

For discussion on  
19 April 2016

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

### **Pilotage (Amendment) Order 2016 and Pilotage (Dues) (Amendment) Order 2016**

#### **Purpose**

This paper seeks Members' endorsement to amend the Pilotage Order and Pilotage (Dues) Order under the Pilotage Ordinance (Cap. 84) to update the pilotage class, experience required for progression of pilots and berth information, as well as to revise the amount of pilotage dues.

#### **Background**

2. Under the Pilotage Ordinance ("the Ordinance") (Cap. 84) and its subsidiary legislation, ships of 3 000 gross tonnage or over visiting Hong Kong are required to use pilotage services provided by licensed pilots to ensure their safe navigation within Hong Kong waters. At present, there are 108 pilots licensed by the Director of Marine in the capacity of Pilotage Authority to provide pilotage services.

3. The class of pilotage service is determined by the length of vessels which a licensed pilot could serve. A pilot with a Class I licence could pilot a vessel of any length, whereas a pilot with Class IIA, IIB, IIC or IID licences could only pilot vessels with lengths not exceeding 260 metres, 220 metres, 165 metres or 150 metres respectively. Pilots are required to accumulate the required experience stipulated in the Pilotage Order (Cap. 84C) for advancement from one class to the next. The types of pilotage licence and the number of pilots under each class are set out below —

<b>Class</b>	<b>Length of Vessel</b>	<b>Number of Pilots</b>
IID	150 metres	6
IIC	165 metres	5
IIB	220 metres	1
IIA	260 metres	4
I	Any	92

(As at 31 March 2016)

### **Pilotage (Amendment) Order 2016 (“Amendment Order”)**

4. The Amendment Order seeks to amend the pilotage class and the experience required for progressing from one pilotage class to the next, as well as to update the berth information for the recognition of qualifying experience. The proposals are set out in the following paragraphs.

#### ***Pilotage Class***

5. As a result of the international shipping trend of using bigger vessels for economy of scale, the length of vessels calling at Hong Kong has been increasing over the years. For instance, in 2004, about 18% of vessels calling at Hong Kong were over 260 metres, which has increased to 28% in 2015. Some ultra-large container ships calling at Hong Kong can be close to 400 metres. As longer vessels require more skills to operate, for pilots to acquire the necessary experience in handling larger vessels in a progressive manner, the Pilotage Advisory Committee (PAC)<sup>1</sup> has decided to add two more levels of Class II pilotage. To effect this enhancement, the length of vessels which different pilotage classes could command, as well as the experience required for different pilotage classes, need to be amended. The proposals are detailed at **Annex A**.

6. The proposed amendments do not have retrospective effects. Pilots who have registered as Class II pilots before commencement of the

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<sup>1</sup> PAC is established under section 4 of Cap 84 to advise the Pilotage Authority, who is the Director of Marine, on matters relating to the general regulation or control of pilotage in Hong Kong. It comprises stakeholders of the shipping industry, namely, licensed pilots, ship-owners, container terminal operators, liner operators, dockyard operators, tug operators, and bulk cargo operators.

new legislation will continue to progress in accordance with the old scale with four levels at Class II before advancing to Class I pilot. The proposed new scale with six levels of Class II pilotage will only apply to those who are registered as Class II pilots after commencement of the Amendment Order.

### ***Berth Information***

7. To apply for a licence to provide pilotage services, an intending pilot has to undergo apprenticeship lasting from six to 12 months, during which the apprentice will accompany licensed pilots as an observer and performs pilotage services in various berths, anchorages and shipping routes. To ensure that apprentices obtain all-rounded experience, Schedule 1 to the Pilotage Order specifies the number of berthing and unberthing instances at designated points and time required of them. We last updated the Schedule in 2013. Some berths have since ceased operations or have been renamed while new ones have come into service. **Annex B** details the necessary updating in this exercise.

8. The proposals to amend the pilotage class and the requisite experience for various pilotage classes were endorsed by the PAC at its meeting on 18 January 2013. The updated berth information was considered and endorsed on 29 April 2014.

9. Apart from the proposals in paragraphs 7-8, we will take the opportunity of the current amendment exercise to remove the requirement for the use of calibration of direction finder to identify the location of a vessel, an obsolete technology which is no longer used.

### **Pilotage (Dues) (Amendment) Order 2016**

10. Pilotage dues are charged by pilots for provision of pilotage services. Service providers represented by the Hong Kong Pilots Association and users represented by the Hong Kong Liner Shipping Association review the rates periodically, taking into account a number of factors including inflation and market situation. Their mutually agreed

dues revision proposal will then be considered and endorsed by the PAC before the Pilotage (Dues) Order is amended for implementation. Pilotage dues were last revised in 2012. The current proposed package, at **Annex C**, to increase the pilotage dues by an average of 8% was endorsed by the PAC at its meeting on 2 June 2015.

### **Advice Sought**

11. Members are invited to endorse the proposals set out in paragraphs 4-10. Subject to Members' support, we plan to introduce the two amendment orders to the Legislative Council in late 2016.

