

CHAPTER 5

**Transport and Logistics Bureau
Marine Department**

Maritime and Aviation Training Fund

**Audit Commission
Hong Kong
31 March 2025**

This audit review was carried out under a set of guidelines tabled in the Provisional Legislative Council by the Chairman of the Public Accounts Committee on 11 February 1998. The guidelines were agreed between the Public Accounts Committee and the Director of Audit and accepted by the Government of the Hong Kong Special Administrative Region.

Report No. 84 of the Director of Audit contains 8 Chapters which are available on our website (<https://www.aud.gov.hk>).



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MARITIME AND AVIATION TRAINING FUND

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MARITIME AND AVIATION TRAINING FUND

Executive Summary

1. It is the Government's strategic objective to enhance Hong Kong's position as an international maritime and aviation centre. The Maritime and Aviation Training Fund (MATF) was established in April 2014. It sustains and enhances the Government's support for the manpower development and promotion of the maritime, aviation and logistics industries. Since its establishment, MATF has been providing funding support for training incentives, subsidy schemes and scholarship schemes for students and in-service practitioners of relevant disciplines and industries. The Transport and Logistics Bureau (TLB) provides secretariat support to MATF. The Manpower Development Committee under the Hong Kong Maritime and Port Board, the Tripartite Taskforce on Manpower Training (Aviation) (TTA) and the Hong Kong Logistics Development Council are responsible for advising on the administration of and monitoring the implementation progress of the schemes for the maritime, aviation and logistics sectors respectively. As at 31 December 2024, the total commitment of MATF was \$500 million and its accumulated expenditure was about \$234 million. The Audit Commission (Audit) has recently conducted a review to examine the administration of MATF.

Training schemes administered by Transport and Logistics Bureau and Marine Department

2. TLB is mainly responsible for administering the Professional Training and Examination Refund Scheme (ProTERS) and the Maritime and Aviation Internship Scheme (MAIS) while the Marine Department (MD) is responsible for administering the three seafaring training schemes, namely the Sea-going Training Incentive Scheme (SGTIS), the Local Vessel Trade Training Incentive Scheme (LVTITIS) and the Local Vessel Competency Enhancement Scheme (LVCES) (para. 2.2).

3. *Administration of ProTERS.* Under ProTERS, in-service practitioners in the maritime and aviation sectors will be refunded 80% of the fees after satisfactory completion of a pre-approved course or passing a pre-approved examination if they

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have not been granted any other forms of subsidy or financial assistance for the relevant course/examination. Course providers/examination authorities are required to apply for inclusion of their courses/examinations in the pre-approved list under ProTERS (paras. 2.3 and 2.7). Audit examination revealed the following room for improvement:

- (a) ***Need to enhance the processing of applications.*** According to TLB's processing guidelines, if all required information is available, it will inform the applicant of the application result in around eight weeks from the receipt of an application. Of the 9,142 applications (5,528 for the maritime sector and 3,614 for the aviation sector) received and processed in the period from 2019-20 to 2024-25 (up to December 2024), 905 (16%) and 601 (17%) applications of the maritime sector and the aviation sector respectively, in which no supplementary information had been requested from the applicants, had been processed for more than eight weeks (paras. 2.4 and 2.5);
- (b) ***Need to take enhancement measures to prevent double subsidies.*** In a case of the maritime sector, while the applicant was refunded the full examination fee of \$4,550 under SGTIS Phase 1 in October 2021, he also submitted an application under ProTERS for the same examination in December 2022 and was refunded \$3,640 in October 2023. For the aviation sector, as endorsed by TTA in June 2022, TLB planned to seek assistance from the Office of the Continuing Education Fund to cross-check the applications for courses/examinations that are covered by both the Continuing Education Fund and ProTERS (Aviation). However, as of December 2024, no checking with the Office of the Continuing Education Fund had been performed by TLB (para. 2.6); and
- (c) ***Need to implement review mechanism and enhanced control measures.*** Audit noted that:
 - (i) ***Maritime sector.*** The Chairman of the Steering Group on Maritime Services Manpower suggested at the meeting held in November 2021 that a benchmark on the number of attendees should be considered to determine if the pre-approved courses should be retained in the list. However, it was not until December 2024 that TLB suggested that the course providers/examination authorities would be required to review the contents of all their courses/examinations, and remove those obsolete

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or inactive course(s)/examination(s) from the pre-approved courses/examinations list at regular intervals (i.e. three years); and

- (ii) **Aviation sector.** Every approved course/examination will have a validity period of three years with effect from June 2022. For courses/examinations approved before June 2022, TLB planned to conduct the renewal reviews in five batches, with the first batch and the last batch of reviews scheduled to be completed by July 2024 and July 2025 respectively. However, as at 31 December 2024, the first batch renewal review had not been completed. Moreover, most of the enhanced control measures endorsed by TTA with effect from June 2022, for example on-site inspections and surprise visits, had not been performed up to 31 December 2024 (paras. 2.9 and 2.11).

4. **Administration of MAIS.** Under MAIS, companies in the maritime and aviation sectors are invited to offer internship places for students to provide them with early exposure to the wide spectrum of career opportunities in the sectors (para. 2.15). Audit examination revealed the following room for improvement:

- (a) **Need to enhance the participation of secondary six school leavers.** The eligibility criteria of MAIS were extended to cover secondary six school leavers for the aviation sector and the maritime sector in 2017 and 2023 respectively. However, for the maritime sector, only 7 (2%) of the 289 interns with approved reimbursement applications in 2023 and 2024 were secondary six school leavers. As regards the aviation sector, only 8 (1%) of the 893 interns with approved reimbursement applications from 2020 to 2023 were secondary six school leavers (paras. 2.19 and 2.20); and
- (b) **Need to tighten monitoring of recruiting interns.** Interns repeatedly working in the same companies may depart from the primary objective of MAIS. However, 8 (1%) of the 785 students recruited as interns in the period from 2020 to 2024 for the maritime sector and 3 (0.3%) of the 870 students recruited as interns in the period from 2020 to 2023 for the aviation sector had been employed by the same participating companies for more than once (para. 2.21).

5. **Administration of seafaring training schemes.** MD provides subsidy/financial incentive under three seafaring training schemes, namely SGTIS,

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LVTIS and LVCEs (para. 2.25). Audit examination revealed the following room for improvement:

- (a) ***Room for improvement in processing applications.*** For the approved applications from 2019-20 to 2024-25 (up to December 2024), there were late applications approved under all the three schemes. For example, for SGTIS Phase 1, 136 (77%) of the 177 approved applications were submitted late with delays ranging from 1 to 855 working days and averaging 66 working days. Audit selected 53 approved late applications for examination and noted that:
 - (i) while MD's processing flowcharts did not stipulate the circumstances/procedures for exercising discretion in approving late applications, in 31 applications, MD exercised discretion in approving the late applications; and
 - (ii) there were input errors in the databases in 8 applications and there was no supervisory check in MD's data input process (paras. 2.26 and 2.27); and
- (b) ***Need to enhance participation in further phases of SGTIS.*** SGTIS comprised four phases to assist young people to sit for the first professional qualifications and progress further under the career ladder. As of February 2025, of the 158 approved applicants claiming monthly subsidy under SGTIS Phase 1 from 2019-20 to 2023-24, 80 (50%) applicants had not enrolled in the examination of Certificate of Competency (Deck Officer/Marine Engineer Officer) Class 3 (paras. 2.25 and 2.28).

Training schemes administered by non-governmental administrators

6. ***Need to consider entering into contractual agreements with non-governmental administrators.*** According to Financial Circular No. 2/2017, for all funding schemes/funds created with public money and involving payouts to non-governmental parties, a Controlling Officer or his/her delegate should enter into contractual agreements with parties involved to lay down the exact terms and conditions of all disbursements. As at 31 December 2024, of the 11 training schemes

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administered by non-governmental administrators, TLB had not entered into contractual agreements with the administrators of 6 schemes (paras. 3.3, 3.5 and 3.6).

7. ***Need to consider implementing additional measures in safeguarding national security.*** The Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (HKSAR) was implemented on 30 June 2020. The Law stipulates that it is the constitutional duty of the HKSAR to safeguard national security. Besides, the Safeguarding National Security Ordinance took effect on 23 March 2024. It is stated in the Preamble of the Ordinance that any institution, organization and individual in the HKSAR must abide by the law of HKSAR applicable for safeguarding national security. However, for the 5 training schemes with contractual agreements entered into between TLB and pertinent administrators, Audit noted that there were no specific clauses concerning the safeguarding of national security in the contractual agreements for 4 of them (paras. 3.11 and 3.12).

8. ***Need to enhance participation in some training schemes.*** Audit examined the participation in four schemes administered by non-governmental administrators, namely the Ship Repair Training Incentive Scheme (SRTIS), the Partial Tuition Refund Scheme for the Specialised Aircraft Maintenance Programme (PTRS), the Overseas Exchange Sponsorship Scheme (OESS) and the Aviation Operations Training Incentive Scheme (AOTIS), and found that:

- (a) a significant portion of graduates/beneficiaries dropped out of SRTIS, PTRS and AOTIS; and
- (b) the anticipated number of beneficiaries was not met for OESS for the academic years 2019-20 to 2023-24 (para. 3.16).

9. ***Need to enhance monitoring on the employment requirements of scholarship recipients.*** Scholarship recipients under MATF have to undertake to work full-time in the maritime-related or aviation-related field in Hong Kong for a period of not less than 12 or 18 months after graduation. Audit examination of the employment details provided by the administrators for the scholarship recipients from 2019-20 to 2023-24 revealed that:

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- (a) ***Maritime sector.*** Of the 80 recipients, the employment records of 22 (28%) recipients could not show that the employment requirements of the scholarships had been fulfilled. For 17 (21%) recipients, there were no employment records provided by the relevant administrators. However, there was no documentary evidence showing that TLB had taken follow-up actions; and
- (b) ***Aviation sector.*** Of the 121 recipients, the relevant undertakings from 56 (46%) recipients were collected by TLB only after TLB's approval of disbursements to the administrators. Moreover, except for the 10 (8%) recipients who had withdrawn from the scheme or had failed to fulfil the scholarship requirements, no employment details were provided by the administrators concerning the remaining recipients (paras. 3.17 to 3.19).

Promotion initiatives under Maritime and Aviation Training Fund

10. ***Implementation of Maritime Promotion Project Funding.*** The Maritime Promotion Project Funding was introduced in 2014. TLB is responsible for vetting applications (paras. 4.2 and 4.3). Audit examination revealed the following room for improvement:

- (a) ***Need to consider setting target processing time for vetting applications.*** While TLB did not stipulate target processing time for vetting applications, the processing time in 18 (43%) of the 42 applications processed from 2019 to 2024 was more than 2 months, ranging from 61 to 1,526 days (para. 4.4);
- (b) ***Need to ensure timely submission of evaluation reports by project organisers.*** An organiser was required to submit an evaluation report (together with the copies of all relevant quotations/receipts/invoices for the sponsored expenditure items) within three months after the completion of project activities. Of the 34 projects completed from 2019 to 2024, there were delays in 12 (35%) projects in submitting the evaluation reports. The delays ranged from 5 to 447 days, averaging 59 days (paras. 4.5 and 4.7);

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- (c) ***Need to enhance vetting of project expenditure.*** Audit selected 10 (29%) of the 34 projects completed from 2019 to 2024 to examine TLB's work in vetting expenditure incurred and found scope for improvement in 6 projects, for instance:
 - (i) ***Insufficient number of quotations for procurement.*** In 4 (40%) projects, there were occasions that the quotation requirements had not been complied with; and
 - (ii) ***Receipts of sponsored items not submitted.*** In one project with a final approved sponsorship of \$220,000, only quotation records were submitted by the organiser. There was no documentary evidence showing that the organiser had submitted any receipts or TLB had requested for the receipts (para. 4.8); and
- (d) ***Room for improvement in assessing effectiveness of promotion projects.*** Regarding the evaluation reports submitted for the 34 projects completed from 2019 to 2024:
 - (i) no evaluation reports were submitted for 2 (6%) projects;
 - (ii) in 21 (62%) projects, the organisers had not fully reported the essential elements (i.e. general responses/feedback received from the participants for the activities) in the evaluation reports; and
 - (iii) the actual number of participants in 21 (62%) projects did not meet the expected number of participants, and the reasons for the shortfall were not provided in the evaluation reports in 15 (71%) of the 21 projects (para. 4.9).

Way forward

11. ***Need to consider including performance indicators in the Controlling Officer's Report.*** According to Financial Circular No. 2/2017, as a good practice, the Controlling Officer should consider developing and reporting on appropriate performance measures for a fund. When consulting the Legislative Council on the two rounds of increase in commitment (\$200 million in 2019 and another \$200 million in 2023), TLB only provided projected cash flows in the papers submitted to the Panel

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on Economic Development without an estimation of number of beneficiaries. Audit evaluated the outcome of the 12 schemes under the initial approved commitment of funding in 2014 and noted that in 7 (58%) schemes, the total number of beneficiaries up to 31 December 2024 was lower than the number of beneficiaries estimated in 2014 for the ensuing five years. There is a need for TLB to consider including in the Controlling Officer's Report performance indicators (paras. 5.3 to 5.6).

12. *Need to regularly review the usage of MATF.* In 2024, TLB conducted a comprehensive review to evaluate the impact and effectiveness of MATF. The consultant found that some of the schemes of MATF could be further enhanced to improve or sustain their efficiency and effectiveness and a number of enhancement measures were proposed. Audit considers that TLB needs to regularly review the usage of MATF and fine-tune the implementation details (paras. 5.15 and 5.16).

Audit recommendations

13. **Audit recommendations are made in the respective sections of this Audit Report. Only the key ones are highlighted in this Executive Summary. Audit has *recommended* that the Secretary for Transport and Logistics should:**

Training schemes administered by TLB and MD

- (a) **expedite the processing of applications of ProTERS (para. 2.13(a));**
- (b) **investigate the case mentioned in paragraph 3(b) and take enhancement measures accordingly, and take prompt follow-up actions to check with the Office of the Continuing Education Fund for courses/examinations covered by both the Continuing Education Fund and ProTERS (Aviation) (para. 2.13(b) and (c));**
- (c) **expedite the implementation of the review mechanism under ProTERS, and formulate an implementation plan for the enhanced control measures and incorporate them into the processing guidelines of ProTERS (Aviation) (para. 2.13(e) and (f));**
- (d) **enhance the participation of secondary six school leavers in MAIS (para. 2.23(b));**

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- (e) **closely monitor the implementation of the new employment arrangement that each intern will only be sponsored once under MAIS for working in the same participating company, and evaluate its effectiveness (para. 2.23(c));**
- (f) **in collaboration with the Director of Marine:**
 - (i) **set out circumstances and related procedures that MD staff can exercise discretion in approving late applications of the seafaring training schemes (para. 2.30(a));**
 - (ii) **consider imposing supervisory check in the data input process with a view to ensuring data accuracy of the seafaring training schemes (para. 2.30(b)); and**
 - (iii) **take measures to improve the participation in further phases of SGTIS (para. 2.30(d));**

Training schemes administered by non-governmental administrators

- (g) **formalise the existing administrative arrangements and consider entering into contractual agreements with the pertinent administrators of the six training schemes (para. 3.9);**
- (h) **consider incorporating/updating clauses concerning safeguarding of national security in contractual agreements or memoranda of understanding with pertinent administrators (para. 3.14);**
- (i) **take measures to enhance the participation in SRTIS, PTRS, OESS and AOTIS (para. 3.21(a));**
- (j) **for maritime scholarship schemes, enhance TLB's monitoring of the employment details of the scholarship recipients and follow up with the administrators on the proposed remedial measures for checking employment requirements (para. 3.21(b));**
- (k) **for the aviation scholarship scheme, ensure that undertakings from scholarship recipients are collected before approval of disbursement to**

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the administrators, and require the administrators to provide employment details of all recipients (para. 3.21(c));

Promotion initiatives under MATF

- (l) **consider setting a target processing time for vetting applications for the Maritime Promotion Project Funding (para. 4.12(a));**
- (m) **take measures to ensure timely submission of evaluation reports by the organisers for completed projects (para. 4.12(c));**
- (n) **tighten the financial control and vetting of expenditure incurred in promotion projects (para. 4.12(d));**
- (o) **ensure that all essential elements are reported by organisers in the evaluation reports, and reasons have been provided should the actual number of participants fall short of the expected number of participants (para. 4.12(e));**

Way forward

- (p) **consider including in the Controlling Officer's Report performance indicators (e.g. number of beneficiaries) quantifying the benefits brought to the manpower development for the maritime, aviation and logistics industries (para. 5.7); and**
- (q) **regularly review the usage of MATF and fine-tune the implementation details (para. 5.17).**

Response from the Government

14. The Secretary for Transport and Logistics generally agrees with the audit recommendations.

PART 1: INTRODUCTION

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

Background

1.2 According to the 2024 Policy Address, Hong Kong is one of the world's busiest and most efficient ports, and ranks fourth in the International Shipping Centre Development Index. Hong Kong is also an international aviation hub, and has topped the global ranking for air cargo throughput for more than a decade. The Central Government has, in the "Outline of the 14th Five-Year Plan for the National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" and the "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area", indicated support to Hong Kong in consolidating its status as an international aviation hub and international shipping centre.

