; and
- (d) the MSTI's website will be updated more frequently.

Student retention rates of training courses

2.27 Employers, trainees and the maritime industry as a whole will benefit if trainees complete their training. One performance indicator adopted by the MSTI is the student retention rates of training courses. Two target retention rates are set, namely 85% for pre-employment courses (i.e. the HDMS and the JGPR) and 95% for short courses.

Audit observations and recommendation

2.28 Audit reviewed the actual student retention rates of MSTI courses for 2008/09 and 2009/10 and noted that they exceeded the target retention rates (see Table 3).

Table 3**Student retention rates of MSTI courses
(2008/09 and 2009/10)**

Year	Course	Student retention rate	
		Target	Actual
2008/09	Pre-employment courses	85%	87.3%
	Short courses	95%	99.8%
2009/10	Pre-employment courses	85%	89.6%
	Short courses	95%	99.4%

Source: *Audit analysis of MSTI records*

2.29 However, Audit analysed the student retention rates of the HDMS course (one type of pre-employment courses) for the 2008/09 and 2009/10 intakes (see Table 4) and noted that there is room for improvement.

Table 4**Student retention rates of HDMS course
(2008/09 and 2009/10 intakes)**

Class	2008/09 intake	2009/10 intake
Year-1	82.5%	82.3%
Year-2	100%	94.2%
Year-3	100%	Not applicable (Note)

Source: *Audit analysis of MSTI records*

Note: *The Year-3 class of the 2009/10 intake will complete in 2012. The student retention rate is not yet available.*

2.30 As shown in Tables 3 and 4, although the target student retention rate of 85% for pre-employment courses was achieved in 2008/09 and 2009/10, the student retention rates for Year-1 classes were slightly lower at 82.5% and 82.3% respectively. The MSTI may need to step up its efforts to improve the retention of Year-1 students of the HDMS course. There are a number of specific actions that the MSTI can take to improve the student retention rates. Details are as follows:

- (a) in the admission interview, the MSTI may pay more attention to the applicants' aptitude to assess their zeal and suitability for pursuing a career in the maritime industry; and
- (b) students who do not wish to continue their study are required to complete a Notification for Withdrawal of Study stating the reasons for the withdrawal. The MSTI also conducts exit interviews with them. The MSTI may consider exploring ways of making use of the information collected from the Notifications and the exit interviews to provide more effective support and encouragement to them so that they may continue their study.

Audit recommendation

2.31 **Audit has recommended that the VTC should urge the MSTI to take more proactive actions to further improve the student retention rate of the HDMS course.**

Response from the VTC

2.32 The ED, VTC agrees with the audit recommendation. She has said that:

- (a) at present, applicants' aptitude in maritime services is assessed at the admission interview. The MSTI also adopts different practices to monitor students' progress. Class tutors and lecturers keep track of the attendance and performance of the students and provide guidance and assistance to them where necessary. The student development officers and student counsellors will also follow up cases of low attendance. Other than day-to-day support and counselling, the Manager, teachers and tutors also meet with the class representatives twice a year; and
- (b) the MSTI's class tutors and student counsellors will make additional efforts to provide guidance and assistance to HDMS students where appropriate.

Demand for Maritime Resource Management Course

2.33 The Maritime Resource Management (MRM) Course was developed jointly by an overseas leading marine mutual insurer and other major maritime organisations. The MRM Course was designed to minimise the risk of incidents at sea through efficient management of maritime resources. In 2005, the MSTI became an authorised provider of the MRM Course under a licence from the insurer. The annual licence fee paid to the insurer was US\$3,000. Up to 31 July 2011, the total licence fee paid by the MSTI amounted to US\$21,000 (about HK\$163,800).

Audit observations and recommendations

2.34 Audit reviewed the Annual Course Plans and records of courses actually provided by the MSTI for 2005/06 to 2010/11. Audit found that no MRM Course had been included in the Plans and no such Course had been offered by the MSTI. The MSTI informed Audit in August 2011 that the licence allowed the MSTI to use the MRM Course material in other MSTI courses. Although the MRM Course had not been organised due to low demand in the past, the MRM Course material had been used to support some MSTI courses. However, Audit noted that there was no documentation showing that the MSTI had reviewed:

- (a) the demand for the MRM Course; and
- (b) how best the MRM Course material could be used to support other MSTI courses.

Audit recommendations

2.35 **Audit has recommended that the VTC should urge the MSTI to regularly review:**

- (a) **the demand for organising the MRM Course. If there is really such a demand, actions should be taken to provide the Course as soon as possible; and**
- (b) **the best way to make use of the MRM Course material to support other MSTI courses.**

Response from the VTC

- 2.36 The ED, VTC agrees with the audit recommendations. She has said that:
- (a) the demand for the MRM Course was not high in the past. With the implementation of the 2010 STCW Convention, the demand for the Course may increase. The MSTI will review the situation and take action where appropriate; and
 - (b) the MRM Course material has been used in the curricula and teaching of some MSTI courses. The MSTI will regularly review the usage with a view to increasing it where practicable.

