

## **LEGISLATIVE COUNCIL BRIEF**

### **Shipping and Port Control Ordinance (Cap. 313)**

SHIPPING AND PORT CONTROL (AMENDMENT) REGULATION 2011

### **Merchant Shipping (Seafarers) Ordinance (Cap. 478)**

MERCHANT SHIPPING (SEAFARERS) (FEES) (AMENDMENT)  
REGULATION 2011

## **INTRODUCTION**

Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) empowers the Financial Secretary (which means also the Secretary for Financial Services and the Treasury by virtue of section 3 of Cap. 1) to vary fees or charges which have previously been fixed by subsidiary legislation made by the Chief Executive in Council, which would include those made under the Shipping and Port Control Ordinance (Cap. 313). Separately, by virtue of section 133 of the Merchant Shipping (Seafarers) Ordinance (Cap. 478), the Financial Secretary may by regulation prescribe or provide for fees payable under this Ordinance.

2. In exercise of these powers, the Secretary for Financial Services and the Treasury has made two Amendment Regulations, as set out at **Annex A** and **Annex B** respectively, to reduce 24 marine-related fees and charges and delete 6 obsolete fee items specified in the Shipping and Port Control Regulations (Cap. 313 sub. leg. A) and the Merchant Shipping (Seafarers) (Fees) Regulation (Cap. 478 sub. leg. AB). This paper briefs Members on the Amendment Regulations.

## **BACKGROUND AND JUSTIFICATIONS**

3. 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 Marine Department (MD) has recently completed a costing review which 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”. Based on the results of the review, we propose –

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

To effect the above proposed fee reductions, amendments would have to be made to the Shipping and Port Control Regulations (Cap. 313 sub. leg. A) and the Merchant Shipping (Seafarers) (Fees) Regulation (Cap. 478 sub. leg. AB).

4. The proposed fee reductions have been made possible by MD’s continuous efforts to achieve higher efficiency and a lower cost of providing the services through streamlining operational procedures and requirements and promoting the wider use of electronic applications. For example, more port users have made use of MD’s Electronic Business System which provides them with a one-stop solution through internet to simplify and speed up the submission and processing of port formalities without additional charge. Moreover, with the increase in the tonnage of ocean-going vessels visiting Hong Kong, there has been an increase in the revenue collected by MD from port facilities and light dues which are calculated based on the tonnage of vessels. As a result of the higher revenue collected, MD can charge lower fees whilst still adhering to the full-cost recovery principle.

5. Separately, six obsolete fee items relating to the oral examinations for obtaining seafarers' licences are proposed to be deleted. In 1990, MD established a system to allow deck and marine engineer officers holding a foreign CoC which is not recognized by 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 C](#).

## **THE AMENDMENT REGULATIONS**

6. The Amendment Regulations revise the fees and remove obsolete items as set out at [Annex C](#). We propose that the new fees should come into effect on 12 March 2011.

## **LEGISLATIVE TIMETABLE**

7. The Amendment Regulations will be gazetted on 14 January 2011 and tabled at the Legislative Council on 19 January 2011.

## **IMPLICATIONS OF THE PROPOSALS**

8. The proposed fee reductions will lead to a reduction of around \$46.4 million in revenue per annum. Nevertheless, they would benefit all the high speed passenger crafts plying within the river-trade limits and ocean-going vessels 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.

9. The proposals are in conformity with the Basic Law, including the provisions concerning human rights. The Amendment Regulations will not affect the binding effect of the respective principal Ordinances referred to in paragraph 1 above. It also has no civil service, environmental, productivity and sustainability implications.

## **PUBLIC CONSULTATION**

10. We 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. The Legislative Council Panel on Economic Development was also consulted on 14 December 2010. All parties consulted indicate support for the proposals.

## **PUBLICITY**

11. A press release will be issued on 14 January 2011 and a spokesman will be available to handle enquiries.

## **ENQUIRIES**

12. Any enquiries on this brief can be addressed to Mr. Cyrus CHEUNG, Assistant Secretary for Transport and Housing (Transport) (Tel: 2537 2842).

***Transport and Housing Bureau  
12 January 2011***

## Shipping and Port Control (Amendment) Regulation 2011

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 80 of the Shipping and Port Control Ordinance (Cap. 313))

**1. Commencement**

This Regulation comes into operation on 12 March 2011.

**2. Shipping and Port Control Regulations amended**

The Shipping and Port Control Regulations (Cap. 313 sub. leg. A) are amended as set out in section 3.

**3. Thirteenth Schedule amended (Port dues and fees)**

(1) Thirteenth Schedule, item 3(a)—

**Repeal**

“23”

**Substitute**

“18”.

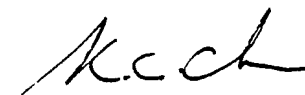
(2) Thirteenth Schedule, item 3(c)—

**Repeal**

“54”

**Substitute**

“43”.



