

For discussion on  
25 June 2018

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

### **Proposed amendments to the Pilotage Ordinance (Cap. 84) and the Pilotage (Dues) Order (Cap. 84D)**

#### **Purpose**

This paper consults Members on the proposal to amend the Pilotage Ordinance (Cap. 84) (“the Ordinance”) and the Pilotage (Dues) Order (Cap. 84D) (“the Order”) to establish three pilot boarding stations in Mirs Bay and to set the pilotage dues for the provision of pilotage services in the region.

#### **Background**

2. Under the Ordinance and its subsidiary legislation, visiting ships of 3 000 gross tonnage or over, ships of 1 000 gross tonnage or over carrying dangerous goods and gas carriers of any gross tonnage are required to be under the pilotage of licensed pilots within the waters of Hong Kong. The objective is to ensure the safe navigation of visiting ships as well as local ships in Hong Kong waters. Licensed pilots are regulated by the Ordinance to ensure their competence. A licensed pilot, who is a master mariner familiar with the local marine environment and licensed under the Ordinance, advises the master of the visiting vessel on the safest navigational route within the waters of Hong Kong.

3. To facilitate the provision of pilotage services, pilot boarding stations are set up in various points of Hong Kong waters for pilots to board or disembark the visiting ships before or after the provision of pilotage services. The existing pilot boarding stations are listed in Schedule 2 to the Ordinance.

4. Pilotage dues are charged by pilots for provision of pilotage services. The dues, including the standard dues and additional dues where applicable, are set out in the Schedule to the Order. The standard dues are dependent on the gross tonnage of a vessel<sup>1</sup>, while the additional dues are applicable for different routes

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<sup>1</sup> Currently, the standard dues consist of a basic fixed charge of HK\$4,700 per applicable vessel plus a charge depending on the gross tonnage of the vessel, ranging from HK\$0.055 to HK\$0.07 per ton.

(e.g. additional dues for services in remote areas) or under specified circumstances (e.g. services provided during typhoon, service requested on short notice). The dues are reviewed periodically by services providers (represented by the Hong Kong Pilots Association (“HKPA”)) and users (represented by the Hong Kong Liner Shipping Association (“HKLSA”)). Any dues revision proposal will be considered by the Director of Marine as the Pilotage Authority, having regard to the advice of the statutory Pilotage Advisory Committee (“PAC”)<sup>2</sup>.

## **Pilotage Arrangement in Mirs Bay**

5. While the Ordinance states that the waters of Hong Kong shall be a pilotage area, no pilot boarding station has been designated in Mirs Bay and visiting vessels have been plying the area without pilotage service. In 1998, there were on average about 17 vessel trips daily plying around Mirs Bay made by visiting ocean-going vessels (“OGVs”) of 3 000 gross tonnage or above that should have required pilotage service. The then PAC, having regard to the relatively light marine traffic in Mirs Bay as compared with that in other regions of Hong Kong waters and the remoteness of the area, decided to exempt vessels transiting Mirs Bay from the relevant pilotage requirement in 1998.

6. With the establishment of three additional Liquefied Natural Gas (“LNG”) receiving facilities at East Shenzhen in the proximity of Mirs Bay since 2014, the navigation risk in the region has increased<sup>3</sup>. Meanwhile, marine traffic in the region has become heavier. In 2017, the average number of daily trips transiting Mirs Bay made by OGVs of 3 000 gross tonnage or above has grown to about 36. Moreover, OGVs transiting Mirs Bay nowadays, including container vessels, are much bigger than those in 1998<sup>4</sup>. The increase in number and size of vessels including LNG vessels means that pilotage would be necessary to mitigate the increasing navigation risk in the Mirs Bay region. In taking forward the exercise, it has also transpired that the decision to exempt vessels transiting Mirs Bay from the pilotage requirement in 1998 was without legal backing, and hence must be rectified as soon as practicable.

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<sup>2</sup> PAC is established to advise the Director of Marine, as the Pilotage Authority, on matters relating to the general regulation or control of pilotage in Hong Kong. It comprises stakeholders of the shipping industry, including licensed pilots, ship-owners, container terminal operators, liners, dockyard operators, tug operators and bulk cargo operators, etc.