Reporting of performance information

2.37 Each year, in addition to a Three-year Programme of Activities, the MSTI submits an Annual Report to the MSTB. In the Programme and the Report, detailed information on the training activities is shown. It is important that such information is accurate.

Audit observations and recommendation

- 2.38 Audit reviewed the Three-year Programme of Activities for 2011/12 to 2013/14 and the Annual Report for 2009/10. Audit found that:
- (a) the total number of planned trainee-places for 2011/12 to 2013/14 stated in the Programme was 6,836 per year. However, the detailed breakdown given in the Programme only added up to 5,331;
 - (b) the total number of planned trainee-places for 2009/10 stated in the Annual Report was 6,836 but the detailed breakdown given in the Report only added up to 5,277; and
 - (c) the total number of actual trainee-places for short courses for 2009/10 was 4,942 but:
 - (i) it was misstated as 5,024 in the Report; and
 - (ii) the detailed breakdown given in the Report added up to 4,990.

Audit recommendation

2.39 **Audit has recommended that the VTC should urge the MSTI to validate the information included in the Three-year Programme of Activities and the Annual Report to ensure their accuracy.**

Response from the VTC

2.40 The **ED, VTC** agrees with the audit recommendation. She has said that the VTC will assist the MSTI to put in place a double-checking mechanism to ensure the accuracy of its reports.

PART 3: COURSE FEES FOR SHORT COURSES

3.1 This PART examines issues relating to course fees for short courses.

Background

3.2 Audit focused the review of course fees on short courses because:

- (a) the course fee for the HDMS course was set by the VTC in line with other higher diploma courses; and
- (b) the JGPR course is free of charge under the Government's policy of providing 12 years of free education to eligible students.

Setting of course fees

3.3 Course fees for MSTI short courses are set at market or full-cost recovery rates, but registered Hong Kong seafarers are charged at 30% recovery rate for attending seamen's training. The course fees vary from \$110 to \$11,300 per trainee.

Audit observations and recommendations

Course fees set at levels higher than full cost

3.4 Audit examined the fees for five courses which were set at levels higher than the full cost by 12% to 114%. Audit found that:

- (a) for four courses, there was no record showing the basis for setting the course fees; and
- (b) the fee for one course was set at market rate. However, no record was available showing how the fee was derived.

Calculation of staff costs

3.5 According to the VTC's Costing Manual, for calculating the staff costs of teaching staff involved in a course, the time spent on course development, preparation and planning, administrative work and other related work for the course should be accounted for in addition to the class contact time.

3.6 Audit examined the costing exercises for 10 courses. Audit noted that for three courses, the staff time only included the class contact time. Other elements of staff time (e.g. staff time for course development, preparation and planning) were not included in calculating the staff costs.

Variance between projected and actual class sizes

3.7 Audit selected five courses and compared the projected class sizes in the costing exercises with the actual sizes of classes held in the period January 2009 to June 2011. Audit noted that for four courses, the variances between the projected and actual average class sizes ranged from negative 80% to positive 73% (see Table 5).

Table 5

**Variations between projected and actual average class sizes
(January 2009 to June 2011)**

Course	Projected class size (a)	Actual average class size (b)	Variance	
			No. of trainees (c) = (b) - (a)	Percentage (d) = (c) ÷ (a) × 100%
1	30	6	(24)	(80%)
2	12	6	(6)	(50%)
3	15	21	6	40%
4	15	26	11	73%

Source: Audit analysis of MSTI records

Audit recommendations

3.8 Audit has *recommended* that the VTC should urge the MSTI to take necessary measures to ensure that:

- (a) for course fees set at levels higher than full cost, documentation is kept to show whether the fees are set at market rates, and how the rates are derived;
- (b) staff costs are calculated accurately according to the VTC's Costing Manual; and
- (c) projected class sizes used in costing exercises are regularly reviewed by comparing them with the actual class sizes. If necessary, timely adjustments should be made with a view to ensuring the accuracy of the costing exercises.

Response from the VTC

3.9 The ED, VTC agrees with the audit recommendations. She has said that:

- (a) the rationales for setting of course fees will be documented if they are at levels higher than full cost;
- (b) some courses involved a combination of modules taken from existing courses or practical training programmes that did not require course development work. Therefore, staff time for such courses only included class contact hours. Action will be taken to improve the costing worksheet to ensure that all cost elements are reflected in the calculation and explanations are recorded for cost elements not included therein; and
- (c) the MSTI will conduct regular class size reviews to ensure the accuracy of the costing exercises.

