

For discussion  
on 14 December 2010

## **Legislative Council Panel on Economic Development**

### **Proposed Revision of Fees and Charges under the Purview of the Marine Department**

#### **Purpose**

This paper seeks Members' views on the Administration's proposal to reduce the fees and charges of 24 marine-related services provided by the Marine Department (MD) and to delete 6 obsolete fee items relating to the oral examinations for obtaining seafarers' licences.

#### **Proposals**

2. In line with the "user pays" principle, it is the Government's established policy that fees and charges should in general be set at levels adequate to recover the full cost of providing the services concerned. The Administration reviews the level of marine-related fees and charges regularly having regard to the principle and has implemented a number of fee reductions in recent years as one of the measures to enhance the competitiveness of the Hong Kong Port and the maritime industry.

3. A recent costing review shows that there is room to reduce a total of 24 marine-related fees and charges under two fee groups, namely "Port and Light Dues and Related Activities for Ocean-going Vessels and River-trade Vessels" and "Hong Kong Shipping Register and Related Services". They include –

- (a) reducing the port facilities and light dues charged on ocean-going vessels and high speed passenger crafts plying within the river trade limits by about 20% and 22% respectively; and
- (b) reducing the examination fees for Certificates of Competency (CoCs) of all classes of deck and marine engineer officers by about 20%.

4. The proposed reductions would benefit all ocean-going vessels and high speed passenger crafts plying within the river-trade limits entering the waters of Hong Kong; as well as seafarers taking the examinations for obtaining a CoC to work on board Hong Kong registered ships as a deck officer or a marine engineer officer. In particular, the proposed examination fee reduction represents further efforts of the Administration to encourage more talents to pursue career in the maritime sector. The status of Hong Kong as an international maritime centre would undoubtedly be strengthened should a stronger and larger pool of marine professionals be available.

5. Separately, we propose to delete 6 obsolete fee items relating to the oral examinations for obtaining seafarers' licences. In 1990, the MD established a system to allow deck and marine engineer officers holding a foreign CoC which is not recognized by the MD to obtain a Hong Kong licence for working on board Hong Kong registered ships after passing an oral examination. However, since the relevant 1995 amendments to the "International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978" have been made applicable to Hong Kong starting from 1997, MD would only issue a Hong Kong licence to those applicants holding a recognized foreign CoC and the arrangements for oral examination have ceased. The relevant oral examination fees have thus become obsolete and are proposed to be removed from our legislation for the sake of clarity. Details of the fee revision proposals are at **Annex**.

### **Financial Implications**

6. If the proposal is implemented, there will be a decrease of about \$46.4 million in revenue per annum.

### **Efficiency Initiative**

7. MD regularly reviews its day-to-day management and procedures with a view to reducing the cost of their services through implementing efficiency initiatives and streamlining procedures. Efficiency savings from these efforts have been factored into the calculation of the reduction proposed.

## **Public Consultation**

8. We have consulted the port and maritime industry through the established mechanism including the Port Operations Committee, the Shipping Consultative Committee, the High Speed Craft Consultative Committee and the Customer Relations Group. They are all in support of the proposals.

## **Way Forward**

9. Subject to Members' views, we plan to table two sets of amendment regulations at the Legislative Council next month to implement the proposals, namely the 《Shipping and Port Control (Amendment) Regulation》 and the 《Merchant Shipping (Seafarers) (Fees) (Amendment) Regulation》.

