

Head 28 — CIVIL AVIATION DEPARTMENT

Controlling officer: the Director-General of Civil Aviation will account for expenditure under this Head.

Estimate 2005–06	\$648.3m
Establishment ceiling 2005–06 (notional annual mid-point salary value) representing an estimated 696 non-directorate posts as at 31 March 2005 reducing by one post to 695 posts as at 31 March 2006	\$302.5m
In addition, there will be an estimated 20 directorate posts as at 31 March 2005 and as at 31 March 2006.	
Commitment balance	\$2.0m

Controlling Officer's Report

Programmes

Programme (1) Flight Standards	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour).
Programme (2) Airport Standards	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour) and Policy Area 9: Internal Security (Secretary for Security).
Programme (3) Air Traffic Management Programme (4) Engineering and Systems Programme (5) Air Services	These programmes contribute to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour).
Programme (6) Air Passenger Departure Tax Administration	This programme contributes to Policy Area 25: Revenue Collection and Financial Control (Secretary for Financial Services and the Treasury).

Detail

Programme (1): Flight Standards

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	52.6	56.5	53.5 (–5.3%)	55.3 (+3.4%)
				(or –2.1% on 2004–05 Original)

Aim

2 The aim is to set and enforce flight, airworthiness and air traffic management standards in compliance with international civil aviation safety requirements and to keep the relevant legislation and operational requirements up-to-date.

Brief Description

3 The Flight Standards and Airworthiness Division is responsible for regulating the operational safety and airworthiness of aircraft registered in Hong Kong, air traffic management standards and other matters related to flight safety. This work involves:

- monitoring and inspection of Hong Kong airlines, light aircraft and helicopter operators in respect of flight operations policy and standards, flight crew training and aircraft maintenance standards;
- registration of aircraft;
- issue of certificates of airworthiness;
- approval of flight simulators;
- approval of maintenance facilities;

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- approval of maintenance training organisations;
- approval of flying training organisations which provide commercial pilot training courses;
- ground inspections of foreign registered aircraft;
- examination of licence applicants, issue of licences for flight crew and maintenance engineers and the grant of authority for suitable persons as authorised examiners;
- compliance with the mandatory occurrence reporting scheme;
- investigation of aircraft incidents and accidents;
- safety oversight on air traffic management services by formulating safety policies and requirements relating to air traffic management operations and air navigation, and conducting inspections and audits on air traffic control procedures, operations, training and examinations; and
- issue of air traffic control licence and the associated air traffic control ratings through a personnel licensing mechanism and ensuring the effectiveness of the Air Traffic Management Division's competency assurance programme.

4 The Flight Standards and Airworthiness Division inspects the operational and training activities of Hong Kong airlines and air traffic management service provider regularly throughout the year to ensure that they maintain high safety and operational standards. The demand for inspections and personnel licensing is expected to increase with increases in the volume of flight operations and air traffic control operations.

5 The key performance measures are:

Targets

	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
issue of air operator's certificates (working days).....	60	60	60	60
issue of aircraft certificates of registration (working days).....	3	3	3	3
issue of aircraft maintenance licences (working days).....	6	6	6	6
issue of professional pilot licences (working days).....	3½	3½	3½	3½
approval of aircraft maintenance organisations (working days).....	60	60	60	60
approval of flying training organisations (working days).....	60	60	60	60
flight operations inspections (no. of flights).....	150#	114	191Δ	150
approval/renewal of approved flight simulators@.....	25	—	—	25
approval of authorised examiners/ approved persons@.....	120	—	—	120
inspections of operations and maintenance services at Hong Kong airlines' outstations@.....	38	—	—	38
inspections of overseas maintenance facilities.....	15	16	19	15
inspections of local maintenance organisations.....	36	40	44	36
inspections of maintenance training organisations.....	7	9	9	7
inspections of air traffic control operations/training/examination.....	40	N.A.β	38	40

The target will be revised from 110 flights to 150 flights as from 2005 to reflect the Department's efforts in stepping up inspections to cope with the increase in aircraft types and airlines routes.

Δ The increase in the number of flights in 2004 was due to the inauguration of new airlines routes and new aircraft types. It is anticipated that the number of inspections will resume to the normal level in 2005.