Revision of course fees

3.10 According to the VTC's Financial Rules, fees and charges relating to any goods and services or the use of any facilities provided by the VTC should be regularly reviewed and updated.

Audit observations and recommendation

3.11 Audit reviewed the MSTI records and found that after a review of the course fees, the fees for all short courses were increased by 5% with effect from 2004/05. However, there was no record at the MSTI showing that it had reviewed the course fees after 2004/05. Cost changes since the last review (which was conducted seven years ago) have not been reflected in the course fees.

Audit recommendation

3.12 **Audit has recommended that the VTC should urge the MSTI to take necessary measures to ensure that course fees for MSTI short courses are regularly reviewed and updated as required by the VTC's Financial Rules.**

Response from the VTC

3.13 The **ED, VTC** agrees with the audit recommendation. She has said that the MSTI will review course fees for short courses on a regular basis.

Collection of course fees

3.14 For trainees attending classes on individual basis, course fees are collected from them individually. For trainees attending classes on group basis as members of an organisation, course fees are collected from the organisation.

Audit observations and recommendations

3.15 Audit examined the collection of course fees for classes of 20 courses held during the period January 2009 to June 2011. Audit found that:

- (a) two classes of a course were held for a government department in February 2009. Although the approved course fee was \$4,700 per class, \$8,000 was collected from the department instead of the correct fee of \$9,400. The MSTI informed Audit in August 2011 that due to communication breakdown, the staff responsible for billing was unaware of the admission of two additional trainees to the classes and no additional course fees had been charged;

- (b) one class of another course was held in October 2009. For two trainees who were the staff of another government department, \$2,860 was collected from the department instead of the correct course fee of \$2,200 ($\$1,100 \times 2$) due to an error made by a newly appointed staff; and
- (c) classes of two courses were held regularly by the MSTI. Instead of collecting the approved fees of \$4,200 and \$600 per trainee, fees of \$4,410 and \$630 per trainee were collected for the two courses respectively.

Audit recommendations

3.16 **Audit has recommended that the VTC should urge the MSTI to:**

- (a) **take necessary actions to ensure that trainees of MSTI short courses are charged the correct course fees;**
- (b) **carry out a review to ascertain whether there are other cases of charging incorrect course fees; and**
- (c) **in the light of the results of the review in (b) above, consider whether it is practicable to recover under-charged course fees from the trainees and refund over-charged course fees to the trainees.**

Response from the VTC

3.17 The ED, VTC agrees with the audit recommendations. She has said that the MSTI will review its course fee charging process and take remedial action where practicable.

PART 4: STAFF PLANNING AND DEVELOPMENT

4.1 This PART examines issues relating to staff planning and development.

Staff recruitment

4.2 To avoid business disruption, it is essential for an organisation to conduct recruitment exercises in a timely manner when posts are expected to become vacant. New staff should be appointed immediately after or even before the posts become vacant. It is particularly important for the MSTI to follow this good practice because in the past years only a few qualified maritime professionals applied for vacant teaching posts and the MSTI encountered difficulties in recruiting suitable teaching staff.

4.3 Normally, the starting salary of a new recruit is the minimum of the salary scale for the rank. According to the VTC's appointment guidelines, the ED of the VTC may approve the award of additional salary up to 19.5% of the maximum of the salary scale for the rank if there are recruitment difficulties for filling the vacant post. In addition, in February 2010, the Standing Committee of the VTC authorised the ED to approve the award of a Special Incentive Allowance (SIA), up to 20% of the maximum salary, to new teaching staff of the Instructor grade on a need basis to meet recruitment and retention difficulties. As a result, the maximum starting salary for a new recruit could be as high as the minimum of the salary scale plus 39.5% of the maximum of the scale.

Audit observations and recommendations

Planning of recruitment exercises

4.4 In the financial years 2007-08 to 2011-12 (up to July 2011), the MSTI conducted 13 exercises to recruit teaching staff. Audit reviewed all the exercises and found that the elapsed time from the start date of the vacancy to the date of appointment ranged from 12 to 188 days (see Table 6). On some occasions, the MSTI had to re-advertise the vacant posts several times before it could successfully fill them.

Table 6

**Recruitment exercises for teaching staff
(Financial years 2007-08 to 2011-12)**

Exercise	Start date of vacancy	No. of days of first advertisement placed		Elapsed time from start date of vacancy to date of appointment (Note 1) (Day)
		prior to start of vacancy (Day)	after start of vacancy (Day)	
1	1.9.2007	91	–	12
2	29.4.2008	14	–	188*
3	21.5.2008	40	–	118
4	1.9.2008	–	4	182*
5	10.9.2008	96	–	127*
6	6.4.2009	31	–	99
7	1.9.2009	–	42	(Note 2)
8	16.12.2009	15	–	89
9	15.3.2010	88	–	170*
10	5.4.2010	73	–	57
11	1.6.2010 (Note 3)	4	–	111
12	2.3.2011	54	–	124*
13	28.4.2011	76	–	70

Source: Audit analysis of MSTI records

Note 1: On five occasions (*), the elapsed time exceeded four months.

