

Head 100 — MARINE DEPARTMENT

Controlling officer: the Director of Marine will account for expenditure under this Head.

Estimate 2005–06 **\$909.5m**

Establishment ceiling 2005–06 (notional annual mid-point salary value) representing an estimated 1 423 non-directorate posts as at 31 March 2005 reducing by one post to 1 422 posts as at 31 March 2006 **\$370.4m**

In addition, there will be an estimated 22 directorate posts as at 31 March 2005 and as at 31 March 2006.

Commitment balance **\$8.8m**

Controlling Officer's Report

Programmes

Programme (1) Infrastructure This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour).

Programme (2) Port Services This programme contributes to Policy Areas 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour), 9: Internal Security (Secretary for Security), 21: Transport (Secretary for the Environment, Transport and Works), 22: Buildings, Lands and Planning (Secretary for Housing, Planning and Lands) and 23: Environmental Protection and Conservation (Secretary for the Environment, Transport and Works).

Programme (3) Local Services This programme contributes to Policy Areas 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour) and 23: Environmental Protection and Conservation (Secretary for the Environment, Transport and Works).

Programme (4) Services to Ships This programme contributes to Policy Areas 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour) and 8: Employment and Labour (Secretary for Economic Development and Labour).

Programme (5) Government Fleet This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Economic Development and Labour).

Detail

Programme (1): Infrastructure

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	35.8	36.6	35.8 (–2.2%)	41.8 (+16.8%)
				(or +14.2% on 2004–05 Original)

Aim

2 The aim is to enhance the contribution of the port and shipping related activities to Hong Kong's economy by furthering the interests of Hong Kong's merchant shipping and ensuring the provision of the necessary physical, regulatory and policy bases.

Brief Description

3 Port and shipping related activities are fundamental to Hong Kong's trade and economic growth. Timely planning is needed to ensure that port facilities, including the information systems of the Marine Department, keep pace with demand. Legislation and policy must also be developed to support and protect Hong Kong's maritime interests. This work involves:

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- undertaking the planning of government port facilities;
- formulating policies on ship registration, safety of ships, marine environment protection, seafarers qualifications and welfare;
- participating in the development of international conventions and liaising with other Administrations on shipping matters;
- managing local craft;
- collating and analysing statistics;
- formulating and implementing information system strategy to support the Department's business; and
- discharging the duties as the Designated Authority under the International Ship and Port Facility Security (ISPS) Code in enhancing maritime security.

4 The Department met most of its 2004 targets on planning and legislation. Port and shipping related activities will continue to grow in 2005. Streamlining of registration and survey procedures together with good customer service has ensured a continued steady growth of the Hong Kong Shipping Register which grew to 25.6 million gross tonnage as at 31 December 2004. Understanding has been reached with the relevant Mainland authorities on the required safety and manning standards for Hong Kong vessels engaged in coastal trading. Measures will be developed to give effect to the understanding reached.

5 The key performance measures are:

Target

	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
efforts to facilitate timely application of international conventions in Hong Kong: Draft Drafting Instructions for legislation to be completed nine months before the conventions enter into force internationally (%).....	95	97	90.3 π	95

π The target could not be met in 2004 as more time was required to consult other government bureaux/departments on conventions concerning prevention of marine pollution.

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
container throughput (million twenty-foot equivalent units).....	20	22	23.8
projects under planning which will affect the port and its associated facilities.....	120	127	93 $\#$

$\#$ The number of projects under planning is expected to drop from 127 in 2004 to 93 in 2005. This is mainly due to the completion of the works on port facility security plans required for the implementation of the ISPS Code in Hong Kong.