## **Advice Sought**

10. Members are invited to give their views on the proposals.

**Transport and Housing Bureau  
December 2010**

**Annex**

**(I) Fee Reduction Proposals**

**Fee Group A: Port and Light Dues and Related Activities for Ocean-going Vessels and River-trade Vessels**

<b>Item</b>	<b>Description</b>	<b>Existing Fee Level</b>	<b>Proposed Fee Level</b>	<b>Proposed Amount of Decrease</b>	<b>Proposed Percentage Change</b>
<i>Port Facilities and Light Dues</i>					
1	Port facilities and light dues for all vessels plying exclusively within the river trade limits	\$23 /100 tons	\$18 /100 tons	\$5 /100 tons	-22%
2	Port facilities and light dues for all other vessels	\$54 /100 tons	\$43 /100 tons	\$11 /100 tons	-20%

**Fee Group B: Hong Kong Shipping Register and Related Services**

<b>Item</b>	<b>Description</b>	<b>Existing Fee Level</b>	<b>Proposed Fee Level</b>	<b>Proposed Amount of Decrease</b>	<b>Proposed Percentage Change</b>
<i>Fees for Examinations for Certificates of Competency as Deck Officers</i>					
3	Deck Officer Class 1 (Master Mariner)	\$11,565	\$9,250	\$2,315	-20%
4	Deck Officer Class 2	\$8,670	\$6,940	\$1,730	-20%
5	Deck Officer Class 3	\$6,020	\$4,820	\$1,200	-20%
6	Deck Officer (River Trade) Class 1	\$8,670	\$6,940	\$1,730	-20%
7	Deck Officer (River Trade) Class 2	\$6,020	\$4,820	\$1,200	-20%

8	Deck Officer (River Trade) Class 3	\$3,865	\$3,090	\$775	-20%
9	For an examination in communications in relation to items 4, 5 or 7, if taken separately from the remainder of the full examination	\$985	\$790	\$195	-20%
<b><i>Fees for Examinations for Certificates of Competency as Marine Engineer Officers</i></b>					
<b>Marine Engineer Officer Class 1</b>					
10	For Part A or a portion thereof, or for exemption from all of Part A	\$3,865	\$3,090	\$775	-20%
11	For Part B or a portion thereof	\$5,775	\$4,620	\$1,155	-20%
12	For oral examination if taken separately	\$5,775	\$4,620	\$1,155	-20%
13	For endorsement of a Marine Engineer Officer Class 1 Certificate	\$3,610	\$2,890	\$720	-20%
14	For issuing a Marine Engineer Officer Class 1 Part A Exemption Certificate	\$595	\$475	\$120	-20%
<b>Marine Engineer Officer Class 2</b>					
15	For Part A or a portion thereof, or for exemption from all of Part A	\$2,895	\$2,320	\$575	-20%
16	For Part B or a portion thereof (including fees for the oral examination if taken together with Part B)	\$4,345	\$3,480	\$865	-20%
17	For oral examination if taken separately	\$4,345	\$3,480	\$865	-20%
18	For endorsement of a Marine Engineer Officer Class 2 Certificate	\$2,410	\$1,930	\$480	-20%
19	For issuing a Marine Engineer Officer Class 2 Part A Exemption Certificate	\$595	\$475	\$120	-20%
<b>Marine Engineer Officer Class 3</b>					
20	For a full examination	\$2,410	\$1,930	\$480	-20%
21	For endorsement of a Marine Engineer Officer Class 3 Certificate	\$1,940	\$1,550	\$390	-20%

<b>Marine Engineer Officer (River Trade)</b>					
22	Class 1	\$8,670	\$6,940	\$1,730	-20%
23	Class 2	\$6,020	\$4,820	\$1,200	-20%
24	Class 3	\$3,005	\$2,400	\$605	-20%

**(II) Removal of Obsolete Fee Items**

They include -

1	Fee for an Oral Examination for a Licence as a Deck Officer Class 1	\$5,775
2	Fee for an Oral Examination for a Licence as a Deck Officer Class 2	\$4,345
3	Fee for an Oral Examination for a Licence as a Deck Officer Class 3	\$3,005
4	Fee for an Oral Examination for a Licence as a Marine Engineer Officer Class 1	\$5,775
5	Fee for an Oral Examination for a Licence as a Marine Engineer Officer Class 2	\$4,345
6	Fee for an Oral Examination for a Licence as a Marine Engineer Officer Class 3	\$2,410