@ New targets taking effect from 2005.

β Not applicable as this is a new target taking effect from 2004.

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Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
aircraft registered on the Hong Kong Register.....	153	164	176
air operator's certificates issued.....	9	9	10
local flight crew examinations (no. of examination papers processed)	1 534	1 755	1 840
overseas flight crew examinations (no. of examination papers processed).....	720	480	500
aircraft maintenance licence examinations (no. of examination papers processed).....	2 054	2 498	2 870
medical certificates issued	3 458	3 765	3 950
personnel licences issued.....	1 444	2 021	2 120
air traffic control officer licences, ratings and certificates issued.....	N.A.Ω	31	37
air traffic control ratings and certificates renewed.....	N.A.Ω	370	370

Ω Not applicable as these are new indicators taking effect from 2004.

Matters Requiring Special Attention in 2005–06

6 During 2005–06, the Department will continue to:

- monitor closely the operational safety and airworthiness of aircraft registered in Hong Kong;
- review the policy on the avoidance of fatigue in aircrews;
- review the policy on avoidance of drug and alcohol abuse in personnel holding aviation safety-sensitive posts;
- approve and monitor extended range twin-engined operation;
- monitor the approved flying training organisations;
- monitor and approve the B747-400 freighter conversion programme;
- liaise with overseas aeronautical authorities on mutual recognition of aircraft maintenance organisations;
- monitor the implementation of cockpit security enhancement programmes of Hong Kong aircraft operators;
- prepare for the International Civil Aviation Organisation's (ICAO) Universal Safety Oversight Audit Programme; and
- formulate measures to improve the reliability of the safety critical and operationally significant air traffic control systems and their associated supporting systems.

Programme (2): Airport Standards

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	31.5	34.7	33.0 (–4.9%)	33.4 (+1.2%)

(or –3.7% on
2004–05 Original)

Aim

7 The aim is to set and enforce aerodrome safety and aviation security standards and to keep up-to-date the related legislation.

Brief Description

8 The Airport Standards Division is responsible for the licensing, regulation, inspection and monitoring of safety and security of international aerodromes (including heliports) in Hong Kong. This work involves:

- establishing aerodrome licensing standards and issuing licences for aerodromes;
- establishing and maintaining a system for monitoring the performance of aerodrome licensees in the areas of aerodrome safety and aviation security;

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- monitoring the safety procedures and practices in respect of the operation of the Hong Kong International Airport (HKIA);
- ensuring compliance with the Hong Kong Aviation Security Programme and provisions of the Aviation Security Ordinance and Aviation Security Regulation;
- liaising with foreign and local authorities on matters relating to the handling and sharing of threat and security sensitive information for compliance with the Standards and Recommended Practices set by the ICAO;
- developing and supervising the implementation of audit and inspection programmes for monitoring the application of security programmes provided by airport operators, airline operators, tenant restricted area operators and regulated agents;
- enforcing the Hong Kong Airport (Control of Obstructions) Ordinance (Cap. 301) and subsidiary legislation; and
- monitoring the carriage of dangerous goods by air through inspections and keeping up-to-date and enforcing the Dangerous Goods (Consignment By Air) (Safety) Ordinance and Regulations.

9 The Airport Standards Division will ensure operations at the HKIA comply with all relevant airport safety and aviation security standards. These include vetting and endorsing the airport safety procedures under the Aerodrome Manual and Emergency Procedure Manual, as well as the security control measures stated in the security programmes of the airport and other operators, and the inspection of airport operational facilities and aviation security facilities.

10 The key performance measures are:

Targets

	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
audit inspections relating to aerodrome licensing issues	14	14	14	14
audit inspections of airport operators and airport tenants to ensure compliance with the requirements in the Hong Kong Aviation Security Programme	14	13	14	16
vetting of building plans/development proposals and lighting proposals for compliance with airport height restrictions and other aviation safety requirements (working days per application)	12	9	9	12
processing applications for exemption from height restrictions prescribed by orders made under Cap. 301 (working days per application)	10	14 π	12 π	10
processing applications from cargo agents for registration as regulated agents and the associated security programmes (working days per application)	15	11	11	15
processing applications for carriage of dangerous goods and munitions by air (working days per application)	14	14	14	14

π Longer average processing time was recorded in 2003 and 2004 due to the complexity of the applications.