1.3 According to the Transport and Logistics Bureau (TLB), the Marine Department (MD) and the Civil Aviation Department:

- (a) with the unique position as an international aviation hub and maritime centre, Hong Kong is an important logistics hub in Asia. Combined with a comprehensive sea, land and air transport network, Hong Kong plays a pivotal role in promoting the flow of goods in the region;
- (b) Hong Kong has a sheltered natural harbour, which provides good access and a safe haven for vessels calling at the port from around the world. The port has always been a key factor in the development and prosperity of Hong Kong; and
- (c) the Hong Kong International Airport's strategic position in Asia has made it an important regional trans-shipment centre, passenger hub and gateway to other Chinese cities. The aviation industry is an important pillar of Hong Kong's economy.

Maritime and Aviation Training Fund

1.4 It is the Government's strategic objective to enhance Hong Kong's position as an international maritime and aviation centre. While the maritime and aviation sectors offer plenty of quality job opportunities with promising prospects, the industries have difficulties in recruiting sufficient new and competitive talents. In the 2013-14 Budget, the Financial Secretary announced the establishment of a training fund for maritime and aviation transport to sustain and expand various schemes and scholarships (Note 1), and to implement other new initiatives. With a commitment of \$100 million for utilisation over a period of five years from 2014-15 to 2018-19, the Maritime and Aviation Training Fund (MATF) was established in April 2014 with a view to:

- (a) attracting more new blood to expand the pool of talent and address the issue of aging workforce;
- (b) diversifying expertise of the workforce to meet manpower demands of the sectors, especially in providing high value-added services; and
- (c) enhancing the overall competency and professionalism of the sectors and in turn our global competitiveness as international maritime and aviation centres.

In 2019, the approved commitment of MATF was increased by \$200 million (i.e. from \$100 million to \$300 million) to sustain the operation of existing schemes and initiatives, as well as to implement enhancement measures and new training incentive schemes for a further period of six years until 2024-25.

1.5 In the 2023-24 Budget, the Financial Secretary announced to further increase the commitment of MATF by \$200 million (i.e. from \$300 million to \$500 million) to support the manpower training of the logistics industry, promote the development of high-end, high value-added and smart logistics, and encourage the

Note 1: *Prior to the establishment of the Maritime and Aviation Training Fund in April 2014, the Government and the then Hong Kong Maritime Industry Council ran five maritime training incentive and scholarship schemes in collaboration with local education institutions and universities. The then Hong Kong Maritime Industry Council has been reorganised into the Hong Kong Maritime and Port Board since 2016.*

industry to collaborate with tertiary institutions and professional organisations in attracting more young people to join the industry. The further increase in commitment would sustain the existing and enhanced schemes as well as to implement new initiatives until 2027-28.

1.6 TLB provides secretariat support to MATF. According to TLB, MATF aims to build up in due course a vibrant, diversified and competitive pool of professionals and technical personnel to support Hong Kong's future development in the maritime, aviation and logistics sectors. It sustains and enhances the Government's support for the manpower development and promotion of the maritime, aviation and logistics industries. As at 31 December 2024, the total commitment of MATF was \$500 million and the accumulated expenditure of MATF was about \$234 million (Note 2).

Control and review mechanism

1.7 The implementation details of individual schemes are worked out by the Secretariat of MATF through a Government-industry-academia collaboration. The following parties are responsible for advising on the administration of respective schemes and monitoring their implementation progress:

Note 2: *According to TLB, of the \$234 million, \$223 million was disbursed to beneficiaries, while \$11 million was allocated to the non-governmental administrator of the Professional Training on Smart and Green Logistics Scheme and the Logistics Promotion Funding Scheme as advance payment which will be distributed by the administrator in due course.*

Introduction

- (a) **Maritime sector.** The Manpower Development Committee (MDC — Note 3) under the Hong Kong Maritime and Port Board (HKMPB — Note 4) is responsible for the maritime-related schemes. Under MDC:
 - (i) a Steering Group on Maritime Services Manpower (the Steering Group) was formed to monitor and advise on the implementation of scholarship and incentive schemes for post-secondary students relating to maritime services under MATF; and
 - (ii) two working groups were set up to oversee the implementation of an incentive scheme for professional organisations to offer placements for selected professions;

Note 3: *According to its terms of reference, MDC is established under the Hong Kong Maritime and Port Board (HKMPB) to:*

- (a) monitor the supply and demand of maritime and port manpower and formulate manpower strategies, initiatives and programmes to support Hong Kong's maritime and port development;*
- (b) steer and undertake studies and surveys related to maritime manpower development;*
- (c) advise on and oversee the implementation of the schemes under MATF; and*
- (d) carry out tasks relating to (a), (b) or (c) above and agreed by HKMPB.*

Chaired by a non-official individual member, MDC's members comprise representatives from MD and Invest Hong Kong, 6 other non-official individual members, 6 institutional members, and 3 co-opted members which are appointed by the HKMPB Chairman as and when necessary to draw in additional expertise on areas not adequately covered by the current HKMPB membership and to widen the network so as to better engage the industry.

Note 4: *In April 2016, HKMPB was established by merging the Hong Kong Maritime Industry Council and the Hong Kong Port Development Council. It is a high-level platform to provide strategic steer on the vision, direction and policy matters pertaining to the development of Hong Kong's maritime industry and Hong Kong Port. It is chaired by the Secretary for Transport and Logistics. Its members comprise the Permanent Secretary for Transport and Logistics, the Director of Marine, the Director-General of Investment Promotion, 14 non-official individual members and 8 institutional members.*

- (b) **Aviation sector.** The Tripartite Taskforce on Manpower Training (Aviation) (TTA — Note 5) is responsible for aviation-related schemes; and
- (c) **Logistics sector.** The Hong Kong Logistics Development Council (LOGSCOUNCIL — Note 6) is responsible for logistics-related schemes.

1.8 Each scheme has its own objectives, procedural guidelines, criteria for approving applications, reporting and auditing requirements as well as prescribed arrangements for disbursement of grants. Members of MDC and TTA are also invited to join the selection panels organised in collaboration with the tertiary institutions concerned to interview the candidates under respective scholarship schemes.

1.9 According to TLB, it will review the usage of MATF regularly and fine-tune the implementation details in the light of practical experience and feedback from applicants, course providers and industry players. Refinements to the existing schemes and new initiatives and programmes may be introduced where appropriate.

Administration of training schemes

1.10 Since its establishment, MATF has been providing funding support for training incentives, subsidy schemes and scholarship schemes for students and

Note 5: *Comprising representatives from the Government, industry stakeholders and education institutions, TTA is a dedicated committee formed in 2014 to monitor and review the implementation of the initiatives concerning the aviation sector. A Deputy Secretary for Transport and Logistics and the Director-General of Civil Aviation act as ex-officio members of TTA.*

Note 6: *In December 2001, LOGSCOUNCIL was established as a forum for the Government and the industry stakeholders to advise on initiatives to promote the development of the logistics industry in Hong Kong. It is chaired by the Secretary for Transport and Logistics. Its members comprise the Permanent Secretary for Transport and Logistics, representatives from the Development Bureau, the Education Bureau, the Commerce and Economic Development Bureau, the Constitutional and Mainland Affairs Bureau, the Labour and Welfare Bureau, the Environment and Ecology Bureau, the Innovation, Technology and Industry Bureau and the Customs and Excise Department, as well as 13 non-official individual members and 12 institutional members.*

Introduction

in-service practitioners of relevant disciplines and industries. As at 31 December 2024, 20 schemes (Note 7) had been operated under MATF, as follows:

- (a) ***Incentive schemes.*** These include the Sea-going Training Incentive Scheme (SGTIS), the Ship Repair Training Incentive Scheme (SRTIS), the Local Vessel Trade Training Incentive Scheme (LVTTIS), the Local Vessel Competency Enhancement Scheme (LVCES) and the Aviation Operations Training Incentive Scheme (AOTIS). Scope of the incentive schemes are summarised at Appendix A;
- (b) ***Scholarship schemes.*** These include the Hong Kong Maritime and Logistics Scholarship Scheme, the University of Hong Kong (HKU) — Dalian Maritime University (DMU) Academic Collaboration Scheme, the Hong Kong Maritime Law Scholarship Scheme, the Hong Kong Aviation Scholarship Scheme (HKASS), HKU — Shanghai Maritime University (SMU) Academic Collaboration Scheme, the Maritime Law Scholarship Scheme and the Hong Kong Nautical and Maritime Scholarship Scheme. Scope of the scholarship schemes are summarised at Appendix B;
- (c) ***Course/examination fee refund schemes.*** These include the Professional Training and Examination Refund Scheme (ProTERS), the Partial Tuition Refund Scheme for the Specialised Aircraft Maintenance Programme (PTRS) and the Professional Training on Smart and Green Logistics Scheme (PTSGLS). Scope of the course/examination fee refund schemes are summarised at Appendix C; and
- (d) ***Other training and internship schemes.*** These include the Maritime and Aviation Internship Scheme (MAIS), the Overseas Exchange Sponsorship Scheme (OESS), the Maritime Training Support Scheme (MTSS), the Maritime Services Traineeship Scheme — Legal (MSTS — Legal) and the Internship Scheme on Modern Logistics (Note 8). Scope of the other training and internship schemes are summarised at Appendix D.

Note 7: *The 20 schemes included 2 schemes, namely the Hong Kong Maritime Law Scholarship Scheme and the Maritime Law Scholarship Scheme, that had been suspended since 2020.*

Note 8: *The scheme, formerly named as the Summer Internship Scheme on Supply Chain Management launched by LOGSCOUNCIL, has been funded under MATF since 2023.*

1.11 While 4 schemes were administered by TLB, and 3 schemes were administered by MD, the remaining 13 schemes were administered by 13 non-governmental administrators. Appendix E shows the implementation progress of training schemes from 1 April 2014 to 31 December 2024.

Promotion initiatives under MATF

1.12 According to TLB, in order to raise industry awareness, which is crucial to the development of the maritime, aviation and logistics sectors, part of MATF would be used for sustaining the industries' effort to reach out to the younger generations and the community at large. In this connection, the following were launched:

- (a) ***Maritime Promotion Project Funding.*** In 2014, TLB launched the Maritime Promotion Project Funding to support maritime-related organisations or professional bodies to organise promotional and outreach programmes to the younger generations and the community at large; and
- (b) ***Promotional initiatives for aviation and logistics sectors.*** In January 2024, TLB launched two promotional initiatives for the aviation and logistics sectors, namely:
 - (i) ***Aviation Promotion Project Funding Scheme.*** The scheme aims to fund local aviation-related organisations and academic institutions for organising activities to promote the aviation industry, raise public awareness and interest, and attract talent to join the industry; and
 - (ii) ***Logistics Promotion Funding Scheme.*** The scheme supports and encourages local organisations and professional bodies to promote the logistics industry with the focus on modern and smart logistics through organisation of promotional projects.

1.13 TLB, in collaboration with MD, has participated in some education and career expos to promote career prospects, job opportunities and career pathway of the maritime industry, including the sea-going sector and the local vessel trade. The Airport Authority Hong Kong has also been organising career expos annually to

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promote career opportunities in the aviation industry and supporting its manpower development.

Recent developments

1.14 ***Action Plan on Modern Logistics Development.*** In October 2023, TLB promulgated the “Action Plan on Modern Logistics Development” to formulate strategies and action measures to meet the short, medium and long-term development needs of the logistics sector, with a view to promoting the sustainable and high-quality development of Hong Kong’s logistics industry. Recommendations of the Action Plan included making use of MATF to support industry associations/training institutions in providing practitioners with training on modern and smart logistics, as well as green and sustainable logistics.

1.15 ***Action Plan on Maritime and Port Development Strategy.*** In December 2023, TLB promulgated the “Action Plan on Maritime and Port Development Strategy” to formulate strategies and action measures to support the sustainable development needs of the maritime and port industry in Hong Kong, with a view to enhancing the long-term competitiveness of the industry. The Action Plan recommended, amongst others, to complete a comprehensive review in 2024 to evaluate the impact and effectiveness of MATF in attracting talents and promoting manpower development in the industry. The 2024-25 Budget Speech announced that TLB would conduct a comprehensive review of MATF in 2024 for the maritime and aviation sectors. The review report prepared by the consultant was endorsed by MDC and TTA in December 2024 and January 2025 respectively.

Responsible offices in TLB

1.16 A number of sections and units in TLB are responsible for the secretariat work of MATF:

- (a) ***Port Development Section and Manpower Unit.*** As at 31 December 2024, there were 8 staff (including 6 civil servants and 2 contract staff) and 2 contract staff in the Port Development Section and Manpower Unit under Division 5 responsible for administering the maritime-related schemes and aviation-related schemes respectively;

- (b) *Air Services and Airport Development Section.* As at 31 December 2024, there were 6 staff (including 2 civil servants and 4 contract staff — Note 9) in the Air Services and Airport Development Section under Division 4 responsible for administering the aviation-related schemes; and
- (c) *Special Team on Logistics Industry Support.* As at 31 December 2024, there were 5 contract staff in the Special Team on Logistics Industry Support under Division 5 responsible for administering the logistics-related schemes.

An extract of the organisation chart of TLB as at 31 December 2024 is at Appendix F. According to TLB, the administrative costs for providing support for MATF are absorbed under the overall provision for TLB, hence there is no separate breakdown of the expenditures involved.

Audit review

1.17 In November 2024, the Audit Commission (Audit) commenced a review to examine the administration of MATF. The audit review has focused on the following areas:

- (a) training schemes administered by TLB and MD (PART 2);
- (b) training schemes administered by non-governmental administrators (PART 3);
- (c) promotion initiatives under MATF (PART 4); and
- (d) way forward (PART 5).

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

Note 9: *According to TLB, of the 6 staff, 2 civil servants and 1 contract staff oversee the schemes under MATF on a part-time basis.*

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General response from the Government

1.18 The Secretary for Transport and Logistics generally agrees with audit recommendations on improvement. She has said that TLB will make every effort to work closely with all relevant government and non-governmental administrators to implement the recommendations.

Acknowledgement

1.19 Audit would like to acknowledge with gratitude the full cooperation of the staff of TLB and MD during the course of the audit review.

PART 2: TRAINING SCHEMES ADMINISTERED BY TRANSPORT AND LOGISTICS BUREAU AND MARINE DEPARTMENT

2.1 This PART examines the administration of training schemes by TLB and MD, focusing on:

- (a) administration of ProTERS (paras. 2.3 to 2.14);
- (b) administration of MAIS (paras. 2.15 to 2.24); and
- (c) administration of seafaring training schemes (paras. 2.25 to 2.31).

2.2 TLB is responsible for administering ProTERS, MAIS, MSTs — Legal and the Internship Scheme on Modern Logistics, their actual expenditure up to 31 December 2024 were about \$38 million, \$52 million, \$0.8 million and \$2 million respectively. MD is responsible for administering the three seafaring training schemes, namely SGTIS, LVTIS and LVCES, their actual expenditure up to 31 December 2024 were about \$31 million, \$6 million and \$7 million respectively (see Appendix E). In view of the small amount involved in MSTs — Legal and the Internship Scheme on Modern Logistics, Audit examination will focus on the administration of the remaining five schemes.

