

PILOTAGE ADVISORY COMMITTEE

Notes of Working Group Meeting

Date : 31 October 2018 (Wednesday)
Time : 2:30 p.m.
Venue : Conference Room A, 24/F Harbour Building

Present

Chairman:	Wong Wing-hung	General Manager / Vessel Traffic Services, Marine Department (“MD”)
Members:	Ma Kam-fai, Henry	Hong Kong Liner Shipping Association
	Ng Che-kan, Deforest	Shipping Agencies
	Ning Fuk-kei, Franco	Container Terminal Operators
	Yip Hang-hong	Dockyard Industry
	Chow Shiu-bong, Cliff	Tug Operators
	Zhou Wei	Master Mariner
	Chan Kam-wing	Master Mariner
	Tsang Cheuk-yin, Joe	Master Mariner
	Law Kwun-pun, Marso	Licensed Pilot
	Lee Koon-wah, Bruce	Licensed Pilot
Secretary:	Anson MC Sinn	Executive Officer (General & Committee), MD

In attendance

Ms Catherine Chow	China Merchants Port Holdings Company
Chu Wah-sau, Summy	Hong Kong Pilots Association (HKPA)
Chan Ming-kwong	HKPA
Peter Wong	HKPA
Huang Jihe	Senior Marine Officer / Vessel Traffic Centre, MD
George Tang	Marine Manager / Pilotage, MD

Absent with apologies

Members:	Lam Ming-fung, Lothair	Hong Kong Shipowners Association
	Ms Lu Zheng, Caroline	Dry Bulk Cargo Operators
	Yim Kong, Erik	Break Bulk Cargo Operators
	Chu Wai-leung	Oil Terminal Operators

I. Opening remarks

1. The Chairman welcomed all to the meeting. As this was the last working group meeting of the current term which would be due in December 2018, the Chairman thanked all for their contribution to the working group in these two years.

II. Confirmation of notes of the last meeting

2. The notes of the last meeting held on 3 January 2018 were confirmed without amendment.

[**Post-meeting note:** The meeting notes were uploaded to the website of Marine Department on 9 November 2018.]

III. Discussion items

(a) ***PACWG Paper No. 1/2018 –
Training Assessment and Examination Arrangements for
Upgrading from Class IIA to Class I Pilots***

3. George Tang, MM/Pilotage presented the paper. While the meeting agreed to the proposed syllabus for oral examination (vide Annex II of the paper) and the proposed practical examination requirements on the part for berthing/unberthing of a container ship and that of a tanker ship (vide items (i) and (ii) of para. 8 of the paper), the meeting had divergent views on MD's proposed practical examination requirement on the part for a bulker.
4. The two licensed pilots (Bruce Lee and Marso Law) and representatives of HKPA (including Summy Chu and Peter Wong) had reservation towards MD's proposal set out at para. 13 of the paper. Apart from HKPA's reasons set out vide para. 11 of the paper, they supplemented that in view that Tap Shek Kok Terminal (CLPTSK berth) would be the only available examination location under MD's proposed arrangement and that facility would supply electricity to the Kowloon peninsula, once there was any collision of that terminal due to any error committed by the candidate in practical examination, the electricity supply in Kowloon would likely be cut off. Besides, other circumstantial factors

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including narrow channel of fairway and strong water current in that area would increase navigational risk, i.e. the safety margin would be low. Hence they considered that Tap Shek Kok Terminal was not a suitable location for examination purpose.

5. Franco Ning, container terminal operators enquired of any alternative location for examination purpose. Ms Catherine Chow, China Merchants Port Holdings Company enquired whether MD and/or HKPA had any discussion on the navigational risk and mitigating measures with China Light & Power (“CLP”) in this regard.
6. The three master mariners gave their views. Zhou Wei enquired of any possibility of using the simulator assessment as a substitute and requiring the candidate to attempt more than one simulation assessment as an alternative. Chan Kam-wing suggested using a big container ship as a substitute. Joe Tsang considered the exact location (with additional safety measures or not) and competency of the candidates to be two separate issues. In the light of high public expectations, the candidate ought to undergo high-stakes examination with stringent standards and handle stress well under examination condition to prove himself to be fully competent to attain a class I licence – the highest class of pilotage; i.e. the pilot could pilot a vessel of any length.
7. Bruce Lee, licensed pilot supplemented that house rules devised by HKPA were being applied to regulate different licensed pilots as the prevailing practice in a bid to safeguard marine safety and maintain their professionalism. For example, even though a pilot might have gained his Class I pilot in the 4th year the earliest, he would be required by HKPA to handle other ultra large ships or medium-sized tankers with sufficient experience before he would pilot an ultra large bulker in the 7th year or above, subject to the outcome of the pilot’s performance. He considered that such measure had been safe and effective over the past years.
8. The Chairman appreciated the effort made by HKPA to keep up the service standard of licensed pilots and remarked that the crux of the ongoing discussion would be to formalise and

