

立法會
Legislative Council

LC Paper No. CB(4)1252/17-18(04)

Ref : CB4/PL/EDEV

Panel on Economic Development
Meeting on 25 June 2018

Background brief on the Pilotage Ordinance (Cap. 84)
and Pilotage (Dues) Order (Cap. 84D)

Purpose

This paper provides background information on the Pilotage Ordinance (Cap. 84) ("the Ordinance") and Pilotage (Dues) Order (Cap. 84D), and provides a brief account of the views expressed by Members on related issues.

Pilotage service under the Pilotage Ordinance (Cap. 84)

2. The Ordinance provides for the establishment of the Pilotage Authority and the regulation and control of pilotage in Hong Kong. Under the Ordinance, compulsory pilotage is required of all ships visiting Hong Kong that are of 3 000 gross tonnage or over, or as specified under the Ordinance, in order to ensure the safe navigation of non-local vessels within Hong Kong waters. There are about 100 licensed pilots in Hong Kong to handle about 4 500 ship movements per month.

3. Under the Ordinance, the Director of Marine is the Pilotage Authority and he is advised on all pertinent matters by the Pilotage Advisory Committee¹. Schedule 2 of the Ordinance specifies the areas of five pilot boarding stations within Hong Kong waters where pilots board or disembark the vessels on their inward voyage to, or outward voyage from, Hong Kong. A list of the pilot stations are set out in **Appendix I**.

¹ The Pilotage Advisory Committee is a statutory advisory committee represented by different stakeholders in the shipping industry including licensed pilots, ship-owners, liner operators, container terminal operators, the dockyard industry, etc.

4. At the meeting of the Panel on Economic Development ("the Panel") on 26 November 2012, the Administration briefed members on the Pilotage (Amendment) Bill 2013 which sought to, among other things, amend the Ordinance and its subsidiary legislation in respect of the requirement of compulsory pilotage for certain ships on certain routes, the location of a pilot boarding station, and miscellaneous matters to improve the operation of the Ordinance and subsidiary legislation.

5. Some members expressed concern over the proposed lifting of compulsory pilotage requirement for vessels of less than 3 000 gross tonnage proceeding to and from the Kwai Tsing container terminals. The Administration explained that the proposed change was made based on the fact that additional control measures had been adopted by the Marine Department ("MD") for over 10 years which had been found effective in managing and regulating marine traffic to and from the container terminals, and with operational experience gained over time, the proposed change should not affect maritime safety in that location. On members' concern about whether there was adequate supply of pilots to meet the service needs, the Administration explained that it had taken various steps to expand the pool of maritime talents. Since 2004 it had been running the Sea-going Training Incentive Scheme to encourage more young people to receive maritime training and develop a career in the maritime industry.

6. The Legislative Council passed the Pilotage (Amendment) Bill 2013 on 22 May 2013. No Bills Committee was formed to study the Bill. The Pilotage (Amendment) Ordinance 2013 ("the Amendment Ordinance"), except Section 5, came into operation on 31 May 2013.

7. Section 5 of the Amendment Ordinance prescribes fees for the services rendered by MD in processing applications for exemption from compulsory pilotage submitted under section 10D of the Ordinance. It is to come into operation on a day to be appointed by the Secretary for Transport and Housing by notice published in the Gazette. A Subcommittee was formed on 4 October 2013 to study the related Pilotage (Amendment) Regulation 2013 ("the Amendment Regulation") and the Pilotage (Amendment) Ordinance 2013 (Commencement) Notice ("the Commencement Notice").

8. In examining the Amendment Regulation and the Commencement Notice, the Subcommittee sought information on the criteria which MD would take into account when considering whether or not to grant exemption from compulsory pilotage. A member expressed the view that the Administration might consider waiving compulsory pilotage for ocean-going vessels which navigate in Hong Kong waters frequently.

9. The Administration advised that the Ordinance allowed applications for exemption from compulsory pilotage to be made to the Pilotage Authority. It would be up to the ship owner or operator to decide whether or not to submit an application for exemption from compulsory pilotage. In considering the application, MD would assess the navigational qualifications and experience of the ship master in operating within Hong Kong waters. In the assessment, an officer of MD might need to visit the ship and assess the master's ship-handling skills including his practical abilities in navigating in Hong Kong waters. The fee for the MD's visit was set on a cost recovery basis.