Administration of Professional Training and Examination Refund Scheme

2.3 ProTERS was launched in 2014 to encourage in-service practitioners in the maritime and aviation sectors to pursue continuous career development and take professional examinations to raise their professional qualifications and skills. An applicant will be refunded 80% of the fees after satisfactory completion of a pre-approved course or passing a pre-approved examination if he/she has not been granted any other forms of subsidy or financial assistance for the relevant course/examination. Each individual may apply for fee refund for more than one course/examination subject to an accumulative ceiling of \$18,000. Deadline for submitting application is within four months after completing the course or passing the examination. Over the years, there were two key refinements of ProTERS, as follows:

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- (a) raising the refund ceiling from \$18,000 to \$30,000 per applicant with effect from 1 April 2021 for the aviation sector and from 1 September 2021 for the maritime sector; and
- (b) extending the scheme to cover practitioners-to-be, i.e. applicants must be employed in the sectors at the time of submitting applications with effect from 1 September 2020 for the aviation sector and from 1 September 2021 for the maritime sector.

Table 1 shows the actual expenditure of ProTERS in the period from 2019-20 to 2024-25 (up to December 2024).

Table 1

**Actual expenditure of ProTERS
(2019-20 to 2024-25 (up to December 2024))**

Sector	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (up to December 2024)	Total
	(\$'000)						
Maritime	1,986	2,843	2,854	2,358	3,172	1,772	14,985
Aviation	637	2,424	1,997	2,802	2,578	2,063	12,501
Total	2,623	5,267	4,851	5,160	5,750	3,835	27,486

Source: TLB records

Need to enhance the processing of applications

2.4 According to TLB's processing guidelines for handling applications under ProTERS, vetting officers should:

- (a) issue an acknowledgement of receipt letter to an applicant within 14 calendar days from receipt of an application. As stated in the letter, TLB will inform

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the applicant of the application result in around 6 weeks if all required information is available (i.e. 8 weeks from the receipt of an application);

- (b) request for the missing supporting documents and/or necessary additional information within 14 calendar days from the issuance of the acknowledgement of receipt letter. A notification letter will be issued stating that an application will not be processed further if no response is received after request for supplementary information with two reminders sent (i.e. 7 weeks after the email request for missing supporting documents); and
- (c) complete the vetting process within 28 calendar days from the issuance of acknowledgement of receipt letter or 14 calendar days from the last correspondence, whichever is applicable.

2.5 Audit analysed the 9,142 applications (5,528 for the maritime sector and 3,614 for the aviation sector) received and processed in the period from 2019-20 to 2024-25 (up to December 2024) and noted that (see Table 2):

- (a) for the maritime sector, 905 (16% of 5,528) applications, in which no supplementary information had been requested from the applicants, had been processed for more than 8 weeks (with the longest applications up to 201 days (Note 10)). For the aviation sector, 601 (17% of 3,614) applications, in which no supplementary information had been requested from the applicants, had been processed for more than 8 weeks (with the longest application up to 273 days). According to TLB, due to the lengthy Work From Home arrangement during the coronavirus disease (COVID-19) epidemic between 2020 and 2022, the processing time of cases was longer than the normal time span during the period. Nevertheless, 118 (2.1% of 5,528) applications (or 13% of the 905 applications) of the maritime sector and 3 (0.08% of 3,614) applications (or 0.5% of the 601 applications) of the aviation sector were received in 2023 and 2024; and
- (b) 239 (4% of 5,528) and 211 (6% of 3,614) applications for the maritime sector and the aviation sector were rejected respectively. The main reasons included submission of applications exceeding the 4-month period after

Note 10: *Unless otherwise stated, all days refer to calendar days in this report.*

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completing the course or passing the examination, and the course/examination under application was not on the pre-approved list.

Audit considers that TLB needs to expedite the processing of applications, and step up its promotion work of ProTERS with a view to enhancing the awareness of the applicants of the scheme requirements.

Table 2

**Number of applications received and processed under ProTERS
(2019-20 to 2024-25 (up to December 2024))**

Status	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (up to December 2024)	Overall
<i>Maritime sector</i>							
Approved	1,056 (96%)	662 (94%)	1,131 (96%)	830 (97%)	891 (94%)	719 (97%)	5,289 (96%)
Rejected	44 (4%)	42 (6%)	53 (4%)	27 (3%)	52 (6%)	21 (3%)	239 (4%)
Total	1,100	704	1,184	857	943	740	5,528
<i>Aviation sector</i>							
Approved	576 (97%)	671 (95%)	640 (97%)	695 (95%)	475 (95%)	346 (83%)	3,403 (94%)
Rejected	20 (3%)	35 (5%)	23 (3%)	39 (5%)	24 (5%)	70 (17%) (Note)	211 (6%)
Total	596	706	663	734	499	416	3,614

Source: Audit analysis of TLB records

Note: 57 of the 70 applications were submitted by 12 applicants applying for refund of course fees for the same course (of different modules), of which all were submitted after the required 4-month period and were rejected.

Need to take enhancement measures to prevent double subsidies

2.6 An applicant has to declare in the application form that he/she has not been granted any other form of subsidy or financial assistance for the relevant course/examination, and undertake to refund to the Government any overpayment made upon demand. Audit examination revealed that:

- (a) ***Maritime sector.*** The “Examination for Certificate of Competency as Deck Officer Class 3” had been included in the pre-approved list under ProTERS since April 2014. Such examination was also covered by SGTIS Phase 1 (see item 1 in Appendix A). Audit analysed the databases of ProTERS and SGTIS for the period from 2019-20 to 2024-25 (up to December 2024) and found a case that might warrant further investigation. In this case, while the applicant passed the examination and was refunded the full examination fee of \$4,550 under SGTIS Phase 1 in October 2021, he also submitted an application under ProTERS for the same examination in December 2022 (Note 11) and was refunded \$3,640 (i.e. 80% of the examination fee) in October 2023; and
- (b) ***Aviation sector.*** Course providers/examination authorities need to declare whether the relevant courses/examinations are included in other publicly funded financial assistance schemes (e.g. the Continuing Education Fund (CEF)). According to TLB, as endorsed by TTA in June 2022, it planned to seek assistance from the Office of CEF to cross-check the applications for courses/examinations that are covered by both CEF and ProTERS (Aviation). Audit examination found that as of December 2024, there were 9 courses covered by both CEF and ProTERS (Aviation) (Note 12). For these

Note 11: *According to TLB, although the application was submitted 16 months after the applicant’s passing of the examination in August 2021, the application was approved due to the support measures for COVID-19 epidemic of ProTERS (i.e. applications from those who have left jobs from the industries during COVID-19 epidemic period on or after 1 March 2020 but subsequently re-joined the industries by 31 March 2023 would be accepted). The applicant re-joined the industry in December 2022.*

Note 12: *According to TLB, for the maritime sector, it had conducted regular exercises in the past three years to identify whether there were common courses covered by both ProTERS (Maritime) and CEF, and no courses/examinations were covered by both ProTERS (Maritime) and CEF. From August 2023 onwards, as an additional safeguard, the course providers were requested to state whether their courses were also funded by other schemes when applying for inclusion of their courses in the pre-approved list under ProTERS.*

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9 courses, 58 applications (involving 7 courses) were approved in the period from June 2022 to December 2024, with refund to applicants totalling \$470,080. However, as of December 2024, no checking with the Office of CEF had been performed by TLB since the endorsement by TTA in June 2022.

Audit considers that TLB needs to investigate the case in (a) and take enhancement measures accordingly, and take prompt follow-up actions to check with the Office of CEF for courses/examinations covered by both CEF and ProTERS (Aviation).

Need to ascertain reasons for low number of applications received for some pre-approved courses/examinations

2.7 Course providers/examination authorities are required to apply for inclusion of their courses/examinations in the pre-approved list under ProTERS. While new applications of the maritime sector are assessed by MD and the Steering Group (see para. 1.7(a)(i)) based on a set of assessment criteria, those of the aviation sector are assessed by the Civil Aviation Department and the Airport Authority Hong Kong based on another set of assessment criteria. As at 31 December 2024, there were 469 pre-approved courses/examinations, comprising 175 and 294 pre-approved courses/examinations for the maritime sector and the aviation sector respectively.

2.8 Audit analysed the list of the 469 pre-approved courses/examinations as at 31 December 2024 and records of applications received in the period from 2019-20 to 2024-25 (up to December 2024) (see Table 3), and found that the number of applications received for the pre-approved courses/examinations varied, as follows:

- (a) there were no applications received in relation to 226 (48%) pre-approved courses/examinations; and
- (b) there were only 10 or less applications received in relation to 122 (26%) pre-approved courses/examinations.

In Audit's view, all the pre-approved courses/examinations under ProTERS were considered as relevant and appropriate for the practitioners in the industries to take when they were included in the list, TLB needs to ascertain the reasons for the low number of applications received for some pre-approved courses/examinations.

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Table 3

**Number of applications received for pre-approved
courses/examinations under ProTERS
(2019-20 to 2024-25 (up to December 2024))**

Number of applications received	Number of pre-approved courses/examinations				
	Maritime sector		Aviation sector		Total
	Course	Examination	Course	Examination	
Nil	51	2	169	4	226
1 to 10	41	7	73	1	122
11 to 50	38	3	27	0	68
51 to 100	10	5	8	0	23
101 to 150	7	1	5	0	13
151 to 200	1	0	2	0	3
201 to 300	4	1	3	0	8
301 to 400	1	0	0	1	2
Over 400	2	1	0	1	4
Total	155	20	287	7	469

Source: Audit analysis of TLB records

Need to implement review mechanism and enhanced control measures

2.9 ***Review mechanism.*** As stipulated in the application form for course providers/examination authorities, an approved course/examination is subject to a periodic review mechanism. TLB may take actions as deemed necessary if any irregularity of the approved course/examination is found in the course of the review. Audit examination of TLB records revealed that:

- (a) ***Maritime sector.*** At the meeting of the Steering Group held in November 2021, the Chairman suggested that a benchmark on the number of attendees should be considered to determine if the pre-approved courses should be retained in the list, and that the proposal would be discussed at a later time. In July 2024, TLB expressed to the Steering Group that they were

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exploring the possibility of removing courses with zero attendance in three years' period from the pre-approved list. In December 2024, TLB suggested that the course providers/examination authorities would be required to review the contents of all their courses/examinations, and remove those obsolete or inactive course(s)/examination(s) from the pre-approved courses/examinations list at regular intervals (i.e. three years); and

- (b) *Aviation sector.* Following the endorsement of some enhanced control measures (see para. 2.11) by TTA, with effect from June 2022, every approved course/examination will have a validity period of three years and be subject to a renewal review before the expiry of validity period to keep track on their quality. For courses/examinations approved before June 2022, TLB planned to conduct the renewal reviews in five batches (around 50 courses/examinations per batch), with the first batch and the last batch of reviews scheduled to be completed by July 2024 and July 2025 respectively. However, as at 31 December 2024, the first batch renewal review had not been completed due to operational constraints. Audit also noted that for the first batch of 18 courses/examinations approved after the imposition of 3-year validity period in June 2022, their validity periods would expire soon in June 2025.

2.10 On the other hand, substantial amounts have been approved for some pre-approved courses/examinations under ProTERS. Audit analysed the approved amounts for the applications received in the period from 2019-20 to 2024-25 (up to December 2024) and found that the approved amounts of the top five pre-approved courses/examinations constituted 49% and 36% of the total approved amounts during the period for the maritime sector and the aviation sector respectively (see Table 4). Such courses/examinations may be accorded higher priority for conducting periodic review to ensure that the contents of them are up-to-date and relevant to meet the development of the industries. Taking into consideration the approved amounts for individual courses/examinations, Audit considers that TLB needs to expedite the implementation of the review mechanism with a view to keeping track of the quality of the pre-approved courses/examinations under ProTERS, focusing on the aviation courses/examinations approved since June 2022 the validity periods of which will soon expire.

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Table 4

**Approved amounts of pre-approved courses/examinations under ProTERS
(2019-20 to 2024-25 (up to December 2024))**

Pre-approved course/ examination for respective sector	Maritime sector		Aviation sector	
	Approved amount (\$'000)	Percentage of total approved amount	Approved amount (\$'000)	Percentage of total approved amount
A	2,032	14%	1,264	10%
B	1,498	10%	1,225	10%
C	1,364	10%	811	7%
D	1,128	8%	583	5%
E	1,007	7%	551	4%
Sub-total	7,029	49%	4,434	36%
Others	7,321	51%	8,027	64%
Total	14,350	100%	12,461	100%

Source: Audit analysis of TLB records

2.11 Enhanced control measures. For the aviation sector, in addition to the review mechanism, Audit noted that a series of enhanced control measures had also been endorsed by TTA with effect from June 2022, comprising:

- (a) quarterly cross-checking with course providers/examination authorities;
- (b) on-site inspections and surprise visits; and
- (c) annual updating of course/examination information and materials.

However, Audit noted that most of the above enhanced control measures had not been performed up to 31 December 2024.

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2.12 Upon enquiry, TLB informed Audit in March 2025 that while the enhanced control measures mentioned in paragraph 2.11 had yet to be reflected in form of guidelines, there were already safeguards and control measures to prevent abuse under ProTERS:

- (a) case officers would cross-check the authenticity of the application forms, receipts of payment and certification documents issued by course providers/examination authorities to identify irregularities;
- (b) the implementation of the e-submission platform (see para. 5.9) would also allow case officers to monitor trends and identify exceptions to safeguard the robustness of the system; and
- (c) applicants were required to declare that, amongst other things, they had not been granted any other forms of subsidy or financial assistance for the relevant pre-approved course/examination. It should be noted that the making of false declaration was a criminal offence.

Audit considers that TLB needs to formulate an implementation plan for the enhanced control measures and incorporate them into the processing guidelines of ProTERS (Aviation).

Audit recommendations

2.13 **Audit has *recommended* that the Secretary for Transport and Logistics should:**

- (a) **expedite the processing of applications, and step up TLB's promotion work of ProTERS with a view to enhancing the awareness of the applicants of the scheme requirements;**
- (b) **investigate the case mentioned in paragraph 2.6(a) and take enhancement measures accordingly;**
- (c) **take prompt follow-up actions to check with the Office of CEF for courses/examinations covered by both CEF and ProTERS (Aviation);**

- (d) **ascertain the reasons for the low number of applications received for some pre-approved courses/examinations under ProTERS;**
- (e) **expedite the implementation of the review mechanism with a view to keeping track of the quality of the pre-approved courses/examinations under ProTERS, focusing on the aviation courses/examinations approved since June 2022 the validity periods of which will soon expire; and**
- (f) **formulate an implementation plan for the enhanced control measures and incorporate them into the processing guidelines of ProTERS (Aviation).**

Response from the Government

2.14 The Secretary for Transport and Logistics generally agrees with the audit recommendations. She has said that:

- (a) with the launching of an electronic application system (see para. 5.9) on 20 March 2025, the efficiency and the accuracy of processing applications can be improved and the application form for reimbursement for ProTERS would be enhanced such that applicants will be fully aware of the scheme requirements;
- (b) the Secretariat of MATF has completed the investigation of the case mentioned in paragraph 2.6(a) and will update the processing guidelines in handling ProTERS applications and step-up cross-checking among different schemes of MATF to prevent double subsidies;
- (c) the Secretariat of MATF has obtained the confirmation from the Office of CEF that for courses/examinations covered by both CEF and ProTERS (Aviation) in March 2025, no cases of double subsidies was identified. Going forward, TLB will perform checking with the Office of CEF for all relevant applications before the disbursement of funds;
- (d) while the popularity of a course/examination should not be a determinant factor in assessing whether such course/examination should be included under ProTERS, the newly introduced review mechanism of ProTERS will

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help the Secretariat of MATF ascertain with the course providers/examination authorities the reasons for the low number of applications for particular courses/examinations and ensure that the courses/examinations under ProTERS are still relevant to the professional development in the maritime and aviation sectors; and

- (e) the Secretariat of MATF will refine the review mechanism and enhanced control measures for ProTERS (Aviation) in consultation with TTA, formulate an implementation plan and include such into the internal processing guidelines as appropriate.

Administration of Maritime and Aviation Internship Scheme

2.15 MAIS was introduced in 2014 to provide students early exposure to the wide spectrum of career opportunities in the maritime and aviation sectors to encourage them to pursue a career in these sectors after graduation. Under MAIS, companies in the maritime and aviation sectors are invited to offer internship places for Hong Kong residents who are lawfully employable in Hong Kong, and are currently:

- (a) full-time local students (including students who are in the final year of their study) undertaking undergraduate or sub-degree programmes in any local institutions; or
- (b) full-time students (including students who are in the final year of their study) undertaking undergraduate or sub-degree programmes in overseas or Mainland China institutions; or
- (c) secondary six school leavers.

