

For discussion
on 27 April 2009

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 27 marine-related services provided by the Marine Department (MD).

Background and Justifications

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 reduction in recent years as one of the measures to enhance the competitiveness of the Hong Kong Port and the marine industry.

3. A recent costing review shows that there is room to reduce a total of 27 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) reduce the port and arrival clearance fees charged on ocean-going vessels and vessels plying within the river-trade limits by 40%;
- (b) reduce the cap of the annual tonnage charges for ships registered in the Hong Kong Shipping Register (HKSR) by 23%;
- (c) reduce the fee for the issue of licences to officers manning Hong Kong ships by 44%; and
- (d) waive two types of registration fees and 20 types of Mercantile Marine Office miscellaneous charges under the ship registration and seafarers ordinances.

4. The proposed reduction would benefit all vessels entering the waters of Hong Kong and ship owners having their ships registered in the HKSR. Waiving the charges in relation to the employment, registration and certification of local seafarers will help lower the cost of industry participants. Details of the reduction proposal are at the Annex.

Annex

Financial Implications

5. If the proposal is implemented, there will be a decrease of about \$17.8 million in revenue per annum.

Efficiency Initiative

6. 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

7. We have consulted the port and maritime industry through the established mechanism including the Port Operations Committee, the Local Vessels Advisory Committee, the Shipping Consultative Committee and the Customer Relations Group. They are in support of the proposal.

Way Forward

8. Subject to Members' views, we plan to table four sets of amendment regulation at the Legislative Council next month to implement the proposal, namely the 《Shipping and Port Control (Amendment) Regulation》, the 《Merchant Shipping (Local Vessels) (Fees) (Amendment) Regulation》, the 《Merchant Shipping (Registration) (Fees and Charges) (Amendment) Regulation》 and the 《Merchant Shipping (Seafarers) (Fees) (Amendment) Regulation》.

Advice Sought

9. Members are invited to give their views on the proposal.

*Transport and Housing Bureau
April 2009*

Annex

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

| Item | Description | Existing fee level | Proposed fee level | Proposed amount of decrease | Proposed percentage change |
|--|--|--------------------|--------------------|-----------------------------|----------------------------|
| <i>Port and Arrival Clearance Fees</i> | | | | | |
| 1 | Arrival clearance fees for vessels plying within the river trade limits | \$97 | \$58 | \$39 | -40% |
| 2 | Port clearance fees for vessels plying within the river trade limit | \$97 | \$58 | \$39 | -40% |
| 3 | Port clearance fees for ocean-going vessels and high speed passenger crafts plying within the river trade limits | \$97 | \$58 | \$39 | -40% |

Fee Group B: Hong Kong Shipping Register and Related Services

| Item | Description | Existing fee level | Proposed fee level | Proposed amount of decrease | Proposed percentage change |
|--|---|--------------------|--------------------|-----------------------------|----------------------------|
| <i>Annual Tonnage Charges</i> | | | | | |
| 4 | Maximum annual tonnage charges in respect of a registered ship | \$100,000 | \$77,500 | \$22,500 | -23% |
| <i>Fees for the Issue of Ships' Operators Licences</i> | | | | | |
| 5 | Fees for the issue of a licence as Deck Officers or Marine Engineer Officers, Class 1, Class 2 or Class 3 without examination | \$715 | \$400 | \$315 | -44% |

| Item | Description | Existing fee level | Proposed fee level | Proposed amount of decrease | Proposed percentage change |
|---|---|--------------------|--------------------|-----------------------------|----------------------------|
| <i>Minor Registration Related Fees and Mercantile Marine Office Miscellaneous Charges to be Waived</i> | | | | | |
| 6 | Fees for registering a transfer of mortgage, transfer by bill of sale, transmission, mortgage or discharge of mortgage | \$440 | \$0 | \$440 | -100% |
| 7 | Fees for the issue of a new certificate of registry upon change of any of the particulars recorded in the register relating to a ship | \$260 | \$0 | \$260 | -100% |
| 8 | Fees for attesting a new clause in a crew agreement (per hour) | \$535 | \$0 | \$535 | -100% |
| 9 | Fees for inspection of a ship's expired official log book or crew agreement (per set) | \$200 | \$0 | \$200 | -100% |
| 10 | Fees for any entry of voyage or other official endorsement on Form HK Dis. 1 | \$61 | \$0 | \$61 | -100% |
| 11 | Fees for providing the necessary documents and advice to enable a crew agreement to be opened at a place outside Hong Kong | \$285 | \$0 | \$285 | -100% |
| 12 | Fees for the issue of a pass to users of the Office other than Government officers | \$110 | \$0 | \$110 | -100% |
| 13 | Fees for the issue of an Engine Room Watch Rating Certificate | \$155 | \$0 | \$155 | -100% |
| 14 | Fees for the issue of a substitute certificate under section 5(1) of the Merchant Shipping (Seafarers) (Engine Room Watch Ratings) Regulation | \$155 | \$0 | \$155 | -100% |

| Item | Description | Existing fee level | Proposed fee level | Proposed amount of decrease | Proposed percentage change |
|---|---|---------------------------|---------------------------|------------------------------------|-----------------------------------|
| <i>Minor Registration Related Fees and Mercantile Marine Office Miscellaneous Charges to be Waived</i> | | | | | |
| 15 | Fees for the issue of a Navigational Watch Rating Certificate | \$155 | \$0 | \$155 | -100% |
| 16 | Fees for the issue of a substitute certificate under section 5(1) of the Merchant Shipping (Seafarers) (Navigation Watch Ratings) Regulation | \$155 | \$0 | \$155 | -100% |
| 17 | Fees for the issue of an employment registration book under section 4 of the Merchant Shipping (Seafarers) (Employment Registration Books) Regulation | \$105 | \$0 | \$105 | -100% |
| 18 | Fees for the renewal of issue of an employment registration book under section 14 of the Merchant Shipping (Seafarers) (Employment Registration Books) Regulation | \$105 | \$0 | \$105 | -100% |
| 19 | Fees for any entry of voyage or other official endorsement in an employment registration book | \$10 | \$0 | \$10 | -100% |
| 20 | Fees for the conduct of a muster | \$685 | \$0 | \$685 | -100% |
| 21 | Fees for the issue of an exemption certificate to a non-registered seafarer | \$275 | \$0 | \$275 | -100% |
| 22 | Fees for the issue of a permit to use the emergency employment procedure | \$915 | \$0 | \$915 | -100% |
| 23 | Fees for the issue of a permit to use the re-employment procedure | \$70 | \$0 | \$70 | -100% |
| 24 | Fees for the issue of a permit to operate a company roster | \$4,620 | \$0 | \$4,620 | -100% |

| Item | Description | Existing fee level | Proposed fee level | Proposed amount of decrease | Proposed percentage change |
|---|--|---------------------------|---------------------------|------------------------------------|-----------------------------------|
| <i>Minor Registration Related Fees and Mercantile Marine Office Miscellaneous Charges to be Waived</i> | | | | | |
| 25 | Fees for the amendment of particulars on a company roster | \$275 | \$0 | \$275 | -100% |
| 26 | Fees for the employment of seafarers supplied through Office procedures (per seafarer) | \$100 | \$0 | \$100 | -100% |
| 27 | Fees for the emergency employment of seafarers (per seafarer) | \$100 | \$0 | \$100 | -100% |