Note 2: No qualified candidate was identified in the recruitment exercise.

Note 3: The post became vacant because the incumbent was appointed to fill another vacant post (i.e. the vacant post in Exercise 10) and the requirement for giving three months' notice was not applicable.

4.5 In 12 of the 13 recruitment exercises (i.e. excluding Exercise 11 in Table 6), the posts became vacant because of staff retirement, resignation by giving three months' notice and the creation of new posts. Therefore, the expected start dates of the vacancies were known to the MSTI well in advance. However, the time of placing the first advertisements ranged from 96 days before the post became vacant to 42 days after the post became vacant (see Table 6). As a result, the posts were vacant for periods ranging from 12 to 188 days, with the post being vacant for more than four months on five occasions.

Starting salary of new teaching staff

4.6 Audit reviewed the appointments of the teaching staff in the recruitment exercises conducted in the financial years 2007-08 to 2011-12 (up to July 2011) and noted that all the appointees were granted additional salaries. All five Instructor grade staff appointed after the introduction of the SIA in February 2010 (see para. 4.3) were granted the SIA. Audit found that in 8 of 13 cases examined, the starting salaries granted to the appointees were 3% to 58% higher than the expected salaries stated in their job applications. Comparing to the minimum of the salary scales for their ranks, the salaries offered to them were also higher by 24% to 63% (see Table 7).

Table 7

**Starting salary in excess of expected salary and minimum of salary scale
(Financial years 2007-08 to 2011-12)**

Case	Date of appointment	Total of additional salary and SIA (as a percentage of maximum salary)	Starting salary	
			As a percentage of expected salary	As a percentage of minimum salary
1	3.11.2008	16%	108%	125%
2	15.1.2009	16%	106%	124%
3	2.10.2009	16%	109%	124%
4	15.3.2010	39.5%	104%	163%
5	1.6.2010	27.3%	103%	143%
6	20.9.2010	39.5%	119%	159%
7	4.7.2011	39.5%	113%	159%
8	7.7.2011	39.5%	158%	159%

Source: *Audit analysis of MSTI records*

4.7 Audit reviewed the eight cases in Table 7 and noted that:

- (a) for one case (i.e. Case 1), the MSTI justified the additional salary by recruitment difficulties;
- (b) for two cases (i.e. Cases 2 and 3), the MSTI justified the additional salary by recruitment difficulties and alignment of the salaries among the newly recruited teaching staff; and
- (c) for five cases (i.e. Cases 4 to 8), the awarding of the additional salary and SIA were justified by difficulties in recruitment and retention. When seeking the ED's approval for the suggested SIA to be offered to the successful candidates, two cases of previously-recruited staff leaving the MSTI after serving for a short period of time were cited as examples of retention difficulties.

4.8 Audit has the following reservations on the offer of starting salaries above the expected salaries of the successful candidates:

- (a) **Recruitment difficulties.** Audit considers that the unilateral offer of a salary higher than the expected salary at a late stage of a recruitment exercise may not be the best way to overcome recruitment difficulties. The possibility of offering additional salary and SIA would only help tackle the problem of recruitment difficulties if it is disclosed at an early stage to attract more qualified people to apply for the posts;
- (b) **Retention difficulties.** Audit reviewed the records of exit interviews of all the eight teaching staff who resigned in the period January 2007 to April 2011 and found that:
 - (i) only one of them resigned because of getting a better paid job (see Table 8); and

Table 8

**Reasons for resignation
(January 2007 to April 2011)**

Reason	No. of staff
Family reasons	2
To broaden exposure	2
Personal health	2
Leave for a better paid job	1
To obtain more practical experience in related field	1

Source: Audit analysis of MSTI records

- (ii) the average length of their services in the MSTI was longer than seven years, and only two staff worked in the MSTI for less than a year; and
- (c) **Alignment of salary.** There is no policy in the MSTI that staff of the same rank are to be paid the same amount of salary. The MSTI informed Audit in August 2011 that the salary for each staff was determined according to the staff's qualifications, experience and special expertise, if any.

Guidelines on staff recruitment

4.9 According to the VTC's Guide to Staff Recruitment and Appointment, the following two factors should be considered in deciding whether an open recruitment or an internal recruitment should be conducted:

- (a) if the number of qualified applicants from serving staff is not sufficient, an open recruitment "may be preferred"; and
- (b) if the vacant post is of a promotion rank, an internal recruitment "may be preferable".