An internship should last for a minimum of four weeks (i.e. 28 days) and provide a fruitful and rewarding experience to the intern. Out of the monthly honorarium that a student received, MATF contributed 75% or \$7,000 (whichever is the lower) for an internship period up to three months. Table 5 shows the actual expenditure of MAIS in the period from 2019-20 to 2024-25 (up to December 2024).

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Table 5

**Actual expenditure of MAIS
(2019-20 to 2024-25 (up to December 2024))**

Sector	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (up to December 2024)	Total
	(\$'000)						
Maritime	2,477	1,776	2,915	3,295	2,041	2,211	14,715
Aviation	4,500	2,103	1,923	3,547	3,176	390 (Note)	15,639
Total	6,977	3,879	4,838	6,842	5,217	2,601	30,354

Source: TLB records

Note: According to TLB, as the frontline staff responsible for data entry and vetting applications of MAIS (Aviation) resigned, the processing time for relevant reimbursement applications was longer than previous years, resulting in certain outstanding reimbursement applications as at 31 December 2024. All backlog has been cleared by mid-March 2025 and about \$4,820,000 has been reimbursed to participating companies.

Remarks: The Secretariat of MATF organises regular promotional activities for MAIS. The actual expenditure excluded miscellaneous expenditure, such as cocktail reception, coach hiring and printing. The miscellaneous expenditure in the period was about \$460,000.

2.16 Prospective companies are usually invited in February of each year to take part in MAIS. They are required to register with TLB the number of internship places they wish to offer and provide information on the job duties, monthly honorarium and specific requirements for interns to be recruited. TLB will upload the information of successfully registered internship places onto its MAIS webpage and provide such information to local institutions, local universities in particular. Students have to apply to the participating companies directly. Participating companies will conduct the recruitment on their own to select eligible and suitable interns for employment. While TLB encourages the companies to utilise their registered internship places, the actual number of interns to be recruited is determined by the companies. On completion of

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internship, participating companies have to submit application forms for reimbursements of honorarium to TLB within 60 days.

2.17 Table 6 shows the number of participating companies of MAIS from 2019 to 2024. The take-up rate of internship ranged from 45% to 70% from 2019 to 2024 (see Table 7). According to TLB, the reasons for companies not being able to recruit interns mainly included lack of applications, and suitable candidates could not be identified during selection.

Table 6

**Number of participating companies of MAIS
(2019 to 2024)**

Year	Maritime sector			Aviation sector		
	With internship places offered	With interns recruited	With applications for reimbursement approved	With internship places offered	With interns recruited	With applications for reimbursement approved
2019	52	38	37	25	24	23
2020	41	34	33	23	20	19
2021	55	47	46	24	19	19
2022	55	50	47	22	19	19
2023	49	37	36	30	24	23
2024	45	38	37	28	23	22

Source: Audit analysis of TLB records

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Table 7

**Number of interns under MAIS
(2019 to 2024)**

Year	Maritime sector			Aviation sector		
	Offered	Recruited	Applications for reimbursement approved (take-up rate)	Offered	Recruited	Applications for reimbursement approved (take-up rate)
2019	296	176	174 (59%)	589	366	354 (60%)
2020	195	120	115 (59%)	284	200	191 (67%)
2021	281	201	196 (70%)	293	171	168 (57%)
2022	340	214	206 (61%)	452	298	270 (60%)
2023	320	150	146 (46%)	591	326	264 (45%)
2024	274	157	143 (52%)	598	387	351 (59%)

Source: Audit analysis of TLB records

Need to improve the promulgation of internship information

2.18 While participating companies need to report information of interns recruited to TLB before the commencement of internships, they are not required to specify the position and job duties for each intern. Audit reviewed the lists of internship places posted on MAIS webpage of TLB website as of December 2024 and noted that while application for all the internship places were specified as “open until filled” for the maritime sector, of the 598 internship places for the aviation sector, the application deadline for 412 (69%) had been lapsed. According to TLB, it was its intention to show a full list of internship places on the website for information. In Audit’s view, TLB needs to consider refining the presentation of the list of internship places so as to indicate the available internship positions with a view to facilitating students in applying for internship under MAIS.

Need to enhance the participation of secondary six school leavers

2.19 The eligibility criteria of MAIS were extended to cover secondary six school leavers for the aviation sector and the maritime sector in 2017 and 2023 respectively. According to TLB:

- (a) for the maritime sector, the expansion of MAIS could facilitate the Government in working with employers and industry associations to further strengthen the life planning education for secondary students. Moreover, this can support manpower development for the maritime industry (e.g. jobs that are manual in nature in local vessel trade or ship repair industry, or backend clerical support service in the maritime-related companies); and
- (b) for the aviation sector, in 2017, about 22% of workforce at the Hong Kong International Airport were engaging in manual and/or low-skilled employments. These positions/services are the backbone supporting the operations of the airport but facing recruiting difficulties. Extending the eligibility criteria of MAIS to cover secondary six school leavers can tap into this pool of potential labour.

2.20 Audit analysis of TLB records of approved applications for reimbursement revealed that:

- (a) for the maritime sector, only 7 (2%) of the 289 interns with approved reimbursement applications in 2023 and 2024 were secondary six school leavers; and
- (b) for the aviation sector, only 8 (1%) of the 893 interns with approved reimbursement applications from 2020 to 2023 were secondary six school leavers.

Audit considers that TLB needs to enhance the participation of secondary six school leavers in MAIS with a view to giving them early exposure to the maritime and the aviation sectors.

Need to tighten monitoring of recruiting interns

2.21 ***Interns repeatedly working in the same companies.*** Audit analysed TLB's records of approved reimbursement applications and found that:

- (a) ***Maritime sector.*** Of the 785 students (involving 806 internship places) recruited as interns in the period from 2020 to 2024, 8 (1%) students had been employed by the same participating companies for more than once, of which:
 - (i) 6 students had been employed by the same participating companies for internships for two years consecutively;
 - (ii) 1 student had been employed by the same participating company twice in the same year (i.e. July to August 2023 and December 2023 to January 2024); and
 - (iii) 1 student had been employed by the same participating company for three times within two years (i.e. June to August 2023, November 2023 to January 2024, and September to October 2024); and
- (b) ***Aviation sector.*** Of the 870 students (involving 893 internship places) recruited as interns in the period from 2020 to 2023, 3 (0.3%) students had been employed by the same participating companies for more than once, of which 2 had been employed by the same participating companies for internships for two years consecutively and 1 had been employed by the same participating company in 2020 and 2022.

Interns repeatedly working in the same companies may depart from the primary objective of MAIS to provide students early exposure to the wide spectrum of career opportunities in the maritime and aviation industries. Moreover, an intern employed by the same participating company for more than once in the same year may be a loophole for the requirement of maximum sponsorship period of three months for each internship. Upon enquiry, in March 2025, TLB informed Audit that prior to 2024, there were two rounds of applications from the maritime-related companies in a year for registration of internship places, with the application deadlines falling in around May and December respectively. In 2024, TLB opened up the application for registration for the whole year round. The cases mentioned in paragraph 2.21(a) were

Training schemes administered by Transport and Logistics Bureau and Marine Department

in order under the previous arrangement. TLB had reviewed the arrangement and imposed a new employment arrangement for MAIS in 2025, i.e. the same student would only be sponsored once by MATF for working in the same participating company. Audit considers that TLB needs to closely monitor the implementation of the new employment arrangement and evaluate its effectiveness.

Need to tighten monitoring of job experience provided by participating companies to interns

2.22 While participating companies are required to specify the job duties when registering internship places (see para. 2.16), they are not required to specify the position/job duties for each intern recruited (see para. 2.18). In this connection, interns are invited to complete evaluation forms and offer their feedback upon completion of the internship programme. Audit examination found that:

- (a) notwithstanding the evaluation forms printed that the forms should be sent by the interns direct to TLB by email or fax, when submitting reimbursement applications, participating companies were required to submit the evaluation forms from all interns (and were required to consolidate the evaluation forms from individual interns into one spreadsheet); and
- (b) based on the summaries of evaluation forms from 2019 to 2024 for the maritime sector and from 2019 to 2023 for the aviation sector, there were some adverse comments from the interns, for example:
 - (i) on the statement “the internship experience I had under the Scheme was meaningful and fulfilling”, there were 1% feedback opted “strongly disagree” or “disagree” in both the maritime and the aviation sectors; and
 - (ii) on the statement “my company provided me with sufficient coaching and guidance during the internship period”, there were 1% feedback opted “strongly disagree” or “disagree” in both the maritime and the aviation sectors.

Audit considers that TLB needs to ensure that the results of evaluation forms are collected objectively, keep in view the number and percentage of adverse comments

from the interns under MAIS, investigate the reasons for the adverse comments and take follow-up actions where necessary.

Audit recommendations

2.23 Audit has *recommended* that the Secretary for Transport and Logistics should:

- (a) consider refining the presentation of the list of internship places so as to indicate the available internship positions with a view to facilitating students in applying for internship under MAIS;**
- (b) enhance the participation of secondary six school leavers in MAIS with a view to giving them early exposure to the maritime and the aviation sectors;**
- (c) closely monitor the implementation of the new employment arrangement that each intern will only be sponsored once under MAIS for working in the same participating company, and evaluate its effectiveness; and**
- (d) ensure that the results of evaluation forms are collected objectively, keep in view the number and percentage of adverse comments from the interns under MAIS, investigate the reasons for the adverse comments and take follow-up actions where necessary.**

Response from the Government

2.24 The Secretary for Transport and Logistics generally agrees with the audit recommendations. She has said that the Secretariat of MATF will:

- (a) explore ways to present the information on the internship places in a more user-friendly way to facilitate interested students to get hold of the latest information related to the available internship places;**
- (b) step up the promotion of MAIS to the secondary six school leavers to facilitate them to gain an early exposure to the maritime and aviation sectors**

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while acknowledging that the employers have their discretion in employing secondary six school leavers;

- (c) closely monitor and evaluate the effectiveness of new employment arrangement to ensure that each intern will only be sponsored once under MATF for working in the same participating company; and
- (d) explore possible ways to collect evaluations in a more objective manner, and closely monitor the number and percentage of adverse comments from the interns in a more holistic manner and take follow-up actions where warranted.

Administration of seafaring training schemes

2.25 As of December 2024, there were three seafaring training schemes under MATF which were administered by MD. The salient points of the schemes are as follows:

- (a) **SGTIS.** There is a general lack of interest amongst young people to work on board ocean-going vessels, partly because new entrants are required to undergo a relatively low-paid cadet training period by serving on board ocean-going vessels before they could sit for the first professional qualifications and progress further under the career ladder. Such qualifications ultimately open up the cadets' career path to a wide range of both marine-based and shore-based senior positions such as ocean-going vessel master/chief engineer, harbour pilot, ship manager, ship surveyor, and qualified for entry to the main professional grades of MD. SGTIS comprises four phases, as follows:
 - (i) **Phase 1.** Phase 1 was launched in 2004 to provide a subsidy to entice the young generations to join the maritime sector and gain sea-going experience. Applicants may also apply for the reimbursement of examination fee after passing the Certificate of Competency (CoC) (Deck Officer/Marine Engineer Officer) Class 3 examination;
 - (ii) **Phase 2.** It came into effect on 1 April 2018 to provide subsidy for applicants, who had enrolled in CoC (Deck Officer/Marine Engineer Officer) Class 3 examination, to prepare for the examination onshore;

**Training schemes administered by
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- (iii) **Phase 3.** It came into effect on 1 April 2018 to provide subsidy for applicants working on board as cadet after obtaining CoC (Deck Officer/Marine Engineer Officer) Class 3; and
- (iv) **Phase 4.** It came into effect on 1 December 2023 to provide financial incentive for applicants working on board after obtaining CoC (Deck Officer/Marine Engineer Officer) Class 2 or Class 1;
- (b) **LVTIS.** The local vessel trade faces great difficulties in recruiting coxswains, engine operators and deck/engine ratings to serve on board. While there is no entry requirement for becoming deck/engine ratings on local vessels, they are required to accumulate minimum 9 months service in local vessels experience before becoming eligible to sit for their first professional examinations as coxswains or engine operators. LVTIS was launched in 2014 to provide financial incentive to attract new blood to join the local vessel trade; and
- (c) **LVCES.** LVCES was introduced in 2019 to encourage more local vessel trade practitioners to take examinations and obtain higher professional qualifications (e.g. Local Coxswain/Engine Operator Grade 2 Certificate) through the provision of a one-off financial incentive, thereby creating a pool of skilled staff who can operate various types of local vessels to meet the manpower demand of the trade.

Table 8 shows the actual expenditure and number of beneficiaries of the three seafaring training schemes from 2019-20 to 2024-25 (up to December 2024).

**Training schemes administered by
Transport and Logistics Bureau and Marine Department**

Table 8

**Actual expenditure and number of beneficiaries
of seafaring training schemes
(2019-20 to 2024-25 (up to December 2024))**

No.	Scheme	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (up to December 2024)	Total
Actual expenditure (\$'000)								
1	SGTIS	4,047	3,711	2,704	4,003	4,054	3,197	21,716
2	LVTTIS	860	494	660	692	328	113	3,147
3	LVCES	600	1,260	804	1,008	1,254	1,923	6,849
Number of beneficiaries								
1	SGTIS							
	Phase 1	36	36	20	40	28	17	177
	Phases 2 and 3	23	33	18	21	21	9	N.A. (Note 2)
	Phase 4 (Note 1)	N.A.	N.A.	N.A.	N.A.	6	19	N.A. (Note 2)
	Total	59	69	38	61	55	45	177
2	LVTTIS	17	16	33	21	4	5	96
3	LVCES	50	105	67	84	100	179	585

Source: TLB records

Note 1: SGTIS Phase 4 came into effect on 1 December 2023.

Note 2: According to TLB, as the four-phase SGTIS spans over several years and only recipients of Phase 1 subsidy are eligible to apply for subsidy in Phases 2 to 4, only the total number of Phase 1 (i.e. entry phase) is provided.

Room for improvement in processing applications

2.26 MD promulgates flowcharts for processing applications and payments for the three schemes. Accordingly, MD staff will vet the application forms and supporting documents and input relevant data into databases. Audit analysed MD's databases of approved applications from 2019-20 to 2024-25 (up to December 2024) for the three schemes and noted that:

- (a) there were late applications approved, as follows:
 - (i) ***SGTIS***. Applicants were required to submit applications at least 10 working days in advance before commencing sea-going training for Phase 1. Of the 177 applications, 136 (77%) were submitted late. The delay ranged from 1 to 855 working days, averaging 66 working days, of which 4 applications were with delays of over 600 working days (Note 13);
 - (ii) ***LVTTIS***. Applicants were required to submit applications within 4 months after being employed by local shipping companies and completion of approved training courses, whichever is later. Of the 96 applications, 11 (11%) were submitted late. The delay ranged from 16 to 353 days, averaging 106 days; and
 - (iii) ***LVCES***. Applicants were required to submit applications within 4 months after passing the examinations and successfully obtaining the related certificates. Of the 585 applications, 2 (0.3%) were submitted late. The delay ranged from 10 to 17 days, averaging 14 days; and
- (b) for LVTTIS, as promulgated in the application form and MD's website, if the employment contract of an applicant is terminated, the applicant will no longer be eligible for the monthly subsidy even he/she is employed in the local vessel industry again. Audit noted that in two cases, the applicants received monthly subsidies totalling \$12,500 after change of employment.

Note 13: *According to MD, the main reason for the late submission of the 4 applications for more than 600 working days was that the applicants were studying maritime programmes overseas. As such, MD could only process the applications after the applicants had completed their study and submitted all the necessary documents.*

Training schemes administered by Transport and Logistics Bureau and Marine Department

Upon enquiry, in March 2025, MD informed Audit that prior to 2016, no job-hopping was allowed under LVTTIS. As endorsed by MDC in 2016, the restrictions on job-hopping was lifted and MD allowed participants to change company during the subsidy period.