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
inspections of airport operators and operational facilities	138	130	130
inspections of airport operators, airlines, airport tenants and regulated agents in respect of their aviation security measures and facilities	509	563	500
building plans/development proposals and lighting proposals submitted for assessment of compliance with airport height restrictions and other aviation safety requirements...	237	242	270

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	2003 (Actual)	2004 (Actual)	2005 (Estimate)
applications for exemption from height restrictions prescribed by orders made under Cap. 301	43	66	60
inspections of shippers, freight forwarders, airlines and ground handling agents in respect of their dangerous goods handling standards	58	38	66

Matters Requiring Special Attention in 2005–06

11 During 2005–06, the Department will continue to:

- provide advice and guidance to the Airport Authority (AA) and conduct inspections to ensure that the HKIA meets the required safety and security standards and satisfies all aerodrome licensing requirements;
- implement aviation security quality control programme and develop training programme to meet international requirements;
- inspect registered regulated agents to ensure compliance with the required security standards relating to air cargo;
- monitor preparatory work at the HKIA for the anticipated operation of the Airbus A380 aircraft in 2006; and
- review the operators' security programmes to ensure that they meet the requirements of the Hong Kong Aviation Security Programme.

Programme (3): Air Traffic Management

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	259.5	260.5	244.8 (–6.0%)	255.8 (+4.5%)
				(or –1.8% on 2004–05 Original)

Aim

12 The aim is to maintain a safe, orderly and expeditious flow of air traffic and a high standard in the provision of air navigation services, and to co-ordinate search and rescue services.

Brief Description

13 The Air Traffic Management Division is responsible for managing the movement of aircraft within the Hong Kong Flight Information Region, which currently has a total area of 276 000 sq. km and extends over the South China Sea to some 370 km to the east and south-east of Hong Kong and 580 km to the south. This work involves:

- providing positive control over all air traffic to prevent collision;
- providing information essential for the safe and efficient conduct of flights;
- alerting appropriate organisations regarding aircraft in need of search and rescue services and co-ordinating search and rescue missions;
- maintaining close liaison with civil aviation authorities of the Mainland and Macau to review and evaluate air traffic control and flight procedures for airports in the Pearl River Delta area;
- maintaining close liaison with neighbouring Area Control Centres (ACC) to review the organisation of airspace and air routes structure in an effort to enhance the safe and efficient provision of air traffic services;
- co-ordinating with neighbouring ACCs in the implementation of updated air traffic control procedures;
- participating actively in the ICAO working group, task force and panel meetings in the areas of air traffic management and airspace capacity enhancement;
- providing professional and technical training to all air traffic control staff to ensure that competence is maintained at the highest possible standard;
- designing flight procedures; and
- participating in the air traffic control equipment testing and acceptance.

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14 The air traffic control system at the HKIA continues to operate smoothly with a high standard of safety and efficiency. In the light of experience, the operating efficiency has been enhanced and the declared runway capacity has been progressively increased to 52 movements per hour. Feasibility on further enhancement of runway capacity is being studied.

15 The key performance measures are:

Targets

In view of the unique safety orientated nature of air traffic control services, it is impossible to set performance targets in quantitative terms. However, the Department is committed to ensuring the efficient and safe operation of all aircraft movements within the capacity limits of the air traffic control system. The Department is also responsible for immediate response to aircraft emergencies and co-ordination of search and rescue.

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
aircraft movements.....	187 210	237 071	239 000
aircraft transiting Hong Kong Flight Information Region.....	89 151	116 884	123 000
notices to airmen and aeronautical information publication supplements issued/received	200 715	214 407	229 000
pre-flight bulletins issued.....	193 245	207 280	222 000

Matters Requiring Special Attention in 2005–06

16 During 2005–06, the Department will continue to:

- co-ordinate with adjacent air traffic control authorities to facilitate the operation of aircraft to and from Shenzhen, Zhuhai, Macau and Hong Kong airports;
- refine the air traffic control procedures and effect improvement to facilities with a view to promoting flight safety and operational efficiency and enhancing air traffic control system capacity;
- recruit and provide quality training to air traffic control staff to meet the anticipated air traffic services demand;
- study and evaluate the various components of the satellite-based Communications, Navigation, Surveillance/Air Traffic Management (CNS/ATM) Systems; and
- implement progressively the Safety Management System to ensure the highest standard of safety is maintained in air traffic control services.