4.10 Audit noted that in an internal recruitment exercise held in 2010 (i.e. Exercise 10 in Table 6), the qualification and experience requirements for the post had been set at a level higher than the minimum entry requirements for the rank. Only one application from an internal applicant who did not meet the requirements was received. The MSTI then re-advertised the vacancy internally lowering the requirements for the post to the minimum level for the rank. No applications were received. The original applicant was subsequently appointed to fill the vacant post. In this case, the number of qualified applicants from serving staff was not sufficient and the vacant post was of a promotion rank. However, the VTC's Guide to Staff Recruitment and Appointment did not provide clear guidelines on whether an open recruitment or an internal recruitment should be conducted in this case. There is scope for improvement in the Guide.

Audit recommendations

4.11 **Audit has recommended that the VTC should:**

- (a) **urge the MSTI to:**
 - (i) **conduct recruitment exercises well before the posts become vacant with a view to minimising the periods during which the posts are vacant;**
 - (ii) **consider how best to disclose the salary information (including the additional salary and the SIA) so as to attract more qualified applicants to apply for the posts; and**
 - (iii) **ensure that additional salary and SIA offered to successful candidates are fully justified and detailed justifications are properly documented; and**

- (b) **revise the Guide to Staff Recruitment and Appointment to provide clear guidelines for determining the conduct of an open recruitment or an internal recruitment for filling vacant posts.**

Response from the VTC

- 4.12 The **ED, VTC** agrees with the audit recommendations. She has said that:
- (a) the recruitment exercises can be better planned and conducted with a view to minimising the periods during which the posts are vacant;
 - (b) the VTC will consider how best to disclose salary information so as to attract more qualified applicants to apply for the posts. It is not the practice of education institutions to disclose the pay ranges of their vacant posts in recruitment advertisements. To do so could cause complications to the salary negotiation process in other VTC units where recruitment difficulties are not apparent;
 - (c) documentation of justifications for additional salary and SIA can be improved to provide all relevant details such as a review of internal pay relativity;
 - (d) salary offers are made having regard to the candidates' qualifications, experience, special expertise as well as expected salaries. Each case is negotiated on its merits. The factor of internal pay relativity with existing staff will also be considered in determining the salaries to be offered, which in some cases would have to be higher than the expected salaries. All these factors can be better documented; and
 - (e) the relevant sections of the Guide to Staff Recruitment and Appointment will be reviewed and amended as appropriate.

Staff development planning

4.13 It is essential for the MSTI to forecast the staff training and development requirements to support optimum deployment of staff resources for the effective delivery of its training courses. To achieve this objective, the MSTI needs to prepare a Staff Development Plan to equip and upgrade its staff with functional and industry-specific knowledge and skills.

4.14 The MSTI offers a wide range of training courses including different modules for the HDMS and the JGPR courses. For the majority of these training courses/modules, only teaching staff who possess the required qualifications and experience are authorised by the relevant authorities (e.g. the MD) to be the approved trainers. Therefore, it is essential for the MSTI to have an effective Staff Development Plan to ensure the adequate supply of approved trainers.

Audit observations and recommendations

Need to review and update the Staff Development Plan annually

4.15 The latest Staff Development Plan of the MSTI was prepared in November 2008, covering the period 2009 to 2011. In the Plan, development needs and training plans for each of its 14 existing teaching staff were included. Audit noted that since December 2008 and up to July 2011, there were many changes in the MSTI's team of teaching staff (e.g. some staff had retired or resigned, and new staff were recruited). Moreover, the Plan prepared in 2008 only covered the 3-year period up to 2011. As at August 2011, the Plan had not been updated to extend to cover 2012 and beyond. It is a good practice to review and update the Plan annually so that any changes in the teaching staff and their development needs can be catered for.

Shortage of approved trainers

4.16 It is important to devise a comprehensive Staff Development Plan so that staff with good potential can be developed to attain the required competency to qualify as approved trainers. In May 2011, the MSTI had 32 training courses/modules that could only be conducted by approved trainers. Audit however noted that:

- (a) for 3 (9%) courses/modules, there was no approved trainer among the teaching staff. The only approved trainer left the MSTI in March 2011; and
- (b) five teaching staff were the sole approved trainers of 7 (22%) courses/modules (with two staff being the sole approved trainers of more than one course/module). If any of these staff leaves the MSTI, the latter will not be able to continue providing the particular courses/modules.