2.27 Audit selected 40 approved late applications for SGTIS and all the approved late applications for LVTTIS (i.e. 11) and LVCES (i.e. 2) from 2019-20 to 2024-25 (up to December 2024) for examination. Upon enquiry, from January to March 2025, MD informed Audit that of the 53 approved late applications selected:

- (a) in 31 applications, MD exercised discretion in approving the late applications. The grounds for exercising discretion mainly included applicants being outside Hong Kong due to engagement of urgent seafaring jobs, misunderstanding of the application procedures, employers of applicants being unable to provide required documents/information, and due to personal grounds;
- (b) in 8 applications, there were input errors in the databases;
- (c) in 9 applications, MD took additional time to rectify the errors in the supporting documents before entering the dates of application into the databases; and
- (d) in the remaining 5 applications, due to closure of counters during the outbreak of COVID-19 epidemic between 2020 and 2022, MD implemented flexible measures to extend the deadline of applications as appropriate.

Audit noted that MD's processing flowcharts did not stipulate the circumstances/procedures for exercising discretion in approving late applications and that there was no supervisory check in MD's data input process. Audit considers that TLB needs to, in collaboration with MD, set out circumstances and related procedures that MD staff can exercise discretion in approving late applications of the seafaring training schemes, consider imposing supervisory check in the data input process with a view to ensuring data accuracy of the seafaring training schemes, and update the application form and MD's website regarding the lifting of the job-hopping restrictions under LVTTIS.

Need to enhance participation in further phases of SGTIS

2.28 Audit noted that the participation of beneficiaries in SGTIS Phase 1 in Phase 2 were low from 2019-20 to 2023-24. According to MD, as of February 2025, of the 158 approved applicants (Note 14) claiming monthly subsidy under SGTIS Phase 1 (see para. 2.25(a)(i)) in the period:

- (a) 61 (39%) applicants had enrolled in the examination of CoC (Deck Officer/Marine Engineer Officer) Class 3, and proceeded to SGTIS Phase 2;
- (b) 17 (11%) applicants had enrolled in the examination/obtained certificates of CoC (Deck Officer/Marine Engineer Officer) Class 3 but did not apply for SGTIS Phase 2; and
- (c) 80 (50%) applicants had received monthly subsidy under SGTIS Phase 1, but had not enrolled in the examination of CoC (Deck Officer/Marine Engineer Officer) Class 3.

Audit noted that the 80 applicants in (c) were not eligible for proceeding to the remaining phases of SGTIS (see para. 2.25 (a)(ii) to (iv)), at variance with the objective of SGTIS to assist young people to move up the career ladder to senior positions in the industry. Audit considers that TLB needs to, in collaboration with MD, take measures to improve the participation in further phases of SGTIS.

Need to enhance participation in LVTTIS

2.29 Audit noted that the number of beneficiaries for LVTTIS decreased by 12 (71%) from 17 in 2019-20 to 5 in 2024-25 (up to December 2024). Audit considers that TLB needs to, in collaboration with MD, take measures to improve the participation in LVTTIS.

Note 14: *Of the 160 approved applicants from 2019-20 to 2023-24, 2 approved applicants did not claim monthly subsidy under SGTIS Phase 1.*

Audit recommendations

2.30 **Audit has *recommended* that the Secretary for Transport and Logistics, in collaboration with the Director of Marine, should:**

- (a) set out circumstances and related procedures that MD staff can exercise discretion in approving late applications of the seafaring training schemes;**
- (b) consider imposing supervisory check in the data input process with a view to ensuring data accuracy of the seafaring training schemes;**
- (c) update the application form and MD's website regarding the lifting of the job-hopping restrictions under LVTTIS; and**
- (d) take measures to improve the participation in further phases of SGTIS and LVTTIS.**

Response from the Government

2.31 **The Secretary for Transport and Logistics generally agrees with the audit recommendations. She has said that MD has already put in place measures to:**

- (a) introduce guidelines and procedures in handling cases that require special attention or exercise of discretion;**
- (b) impose supervisory check in data input process to ensure the data accuracy of seafaring training schemes;**
- (c) update the information on MD's website and application form about the lifting of job-hopping restrictions under LVTTIS; and**
- (d) explore possible ways in promoting further phases of SGTIS and LVTTIS to improve the participation rates.**

PART 3: TRAINING SCHEMES ADMINISTERED BY NON-GOVERNMENTAL ADMINISTRATORS

3.1 This PART examines the monitoring of training schemes administered by non-governmental administrators, focusing on:

- (a) contractual arrangement with non-governmental administrators (paras. 3.3 to 3.10);
- (b) safeguarding national security (paras. 3.11 to 3.15); and
- (c) monitoring the implementation of training schemes (paras. 3.16 to 3.22).

3.2 According to TLB, support from the industries and the training institutions are crucial to the successful implementation of measures for expanding and upgrading our pool of talent, in particular for proposed sector-wide initiatives. TLB therefore places emphasis on collaboration among Government-industry-academia. While for the launch of new initiatives/schemes (as well as change of eligibility criteria for/enhancement to existing funding schemes), the endorsement from MDC/TTA/LOGSCOUNCIL is required for the respective sectors, the implementation details of individual schemes are worked out through Government-industry-academia collaboration. In this connection, for the 18 training schemes as at 31 December 2024, besides the 4 schemes administered by TLB and the 3 schemes administered by MD, 13 partner institutions/organisations have been engaged by TLB as the administrators (i.e. non-governmental administrators) for the remaining 11 training schemes.

Contractual arrangement with non-governmental administrators

3.3 *Fund administration.* According to the “Guide on management of funding schemes” promulgated in Financial Circular No. 2/2017 on management of funding schemes and non-works projects funded by the Government which is administrative in nature, irrespective of form (i.e. whether being named as a “Fund”), all funding schemes/funds created with public money and involving payouts to non-governmental

Training schemes administered by non-governmental administrators

parties should be bound by the principles in the Guide (Note 15). Accordingly, to ensure the proper and prudent use of public funds, a Controlling Officer or his/her delegate should enter into contractual agreements with parties involved to lay down the exact terms and conditions of all disbursements, be these grants for individuals or payments with expected deliverables. Salient points of contractual agreements may include:

Financial control measures

- (a) decide whether the grants should be staggered, paid upon achievement of milestones, or paid on a reimbursement basis;
- (b) require grantees to keep designated bank accounts;
- (c) specify requirements on interest income, donations and sponsorships;
- (d) require, on a need basis, grantees to submit financial statements and auditors' reports;

Operational control measures

- (e) requirements on avoiding and declaring conflicts of interest;

Note 15: *A few overriding principles which should be observed in all circumstances are the needs to:*

- (a) strive to achieve maximum value for money;*
- (b) exercise prudence in the disbursement of government funds;*
- (c) preserve a level playing field in government procurement and in partnering arrangements involving non-government entities, by adhering as far as possible to a fair, open and/or competitive selection process;*
- (d) serve the public with integrity and in a transparent and publicly accountable manner; and*
- (e) observe due diligence and avoid conflicts of interest even in the most pressing circumstances.*

Training schemes administered by non-governmental administrators

- (f) conditions specifying to each project as appropriate and specify the consequences of failure to comply with the control measures;
- (g) when necessary, the Controlling Officer and the governing body may conduct random on-site checks, apart from reviewing the progress/completion reports and invoice/receipts requested to be submitted; and
- (h) project records maintained should preferably be retained for at least seven years after the end of the financial year for the project completion.

3.4 ***Performance management.*** For individual projects, the Controlling Officer should specify measurable deliverables and spell out in the contractual agreements with grantees the potential sanctions including financial sanctions for failing to achieve them. The Controlling Officer should consider putting in place a robust but reasonable mechanism and issue guidelines for operational staff to validate whether the deliverables of the projects have been achieved as reported by grantees.

Need to consider entering into contractual agreements with non-governmental administrators

3.5 As at 31 December 2024, of the 11 training schemes administered by non-governmental administrators, Audit noted that TLB has entered into contractual agreements with the respective administrators for 5 training schemes (see Table 9). The terms normally included in the contractual agreements are:

- (a) the administrator shall use the funds for the sole purpose of implementation of the scheme under MATF;
- (b) provision of income and expenditure account by the administrator within specific timeframe in respect of the scheme to TLB;
- (c) the Government may at any time at its sole discretion terminate the scheme by giving written notice of such termination not less than a specific timeframe; and

Training schemes administered by non-governmental administrators

- (d) any unspent funds in the scheme as at the date of termination of the scheme shall be refunded to the Government within a specific timeframe.

Table 9

Training schemes administered by non-governmental administrators (31 December 2024)

No.	Training scheme	Contractual agreement with administrator(s)
1	SRTIS	No
2	Hong Kong Maritime and Logistics Scholarship Scheme	Yes
3	HKU — DMU Academic Collaboration Scheme	Yes
4	PTRS	No
5	OESS	No
6	HKASS	No
7	HKU — SMU Academic Collaboration Scheme	Yes
8	Hong Kong Nautical and Maritime Scholarship Scheme	Yes
9	AOTIS	No
10	MTSS	No
11	PTSGLS	Yes

Source: Audit analysis of TLB records

3.6 For the remaining 6 training schemes, TLB had not entered into contractual agreements (including memoranda of understanding) with the administrators concerned. According to TLB, the following administrative arrangements are operating effectively and the measures are regarded as effective in safeguarding that the allocated funding is spent prudently within the budget and scope approved:

- (a) **SRTIS.** TLB had no records that a memorandum had been signed with the administrator concerned since SRTIS was transferred to MATF by the then Economic Development and Labour Bureau in 2014 nor the then Economic

Training schemes administered by non-governmental administrators

Development and Labour Bureau did such in 2006 when SRTIS was launched. The administrator had been required to submit a progress report at a half-year interval to the then Economic Development and Labour Bureau on the operation of SRTIS since 2006 and the requirement still prevailed when SRTIS was transferred to MATF;

- (b) **PTRS.** A work practice had been established that the administrator collected and checked evidence for the study and employment status of beneficiaries before it submitted application for disbursement and supporting schedules to TLB each year. TLB would check the funding request against the supporting documents and clarify with the administrator for any discrepancies identified before disbursement of funding;
- (c) **OESS.** Each administrator had submitted a proposal to the Working Group on Overseas Exposure for Students (Note 16) for evaluation and approval. Thereafter, the administrators had been entrusted with the responsibility of selecting nominees for the scheme and submitting transcripts to TLB for disbursement of funding;
- (d) **HKASS.** The administrators were responsible for receiving applications and processing nominations of candidates for consideration by the selection panel, as well as disbursing the scholarship payments to the recipients and monitoring their academic performance. Every year, TLB enlisted assistance from the administrators in collecting the relevant proof of employment from their respective scholarship recipients;
- (e) **AOTIS.** In the first quarter of each year, the administrator had to submit application for disbursement to TLB together with supporting schedules showing the latest status of relevant applicants. TLB would review the application and supporting schedules before approving disbursement to the administrator; and
- (f) **MTSS.** A proposal for the scheme had been submitted by the administrator and endorsed by MDC. TLB had entrusted the administrator to monitor

Note 16: *In 2014, the Working Group on Overseas Exposure for Students had been formed to help the Tripartite Taskforce on Manpower Training of the then Hong Kong Maritime Industry Council to design, monitor and review the implementation of the initiatives on the overseas learning and exposure for students. Since June 2016, the implementation of OESS has been overseen by the Steering Group under MDC.*

Training schemes administered by non-governmental administrators

the usage of fund under MTSS. The administrator would provide TLB with a year-end report, together with the annual financial statements concerned audited by an external party, at the conclusion of each school year. The administrator was also required to conduct a mid-term review to evaluate the implementation progress.

3.7 Audit examination on the administrative arrangements on disbursement of funding from TLB for the six training schemes without contractual agreements revealed that there was scope for improvement, as follows:

- (a) for PTRS, HKASS and AOTIS, while returned funding from ineligible applicants were collected by the administrators and the amount would be offset with the disbursement of funding from TLB in the following year, there were no written agreements governing the above arrangements;
- (b) for HKASS, while the administrators were responsible for disbursing the scholarship payments to their respective scholarship recipients, there were no specified timeframe or number of instalments for disbursing the payments;
- (c) for AOTIS, TLB provided \$24,000 (Note 17) to the administrator for each approved application around one year before actual disbursement to eligible applicants. However, there was no written agreements governing the arrangement for such advance payment. Moreover, Audit examination of the records of 15 applications found that in 1 (7%) case, while study allowance of \$24,000 had been provided to the administrator, there was no documentary evidence showing that the student concerned had submitted the relevant application form; and
- (d) the interest income from relevant bank deposits for funding under MATF of the five schemes was not accounted for except for SRTIS.

Note 17: *AOTIS provides eligible applicants a study allowance of \$24,000, of which \$12,000 will be released after completion of a 13-month Diploma in Aviation Operations programme and the remaining \$12,000 after six months' continuous employment in the aviation industry upon graduation.*

3.8 According to Financial Circular No. 2/2017, as a good practice, a Controlling Officer should be mindful of the third party obligations which should be imposed in arrangements involving a third party. In this connection, appropriate contractual terms must be imposed on administrator so as to ensure that the third party obligations will be performed and monitored. For the six training schemes without contractual agreements, Audit notes that some key terms and conditions have not been specified or established, for example, conditions for terminating funding arrangements, measurable deliverables for the schemes and potential sanctions including financial sanctions for failing to achieve them. In order to better protect government's interest, Audit considers that TLB needs to formalise the existing administrative arrangements and consider entering into contractual agreements with the pertinent administrators of the six training schemes, taking into account the findings mentioned in paragraph 3.7.

Audit recommendation

3.9 **Audit has *recommended* that the Secretary for Transport and Logistics should formalise the existing administrative arrangements and consider entering into contractual agreements with the pertinent administrators of the six training schemes, taking into account the findings mentioned in paragraph 3.7.**

Response from the Government

3.10 The Secretary of Transport and Logistics generally agrees with the audit recommendation. She has said that TLB will formalise the existing administrative arrangements and enter into contractual agreements or memoranda of understanding with the pertinent administrators of the six training schemes for improving scheme administration.

Safeguarding national security

Need to consider implementing additional measures in safeguarding national security

3.11 The Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (HKSAR) was implemented on 30 June 2020. The Law stipulates that it is the constitutional duty of the HKSAR

Training schemes administered by non-governmental administrators

to safeguard national security. Besides, the Safeguarding National Security Ordinance took effect on 23 March 2024. It is stated in the Preamble of the Ordinance that any institution, organization and individual in the HKSAR must abide by the law of HKSAR applicable for safeguarding national security, must not engage in acts and activities endangering national security, and must provide assistance in accordance with the law in response to a request made by the authorities when conducting the work on safeguarding national security in accordance with the law. Besides, section 8(3) of the Ordinance stipulates that if the law of the HKSAR confers any function on a person, the function is to be read as including a duty to safeguard national security, and accordingly, any person, in making any decision in the performance of the function, must regard national security as the most important factor, and give appropriate consideration to it accordingly.

3.12 Besides the 6 training schemes without contractual agreements with pertinent administrators, Audit examined the contractual agreements entered into between TLB and the respective non-governmental administrators for the 5 training schemes (see para. 3.5) and noted that except for PTSGLS, there were no specific clauses concerning the safeguarding of national security in the contractual agreements with the administrators. Despite this, concerning safeguarding national security relating to application for the schemes, TLB informed Audit in March 2025 that it had taken follow-up actions in February and March 2024, as follows:

- (a) requiring all non-governmental administrators to implement measures in safeguarding national security, such as incorporating safeguarding national security clauses in the application forms and providing guidance to all sponsorship recipients to comply with the national security law when undertaking the relevant courses; and
- (b) informing all non-governmental administrators that the Government reserved the right to withdraw or cancel a sponsorship or a scheme on the grounds that the respective recipient or course had engaged, was engaging, or was reasonably believed to have engaged or be engaging in acts or activities that were likely to cause or constitute the occurrence of offences endangering national security or otherwise the exclusion was necessary in the interest of national security, or was necessary to protect the public interest of Hong Kong, public morals, public order or public safety.

All these administrators replied in the affirmative.

3.13 Audit noted the follow-up actions taken by TLB as mentioned in paragraph 3.12. With a view to implementing additional measures in safeguarding national security, Audit considers that TLB needs to consider incorporating/updating clauses concerning safeguarding of national security in contractual agreements or memoranda of understanding with pertinent administrators.

Audit recommendation

3.14 **Audit has *recommended* that the Secretary for Transport and Logistics should consider incorporating/updating clauses concerning safeguarding of national security in contractual agreements or memoranda of understanding with pertinent administrators.**

Response from the Government

3.15 The Secretary of Transport and Logistics generally agrees with the audit recommendation. She has said that TLB will incorporate/update clauses concerning safeguarding of national security in the memoranda of understanding or contractual agreements with pertinent administrators.