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institutionalise some of the existing in-house training arranged by HKPA to make the examination system of pilots more open and transparent. It is incumbent upon the Director of Marine *qua* the Pilotage Authority to ensure that every candidate was fully competent before granting him a pilot licence (in this case, an unlimited Class I licence). To pave the way forward, MD would approach the facility owner (i.e. CLP) to gauge its concerns and inform CLP of mitigating measures including the presence of professionals including a coach pilot with Class I licence and an examiner during examination; the examination should be held under good weather condition as far as practicable; and tug boats would be hired. Meanwhile, taking into consideration the views of working group members, MD would contemplate other doable alternatives. For instance, the candidate might be required to pilot and berth a bulk carrier of smaller size in the area of less strong water current, such as the HKELCT berth at Lamma Island as prerequisite; the candidate might also be asked to sit more than one simulation assessment to form composite examination requirements on the part for the bulk carrier. Pending further research work to be done by MD, para. 13 of the paper would be further discussed.

(b) *HKPA's proposal on "Simulation Training for Pilots"*

9. Peter Wong, HKPA wished to clarify the principle of simulation training in the context of the newly-adopted training requirements on the training, assessment and examination for the advancement of pilots endorsed by PAC in June 2016. HKPA considered that "training" was an action of teaching trainees new skills and knowledge whereas "assessment" was a means to examine whether such skills and knowledge had been proficiently acquired by the trainees and hence recommended that the incorporation of an assessment element in simulation training be revoked. Trainees were expected to make mistakes in simulation and should be allowed to correct their mistake during practical training.
10. George Tang, MM/Pilotage clarified that as opposed to pilots under the pre-amended Order where simulation training was an in-house initiative, the requirements and arrangements of simulation training had been endorsed by PAC for pilots under the amended Order. Currently, the trainees would be given a

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remark of “satisfactory” vs “unsatisfactory” as a yardstick of fulfilling the requirements of simulation training or not.

11. Cliff Chow, tug operators enquired MD of the purpose of simulation training. Franco Ning, container terminal operators shared simulation training in the context of terminal operators. Only when the trainees could perform satisfactorily in the crane simulator under different scenarios, they would then be allowed to operate the crane in real life.
12. The three master mariners gave their views. Chan Kam-wing said that from his two-day personal experience of observing simulation training, he considered the current arrangements to be fine. Joe Tsang said that the objective of simulation training was to change the behaviour of trainees towards a correct approach, i.e. the trainees should learn by mistakes during simulation training and prompted all to think about how to prove that the trainees had self-corrected the behaviour prior to practical training and practical assessment. Zhou Wei considered that the current arrangement of introducing different exercises/scenarios to the trainees during simulation training should be retained because while simulation training provided a good opportunity for trainees to adopt an array of scenarios, real-life marine emergency/crisis would be unpredictable.
13. The Chairman shared his views. There were two forms of training: (i) the trainee simply **attended** a training; and (ii) the trainee needed to demonstrate certain level of accomplishment in a training before he/she could get a certificate of **completion** of that training. The current arrangements of simulation training on pilotage training should fall into the latter category from MD’s point of view. Since most members in the working group agreed that the trainees should be able to gain some knowledge after the simulation training, the current arrangements of giving a remark of “satisfactory” vs “unsatisfactory” provided an opportunity for the coach pilots and the representative from MD to review different scenarios with the trainees to provide corrective feedback. Having said that, the current mode of conducting simulation training should be reviewed to enhance the teaching elements of the simulation training, such as providing more interaction between the coach and the trainees before the simulation. The Chairman asked

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MM/Pilotage to liaise with HKPA in reviewing the mode of simulation training to include more teaching elements like prompting questions and response and interaction.