Audit recommendations

- 4.17 **Audit has recommended that the VTC should urge the MSTI to:**
- (a) **prepare a rolling Staff Development Plan for the MSTI's teaching staff which is to be reviewed and updated annually to reflect the development needs and training plans for them; and**
 - (b) **take effective actions to train and develop a sufficient number of teaching staff to qualify as approved trainers for the MSTI's training courses/modules, so as to avoid possible disruptions to the delivery of the courses/modules as a result of staff movements.**

Response from the VTC

4.18 The **ED, VTC** agrees with the audit recommendations. She has said that the Staff Development Plan will be reviewed and updated annually and the MSTI will provide training to its staff as appropriate.

PART 5: UTILISATION OF TRAINING FACILITIES

5.1 This PART examines issues relating to utilisation of training facilities.

Training facilities of the MSTI

5.2 The MSTI campus, with a site area of 16,000 square metres, has a 4-storey main building (see Photograph 1 in para. 1.5). Specialised training facilities were installed at the main building and at the open areas (see Table 9).

Table 9

Training facilities

Type	No.
Classrooms/training centres/chart room	13
Simulation centres (the radar and ship handling simulation centre (see Photograph 2), the desk-top radar and ship handling simulation centre and the GMDSS simulation centre)	3
Training workshops	2
Laboratory	1
Display room	1
Mock-up bridge with GMDSS simulators and electronic navigational aids	1
Survival drill tank (see Photograph 3)	1
Crane and forklift truck training area (see Photograph 4)	1
Mock-up forecastle	1
Lifeboat embarkation platform	1
Fire fighting training area (see Photograph 5) with two mock-up ship superstructures and gas fire fighting system	1

Source: Audit analysis of MSTI records

Photograph 2

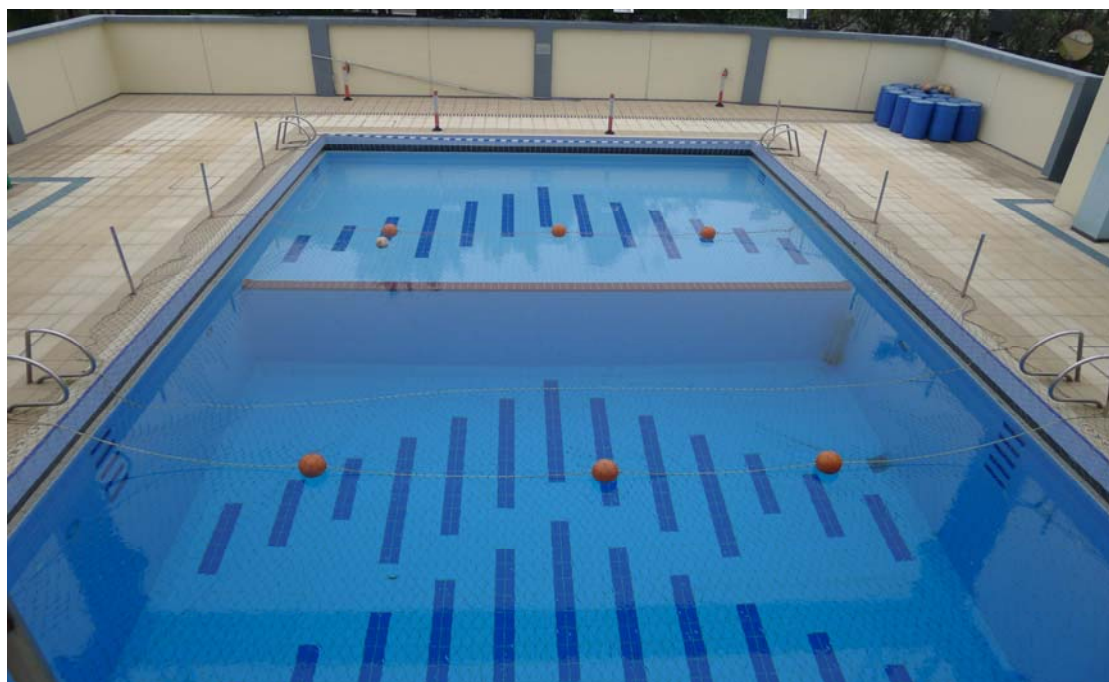
Radar and ship handling simulation centre



Source: Photograph taken by Audit in May 2011

Photograph 3

Survival drill tank



Source: Photograph taken by Audit in May 2011

Photograph 4

Crane and forklift truck training area



Source: Photograph taken by Audit in May 2011

Photograph 5

Fire fighting training area



Source: Photograph taken by Audit in July 2011

Utilisation of training facilities

5.3 When the MSTI was first established in 1988, it was provided with training facilities that could deliver about 480,000 trainee-hours a year. In 1993, the Government considered that there was a decline in the demand for seamen's training and conducted a review of the MSTI's operation and facilities. Following the review, the operation of the MSTI was scaled down and the staff resources were reduced. In 1994/95, the planned trainee-hours were reduced to 222,448. In recent years, the planned trainee-hours remained at about 200,000 a year.