Monitoring the implementation of training schemes

Need to enhance participation in some training schemes

3.16 Table 10 shows the number of beneficiaries for four training schemes administered by non-governmental administrators from 2019-20 to 2024-25 (up to December 2024). Audit examination of the participation in the four schemes found that:

- (a) ***SRTIS***. As of September 2024, out of the 218 graduates who had joined SRTIS (including 155 joined SRTIS before MATF's establishment), 77 (35%) had dropped out of the scheme;
- (b) ***PTRS***. There was a significant decrease in the number of beneficiaries by 26 (72%) from 36 in 2019-20 to 10 in 2023-24. As of December 2024, of

Training schemes administered by non-governmental administrators

the 146 beneficiaries in the period from 2019-20 to 2023-24, 36 (25%) dropped out of the scheme subsequently;

- (c) **OESS.** According to TLB, based on the proposals put forth by the administrators, it was anticipated that approximately 20 students would receive sponsorship every academic year. However, for the academic years 2019-20 to 2023-24, the anticipated number of beneficiaries was not met; and
- (d) **AOTIS.** Of the 168 beneficiaries in the period from 2019-20 to 2022-23, 57 (34%) dropped out of the scheme, in which 30 (53% of the 57 beneficiaries) of them had received the first instalment of allowance totalling \$360,000. While according to a paper submitted to TTA in 2019 for introducing AOTIS, graduates should undertake that he/she will continue to work in the aviation industry for six consecutive months, there was no dedicated undertaking forms signed by the beneficiaries. In the event, the allowance paid to these 30 beneficiaries had yet to be recovered. TLB informed Audit in March 2025 that:
 - (i) while there was not a separate undertaking form, the employment requirement (i.e. working in the industry for six consecutive months upon completion of the programme) was made clear to the beneficiaries in the “Notes for Applicants” of the application form, and the beneficiaries had to declare in the application form that he/she accepted and agreed to abide by the terms and conditions as set out in the “Notes for Applicants”; and
 - (ii) the administrator had been reminded to recover the allowance from the beneficiaries as soon as possible if the employment requirement was not met by the beneficiaries.

Audit considers that TLB needs to, in consultation with the relevant administrators, take measures to enhance the participation for SRTIS, PTRS, OESS and AOTIS and ensure that the beneficiaries meet the employment requirement in AOTIS.

Training schemes administered by non-governmental administrators

Table 10

**Number of beneficiaries
(2019-20 to 2024-25 (up to December 2024))**

Scheme	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (up to December 2024)	Total
1. SRTIS	5	6	10	2	1	0	24
2. PTRS	36	44	43	13	10	N.A. (Note)	146
3. OESS	9	3	0	4	11	7	34
4. AOTIS	60	51	21	36	53	N.A. (Note)	221

Source: TLB records

Note: According to TLB, the schemes will only disburse funding once in the first quarter of 2025 for 2024-25.

Need to enhance monitoring on the employment requirements of scholarship recipients

3.17 Scholarship recipients under MATF have to undertake to work full-time in the maritime-related or aviation-related field in Hong Kong for a period of not less than 12 months after graduation (for the “Seafaring Scholarship” recipients of the Hong Kong Nautical and Maritime Scholarship Scheme, they have to work on board ocean-going vessels for 12 or 18 months upon graduation). They are required to sign undertakings with the Government (Note 18) and refund the scholarship payments received in full in case they fail to fulfil any one of the conditions in the undertakings. Table 11 shows the number of scholarship recipients of the scholarship schemes in the period from 2019-20 to 2024-25 (up to December 2024).

Note 18: *It is a legally binding written undertaking with the conditions, among others, stating that a scholarship recipient shall:*

- (a) complete the programme concerned;*
- (b) work full time on board/in the maritime/aviation industry for a period of not less than 12 or 18 months; and*
- (c) provide genuine contact details to enable the institutions concerned to get in touch with the recipient at least three years following graduation. He/she is required to provide his/her employment status for ascertaining his/her compliance with the requirements of the scholarship scheme and for reviewing the effectiveness of the scholarship scheme.*

Training schemes administered by non-governmental administrators

Table 11

**Number of scholarship recipients of scholarship schemes
(2019-20 to 2024-25 (up to December 2024))**

Scheme	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (up to December 2024)	Total
<i>Maritime sector</i>							
Hong Kong Maritime and Logistics Scholarship Scheme	10	5	5	9	8	10	47
HKU — DMU Academic Collaboration Scheme	4	2	3	2	2	2	15
Hong Kong Maritime Law Scholarship Scheme	2	N.A. (Note 1)	N.A.	N.A.	N.A.	N.A.	2
HKU — SMU Academic Collaboration Scheme	4	1	1	2	1	0	9
Maritime Law Scholarship Scheme	0	N.A. (Note 2)	N.A.	N.A.	N.A.	N.A.	0
Hong Kong Nautical and Maritime Scholarship Scheme	7	5	2	3	2	2	21
<i>Aviation sector</i>							
HKASS	23	25	23	28	22	N.A. (Note 3)	121

Source: TLB records

Note 1: The scheme had been suspended since 2020 due to low student demand and the challenges in recruiting suitable staff in the area of maritime law.

Note 2: The scheme had been suspended since 2020 due to low student demand.

Note 3: The selection interviews of the scheme would be held in the first quarter of 2025.

Training schemes administered by non-governmental administrators

3.18 **Maritime sector.** According to TLB's processing guidelines for the maritime scholarship schemes, the administrators are responsible for providing employment details of their respective scholarship recipients to TLB in December every year. TLB will circulate the employment details of the scholarship recipients to the Steering Group for information and seek clarification from the administrators should there be any issues raised by the Steering Group. Audit examination of the employment details provided by the administrators for the 80 scholarship recipients from 2019-20 to 2023-24 revealed that as of December 2024:

- (a) 18 (22%) recipients were in the process of fulfilling their undertaking of employment in the maritime sector;
- (b) 8 (10%) recipients had already fulfilled the employment requirements for the scholarships;
- (c) 7 (9%) recipients had withdrawn from the scholarships and had returned the scholarship payments totalling \$642,130 to the Government;
- (d) 8 (10%) recipients had not fulfilled the employment requirements for the scholarships but there was no documentary evidence showing that they had returned the scholarship payments;
- (e) for 22 (28%) recipients, their employment records could not show that the employment requirements of the scholarships had been fulfilled; and
- (f) for 17 (21%) recipients, there were no employment records provided by the relevant administrators.

However, there was no documentary evidence showing that TLB had taken follow-up actions for (d) to (f). Upon enquiry, TLB informed Audit in January 2025 that the administrators concerned had been requested to incorporate an assessment concerning the above audit observations and propose remedial measures. Audit considers that TLB needs to enhance its monitoring of the employment details of the scholarship recipients and follow up with the administrators in this regard.

3.19 **Aviation sector.** Unlike the maritime sector, there were no internal processing guidelines nor contractual agreements with the relevant administrators under HKASS. Audit noted that on an annual basis, TLB:

Training schemes administered by non-governmental administrators

- (a) obtained undertakings signed by the scholarship recipients on the basis of the results of the selection panel. However, Audit analysis of the relevant records for 2019-20 to 2023-24 revealed that the relevant undertakings from 56 (46%) of the 121 recipients were collected by TLB after TLB's approval of disbursements to the administrators; and
- (b) issued emails to the administrators requesting for information on any scholarship recipients who had failed to meet the requirements of the scholarships. Audit examination of the replies from the administrators found that of the 121 recipients for 2019-20 to 2023-24, 10 (8%) had withdrawn from the scheme or had failed to fulfil the scholarship requirements and had returned totalling \$942,100 to the Government. However, no employment details were provided by the administrators concerning the remaining recipients.

Audit considers that TLB needs to ensure that undertakings from scholarship recipients are collected before approval of disbursement to the administrators, and require the administrators to provide employment details of all recipients to ensure that the requirements of the scholarships have been fulfilled.

Need to ensure timely submission of information on income and expenditure by the administrators

3.20 For the 5 training schemes with contractual agreements entered into with the respective administrators (i.e. 4 maritime scholarship schemes and PTSGLS — see para. 3.5), the administrators are required to provide information on income and expenditure to TLB annually. Audit examination of the relevant submission records for 2023-24 found that:

- (a) ***4 maritime scholarship schemes.*** According to the contractual agreements, income and expenditure account shall be submitted within 30 to 60 days from the end of each academic year. However, there was no documentary evidence showing that the relevant income and expenditure accounts were submitted to TLB by the relevant administrators. Upon enquiry, TLB informed Audit in March 2025 that the income and expenditure requirement was not applicable as the scholarships were operated on a reimbursement basis. TLB disbursed subsidy to the administrators based on their actual expenditure. Audit considers that TLB needs to review the requirement for

Training schemes administered by non-governmental administrators

income and expenditure account in the pertinent contractual agreements;
and

- (b) **PTSGLS.** According to the contractual agreement (Note 19), an annual report and audited financial statements shall be submitted within 3 months after the end of each financial year. For 2023-24, the relevant annual report and audited financial statements were submitted on 5 August 2024 (i.e. delay of 1.2 months). Audit considers that TLB needs to ensure timely submission of information on income and expenditure by the respective administrator in accordance with the relevant contract provisions.

Audit recommendations

3.21 **Audit has *recommended* that the Secretary for Transport and Logistics should:**

- (a) **in consultation with the relevant administrators, take measures to enhance the participation in SRTIS, PTRS, OESS and AOTIS and ensure that the beneficiaries meet the employment requirement in AOTIS;**
- (b) **for maritime scholarship schemes, enhance TLB's monitoring of the employment details of the scholarship recipients and follow up with the administrators on the proposed remedial measures for checking employment requirements;**
- (c) **for the aviation scholarship scheme, ensure that undertakings from scholarship recipients are collected before approval of disbursement to the administrators, and require the administrators to provide employment details of all recipients to ensure that the requirements of the scholarships have been fulfilled;**
- (d) **review the requirement for income and expenditure account in the pertinent contractual agreements of the four maritime scholarship schemes; and**

Note 19: *The contractual agreement includes terms and requirements for both PTSGLS and the Logistics Promotion Funding Scheme.*

- (e) **ensure timely submission of information on income and expenditure by the respective administrator of PTSGLS in accordance with the relevant contract provisions.**

Response from the Government

3.22 The Secretary for Transport and Logistics generally agrees with the audit recommendations. She has said that the Secretariat of MATF:

- (a) together with TTA and MD have been monitoring the number of beneficiaries and participants of all schemes. They will continue to keep in view the participation and consult relevant administrators on measures to enhance the participation rate when necessary and to ensure that the beneficiaries meet the employment requirement;
- (b) will work with respective administrators to monitor and follow up on the employment situations of the scholarship recipients;
- (c) will ensure that undertakings from scholarship recipients are collected before approval of disbursement to the administrators, and has asked the administrators to provide employment details of all recipients to ensure that the requirements of the scholarships have been fulfilled;
- (d) will review the requirement for income and expenditure account in future contractual agreements or memoranda of understanding with the respective administrators of individual schemes under MATF; and
- (e) will remind and monitor the respective administrator of PTSGLS to ensure its timely submission of information on income and expenditure in accordance with the relevant contract provisions.

PART 4: PROMOTION INITIATIVES UNDER MARITIME AND AVIATION TRAINING FUND

4.1 This PART examines the promotion initiatives under MATF, focusing on the implementation of the Maritime Promotion Project Funding.

4.2 As at 31 December 2024, there were three promotion initiatives under MATF in supporting the maritime, aviation and logistics industries. As mentioned in paragraph 1.12, the Maritime Promotion Project Funding was introduced in 2014 while the Aviation Promotion Project Funding Scheme and the Logistics Promotion Funding Scheme were introduced in January 2024. Up to 31 December 2024, the actual expenditure for the Maritime Promotion Project Funding, the Aviation Promotion Project Funding Scheme and the Logistics Promotion Funding Scheme were \$12 million, \$0.4 million and \$2 million respectively. In view of the small amount involved in the Aviation Promotion Project Funding Scheme and the Logistics Promotion Funding Scheme, this PART will focus on the implementation of the Maritime Promotion Project Funding.

Implementation of Maritime Promotion Project Funding

4.3 ***Funding Application.*** The objective of the Maritime Promotion Project Funding is to promote various aspects of the maritime industry and attract more talents to join the industry through different promotion activities organised by the maritime-related organisations or professional bodies. TLB is responsible for vetting applications while MDC is responsible for endorsing applications after considering the recommendations from TLB. To apply for the funding under MATF for a proposed promotion project, a registered organisation in Hong Kong may submit application form with project proposal (if any) in writing three months before the commencement of the project. The following, among others, are required in the application form:

- (a) details of all activities under the project. For each activity:
 - (i) target participants and expected number of participants; and

Promotion initiatives under Maritime and Aviation Training Fund

- (ii) total amount of funding applied with estimated budget for each expenditure item; and
- (b) declaration that the organisation concerned has not been granted any other forms of government subsidy or financial assistance for the activities listed out in the application form/proposal.

Need to consider setting target processing time for vetting applications

4.4 According to TLB, there is no documented guidelines for vetting the applications received for the Maritime Promotion Project Funding. Under the established work practice, the responsible staff will check the information provided in the application forms and project proposals (if any), and submit the applications to senior officers for approval according to an approval protocol. Audit analysed the processing time of the 42 applications processed from 2019 to 2024 and found that in 18 (43 %) applications, the processing time was more than 2 months, ranging from 61 to 1,526 (Note 20) days. Audit noted that TLB did not stipulate target processing time for vetting applications for the Maritime Promotion Project Funding, while for the Aviation Promotion Project Funding Scheme, its notes for application stipulated that the vetting process will normally be completed within 2 months after receiving the application form and all necessary documents. To facilitate planning of proposed projects by the applicants, TLB needs to consider setting a target processing time for vetting applications for the Maritime Promotion Project Funding.

Need to enhance dissemination of funding requirements

4.5 After the application is endorsed by MDC, TLB will issue an approval letter to the organiser stating the sponsorship amount and the payment schedule. According to the funding requirements which are normally stipulated in an approval letter, an organiser is required to:

Note 20: *For the application with the longest processing time of 1,526 days, approval-in-principle was given by TLB in November 2019, 85 days after receiving the application. However, the applicant deferred the event due to black-clad violence and COVID-19 epidemic, and finally fixed the date of event in November 2023. In the event, TLB issued the approval letter in October 2023.*

Promotion initiatives under Maritime and Aviation Training Fund

- (a) submit an evaluation report (together with the copies of all relevant quotations/receipts/invoices for the sponsored expenditure items) within three months after the completion of project activities;
- (b) ensure that expenses for each item must not exceed the individual expenditure ceiling as budgeted;
- (c) return surplus fund, if any, to the Government, and may have to return all or partial sponsorship for individual activity in case it falls short of the expected performance and participation from the maritime sector and the general public; and
- (d) acknowledge the funding support of MATF by adding the logo of MATF (see Figure 1) on all publicity materials and on-site items for the sponsored activities.

Figure 1

Logo of MATF



Source: TLB records

4.6 Audit found that some funding requirements were not stipulated in the application forms or approval letters, but only disseminated to the organisers through emails or upon enquiry by organisers, as follows:

Promotion initiatives under Maritime and Aviation Training Fund

- (a) regarding the number of quotations required for procurement of goods and services, at least 2 quotations are required for items of \$1,000 or above while at least 3 quotations are required for items of \$50,000 or above; and
- (b) regarding the information to be included in an evaluation report, the following essential elements are required:
 - (i) summary of the whole project and/or brief summary of each activity held;
 - (ii) number of participants and photographs taken for the respective activities;
 - (iii) general responses/feedback received from the participants; and
 - (iv) evaluation on the benefits or achievements of the project.

Moreover, upon enquiry, TLB informed Audit in December 2024 that if a project proposal involved any fees or income (such as income from selling entrance tickets), the amount of income would be deducted from the final amount to be disbursed to the organiser. With a view to enhancing the organisers' awareness and compliance of the funding requirements, TLB needs to consider promulgating guidelines for the organisers listing all the common funding requirements.