Programme (4): Engineering and Systems

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	213.5	286.0	262.1 (–8.4%)	278.6 (+6.3%)
				(or –2.6% on 2004–05 Original)

Aim

17 The aim is to provide advice on technical and engineering matters, to ensure the smooth and timely completion of projects within budget and to provide a quality telecommunications service for the Hong Kong aviation community.

Brief Description

18 The Engineering and Systems Division is responsible for the design, co-ordination and provision of air traffic control systems, radar, navigational aids, communications equipment and information technology systems required by the Department. This work involves:

- overseeing the procurement, installation, testing and commissioning of air traffic control equipment;
- overseeing the enhancement and maintenance of air traffic control facilities and arranging periodic flight calibration for equipment validation;
- operating the Aeronautical Fixed Telecommunication Network (AFTN) between adjacent Flight Information Regions and providing Aeronautical Mobile and Aeronautical Broadcast Services to aircraft;

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- planning, studying and conducting trials for the phased implementation of satellite-based CNS/ATM Systems;
- co-ordinating the design of facilities with works departments and monitoring their construction and commissioning; and
- planning and implementing information technology systems and establishing the data security policy for the Department in line with the e-government objective.

19 The key performance measures are:

Targets

	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
electronic engineering projects completed on time and within budget (%).....	98.0	98.0	99.7	98.0
availability of AFTN (%)	99.9	99.9	99.9	99.9
availability of air traffic control equipment (%)	99.9	99.9	99.9	99.9

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
telecommunication messages relayed by AFTN (millions).....	20.8	23.2 ^β	25.5 ^β
CNS/ATM trials and electronic engineering projects completed	11	12	11

^β The increase in the number of telecommunication messages relayed is attributable to the growth in air traffic arising from global economic recovery.

Matters Requiring Special Attention in 2005–06

20 During 2005–06, the Department will continue to:

- enhance the air traffic control system capability to ensure efficient and reliable operation;
- ensure proper maintenance of the air traffic control system;
- develop implementation plans and procure equipment for the study and trials of the satellite-based CNS/ATM Systems;
- review the level of the telecommunications services arising from the implementation of new Aeronautical Telecommunication Network/Air Traffic Services Message Handling System and the availability of the additional communications and radar facilities at Xisha;
- organise the necessary activities for the continued provision of electronic and telecommunications services when these services are no longer provided under a central contract expiring on 30 September 2006; and
- plan and implement information technology systems and the data security policy in line with the e-government objective.

Programme (5): Air Services

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	22.4	24.4	24.4 (—)	23.7 (–2.9%)
				(or –2.9% on 2004–05 Original)

Aim

21 The aim is to implement the air services arrangements and aviation policy to enable air services to be operated to meet the demand and to promote Hong Kong as the international and regional aviation centre.

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Brief Description

22 The Air Services Division is responsible for:

- regulating scheduled services in accordance with Air Services Agreements and arrangements;
- regulating non-scheduled air services and private non-revenue flights;
- providing information to the Air Transport Licensing Authority for consideration of applications by local airlines for licences to operate scheduled air services;
- providing information to the Economic Development and Labour Bureau for air services negotiations;
- co-ordinating the Department's requirements under the legislative programme and reviewing and, if necessary, proposing changes to civil aviation legislation;
- co-ordinating the Department's inputs to, and participation in, the activities of international organisations, particularly the ICAO and the Asia-Pacific Economic Cooperation (APEC);
- in conjunction with the AA, co-ordinating periodic review of air transport demand forecasts and the capacity of the runways to meet the demand;
- monitoring the allocation of runway slots and time-keeping performance of airlines;
- co-ordinating the supply of air traffic statistics to international organisations;
- monitoring the noise and flight tracks of aircraft operating to and from the HKIA; and
- monitoring the demand for and facilitating the operation of helicopter services and heliport development.