Audit observations and recommendations

Originally designed training capacity not fully utilised

5.4 As the MSTI was originally designed to provide 480,000 trainee-hours, the actual trainee-hours of 167,928 for 2009/10 (see para. 2.2) represented about 35% of the designed capacity. With a view to increasing their utilisation, the MSTI made some of the facilities available for hiring by the public and for use by other VTC units to operate the Whole Person Development Programme (Note 7) for VTC trainees. In the financial year 2010-11, four types of training facilities (i.e. classrooms, survival drill tank, crane and forklift truck training area, and fire fighting training area) were let out to the public for a total of 14 days. The hiring of training facilities by the public had only limited effect on increasing their utilisation. The utilisation data of training facilities for the Whole Person Development Programme was not available. Audit considers that the MSTI needs to explore other gainful use of the spare training facilities.

Management information on utilisation of training facilities

5.5 For effective management, an organisation needs to maintain proper information on the utilisation of its resources. Audit noted that the MSTI did not maintain proper utilisation data of its training facilities. Although the MSTI kept records of the dates when the training facilities were used, the total numbers of days in a year in which the training facilities were used and their utilisation rates were not readily available. There was no regular reporting of such data to the management.

Note 7: *The Whole Person Development Programme operated by the VTC is a structured programme embedded in the curriculum of all its full-time courses to enhance students' self-image and self-confidence and improve their EQ.*