Need to ensure timely submission of evaluation reports by project organisers

4.7 After receiving evaluation reports for completed projects, TLB will check the receipts to determine whether to pay the balance of sponsorship to the organiser or demand surplus of funding from the organiser. From 2019 to 2024, there were 34 completed projects with total sponsorship provided amounted to \$6.5 million. Audit examination of the pertinent TLB records for submission of evaluation reports found that there were delays in 12 (35%) projects in submitting the evaluation reports. The delays ranged from 5 to 447 days, averaging 59 days. According to TLB, with effect from mid-2024, it would send reminders to organisers if they fail to submit the reimbursement application one week after the deadline as stipulated on the approval letters. As timely submission of evaluation reports facilitates TLB's prompt action in finalising the project expenditure, and the issuing of demand note to project organisers

Promotion initiatives under Maritime and Aviation Training Fund

for refund of surplus, if any, Audit considers that TLB needs to take measures to ensure timely submission of evaluation reports by the organisers for completed projects.

Need to enhance vetting of project expenditure

4.8 Of the 34 projects completed from 2019 to 2024, Audit selected 10 (29%) projects to examine TLB's work in vetting expenditure incurred and found scope for improvement in 6 projects (Project A to Project F), as follows:

- (a) regarding the requirements common for all the 10 completed projects:
 - (i) ***Insufficient number of quotations for procurement.*** In 4 (40%) projects (namely Projects A, B, C and D), there were occasions that the quotation requirements (see para. 4.6(a)) had not been complied with. For example, for Project A, fewer number of quotations than that required had been obtained for printing services amounting to \$89,000;
 - (ii) ***Receipts of sponsored items not submitted.*** Under Project B with a final approved sponsorship of \$220,000, only quotation records were submitted by the organiser. There was no documentary evidence showing that the organiser had submitted any receipts or TLB had requested for the receipts. Upon enquiry, TLB informed Audit in March 2025 that the organiser had provided a service contract signed with the successful bidder and TLB considered it a form of invoice; and
 - (iii) ***Expenditure items exceeding individual ceiling.*** Under Project A with a final approved sponsorship of \$570,000, there was a sub-item (i.e. printing of materials) amounting to \$199,000, which had exceeded its individual expenditure ceiling of \$183,000 by \$16,000 (9%); and
- (b) regarding the requirements for some project-specific items:
 - (i) ***Sponsorship from other government department.*** Under Project C with an approved funding of \$387,000, while the evaluation report

showed that MD was an honorable sponsor, there was no other information in TLB's records concerning such sponsorship income. Upon enquiry, TLB informed Audit in January 2025 that MD had sponsored the project in 5 sub-items of activities. In 2 of the 5 sub-items, MATF was also a sponsor (involving \$8,600). This was contrary to the requirement that the sponsored activities must not be granted any other form of government subsidy or financial assistance (see para. 4.3(b));

- (ii) ***Income received not deducted from sponsorship provided.*** Under Project E, the organiser had received ticket income of about \$16,000. According to the evaluation report, all the income would be donated to a charity. However, there was no documentary evidence showing that such income was donated or TLB had requested for the proof. In the event, the amount of income was not deducted from the sponsorship provided for the project (see para. 4.6); and
- (iii) ***Approval of an ineligible expenditure item.*** An event under Project F was held in 2022 and incurred a rental expense amounting to \$1,500 for a meeting venue located at the organiser's own facility, which was approved by TLB. Further examination by Audit revealed that the rental expense for similar events held in 2021 and 2023 by the same organiser was approved in 2021 but disapproved in 2023. In the latter occasion, TLB informed the organiser that the expense was disapproved because the venue was the organiser's own facility.

Audit considers that TLB needs to tighten the financial control and vetting of expenditure incurred in promotion projects.

Room for improvement in assessing effectiveness of promotion projects

4.9 Audit examined the evaluation reports submitted for the 34 projects completed from 2019 to 2024 and found that:

- (a) ***Non-submission of evaluation reports.*** No evaluation reports were submitted for 2 (6%) projects:

Promotion initiatives under Maritime and Aviation Training Fund

- (i) in 1 project, the organiser was requested to submit a progress report to replace the evaluation report. However, no evaluation on the benefits or achievements of the project was included in the progress report; and
 - (ii) in the other project, only the relevant receipts, invoices and record of quotations had been submitted by the organiser;
- (b) ***Essential elements (see para. 4.6(b)) not fully reported in evaluation reports.*** In 21 (62%) projects, the organisers had not reported the general responses/feedback received from the participants for the activities, of which 5 projects were similar projects held by the same organiser in 5 consecutive years. Moreover, in 1 project, the expected number of participants of an activity (i.e. an online platform) stated in the proposal was 10,000. However, the actual achievement was not reported in the evaluation report; and
- (c) ***Actual number of participants not meeting expected number of participants.*** The actual number of participants in 21 (62%) projects did not meet the expected number of participants. Audit noted that the reasons for the shortfall in the number of participants were not provided in the evaluation reports in 15 (71%) of the 21 projects (see Table 12). Audit also noted that no organisers of those projects were required to return all or partial sponsorship because of not meeting the expected number of participants.

Audit considers that TLB needs to ensure that all essential elements are reported by organisers in the evaluation reports, and reasons have been provided should the actual number of participants fall short of the expected number of participants.

Table 12

Number of projects with
shortfall in meeting expected number of participants
(2019 to 2024)

Shortfall in meeting expected number of participants	Number of projects	Number of evaluation reports without reasons for the shortfall
1 % to 20 %	5	4
21 % to 40 %	4	3
41 % to 60 %	3	2
More than 60 %	9	6
Total	21	15

Source: Audit analysis of TLB records

4.10 ***MATF logo not displayed on all publicity materials.*** As regards the requirement of adding MATF logo on all publicity materials (see para. 4.5(d)), Audit examination of the 34 projects completed from 2019 to 2024 found that:

- (a) in 11 (32 %) projects, Audit could not find any copies of publicity materials for examination; and
- (b) for the remaining 23 (68 %) projects with publicity materials for examination, 3 (13 % of 23) projects had not added the logo on all publicity materials.

In March 2025, TLB informed Audit that if the publicity materials were too small, it might not be practicable to add MATF logo on them. Also, if the publicity materials were released before MATF funding was secured, those materials would not bear MATF logo. Audit considers that TLB needs to ensure that the logo of MATF is displayed on all publicity materials of all projects as far as practicable.

Promotion initiatives under Maritime and Aviation Training Fund

4.11 *Need to review the scope of promotion activities.* According to TLB, for promotion initiatives, particular focus will be on youngsters in their early secondary years by launching promotion initiatives such as career week and summer tour with maritime elements. It was planned to launch more targeted promotion strategies (e.g. embedding messages in television series/radio programmes, viral marketing techniques through social media networks) with a view to effectively promoting the “brand awareness” for the sector. Audit analysed the 34 projects completed from 2019 to 2024 and found that:

- (a) the activities were mainly confined to visits or competitions:
 - (i) in 8 (24%) projects, activities conducted by the organisers included visits to the same place;
 - (ii) in 12 (35%) projects, activities conducted by the organisers included vessel tours; and
 - (iii) in 6 (18%) projects, the same activity (a colouring competition) was arranged by the same organiser in six consecutive years, of which majority of participants were kindergarten and primary school students; and
- (b) in 1 project with approved funding of \$147,000, the organiser hired professional services for a full-time consultant stationed in a school for three months. The consultant was required to draw up detailed training plans under maritime studies, as well as develop deliverables that were required in the course of training (e.g. an electronic system for student training record book). No direct promotion activities had been organised under the project. The main deliverables were detailed training plans for conducting a training scheme in future.

Audit considers that TLB needs to review the scope and effectiveness of projects when approving applications with a view to reaching out to more youngsters through targeted promotion strategies.

Audit recommendations

4.12 **Audit has *recommended* that the Secretary for Transport and Logistics should:**

- (a) **consider setting a target processing time for vetting applications for the Maritime Promotion Project Funding;**
- (b) **consider promulgating guidelines for the organisers listing all the common funding requirements;**
- (c) **take measures to ensure timely submission of evaluation reports by the organisers for completed projects;**
- (d) **tighten the financial control and vetting of expenditure incurred in promotion projects;**
- (e) **ensure that all essential elements are reported by organisers in the evaluation reports, and reasons have been provided should the actual number of participants fall short of the expected number of participants;**
- (f) **ensure that the logo of MATF is displayed on all publicity materials of all projects as far as practicable; and**
- (g) **review the scope and effectiveness of projects when approving applications with a view to reaching out to more youngsters through targeted promotion strategies.**

Response from the Government

4.13 The Secretary for Transport and Logistics generally agrees with the audit recommendations. She has said that:

- (a) the Secretariat of MATF will prepare more detailed guidelines for handling promotion projects, including the estimated processing time, vetting of individual expenditure items, etc.;

Promotion initiatives under Maritime and Aviation Training Fund

- (b) the Secretariat of MATF will review the application guidelines to cover more details on the funding requirements and the deliverables, including but not limited to the evaluation reports, display of MATF logo on publicity materials, the number of participants and feedback of the participants to facilitate the evaluation of the effectiveness of the activity. To facilitate the applicants to follow and comply with the requirements, a template for recording quotations and reporting evaluations for the projects will be attached to the application form; and
- (c) the review has been completed and the enhancement to the promotion fund will be launched in the third quarter of 2025. The scope of the promotional projects will be extended to seminars, conferences and delegations to attend overseas or mainland seminars or conferences of targeted themes with a view to reaching out to more youngsters for promoting maritime, aviation and logistics industries.

PART 5: WAY FORWARD

5.1 This PART examines the way forward of MATF, focusing on:

- (a) performance reporting (paras. 5.2 to 5.8);
- (b) development of disbursement information system (paras. 5.9 to 5.12); and
- (c) comprehensive review on MATF (paras. 5.13 to 5.18).

Performance reporting

5.2 The Finance Committee of the Legislative Council approved a new commitment of \$100 million in January 2014 for establishing MATF. According to the funding proposal submitted to the Legislative Council, the \$100 million would support various schemes and scholarships from 2014-15 to 2018-19, benefiting 5,640 beneficiaries. Up to 2018-19, the cumulative expenditure was \$72 million, with a commitment balance of \$28 million.

5.3 In 2019, the approved commitment of MATF was increased by \$200 million (i.e. from \$100 million to \$300 million) to sustain the operation of various schemes and initiatives up to 2024-25. Whereas the unspent balance of MATF was about \$127 million by 2022-23, in 2023, the approved commitment of MATF was further increased by \$200 million (i.e. from \$300 million to \$500 million) to sustain and enhance the support of various schemes and initiatives until 2027-28. Up to 31 December 2024, the cumulative expenditure was \$234 million, leaving a balance of \$266 million. In response to Audit's enquiry on whether performance targets or indicators for MATF had been set, in December 2024, TLB said that:

- (a) there were no targets on the number of beneficiaries but a projected number for resource allocation. Every year a budget was prepared by consolidating the draft estimates from offices and administrators overseeing schemes under MATF; and
- (b) the resource estimations for the two rounds of increase in commitment in 2019 and 2023 were derived and referenced from a collective of

Way forward

parameters, including the historical beneficiary figures, the latest expenditure pattern at that periods of time and the estimated expenditure for future enhancement measures.

Need to consider including performance indicators in the Controlling Officer's Report

5.4 Audit noted that when consulting the Legislative Council on the two rounds of increase in commitment (Note 21), TLB only provided projected cash flows in the papers submitted to the Panel on Economic Development without an estimation of number of beneficiaries.

5.5 In the absence of an estimation on the number of beneficiaries under the two rounds of increase in commitment (see Items 15 to 20 in Appendix E), Audit can only evaluate the outcome of the 12 schemes under the initial approved commitment of funding in 2014. Audit noted that, in 7 (58%) of the 12 schemes, the total number of beneficiaries up to 31 December 2024 was lower than the number of beneficiaries estimated in 2014 for the ensuing five years (see Table 13).

Note 21: *The two rounds of increase in commitment of \$200 million each in 2019 and 2023 were approved by the Legislative Council in the context of the Appropriation Bills.*

Table 13

**Schemes with 10-year number of beneficiaries falling short of
the estimated 5-year number of beneficiaries
(31 December 2024)**

Scheme	Estimated number of beneficiaries in 5 years (2014-15 to 2018-19)	Actual number of beneficiaries in 10 years and 9 months (April 2014 to December 2024)
1. SRTIS	75	63
2. Hong Kong Maritime Law Scholarship Scheme	130	118
3. Hong Kong Maritime and Logistics Scholarship Scheme		
4. LVTTIS	250	244
5. PTRS	600	362
6. OESS	100	88
7. HKU — SMU Academic Collaboration Scheme	80	15

Source: Audit analysis of TLB records

5.6 According to Financial Circular No. 2/2017, as a good practice, the Controlling Officer should consider developing and reporting on appropriate performance measures for a fund, preferably focusing on outcome-based targets. As at 31 December 2024, there was a commitment balance of \$266 million under MATF. According to TLB, it planned to spend \$52 million in 2025-26. In order to ensure that public money is prudently used, there is a need for TLB to consider including in the Controlling Officer's Report performance indicators (e.g. number of beneficiaries) quantifying the benefits brought to the manpower development for the maritime, aviation and logistics industries.

Audit recommendation

5.7 **Audit has *recommended* that the Secretary for Transport and Logistics should consider including in the Controlling Officer's Report performance indicators (e.g. number of beneficiaries) quantifying the benefits brought to the manpower development for the maritime, aviation and logistics industries.**

Response from the Government

5.8 The Secretary for Transport and Logistics generally agrees with the audit recommendation. She has said that TLB will consider including performance indicators in the Controlling Officer's Report to quantify the benefits brought to the manpower development for the maritime, aviation and logistics industries.

Development of disbursement information system

5.9 For the training schemes administered by TLB, applicants are required to submit the completed application forms and copies of the required documents via post or emails. MATF staff manually conduct vetting, input data into databases and calculate the amount of disbursements. In October 2023, TLB obtained a funding of \$8 million for developing a disbursement information system. According to TLB, the system is a one-stop portal to support application submission and processing of ProTERS. The portal can potentially be extended to cover other schemes under MATF, such as MAIS, that are administered by TLB and other departments in the future.

Need to expedite implementation of disbursement information system

5.10 Audit notes that the core functionalities of the proposed system include data matching, which can enable automated cross-checking and validation of applicants' information and eligibility of ProTERS with records of other bureaux/departments or schemes. According to the implementation schedule, the system live-run of the core functionalities will be in January 2025. However, up to early March 2025, the core functionalities of the system have not yet been rolled out. With a view to enhancing operational efficiency, Audit considers that TLB needs to expedite the implementation

of the disbursement information system and explore the feasibility of extending the system to cover other schemes under MATF.

Audit recommendation

5.11 **Audit has *recommended* that the Secretary for Transport and Logistics should expedite the implementation of the disbursement information system and explore the feasibility of extending the system to cover other schemes under MATF.**

Response from the Government

5.12 The Secretary of Transport and Logistics generally agrees with the audit recommendation. She has said that the electronic disbursement information system was launched on 20 March 2025, covering ProTERS at the current stage. TLB will review its effectiveness and explore the feasibility of extending the system to cover other schemes of MATF.

Comprehensive review on Maritime and Aviation Training Fund

Need to regularly review the usage of MATF

5.13 The approved commitment of \$100 million in 2014 was to sustain and implement various schemes until 2018-19 (see para. 1.4). To map out the way forward and to assess the implementation and effectiveness of individual schemes for resource planning to sustain the continued operations of MATF, an in-house review was conducted by TLB in 2018. The review results revealed that over 80% of the respondents agreed that the objectives of MATF had been met and nearly all of them supported the continuation of MATF.

5.14 In 2023, some Legislative Council Members expressed concerns about the effectiveness of MATF in training and retaining manpower, for example, the proportion of trainees or practitioners subsidised by MATF who remained in the industries after completion of training. According to TLB, follow-up surveys had been conducted on the employment situation of the subsidised trainees. For the four

Way forward

of the MATF-funded scholarship schemes for the maritime industry, 68% to 75% of the trainees were still engaged in the relevant trades after working in Hong Kong's maritime industry for at least one year in compliance with the requirement of the training programme.