Matters Requiring Special Attention in 2005–06

6 During 2005–06, the Department will:

- finalise the manning standards and safety management system for coastal vessels;
- continue to develop measures to make the Hong Kong Shipping Register more efficient, user friendly and attractive;
- complete the legislation work to implement Annex IV to MARPOL 73/78 Convention for prevention of pollution by sewage discharge from ships;
- continue to develop legislative proposals required to give effect to international conventions on maritime matters in Hong Kong;
- develop measures to regulate the safety standard of Hong Kong vessels engaged in coastal trade; and
- monitor closely the implementation of the ISPS Code in Hong Kong.

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Programme (2): Port Services

	2003-04 (Actual)	2004-05 (Original)	2004-05 (Revised)	2005-06 (Estimate)
Financial provision (\$m)	330.8	341.3	323.5 (-5.2%)	324.9 (+0.4%)
				(or -4.8% on 2004-05 Original)

Aim

7 The aim is to enable ocean-going vessels (OGVs) using the port to conduct their business quickly, safely and economically.

Brief Description

8 This programme involves the following areas of work:

- regulating shipping movements including the provision of vessel traffic services and aids to navigation;
- providing hydrographic and charting services;
- managing government buoys and anchorages;
- regulating pilotage services;
- managing passenger ferry terminals;
- maintaining emergency preparedness;
- co-ordinating search and rescue activities;
- inspecting foreign OGVs in Hong Kong waters for Port State Control (PSC) purposes to ensure their compliance with international safety standards;
- controlling conveyance of dangerous goods at sea; and
- providing harbour scavenging services and implementing international conventions and local laws on environmental protection.

9 Targets on the efficient and safe running of the port were generally met in 2004. Safe vessel movements were maintained through vigilant monitoring and regulation of marine traffic. Continued efforts were made to tackle littoral and floating rubbish in Hong Kong waters. To fulfil Hong Kong's commitment to the Tokyo Memorandum of Understanding, the inspection rate was maintained at 15% or above of OGVs visiting Hong Kong each year. PSC inspections of OGVs were also conducted outside office hours whenever practicable.

10 The key performance measures are:

Targets

	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
complete port formalities for OGVs (minutes).....	20 or less	20	20	20
perform initial inspection on OGVs for compliance with international requirements on ship safety and environmental protection (excluding re-inspections) (% of OGVs inspected) ..	15	20.4	16.9	15
respond to search and rescue and casualty evacuation incidents.....	immediate	immediate	immediate	immediate
allocate a passenger ferry berth within five minutes of request at				
China Ferry Terminal (%)	99	99	99	99
Macau Ferry Terminal (%).....	99	99	99	99
respond on site to oil spillages inside harbour limits within two hours (%)	100	100	100	100
hydrographic survey of Hong Kong waters (km ²)	300^	383	346	300

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	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
publish new nautical charts covering Hong Kong waters	2#	3	3	2
maintain the availability of aids to navigation up to international standard (%)	99	99	99	99

^ With effect from 2005, the target will be revised from 360 km² to 300 km² as a result of re-prioritisation of work.

With effect from 2005, the target will be revised from 3 to 2 as a result of re-prioritisation of work.

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
container throughput by OGVs (million twenty-foot equivalent units)	14.3	15.5	16.5
OGV arrivals (does not include vessels in transit through Hong Kong waters to Shenzhen ports)	35 600	35 850	35 970
collisions, strandings and strikings affecting OGVs in Hong Kong waters	32	33	N.A.
search and rescue operations co-ordinated	74	66	N.A.
passengers using marine ferry terminals (millions)	16.6	19.3	19.3
refuse collected from ships (tonnes)	1 172	1 641	1 650
floating refuse collected (tonnes)	11 464	10 790	10 800
aids to navigation maintained	497	509	516
wreck search and new dangers survey (times)	13	20	N.A.
hydrographic plans produced	82	67	60

Matters Requiring Special Attention in 2005–06

11 During 2005–06, the Department will:

- continue to improve the general environment and user-friendliness of the China Ferry Terminal and Macau Ferry Terminal;
- reform the outsourcing arrangements for provision of marine cleansing services;
- continue to extend PSC inspections to beyond office hours whenever practicable;
- arrange PSC officer exchange programmes with the Mainland Maritime Safety Authority and other maritime administrations to promote harmonisation of inspections and enhance co-operation with other maritime administrations;
- arrange International Safety Management Code auditor exchange programmes with the Mainland Maritime Safety Authority and other maritime administrations to promote harmonisation of audits and enhance co-operation with other maritime administrations; and
- propose amendments to the subsidiary legislation of the Dangerous Goods Ordinance to keep the control and regulation measures in pace with international as well as local development and practices in the transport of dangerous goods by sea.