23 The key performance measures are:

Target

	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
processing applications for non-scheduled air services permits (working days per application).....	3	2	2	2

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
scheduled air services permits issued.....	164	186	210
non-scheduled air services permits issued	986	1 258	1 310
tariff filings processed	674	807 ^β	750
applications for schedule changes.....	3 192 [§]	2 705	2 840
notifications, returns, etc. to and from ICAO.....	325	325	330
notifications, returns, etc. to and from APEC	64	39 [#]	50

β The increase in 2004 was attributable to applications filed by airlines to levy fuel surcharge on passengers and cargos following the rise in oil price.

§ Due to the outbreak of Severe Acute Respiratory Syndrome, there was an upsurge of applications for schedule changes in 2003. The number of applications resumed to the normal level in 2004.

The decrease in 2004 was due to a reduction in APEC's activities.

Matters Requiring Special Attention in 2005–06

24 During 2005–06, the Department will continue to:

- provide necessary support in taking forward legislative work to ensure that our legal framework for regulating civil aviation is in line with international standards;
- provide support to the negotiation and implementation of Hong Kong's Air Services Agreements and promote Hong Kong as the international and regional aviation centre;
- monitor the allocation of runway slots and time-keeping performance of airlines in the light of expected traffic growth;
- monitor aircraft noise and flight tracks, and implement the noise abatement programme; and
- regularly review the demand for helicopter services and take forward necessary statutory procedures for the development of heliports.

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Programme (6): Air Passenger Departure Tax Administration

	2003-04 (Actual)	2004-05 (Original)	2004-05 (Revised)	2005-06 (Estimate)
Financial provision (\$m)	1.5	1.6	1.6 (—)	1.5 (-6.3%)
				(or -6.3% on 2004-05 Original)

Aim

25 The aim is to ensure effective administration of the Air Passenger Departure Tax (APDT) collection pursuant to the Air Passenger Departure Tax Ordinance.

Brief Description

26 The APDT Unit of the Finance Division is responsible for:

- monitoring airlines' and helicopter companies' compliance with their legal obligation to collect the APDT from departing air passengers;
- handling applications for refund/waiver;
- monitoring prompt banking of the tax collected by airlines and helicopter companies to Government's accounts; and
- reviewing the rate of charges payable to airlines, helicopter companies and other agents responsible for handling refund and exemption applications.

27 The key performance measures are:

Target

	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
applications for refund received by post to be processed within 35 working days# (%).....	95	100	95	95

The processing time for handling applications for refund received by post has been revised to 35 working days since 2004 in the light of the substantial number of refund cases arising from the upsurge of sea-to-air passengers transiting Hong Kong who are exempted from payment of the APDT.

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
taxpayers.....	8 847 348	11 124 937	11 616 000
exemptions processed.....	11 864	54 530 Δ	55 000Δ
amount of APDT collected (\$m).....	705.0	1,277.9	1,390.2

Δ The increase in the number of exemptions in 2004 and 2005 is due to the upsurge of sea-to-air passengers transiting Hong Kong who are exempted from payment of the APDT.

Matters Requiring Special Attention in 2005-06

28 During 2005-06, the Department will continue to monitor the collection of the APDT and the processing of refunds.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2003-04 (Actual) (\$m)	2004-05 (Original) (\$m)	2004-05 (Revised) (\$m)	2005-06 (Estimate) (\$m)
(1) Flight Standards	52.6	56.5	53.5	55.3
(2) Airport Standards	31.5	34.7	33.0	33.4
(3) Air Traffic Management.....	259.5	260.5	244.8	255.8
(4) Engineering and Systems	213.5	286.0	262.1	278.6
(5) Air Services.....	22.4	24.4	24.4	23.7
(6) Air Passenger Departure Tax Administration.....	1.5	1.6	1.6	1.5
	581.0	663.7	619.4 (-6.7%)	648.3 (+4.7%)
				(or -2.3% on 2004-05 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2005-06 is \$1.8 million (3.4%) higher than the revised estimate for 2004-05. This is mainly due to the additional provision for meeting the increased workload resulting from the introduction and registration of new aircraft as well as registration of new aircraft operators.