10. The Subcommittee raised no objection to the Amendment Regulation and the Commencement Notice, and these subsidiary legislation came into operation on 1 December 2013.

Pilotage dues under the Pilotage (Dues) Order (Cap. 84D)

11. Pilotage dues are commercial fees charged by licensed pilots for the provision of pilotage services. The levels of dues are reviewed periodically taking into account a number of factors including inflation and market situation and mutually agreed between the Hong Kong Pilots Association ("HKPA") representing the service providers and the Hong Kong Liner Shipping Association ("HKLSA") representing service users. Section 22 of the Ordinance empowers the Director of Marine, in the capacity as the Pilotage Authority, to set the amount of pilotage dues by order published in the Gazette after consultation with the Pilotage Advisory Committee.

12. At its meeting on 19 April 2016, the Panel was briefed by the Administration on, among other things, the proposed amendments to the Pilotage (Dues) Order (Cap. 84D) to increase the pilotage dues by an average of 8%. Members were generally supportive of the proposal. A member pointed out that the increase was reasonable since the average yearly increase following the last dues revision in 2012 was only 2%, and such proposal was mutually agreed by both HKPA and HKLSA, representing the pilotage service providers and users respectively.

13. The Pilotage (Dues) (Amendment) Order 2016 came into operation on 18 July 2016. No Subcommittee was formed to study the Order. The current levels of dues are set out in **Appendix II**.

Latest development

14. The Administration will seek the Panel's endorsement at the meeting on 25 June 2018 on proposed legislative amendments to the Ordinance and the Pilotage (Dues) Order (Cap. 84D) to establish pilot boarding stations at Mirs Bay and to stipulate the amount of pilotage dues for provision of pilotage service in the region.

Relevant papers

15. A list of the relevant papers available on the Legislative Council Website (<http://www.legco.gov.hk>) is in the **Appendix III**.

Council Business Division 4
Legislative Council Secretariat
20 June 2018

Existing pilot boarding stations

Description	Location
Area off Ha Mei Wan, west of Lamma Island	latitude 22° 12'00" north longitude 114° 05'18" east
Area off the turning buoy in the Tathong Channel	latitude 22° 16'00" north longitude 114° 15'40" east
Area off Lam Kok Tsui (Black Point) in Urmston Road	latitude 22° 25'01" north longitude 113° 53'12" east
Area off the entrance to Tolo Channel	latitude 22° 29'36" north longitude 114° 19'42" east
Area off Ngan Chau in East Lamma Channel	latitude 22° 13'03" north longitude 114° 09'42" east

Source: Schedule 2 of the Pilotage Ordinance (Cap. 84)

Appendix II

Existing pilotage dues

	Major items	Existing dues
1	Basic pilotage due	\$4,700
2	Additional due per ton of ships of –	
	♦ <40000 GRT	\$0.07
	♦ ≥40000 & ≤80000 GRT (min. \$2,800)	\$0.065
	♦ >80000 & ≤120000 GRT (min. \$5,200)	\$0.0625
	♦ >120000 & ≤140000 GRT (min. \$7,500)	\$0.055
	♦ >140000 GRT	\$7,700
3	Additional due for Ngan Chau or west of Lamma Island	\$2,000
4	Additional due for West of East Brother	\$2,800
5	Additional due for North of Black Point	\$1,300
6	Due for detention of pilots - per half hour for the first hour & thereafter	\$1,300
7	Additional due for Tolo Harbour	\$4,200
8	Cancellation of engagement	\$4,700

Source: The Pilotage (Dues) Order (Cap. 84D) and Annex A to the Legislative Council Brief (File ref: THB(T)PML 8/10/50/1)

List of relevant papers

Issued by	Meeting Date/ Issue Date	Paper
Panel on Economic Development	26 November 2012 (Item VI)	Administration's paper Background brief Minutes
	19 April 2016 (Item VI)	Administration's paper Background brief Minutes
Pilotage (Amendment) Bill 2013	6 March 2013	Legislative Council Brief (File ref: MA 50/1)
Subcommittee on Pilotage (Amendment) Regulation 2013 and Pilotage (Amendment) Ordinance 2013 (Commencement) Notice	-	Background brief Report
Pilotage (Dues) (Amendment) Order 2016	May 2016	Legislative Council Brief (File ref: THB(T)PML 8/10/50/1)