Programme (3): Local Services

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	94.0	100.3	93.6 (–6.7%)	97.4 (+4.1%)
				(or –2.9% on 2004–05 Original)

Aim

12 The aim is to ensure the safe and efficient use of Hong Kong waters by locally licensed and river trade vessels.

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Brief Description

13 This programme involves the following areas of work:

- managing Public Cargo Working Areas (PCWAs);
- managing typhoon shelters;
- managing private moorings;
- liaising with local associations, District Councils and vessel operators;
- providing licensing services to locally licensed and river trade vessels;
- enforcing the Shipping and Port Control Ordinance;
- conducting the port formalities for locally licensed and river trade vessels; and
- detaining and disposing of craft seized by enforcement agencies.

14 In 2004, the Department continued to keep the casualty rate of non-OGVs at a very low level through effective traffic management and control.

15 The key performance measures are:

Targets

	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
complete port formalities for river trade vessels (minutes).....	10 or less	10	10	10
inspect locally licensed and river trade vessels for compliance with marine legislation (no. of inspections).....	19 000	19 500	19 500	19 000

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
cargo throughput for PCWAs (million tonnes)	12.9	13.4	14
river trade cargo vessel arrivals	120 000	121 000	121 000
licences issued for local craft.....	13 300	14 400	14 500
collisions, strandings and strikings affecting locally licensed, river trade and coastal vessels in Hong Kong waters	266	265	N.A.
refuse collected from locally licensed and river trade vessels (tonnes).....	1 291	1 443	1 450

Matters Requiring Special Attention in 2005–06

16 During 2005–06, the Department will:

- complete the legislative process for the making of subsidiary legislation under the Merchant Shipping (Local Vessels) Ordinance for better control and regulation of local vessels; and
- implement the Merchant Shipping (Local Vessels) Ordinance when it comes into force.

Programme (4): Services to Ships

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	57.0	58.3	56.9 (–2.4%)	59.0 (+3.7%)
				(or +1.2% on 2004–05 Original)

Aim

17 The aim is to ensure that Hong Kong-registered ships and locally licensed vessels comply with relevant international and local regulations and are designed, constructed, maintained and manned by competent crews for safe operation and protection of the marine environment.

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Brief Description

18 This programme relates to the registration and licensing of Hong Kong vessels and the competence of their crews. This involves:

- enforcing international conventions;
- maintaining the quality of the Hong Kong Shipping Register;
- conducting examination and issuing certificates of seafarers;
- regulating the recruitment and engagement conditions of seafarers;
- carrying out initial and periodical safety surveys and inspections of locally licensed and river trade vessels;
- investigating accidents;
- ensuring safety of cargo handling and ship repairs; and
- ascertaining the cause of marine casualties and marine industrial accidents.

19 In 2004, the Department continued to achieve the aim of the programme. The safety standards of Hong Kong-registered ships and licensed craft were maintained at a high level. All the major international maritime conventions were enforced including the ISPS Code that came into force on 1 July 2004, and plans were made to enact and enforce the recent major amendments to international conventions. The competitiveness and user friendliness of the Hong Kong Shipping Register were further enhanced. The quality assurance system on Hong Kong-registered ships, which included the Flag State Quality Control (FSQC) inspection system, proved to be an effective and efficient means in maintaining the quality of ships in the Register and in preventing sub-standard ships from joining the Register. The Ship Safety Branch which enforced Flag State Control and PSC effectively maintained its ISO 9000 quality standards during the year and was duly certificated. Exchanges with the relevant Mainland authorities were maintained.