Programme (2)

Provision for 2005-06 is \$0.4 million (1.2%) higher than the revised estimate for 2004-05. This is mainly due to the additional provision for meeting the increased workload resulting from the organisation of training courses and enhanced inspections to further strengthen aviation security.

Programme (3)

Provision for 2005-06 is \$11.0 million (4.5%) higher than the revised estimate for 2004-05. This is mainly due to additional requirements for procuring and enhancing air traffic control equipment.

Programme (4)

Provision for 2005-06 is \$16.5 million (6.3%) higher than the revised estimate for 2004-05. This is mainly due to the additional provision for procuring specialised stores and spare parts for the maintenance of the air traffic control system and for acquiring aeronautical communications services for enhancement of flight safety, partly offset by the deletion of one post in 2005-06.

Programme (5)

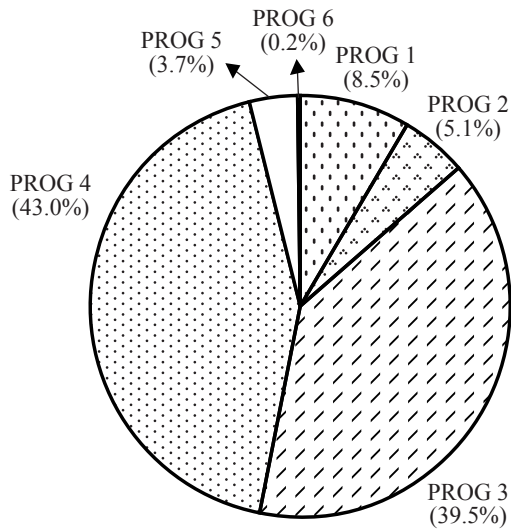
Provision for 2005-06 is \$0.7 million (2.9%) lower than the revised estimate for 2004-05. This is mainly due to the decreased requirement for non-recurrent items.

Programme (6)

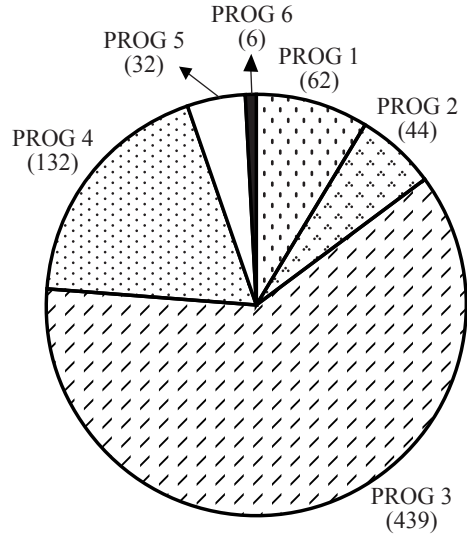
Provision for 2005-06 is \$0.1 million (6.3%) lower than the revised estimate for 2004-05. This is mainly due to the full-year effect of the 2005 civil service pay cut and reduced operating expenses.