<sup>3</sup> Currently, there are about 172 LNG vessel trips per year in the region. It is expected that the total number of LNG vessel trips in the region will increase to 349 by 2020.

<sup>4</sup> Container vessels transiting Mirs Bay in 1998 had a maximum capacity of about 92 000 gross tonnage, or about 8 000 twenty-foot equivalent units (“TEUs”). In 2016, the maximum capacity of container vessels transiting Mirs Bay was about 196 000 gross tonnage, or about 20 000 TEUs.

## Legislative Proposal

### *Establishing three pilot boarding stations near Mirs Bay*

7. Noting that marine traffic of various vessel sizes and types navigating in the Mirs Bay area is becoming increasingly busy, to facilitate the provision of pilotage services in the region, we propose to establish the three pilot boarding stations at the following locations by amending Schedule 2 to the Ordinance –

- (i) Area off Shek Ngau Chau;
- (ii) Area off Crooked Island; and
- (iii) Area off Ping Chau.

8. The locations of the Mirs Bay and the proposed pilot boarding stations are shown on the map at **Annex I** and **Annex II** respectively.

### *Dues for the provision of pilotage services in Mirs Bay*

9. We propose no change to the standard pilotage dues which is applicable to all pilotage services irrespective of routes. Taking into account the remoteness of and the rough sea conditions in Mirs Bay which necessitate a longer transit time and the use of tugboats for pilots to access the three proposed pilot boarding stations, we propose to amend the Schedule to the Order to provide for –

- (a) the charge of additional dues for pilotage services where a pilot is required to board or disembark a ship in any of the three proposed pilot boarding stations to be set up near Mirs Bay. The additional charges range from HK\$10,350 to HK\$12,150;
- (b) the charge of an additional due for pilotage services in Mirs Bay which is provided on notice of less than five hours. The additional due is proposed to be set at 50% overall of the standard pilotage dues that shall be payable; and
- (c) the charge of an additional due of HK\$4,700 and HK\$300 respectively for cancellation or alternation of pilotage services on short notice of three hours and five hours respectively in Mirs Bay.

## **Consultation**

10. PAC was consulted on the proposal in June 2016 and December 2017. As in the case in past dues revision exercises, determination of the pilotage dues for Mirs Bay entails a process of negotiation between the service users and service providers and the current proposal is a compromise balancing the views of the two sides as far as practicable. HKLSA representing the major service users considered the dues for pilotage services in Mirs Bay expensive, in part because of the cost for using tugboats for boarding and disembarkation of pilots (see paragraph 9 (a)). HKPA representing service providers was of the view that the dues should commensurate with the time, expenses (e.g. the need to rent tugboat for provision of services in the area) and risks that have to be borne by their pilots. The Marine Department (“MD”) noted that tugboats were not primarily designed for the boarding and disembarkation of pilots but considered that it was the only available and safe means for pilots to access the Mirs Bay waters in order to provide pilotage services for the time being. After critically examining the fee proposals submitted by HKLSA and HKPA, MD derived a consolidated fee proposal as set out in paragraph 9. As a reference, for a vessel of about 100 000 gross tonnage, the total pilotage due (covering both standard and additional dues) is about HK\$35,000 per service in Mirs Bay. MD also suggested that the cost of renting tugboats should be reviewed at regular intervals after the commissioning of pilotage service in Mirs Bay. At its meeting in December 2017, noting the comments of the HKLSA and HKPA as mentioned above and that the current consolidated proposal has incorporated the views from the two sides as far as practicable, most members of the PAC had no objection to the proposal.

## **Advice Sought**

11. Members are invited to comment on the proposal. Subject to Members’ views, we plan to introduce the legislative amendments into the Legislative Council for negative vetting.

**Transport and Housing Bureau  
Marine Department  
June 2018**

大鵬灣的位置示意圖  
Location Map of Mirs Bay

附件 I  
Annex I



擬設在大鵬灣的領港員登船區位置圖  
Location of the proposed pilot boarding stations in Mirs Bay

附件 II  
 Annex II