20 The key performance measures are:

Targets

	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
analyse ship records to assess ship's safety performance (%)	100	60#	100	100
quality assurance inspection on Hong Kong-registered ships (%)	5	5.8	5.5	5

The target was revised from 60% to 100% effective from 2004 to reflect the establishment of a revised FSQC computer system.

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
Hong Kong-registered ships detained in PSC inspections by other administrations (%)	3.1	3.3	N.A.
gross registered tonnage on the Register (millions)	20.7	25.6	28
authorisations issued to man Hong Kong-registered ships	11 998	16 271	15 000
fatalities in marine industrial accidents	3	11	N.A.
casualties involving Hong Kong-registered ships	1	4	N.A.
inspection visits of locally licensed vessels	5 041	5 430	5 400
certificates of surveys issued to locally licensed vessels	3 583	3 755	3 800

Matters Requiring Special Attention in 2005–06

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

- implement improvement measures including a revised local certificate of competency scheme, delegation of surveys and updated safety standards for locally licensed vessels, and updated safety requirements for marine industrial operations upon the commencement of the Merchant Shipping (Local Vessels) Ordinance and related subsidiary legislation;
- fine tune the implementation of the quality assurance system on Hong Kong-registered ships, which includes FSQC and Pre-registration Quality Control inspections;
- strengthen liaison and co-operation with the Mainland authorities in order to harmonise shipping standards for coastal and ocean going vessels; and
- administer the time-limited Sea-going Training Incentive Scheme to train sea-going cadets to become professionals serving Hong Kong's maritime industry.

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Programme (5): Government Fleet

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	402.1	405.9	398.8 (–1.7%)	386.4 (–3.1%)
				(or –4.8% on 2004–05 Original)

Aim

- 22 The aim is to provide cost-effective marine transport services to government departments.

Brief Description

- 23 This programme relates to the management of the government fleet and involves:

- developing a long-term strategy for the procurement of government vessels, including vessels for replacement;
- co-ordinating the procurement of government vessels and monitoring their construction and commissioning;
- performing planned and unplanned maintenance of government vessels; and
- operating Marine Department's crewed fleet and providing marine transport services to other government departments.

- 24 The Government Dockyard maintains over 700 vessels owned and used by various government departments. Over 60 of these vessels are operated by staff of the Marine Department.

- 25 The key performance measures are:

Target

	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
vessel availability to all users (%)	87	87.9	88.7	87

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
mechanised vessels in use	135	134	135
new vessel projects undertaken	17	16	13

Matters Requiring Special Attention in 2005–06

- 26 During 2005–06, the Department will upgrade the Government Fleet Information System to streamline the processes in the management and control of stock and maintenance work. The Department will continue to contract out marine transport services to reduce the size of government fleet.

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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) Infrastructure	35.8	36.6	35.8	41.8
(2) Port Services	330.8	341.3	323.5	324.9
(3) Local Services	94.0	100.3	93.6	97.4
(4) Services to Ships	57.0	58.3	56.9	59.0
(5) Government Fleet	402.1	405.9	398.8	386.4
	919.7	942.4	908.6 (-3.6%)	909.5 (+0.1%)
				(or -3.5% on 2004-05 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2005-06 is \$6.0 million (16.8%) higher than the revised estimate for 2004-05. This is mainly due to the creation of seven posts which will be transferred from the Office of the Government Chief Information Officer for setting up the Information Technology Management Unit.

Programme (2)

Provision for 2005-06 is \$1.4 million (0.4%) higher than the revised estimate for 2004-05. This is mainly due to the additional provision for the anticipated establishment and operation of a cross-boundary ferry terminal at Tuen Mun which involves the creation of nine posts in 2005-06, partly offset by the deletion of 12 posts in 2005-06.