5.15 In 2024, TLB conducted a comprehensive review to evaluate the impact and effectiveness of MATF in attracting talents and promoting manpower development in the maritime and aviation industries to support the sustainable development needs and enhance the long-term competitiveness of the industries. A consultant was engaged in March 2024 at \$1.27 million (Note 22) to gauge feedback and views from relevant stakeholders, including MATF beneficiaries, training providers, participating companies and employer groups, industry associations, and collaborators of respective schemes, and make recommendations to MATF. For the maritime sector, there were 1,788 respondents (involving 1,667 individuals and 121 organisations), while for the aviation sector, there were 1,779 respondents (involving 1,731 individuals and 48 organisations). According to the survey results:

- (a) the respondents of individual scheme beneficiaries and organisational stakeholders were satisfied with the operations and the effectiveness of MATF in general for both sectors. The consultant concluded that MATF was operating effectively in supporting the manpower development in the maritime and the aviation industries; and
- (b) over 25% of the respondents of individual scheme beneficiaries considered that the promotion of MATF was insufficient. Quite a substantial percentage of the respondents of different groups considered that it was difficult for the public to obtain information for applying MATF.

The consultant found that some of the schemes of MATF could be further enhanced to improve or sustain their efficiency and effectiveness and a number of enhancement measures were proposed.

5.16 According to TLB, after considering the recommendations from the consultant and discussing with MDC/TTA, it had proposed some enhancements to the implementation details of MATF. These included, for example, further expanding

Note 22: *The consultant was selected through a quotation exercise.*

the scope of promotion initiatives to cover larger scale events and introducing a new mechanism for adding new courses/examinations into the pre-approved list under ProTERS. Audit considers that TLB needs to regularly review the usage of MATF and fine-tune the implementation details, taking into account the practical experience gained and the audit observations in this Audit Report.

Audit recommendation

5.17 Audit has *recommended* that the Secretary for Transport and Logistics should regularly review the usage of MATF and fine-tune the implementation details, taking into account the practical experience gained and the audit observations in this Audit Report.

Response from the Government

5.18 The Secretary for Transport and Logistics generally agrees with the audit recommendation. She has said that TLB will review MATF regularly, and take into consideration the audit observations as well as practical experience gained when conducting reviews in future.

Scope of incentive schemes (31 December 2024)

Scheme	Scope
1. SGTIS	<p><i>Phase 1 (Sea-going training).</i> It provides a monthly subsidy of \$10,000 to a deck cadet on ocean-going vessels for a maximum period of 18 months, and to an engineer cadet for a maximum of 12 months, plus reimbursement of examination fee.</p> <p><i>Phase 2 (Preparation for examination).</i> It provides a monthly subsidy of \$3,000 to a deck or engineer cadet for a maximum period of 9 months who is preparing for MD Certificate of Competency (CoC) (Deck Officer/Marine Engineer Officer) Class 3 Examination ashore after the completion of cadetship.</p> <p><i>Phase 3 (Working on board as cadet after obtaining CoC Class 3).</i> It provides a monthly subsidy of \$6,000 to a holder of CoC (Deck Officer/Marine Engineer Officer) Class 3 issued by MD who is working in the relevant department on ocean-going vessels as a cadet, for a maximum period of 6 months.</p> <p><i>Phase 4 (Working on board after obtaining CoC Class 2 or Class 1).</i> It provides a one-off financial incentive of:</p> <ul style="list-style-type: none"> (a) \$40,000 to applicants who pass the examination and obtain CoC (Deck Officer/Marine Engineer Officer) Class 2 recognised by MD; and (b) \$80,000 to applicants who pass the examination and obtain CoC (Deck Officer/Marine Engineer Officer) Class 1 recognised by MD <p>of which 70% of the incentive will be payable after the applicants have acquired 12 months of post-qualification sea service on ocean-going vessels.</p>
2. SRTIS	<p>It offers a monthly subsidy of \$5,000 to students who have completed a designated course offered by the Vocational Training Council and enrolled for apprenticeship in the ship repair industry for a maximum period of 36 months. It also offers a monthly subsidy of \$4,000 to workers with relevant work experience from other industries who have completed a designated ship repair re-training programme run by the Vocational Training Council and been employed by a local shipyard for a maximum period of 12 months.</p>

Appendix A
(Cont'd)
(paras. 1.10(a) and
2.6(a) refer)

Scheme	Scope
3. LVTTIS	It provides a monthly subsidy of \$2,500 to any new employees on local vessels for a maximum period of 12 months, of which \$12,000 will be released after the employee successfully obtains the Local Coxswain/Engine Operator Grade 3 Certificate.
4. LVCES	It provides a one-off financial incentive of: <ul style="list-style-type: none"> (a) \$12,000 to applicants (except those successfully joined LVTTIS) who pass the examination and successfully obtain the Local Coxswain/Engine Operator Grade 3 Certificate; and (b) \$15,000 to any holder of the Local Coxswain/Engine Operator Grade 3 Certificate who passes the examination (except local knowledge examination for coxswain certificate) and successfully obtains the Local Coxswain/Engine Operator Grade 2 Certificate.
5. AOTIS	It provides a minimum monthly salary of \$7,000 and monthly incentive allowance of \$2,000 during the placement period for a maximum of 12 months, as well as a study allowance of \$24,000, to the eligible applicants undertaking the Diploma in Aviation Operations offered by the Hong Kong International Aviation Academy, and working in the aviation industry in Hong Kong after graduation for a continuous period of six months.

Source: Audit Commission analysis of TLB records

**Scope of scholarship schemes
(31 December 2024)**

Scheme	Scope
1. Hong Kong Maritime and Logistics Scholarship Scheme	It provides scholarship for selected students of the Master of Science in International Shipping and Transport Logistics of the Hong Kong Polytechnic University.
2. HKU — DMU Academic Collaboration Scheme	It provides scholarship for selected DMU students to undertake the Master of Common Law course at HKU. It also supports selected HKU students and in-service practitioners to undertake summer courses and professional seminars at DMU.
3. Hong Kong Maritime Law Scholarship Scheme	It provides scholarship to selected students of the Master of Laws in Maritime and Transportation Law of the City University of Hong Kong.
4. HKASS	It provides full scholarship, capped at \$100,000 each to selected students to complete aviation-related bachelor degree or master/advanced master degree programmes in local institutions.
5. HKU — SMU Academic Collaboration Scheme	It provides scholarship for selected SMU students to undertake the Master of Common Law course at HKU.
6. Maritime Law Scholarship Scheme	It provides scholarship to selected students of the Bachelor of Laws Programme of HKU who undertake designated maritime law modules.
7. Hong Kong Nautical and Maritime Scholarship Scheme	<p>It provides sponsorship to selected students of the Bachelor of Business Administration in International Shipping and Transport Logistics Programme of the Hong Kong Polytechnic University. It consists of two prongs:</p> <p>(a) “Seafaring scholarship” for students who intend to pursue a seafaring career; and</p> <p>(b) “Maritime scholarship” for students with good results in the Hong Kong Diploma of Secondary Education Examination.</p>

Source: Audit Commission analysis of TLB records

**Scope of course/examination fee refund schemes
(31 December 2024)**

Scheme	Scope
1. ProTERS	It provides support of professional training for in-service practitioners and new joiners of the maritime and the aviation sectors. Eligible applicants are refunded 80% of the fees after satisfactory completion of a pre-approved course or passing a pre-approved professional examination, subject to a funding cap of \$30,000 per applicant.
2. PTRS	Eligible applicants undertaking the Higher Diploma of Aircraft Maintenance Engineering or Diploma in Vocational Education (Aircraft Maintenance) offered by the Vocational Training Council, and joining the aircraft maintenance industry after graduation are refunded 50% of the total tuition fee, subject to a funding cap of \$50,000.
3. PTSGLS	It provides support for in-service practitioners to equip themselves with up-to-date knowledge to support the industry to upgrade and transform itself towards the direction of green and smart logistics. Eligible applicants are refunded up to 80% of the course fees after satisfactory completion of a pre-approved course, subject to a funding cap of \$30,000 per applicant.

Source: Audit Commission analysis of TLB records

**Scope of other training and internship schemes
(31 December 2024)**

Scheme	Scope
1. MAIS	It offers young generation an opportunity to have early exposure to the wide spectrum of career opportunities in the maritime and the aviation sectors by inviting companies in the two sectors to offer internship places. It contributes up to 75% of each intern's monthly honorarium, or \$7,000 (whichever is lower), up to three months to the participating companies for an internship period of at least four weeks (i.e. 28 days).
2. OESS	It sponsors \$30,000 to each selected student of the Chinese University of Hong Kong and the Hong Kong University of Science and Technology to attend maritime-related course overseas.
3. MTSS	It provides funding support to the Hong Kong Sea School for the delivery of a Certificate Course on Local Vessel Operation (Coxswain Grade 3), career guidance and support services to students.
4. MSTS — Legal	It provides a monthly subsidy of \$20,000 to a law firm or barrister with maritime business for a maximum period of 24 months (for a trainee solicitor) or 12 months (for a pupil), subject to a funding cap of two trainees at any one time.
5. Internship Scheme on Modern Logistics	It provides sponsorship for logistics companies to offer internship placements to full-time students. It provides reimbursement to participating companies up to 75% of each intern's monthly honorarium (capped at \$7,500 per intern per month) for a maximum period of three months for an internship period of at least four weeks (i.e. 28 days).

Source: Audit Commission analysis of TLB records

Appendix E
(paras. 1.11, 2.2 and
5.5 refer)

**Implementation progress of training schemes
(1 April 2014 to 31 December 2024)**

No.	Scheme	Launch year	Scheme administrator	Total expenditure (\$'000)	Number of beneficiaries
<i>Approved commitment in 2014</i>					
1	SGTIS	2004	MD	30,738	423
2	SRTIS	2006	Administrator A	3,107	63
3	Hong Kong Maritime and Logistics Scholarship Scheme	2007	Administrator B	19,404	97
4	HKU — DMU Academic Collaboration Scheme	2008	Administrator C	7,029	571
5	Hong Kong Maritime Law Scholarship Scheme (Note)	2010	Administrator D	818	21
6	ProTERS	2014	TLB	37,655	13,115
7	MAIS	2014	TLB	51,614	4,224
8	LVTIS	2014	MD	6,032	244
9	PTRS	2014	Administrator A	7,788	362
10	OESS	2015	Administrators E and F	2,640	88
11	HKASS	2015	8 Administrators including Administrators B, C, E and G	14,343	171
12	HKU — SMU Academic Collaboration Scheme	2017	Administrator C	2,852	15

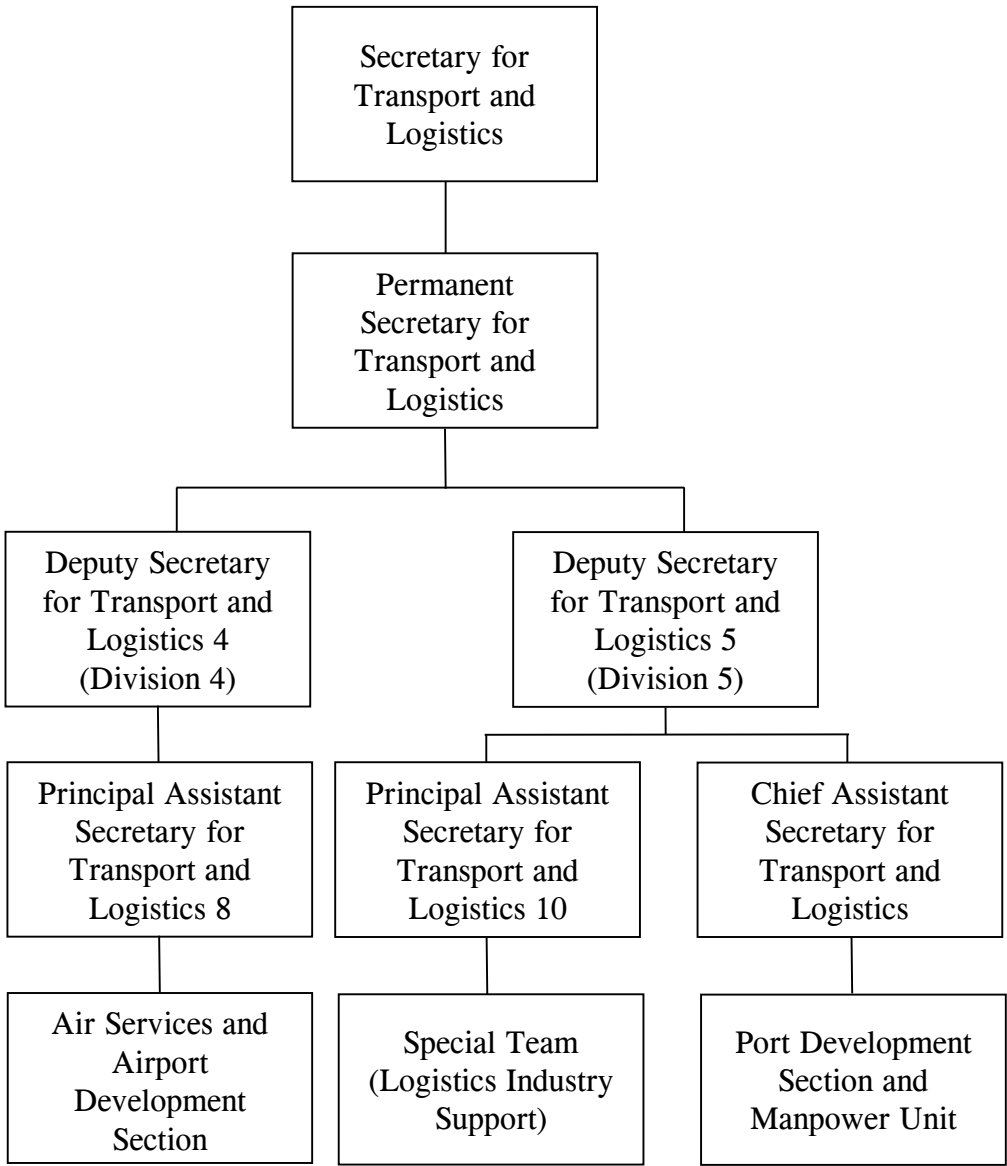
Appendix E
(Cont'd)
(paras. 1.11, 2.2 and
5.5 refer)

No.	Scheme	Launch year	Scheme administrator	Total expenditure (\$'000)	Number of beneficiaries
13	Maritime Law Scholarship Scheme (Note)	2017	Administrator C	0	0
14	Hong Kong Nautical and Maritime Scholarship Scheme	2017	Administrator B	2,906	21
<i>Increase in commitment in 2019</i>					
15	LVCES	2019	MD	6,849	585
16	AOTIS	2019	Administrator G	4,452	221
17	MTSS	2021	Administrator H	7,079	24
<i>Further increase in commitment in 2023</i>					
18	MSTS — Legal	2023	TLB	801	4
19	Internship Scheme on Modern Logistics	2023	TLB	2,023	124
20	PTSGLS	2024	Administrator I	194	14
Total				208,324	20,387

Source: Audit Commission analysis of TLB records

Note: The schemes had been suspended since 2020.

**Transport and Logistics Bureau:
Organisation chart (extract)
(31 December 2024)**



Source: TLB records

Acronyms and abbreviations

Audit	Audit Commission
AOTIS	Aviation Operations Training Incentive Scheme
CEF	Continuing Education Fund
CoC	Certificate of Competency
DMU	Dalian Maritime University
HKASS	Hong Kong Aviation Scholarship Scheme
HKMPB	Hong Kong Maritime and Port Board
HKSAR	Hong Kong Special Administrative Region
HKU	The University of Hong Kong
LOGSCOUNCIL	Hong Kong Logistics Development Council
LVCES	Local Vessel Competency Enhancement Scheme
LVTIS	Local Vessel Trade Training Incentive Scheme
MAIS	Maritime and Aviation Internship Scheme
MATF	Maritime and Aviation Training Fund
MD	Marine Department
MDC	Manpower Development Committee
MSTS — Legal	Maritime Services Traineeship Scheme — Legal
MTSS	Maritime Training Support Scheme
OESS	Overseas Exchange Sponsorship Scheme
ProTERS	Professional Training and Examination Refund Scheme
PTRS	Partial Tuition Refund Scheme for the Specialised Aircraft Maintenance Programme
PTSGLS	Professional Training on Smart and Green Logistics Scheme
SGTIS	Sea-going Training Incentive Scheme
SMU	Shanghai Maritime University
SRTIS	Ship Repair Training Incentive Scheme
TLB	Transport and Logistics Bureau
TTA	Tripartite Taskforce on Manpower Training (Aviation)