(c) ***HKPA's proposal on "Proposed Pilotage Dues Adjustment Mechanism"***

14. Peter Wong, HKPA presented the paper. Bruce Lee conceded that HKPA's proposed mechanism could be put on hold unless further negotiation between HKPA and HKLSA was in vain since the clients (HKLSA) were willing to engage a proactive dialogue and agreed in principle with HKPA on adjustment of pilotage dues.
15. Deforest Ng, shipping agencies commented that although HKLSA incurred the largest portion of pilotage dues compared with other shipping agencies in the port of Hong Kong, views of other shipping agencies should also be gauged.
16. Henry Ma, HKLSA commented that HKLSA was willing to discuss adjustment of pilotage dues with HKPA, but wondered whether there would be better adjustment mechanism other than the present proposal proposed by HKPA. He enquired whether HKPA would disclose its financial position for transparency sake as if what a listed company would do so that the clients would be in a fairer position to assess the financial sustainability of HKPA. He also noted that pilotage service was solely provided by HKPA for the time being, unlike public transportation service was currently provided by a variety of service providers ranging from the railway, the road and the sea mode. Moreover, as the matrix of the socioeconomic environment in Hong Kong at present was much more different than that prior to 1999, direct application of the adjustment mechanism as per Hang Seng Consumer Index might not be entirely appropriate.
17. Franco Ning, container terminal operators, doubted whether it was good timing for HKPA to put up its proposal on adjustment mechanism of pilotage dues, especially in times of Sino-US trade war, keen competition with other ports in Asia (e.g. Singapore and Nansha port) and a 16% drop in cargo throughput compared with the past six years. Any increase in

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pilotage dues would adversely impact on the overall competitiveness of the port of Hong Kong. Cliff Chow, tug operators was of the view that HKPA was not able to diversify its business since it was specialised in providing pilotage services. While the proposed pilotage dues adjustment mechanism was debatable, pilots should be reasonably compensated for inflation over the past years to ensure round-the-clock quality pilotage services. After discussion, Franco Ning, container terminal operators; Cliff Chow, tug operators and Henry Ma, HKLSA considered that HKPA should explore cost control measures such as enhancing productivity and cost cutting.

18. In response to an enquiry of Henry Ma, HKLSA, the Chairman said that pilotage dues are statutory charges for provision of pilotage services by pilots under the Pilotage (Dues) Order (Cap. 84D). The changes were not only meant to sustain the business operation of HKPA, but circumstantial factors (including number of pilots, number of piloted vessels and volume of cargo throughput) were all relevant. Pilotage dues were mutually agreed by the clients and the service provider upon consultation whilst ensuring that pilots would have reasonable remuneration. The current arrangement of negotiations amongst stakeholders and subsequent consultative process prior to legislative process reflected the principle of participation and led to a consented situation. Reverting the existing arrangements of having periodic reviews amongst stakeholders to the defunct formula of Hang Seng Consumer Index (which had not been used for more than two decades) would warrant a baseline review to justify the level of the pilotage dues.
19. After discussion and given that HKLSA and HKPA were having a dialogue and agreed in principle on adjustment of pilotage dues, Bruce Lee, licensed pilot qua Chairman of HKPA, suggested that HKPA's proposal of adopting the fares adjustment formula of "0.3 x change in Composite Consumer Price Index + 0.7 x change in Nominal Salary Index" as the formula of annual adjustment rate could be shelved.

IV. Any Other Business

(a) *Mirs Bay Pilotage*

20. In response to the enquiry of Summy Chu, HKPA, the Chairman said that LegCo Panel on Economic Development supported Government's legislative proposal on Mirs Bay pilotage at its meeting in June 2018. Legislative amendments cleared by the Law Draftsman would likely be laid on the table of LegCo for negative vetting.

(b) *Dredge water depth of 17 metres in Kwai Tsing Container Basin*

21. In response to an enquiry by Cliff Chow, tug operators, Bruce Lee, licensed pilot said that HKPA had sent out draft berthing guidelines to container terminal operators for comments. Franco Ning, container terminal operators replied that the draft was being perused.

V. Adjournment of meeting

22. There being no other business, the meeting was adjourned at 6:00 p.m.

VI. Date of next meeting

23. The date of next meeting would be announced in due course.

The notes of the meeting were confirmed on 6 September 2019.

Distribution list

Chairman, PAC Working Group
Members, PAC Working Group
SMO/Vessel Traffic Centre, MD
MM/Pilotage, MD

c.c.

Deputy Director of Marine *qua* Chairman of PAC
Assistant Director (Port Control), MD
Ms Catherine Chow, China Merchants Port Holdings Company
Summy Chu, HKPA
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