Programme (3)

Provision for 2005-06 is \$3.8 million (4.1%) higher than the revised estimate for 2004-05. This is mainly due to the additional provision for minor plant and equipment, partly offset by the deletion of two posts in 2005-06.

Programme (4)

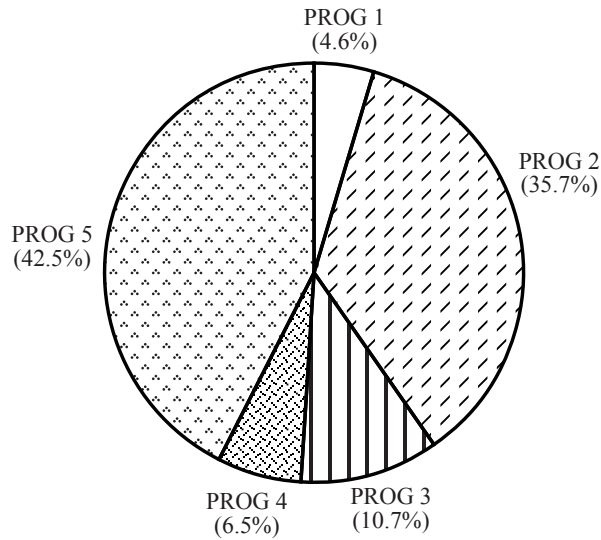
Provision for 2005-06 is \$2.1 million (3.7%) higher than the revised estimate for 2004-05. This is mainly due to the increased cash flow requirement for the Sea-going Training Incentive Scheme, partly offset by the deletion of one post in 2005-06.

Programme (5)

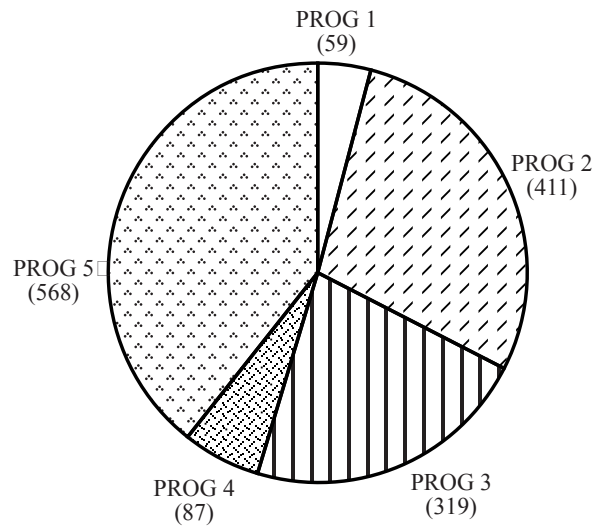
Provision for 2005-06 is \$12.4 million (3.1%) lower than the revised estimate for 2004-05. This is mainly due to the full-year effect of the 2005 civil service pay cut and of deletion of posts in 2004-05, and reduced expenditure on minor plant and equipment. In addition, two posts will be deleted in 2005-06.