Secretary for Financial Services and  
the Treasury

11 January 2011

**Explanatory Note**

This Regulation amends the Thirteenth Schedule to the Shipping and Port Control Regulations (Cap. 313 sub. leg. A) to reduce the prescribed port facilities and light dues.

## Merchant Shipping (Seafarers) (Fees) (Amendment) Regulation 2011

(Made by the Secretary for Financial Services and the Treasury under section 133 of the Merchant Shipping (Seafarers) Ordinance (Cap. 478))

### 1. Commencement

This Regulation comes into operation on 12 March 2011.

### 2. Merchant Shipping (Seafarers) (Fees) Regulation amended

The Merchant Shipping (Seafarers) (Fees) Regulation (Cap. 478 sub. leg. AB) is amended as set out in section 3.

### 3. Schedule amended

(1) The Schedule, Part II, item 1(a)—

#### Repeal

“11,565”

#### Substitute

“9,250”.

(2) The Schedule, Part II, item 1(b)—

#### Repeal

“8,670”

#### Substitute

“6,940”.

(3) The Schedule, Part II, item 1(c)—

#### Repeal

“6,020”

#### Substitute

“4,820”.

(4) The Schedule, Part II, item 1(d)—

#### Repeal

“8,670”

#### Substitute

“6,940”.

(5) The Schedule, Part II, item 1(e)—

#### Repeal

“6,020”

#### Substitute

“4,820”.

(6) The Schedule, Part II, item 1(f)—

#### Repeal

“3,865”

#### Substitute

“3,090”.

(7) The Schedule, Part II, item 1(g)—

#### Repeal

“985”

#### Substitute

“790”.

(8) The Schedule, Part II, item 2(a)(i)—

#### Repeal

“3,865”

#### Substitute

“3,090”.

(9) The Schedule, Part II, item 2(a)(ii)—

#### Repeal

- “5,775”  
**Substitute**  
 “4,620”.
- (10) The Schedule, Part II, item 2(a)(iii)—  
**Repeal**  
 “5,775”  
**Substitute**  
 “4,620”.
- (11) The Schedule, Part II, item 2(a)(iv)—  
**Repeal**  
 “3,610”  
**Substitute**  
 “2,890”.
- (12) The Schedule, Part II, item 2(a)(v)—  
**Repeal**  
 “595”  
**Substitute**  
 “475”.
- (13) The Schedule, Part II, item 2(b)(i)—  
**Repeal**  
 “2,895”  
**Substitute**  
 “2,320”.
- (14) The Schedule, Part II, item 2(b)(ii)—  
**Repeal**  
 “4,345”  
**Substitute**

- “3,480”.
- (15) The Schedule, Part II, item 2(b)(iii)—  
**Repeal**  
 “4,345”  
**Substitute**  
 “3,480”.
- (16) The Schedule, Part II, item 2(b)(iv)—  
**Repeal**  
 “2,410”  
**Substitute**  
 “1,930”.
- (17) The Schedule, Part II, item 2(b)(v)—  
**Repeal**  
 “595”  
**Substitute**  
 “475”.
- (18) The Schedule, Part II, item 2(c)(i)—  
**Repeal**  
 “2,410”  
**Substitute**  
 “1,930”.
- (19) The Schedule, Part II, item 2(c)(ii)—  
**Repeal**  
 “1,940”  
**Substitute**  
 “1,550”.
- (20) The Schedule, Part II, item 2(d)—



**Repeal**

“8,670”

**Substitute**

“6,940”.

- (21) The Schedule, Part II, item 2(e)—

**Repeal**

“6,020”

**Substitute**

“4,820”.

- (22) The Schedule, Part II, item 2(f)—

**Repeal**

“3,005”

**Substitute**

“2,400”.

- (23) The Schedule, Part II—

**Repeal item 3.**

- (24) The Schedule, Part II—

**Repeal item 4.**

**Explanatory Note**

This Regulation amends the Schedule to the Merchant Shipping (Seafarers) (Fees) Regulation (Cap. 478 sub. leg. AB) to—

- (a) reduce the examination fees for certificates of competency as Deck Officers and Marine Engineer Officers; and
- (b) repeal the oral examination fees for licences as Deck Officers and Marine Engineer Officers as those oral examinations are no longer held.



Secretary for Financial Services and  
the Treasury

11 January 2011

**Annex C**

**(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>
<b><i>Port Facilities and Light Dues</i></b>					
1	Port facilities and light dues for all high speed passenger crafts plying within the river trade limits	\$23 /100 tons	\$18 /100 tons	\$5 /100 tons	-22%
2	Port facilities and light dues for all ocean-going 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>
<b><i>Fees for Examinations for Certificates of Competency as Deck Officers</i></b>					
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%

***Fees for Examinations for Certificates of Competency as Marine Engineer Officers***

**Marine Engineer Officer Class 1**

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%

**Marine Engineer Officer Class 2**

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%

**Marine Engineer Officer Class 3**

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%

**Marine Engineer Officer (River Trade)**

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