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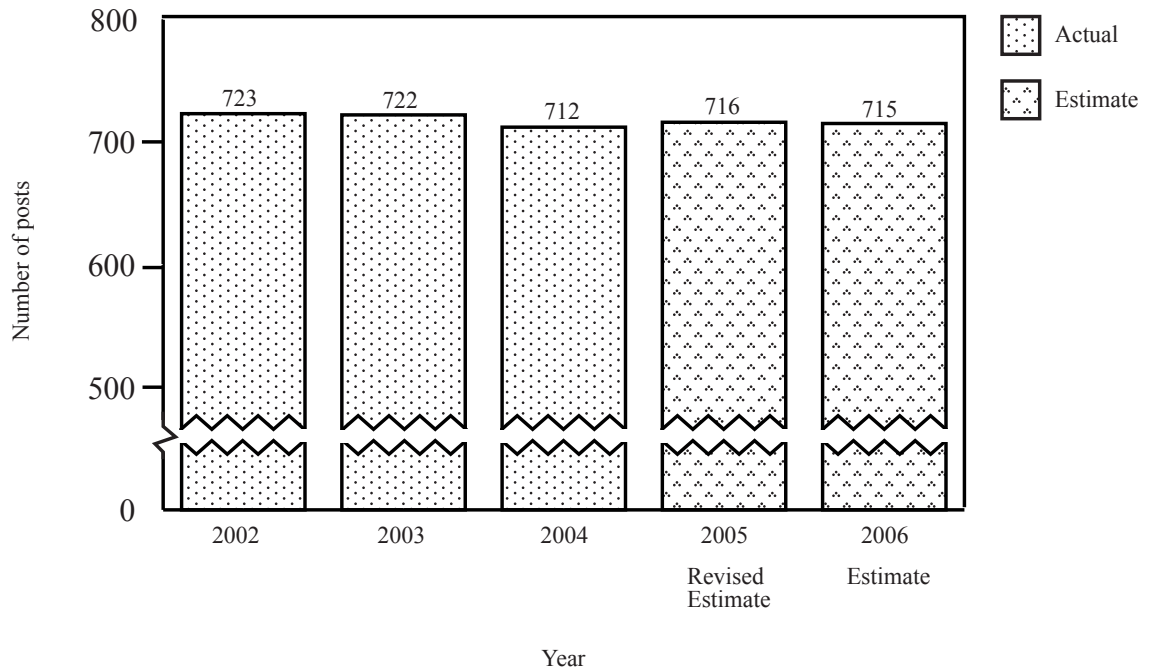
Allocation of provision to programmes (2005-06)



Staff by programme (as at 31 March 2006)



Changes in the size of the establishment (as at 31 March)



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Sub-head (Code)		Actual expenditure 2003-04	Approved estimate 2004-05	Revised estimate 2004-05	Estimate 2005-06
		\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses	568,926	651,137	602,607	633,462
170	Airport insurance	11,401	11,623	13,037	13,037*
	Total, Recurrent	580,327	662,760	615,644	646,499
Non-Recurrent					
700	General non-recurrent	634	955	3,747	1,791
	Total, Non-Recurrent	634	955	3,747	1,791
	Total, Operating Account	580,961	663,715	619,391	648,290
	Total Expenditure	580,961	663,715	619,391	648,290

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Details of Expenditure by Subhead

The estimate of the amount required in 2005–06 for the salaries and expenses of the Civil Aviation Department is \$648,290,000. This represents an increase of \$28,899,000 over the revised estimate for 2004–05 and of \$67,329,000 over actual expenditure in 2003–04.

Operating Account

Recurrent

2 Provision of \$633,462,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Civil Aviation Department. The increase of \$30,855,000 (5.1%) over the revised estimate for 2004–05 is mainly due to the additional provision for procuring air traffic control equipment, specialised stores and spare parts for the maintenance of air traffic control system and aeronautical communication services for the enhancement of flight safety.

3 The establishment at 31 March 2005 will be 716 permanent posts. It is expected that one permanent post will be deleted in 2005–06. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2005–06, but the notional annual mid-point salary value of all such posts must not exceed \$302,528,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2003–04 (Actual) (\$'000)	2004–05 (Original) (\$'000)	2004–05 (Revised) (\$'000)	2005–06 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	358,797	356,347	350,803	346,209
- Allowances	3,233	3,996	3,456	3,726
- Job-related allowances	586	967	594	903
Personnel Related Expenses				
- Mandatory Provident Fund contribution	1,391	1,605	1,605	1,590
- Civil Service Provident Fund contribution	—	—	186	359
Departmental Expenses				
- Technical Services Agreement	122,901	158,740	143,000	154,040
- General departmental expenses	82,018	129,482	102,963	126,635
	568,926	651,137	602,607	633,462

5 Provision of \$13,037,000 under *Subhead 170 Airport insurance* is for the purchase of insurance against financial liabilities which the Government might incur for provision of air traffic services for the Hong Kong International Airport.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2004	Revised estimated expenditure for 2004-05	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	421	Environmental impact assessment study for the expansion of heliport facilities at the Macau Ferry Terminal	2,000	—	800	1,200
	517	Contributions to the Co-operative Aviation Security Programme - South East Asia	826	274	275	277
	518	Purchase of aircraft maintenance licence examination papers.....	1,502	—	942	560
		Total	<u>4,328</u>	<u>274</u>	<u>2,017</u>	<u>2,037</u>