**Transport and Housing Bureau**  
**Marine Department**  
**April 2016**

### Pilotage Class and Experience Requirements for Progression

Existing Arrangement			Proposed Arrangement		
Class of Pilotage	Vessel Length	Experience Required	Class of Pilotage	Vessel Length	Experience Required
			IIF	160m	(a) Pilotage of ships of not more than 160 metres in length on at least 10 occasions*.  (b) Berthing and unberthing of ships of not more than 160 metres in length on at least 20 occasions*.
			IIE	180m	(a) A minimum of 12 months continuous experience in Class IIF.  (b) Pilotage of ships of not more than 180 metres in length on at least 10 occasions*.  (c) Berthing and unberthing of ships of not more than 180 metres in length on at least 20 occasions*.

Existing Arrangement			Proposed Arrangement		
Class of Pilotage	Vessel Length	Experience Required	Class of Pilotage	Vessel Length	Experience Required
IID	150m	(a) Pilotage of ships of not more than 150 metres in length on at least 10 occasions*.  (b) Berthing and unberthing of ships of not more than 150 metres in length on at least 20 occasions*.	IID	210m	(a) A minimum of 12 months continuous experience in Class IIE.  (b) Pilotage of ships of not more than 210 metres in length on at least 10 occasions*.  (c) Berthing and unberthing of ships of not more than 210 metres in length on at least 20 occasions*.
IIC	165m	(a) A minimum of 12 months continuous experience in Class IID.  (b) Pilotage of ships of not more than 165 metres in length on at least 10 occasions*.  (c) Berthing and unberthing of ships of not more than 165 metres in length on at least 20 occasions*.	IIC	250m	(a) A minimum of 12 months continuous experience in Class IID.  (b) Pilotage of ships of not more than 250 metres in length on at least 10 occasions*.  (c) Berthing and unberthing of ships of not more than 250 metres in length on at least 20 occasions*.

Existing Arrangement			Proposed Arrangement		
Class of Pilotage	Vessel Length	Experience Required	Class of Pilotage	Vessel Length	Experience Required
IIB	220m	(a) A minimum of 12 months continuous experience in Class IIC.  (b) Pilotage of ships of not more than 220 metres in length on at least 10 occasions*.  (c) Berthing and unberthing of ships of not more than 220 metres in length on at least 20 occasions*.	IIB	300m	(a) A minimum of 12 months continuous experience in Class IIC.  (b) Pilotage of ships of not more than 300 metres in length on at least 10 occasions*.  (c) Berthing and unberthing of ships of not more than 300 metres in length on at least 20 occasions*.
IIA	260m	(a) A minimum of 12 months continuous experience in Class IIB.  (b) Pilotage of ships of not more than 260 metres in length on at least 10 occasions*.  (c) Berthing and unberthing of ships of not more than 260 metres in length on at least 20 occasions*.	IIA	350m	(a) A minimum of 12 months continuous experience in Class IIB.  (b) Pilotage of ships of not more than 350 metres in length on at least 10 occasions*.  (c) Berthing and unberthing of ships of not more than 350 metres in length on at least 20 occasions*.
I	Any	A minimum of 12 months continuous experience in Class IIA.	I	Any	A minimum of 12 months continuous experience in Class IIA.

\* At least half of such occasions must commence during the hours between sunset and sunrise.

**Proposed Amendments to Schedule 1 to Pilotage Order**

**A. Deletions**

The following berths, which have ceased operation or have been renamed, will be deleted –

1. Mobil;
2. Esso;
3. Caltex;
4. China Resources Company main berth;
5. China Resources Company, east inner berth, west inner berth and No.3 berth; and
6. Caltex LPG berth.

**B. Additions**

The following new berths have come into service –

1. ExxonMobil, West;
2. ExxonMobil, East;
3. Chevron;
4. Sinopec main berth;
5. Sinopec, east inner berth, west inner berth and No.3 berth;
6. Chevron LPG berth;
7. Kai Tak Cruise Terminal, Berth No.1, Berth No.2; and
8. ASB Biodiesel Terminal.



### Proposed Revision of Pilotage Dues

Existing Rate			Proposed New Rate		Change
1	Basic Pilotage Due	\$4,400	Basic Pilotage Due	\$4,700	Increase by \$300
2	Additional due per ton for ships of –		Additional due per ton for ships of –		N/A
	♦ <30000 GRT	\$0.065	♦ <40000 GRT	\$0.07	
	♦ ≥30000 & ≤60000 GRT (min. \$1,950)	\$0.0625	♦ ≥40000 & ≤80000 GRT (min. \$2,800)	\$0.065	
	♦ >60000 & ≤120000 GRT (min. \$3,750)	\$0.06	♦ >80000 & ≤120000 GRT (min. \$5,200)	\$0.0625	
			♦ >120000 & ≤140000 GRT (min. \$7,500)	\$0.055	
	♦ >120000 GRT (min. \$7,200)	\$7,200	♦ >140000 GRT	\$7,700	
3	Additional due for Ngan Chau or west of Lamma Island	\$1,900	Additional due for Ngan Chau or west of Lamma Island	\$2,000	Increase by \$100
4	Additional due for West of East Brother	\$2,600	Additional due for West of East Brother	\$2,800	Increase by \$200
5	Additional due for North of Black Point	\$1,250	Additional due for North of Black Point	\$1,300	Increase by \$50
6	Due for detention of pilots - per half hour for the first hour & thereafter	\$1,200	Due for detention of pilots - per half hour for the first hour & thereafter	\$1,300	Increase by \$100
7	Additional due for Tolo Harbour	\$3,500	Additional due for Tolo Harbour	\$4,200	Increase by \$700
8	Cancellation of engagement	\$4,400	Cancellation of engagement	\$4,700	Increase by \$300