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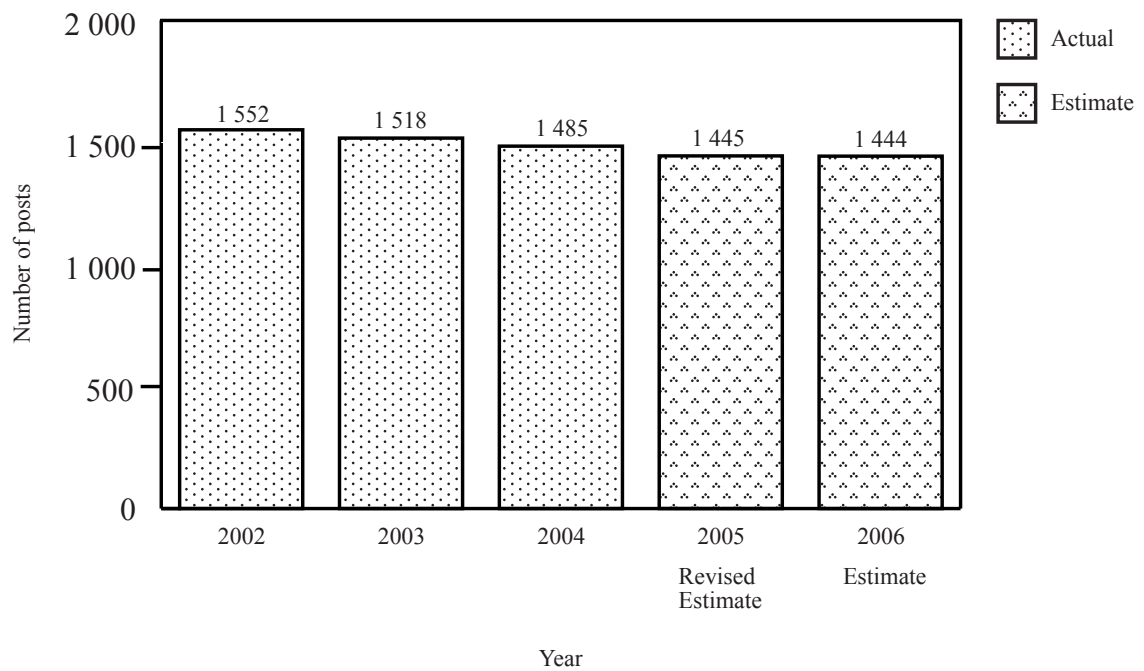
*Allocation of provision
to programmes
(2005-06)*



*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	889,280	912,503	870,043	881,444
Total, Recurrent	889,280	912,503	870,043	881,444
Non-Recurrent				
700 General non-recurrent	1,480	600	268	1,500
Total, Non-Recurrent	1,480	600	268	1,500
Total, Operating Account	890,760	913,103	870,311	882,944
Capital Account				
Plant, Equipment and Works				
661 Minor plant, vehicles and equipment (block vote)	28,947	26,751	31,506	26,550
Plant, vehicles and equipment	—	2,512	6,812	—
Total, Plant, Equipment and Works	28,947	29,263	38,318	26,550
Total, Capital Account	28,947	29,263	38,318	26,550
Total Expenditure	919,707	942,366	908,629	909,494

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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 Marine Department is \$909,494,000. This represents an increase of \$865,000 over the revised estimate for 2004–05 and a decrease of \$10,213,000 against actual expenditure in 2003–04.

Operating Account

Recurrent

2 Provision of \$881,444,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Marine Department.

3 The establishment as at 31 March 2005 will be 1 445 permanent posts. It is expected that there will be a net deletion of one permanent post 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 \$370,393,000.

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	469,677	459,576	453,098	450,052
- Allowances	11,954	13,651	13,016	13,592
- Job-related allowances	5,076	5,705	5,653	5,518
Personnel Related Expenses				
- Mandatory Provident Fund contribution	574	515	540	687
- Civil Service Provident Fund contribution	—	—	—	23
- Disturbance allowance	—	—	—	234
Departmental Expenses				
- Technical Services Agreement	27,941	31,466	24,373	29,762
- Maintenance materials	105,664	94,550	103,012	96,612
- Contract maintenance	75,853	78,982	77,432	76,939
- General departmental expenses	192,541	228,058	192,919	208,025
	<u>889,280</u>	<u>912,503</u>	<u>870,043</u>	<u>881,444</u>

Capital Account

Plant, Equipment and Works

5 Provision of \$26,550,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$4,956,000 (15.7%) against the revised estimate for 2004–05. This is mainly due to the reduced requirement for minor plant and equipment.

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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>				
	429	Sea-going Training Incentive Scheme ...	9,000	—	250	8,750
		Total	9,000	—	250	8,750
			<u>9,000</u>	<u>—</u>	<u>250</u>	<u>8,750</u>