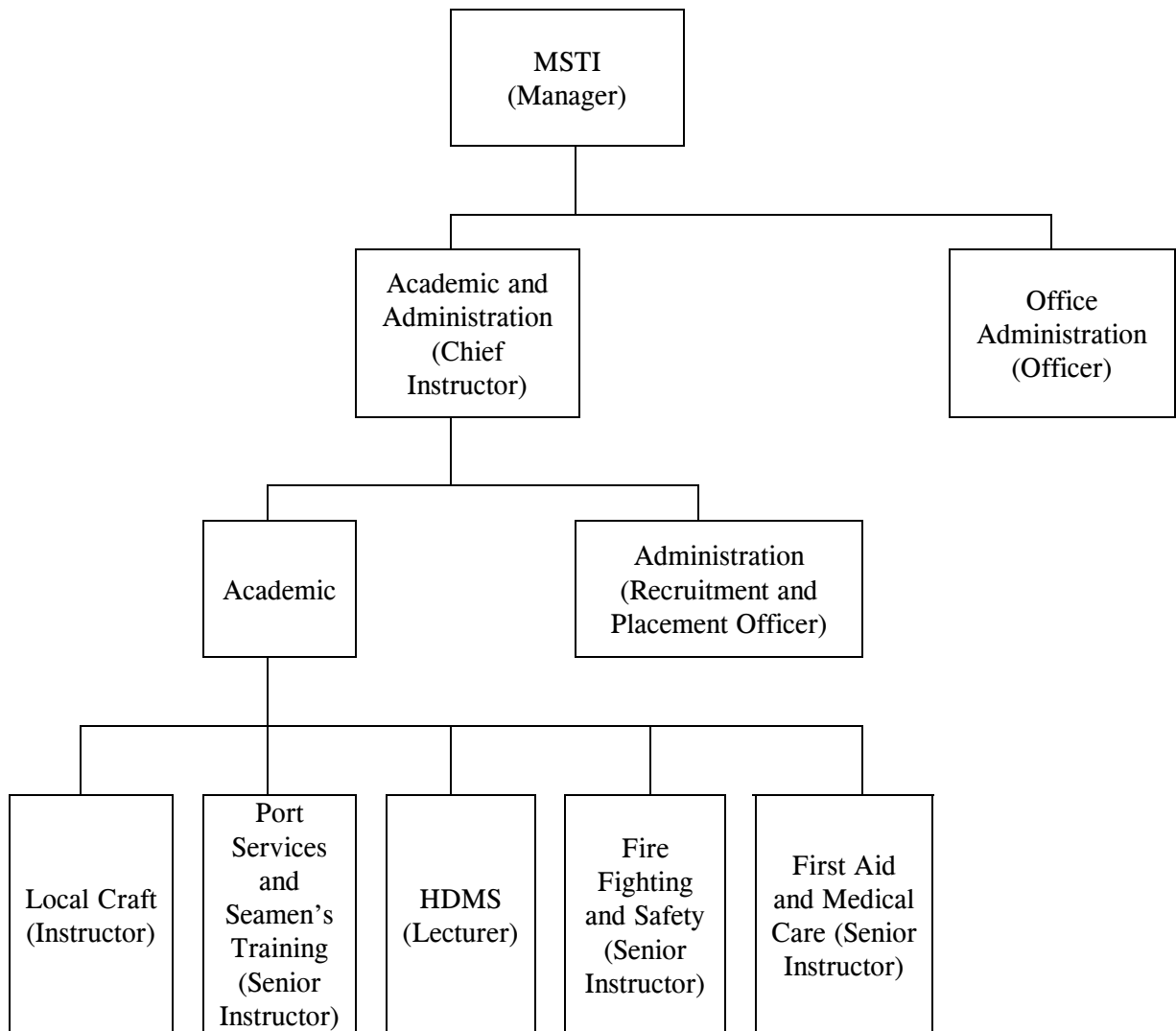
Audit recommendations

- 5.6 **Audit has recommended that the VTC should urge the MSTI to:**
- (a) **explore other gainful use of the MSTI's spare training facilities;**
 - (b) **take actions to promote the hiring of training facilities by the public with a view to improving their utilisation, e.g. stepping up the publicity of the availability of the facilities for hiring by uploading relevant information onto the MSTI's website; and**
 - (c) **monitor the utilisation rates of the training facilities to support the preparation of the Three-year Programme of Activities and the Annual Course Plan.**

Response from the VTC

- 5.7 The **ED, VTC** agrees with the audit recommendations. She has said that:
- (a) the MSTI's training facilities and capacity have changed since its establishment in 1988. Following the STCW Convention requirements, maritime training has become more competency-based and more practical training is required. The MSTI has converted a number of classrooms into practical training rooms such as the simulator and radar rooms to cater for the changing international licensing training requirements. These training facilities are essential but their utilisation is not as high as the classrooms because of the curriculum structure and the learning objectives;
 - (b) in planning the number of training courses to be offered, the MSTI needs to take into consideration both the demand for the courses and the different shore-leave periods of seafarers; and
 - (c) the VTC has already started to use the MSTI's spare training facilities (classrooms, rooftop, lawn and playground) for the Whole Person Development Programme. In 2010/11, over 1,600 students from the Hong Kong Institute of Vocational Education and the Youth College participated in the Programme. In addition, other member institutions of the VTC such as the Hong Kong Institute of Vocational Education and the Institute of Professional Education And Knowledge also used the MSTI's training facilities to deliver some of their courses.

**Maritime Services Training Institute
Organisation chart
(30 September 2011)**



Source: MSTI records

**MSTI courses for meeting the training requirements
under the 1995 STCW Convention**

The courses provided by the MSTI for meeting the training requirements under the 1995 STCW Convention are as follows:

- (a) mandatory modules which cover compulsory pre-sea courses required for working aboard vessels:
 - (i) Personal Survival Techniques;
 - (ii) Fire Prevention and Fire Fighting and Advanced Fire Fighting (Combined);
 - (iii) Elementary First Aid and Proficiency in Medical First Aid (Combined);
 - (iv) Personal Safety and Social Responsibilities; and
 - (v) Proficiency in Survival Craft and Rescue Boats other than Fast Rescue Boats; and

- (b) other modules which cover courses to meet the job requirements of seafarers working on different positions and in different types of vessels (such as oil tankers and passenger vessels):
 - (i) Crowd Management, Crisis Management and Human Behaviour and Passenger Safety;
 - (ii) Proficiency in Medical Care;
 - (iii) Radar Navigation, Radar Plotting and Use of Automatic Radar Plotting Aids;
 - (iv) High Speed Craft Radar Simulator Course (for river trade deck officers only);
 - (v) Navigational Watchkeeping Knowledge (for ratings only);
 - (vi) Engine Room Watchkeeping Knowledge (for ratings only);
 - (vii) Global Maritime Distress Safety System General Operator Certificate (for ocean-going deck officers only);

- (viii) Global Maritime Distress Safety System Restricted Operator Certificate (for river trade officers only);
- (ix) Tanker Familiarisation; and
- (x) Ship Security Officer.

Source: MSTI records

Remarks: For the two Global Maritime Distress Safety System courses (Items (b)(vii) and (viii)) and the Tanker Familiarisation course (Item (b)(ix)), licences obtained upon completion of the courses are valid for five years as seafarers need to keep up with the rapid developments in communication systems and update regularly their knowledge in oil tanker safety. For the other courses, licences obtained after completion of the courses are of permanent validity.

Acronyms and abbreviations

Audit	Audit Commission
ED	Executive Director
GMDSS	Global Maritime Distress Safety System
HDMS	Higher Diploma in Maritime Studies
JGPR	Junior General Purpose Rating
LegCo	Legislative Council
MD	Marine Department
MRM	Maritime Resource Management
MSTB	Maritime Services Training Board
MSTI	Maritime Services Training Institute
SIA	Special Incentive Allowance
STCW	Standards of Training, Certification and Watchkeeping for Seafarers
STIS	Sea-going Training Incentive Scheme
VTC	Vocational Training Council