

## Head 100 — MARINE DEPARTMENT

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

<b>Estimate 2006–07</b> .....	<b>\$897.4m</b>
<b>Establishment ceiling 2006–07</b> (notional annual mid-point salary value) representing an estimated 1 418 non-directorate posts as at 31 March 2006 reducing by 33 posts to 1 385 posts as at 31 March 2007 .....	<b>\$365.0m</b>
In addition, there will be an estimated 22 directorate posts as at 31 March 2006 and as at 31 March 2007.	
<b>Commitment balance</b> .....	<b>\$7.5m</b>

### Controlling Officer's Report

#### Programmes

<b>Programme (1) Infrastructure</b>	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour).
<b>Programme (2) Port Services</b>	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour), Policy Area 9: Internal Security (Secretary for Security), Policy Area 21: Transport (Secretary for the Environment, Transport and Works), Policy Area 22: Buildings, Lands and Planning (Secretary for Housing, Planning and Lands) and Policy Area 23: Environmental Protection and Conservation (Secretary for the Environment, Transport and Works).
<b>Programme (3) Local Services</b>	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour) and Policy Area 23: Environmental Protection and Conservation (Secretary for the Environment, Transport and Works).
<b>Programme (4) Services to Ships</b>	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour) and Policy Area 8: Employment and Labour (Secretary for Economic Development and Labour).
<b>Programme (5) Government Fleet</b>	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Economic Development and Labour).

#### Detail

##### Programme (1): Infrastructure

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	<b>2006–07 (Estimate)</b>
Financial provision (\$m)	35.2	41.8	38.9 (–6.9%)	<b>40.1</b> (+3.1%)
				(or –4.1% on 2005–06 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.

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### *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:

- 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 2005 targets on planning and legislation. Port and shipping related activities will continue to grow in 2006. 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 29.8 million gross tonnage as at 31 December 2005.

5 The key performance measures are:

#### *Target*

	Target	2004 (Actual)	2005 (Actual)	2006 (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	90.3#	97	95

# The target could not be met in 2004 as more time was required to consult other government bureaux/departments.

#### *Indicators*

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
container throughput (million twenty-foot equivalent units)...	22	22.4	22.9
projects under planning which will affect the port and its associated facilities.....	127	91π	88

π The decrease in 2005 was 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 2006-07*

6 During 2006-07, the Department will:

- develop measures to implement the Merchant Shipping (Local Vessels) Ordinance to enhance the regulatory regime on local vessels and safety of shipboard works;
- continue to develop measures to make the Hong Kong Shipping Register more efficient, user friendly and attractive;
- complete the legislation work to implement Annex VI to MARPOL 73/78 Convention for Prevention of Air Pollution from Ships;
- complete the legislation work to phase out single hull tankers in accordance with the latest requirements under Annex I to MARPOL 73/78 Convention for Prevention of Oil Pollution from Ships; and
- bring the required legislation into force to give effect to the International Convention for Safe Containers 1972 as amended in Hong Kong.

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### Programme (2): Port Services

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	<b>2006–07 (Estimate)</b>
Financial provision (\$m)	301.1	324.9	294.3 (–9.4%)	<b>318.4</b> (+8.2%)
				(or –2.0% on 2005–06 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 2005. 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 set 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	2004 (Actual)	2005 (Actual)	<b>2006 (Plan)</b>
complete port formalities for OGVs (minutes).....	20 or less	20	20	<b>20</b>
perform initial inspection on OGVs for compliance with international requirements on ship safety and environmental protection (excluding re-inspections) (% of OGVs inspected)..	15	16.9	11.2@	<b>15</b>
respond to search and rescue and casualty evacuation incidents .....	immediate	immediate	immediate	<b>immediate</b>
allocate a passenger ferry berth within five minutes of request at				
China Ferry Terminal (%).....	99	99	99	<b>99</b>
Macau Ferry Terminal (%).....	99	99	99	<b>99</b>
respond on site to oil spillages inside harbour limits within two hours (%).....	100	100	100	<b>100</b>

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	Target	2004 (Actual)	2005 (Actual)	2006 (Plan)
hydrographic survey of Hong Kong waters (km <sup>2</sup> ).....	300	346	308	<b>300</b>
publish new nautical charts covering Hong Kong waters.....	2	3	2	<b>2</b>
maintain the availability of aids to navigation up to international standard (%) .....	99	99	99	<b>99</b>

@ In 2005, the inspection rate could not meet the target due to temporary redeployment of staff to meet a surge in the number of ships applying to join the Hong Kong Shipping Register. It is anticipated that the target will be met in 2006.

### Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
container throughput by OGVs (million twenty-foot equivalent units).....	15.5	15.5	<b>15.5</b>
OGV arrivals (does not include vessels in transit through Hong Kong waters to Shenzhen ports) .....	35 850	39 350	<b>40 680</b>
collisions, strandings and strikings affecting OGVs in Hong Kong waters .....	33	24	<b>N.A.</b>
search and rescue operations co-ordinated .....	66	62	<b>N.A.</b>
passengers using marine ferry terminals (million).....	19.3	19.5	<b>19.7</b>
refuse collected from ships (tonnes).....	1 641	1 630	<b>1 600</b>
floating refuse collected (tonnes) .....	10 790	11 727	<b>11 000</b>
aids to navigation maintained .....	509	518	<b>528</b>
wreck search and new dangers survey (times) .....	20	20	<b>N.A.</b>
hydrographic plans produced .....	67	69	<b>60</b>

### Matters Requiring Special Attention in 2006–07

11 During 2006–07, the Department will:

- continue to improve the general environment and user-friendliness of the China Ferry Terminal and Macau Ferry Terminal;
- co-ordinate the commissioning of the cross-boundary ferry terminal at Tuen Mun in accordance with the tenant's plan and programme;
- keep under review the reformed outsourcing arrangements for provision of marine cleansing services and fine-tune the arrangements as necessary;
- 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; 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

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	89.5	97.4	91.4 (–6.2%)	<b>94.0</b> (+2.8%)

(or –3.5% on  
2005–06 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 2005, 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	2004 (Actual)	2005 (Actual)	2006 (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	19 300	19 000

#### *Indicators*

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
cargo throughput for PCWAs (million tonnes) .....	13.4	13.3	13.5
river trade cargo vessel arrivals .....	121 000	115 000	114 000
licences issued for local craft .....	14 400	14 800	15 000
collisions, strandings and strikings affecting locally licensed, river trade and coastal vessels in Hong Kong waters .....	265	240	N.A.
refuse collected from locally licensed and river trade vessels (tonnes) .....	1 443	1 628	1 600

### *Matters Requiring Special Attention in 2006–07*

16 During 2006–07, the Department will:

- implement the Merchant Shipping (Local Vessels) Ordinance for better control and regulation of local vessels upon completion of the legislative process for the making of subsidiary legislation under the Ordinance; and
- carry out a comprehensive review of the management of PCWAs.

### **Programme (4): Services to Ships**

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	57.4	59.0	58.9 (–0.2%)	61.5 (+4.4%)
				(or +4.2% on 2005–06 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 2005, 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, 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) and the Pre-registration Quality Control (PRQC) inspection systems, 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	2004 (Actual)	2005 (Actual)	2006 (Plan)
analyse ship records to assess ship's safety performance (%) .....	100	100	100	<b>100</b>
quality assurance inspection and audits on Hong Kong-registered ships and their management companies (%)# .....	5	5.5	5.3	<b>5</b>

# With effect from 2005, quality assurance measures were extended to include audits on companies managing Hong Kong-registered ships to ensure their management performance.

#### *Indicators*

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
Hong Kong-registered ships detained in PSC inspections by other administrations (%) .....	3.3	4.1	<b>N.A.</b>
gross registered tonnage on the Register (million) .....	25.6	29.8	<b>32</b>
authorisations issued to man Hong Kong-registered ships and locally licensed vessels .....	16 271	14 763§	<b>15 500</b>
fatalities in marine industrial accidents .....	11	10	<b>N.A.</b>
casualties involving Hong Kong-registered ships .....	4	3	<b>N.A.</b>
inspection visits to locally licensed vessels .....	5 430	4 829@	<b>4 630@</b>
certificates of surveys issued to locally licensed vessels .....	3 755	3 302^	<b>3 580</b>

§ In 2004, there was a sudden increase in the applications for Hong Kong Local Master and Engineer Certificates of Competency (COC) after the Marine Department issued a notice to remind local fishermen of the need to hold COC within Hong Kong waters under the Shipping and Port Control Ordinance. The number of applications for COC returned to normal in 2005.

@ The decline in 2005 was mainly due to the adoption of different inspection schedules under which a substantial number of vessels are only required to be inspected biannually and some triannually. The further reduction in the estimate for 2006 takes into account the implementation of the Merchant Shipping (Local Vessels) Ordinance under which the inspection of certain class of vessels will be delegated to authorised surveyors.

^ Similar to the reason for the inspection visits above, the decrease in 2005 was mainly due to the adoption of different inspection schedules of local vessels. Certificates are issued upon completion of inspections.

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### *Matters Requiring Special Attention in 2006–07*

21 During 2006–07, 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 PRQC inspections, and audits on management companies on the performance of their safety management system;
- strengthen liaison and co-operation with the Mainland authorities in order to harmonise shipping standards for coastal and OGVs;
- arrange the 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
- administer the time-limited Sea-going Training Incentive Scheme to train sea-going cadets to become professionals serving Hong Kong's maritime industry.

### **Programme (5): Government Fleet**

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	<b>2006–07 (Estimate)</b>
Financial provision (\$m)	399.7	386.4	375.7 (–2.8%)	<b>383.4</b> (+2.0%)
				(or –0.8% on 2005–06 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 new or replacement of government vessels;
- co-ordinating the procurement of government vessels and monitoring their construction and commissioning;
- performing planned and unplanned maintenance of government vessels; and
- operating the Marine Department's crewed fleet and providing marine transport services to other government departments.

24 The Government Dockyard maintains over 670 vessels owned and used by various government departments. Over 50 of these vessels are operated by staff of the Marine Department.

25 The key performance measures are:

#### *Target*

	Target	2004 (Actual)	2005 (Actual)	<b>2006 (Plan)</b>
vessel availability to all users (%).....	87	88.7	88.6	<b>87</b>

#### *Indicators*

	2004 (Actual)	2005 (Actual)	<b>2006 (Estimate)</b>
mechanised vessels in use.....	134	126	<b>124</b>
new vessel projects undertaken .....	16	14	<b>18</b>

### *Matters Requiring Special Attention in 2006–07*

26 During 2006–07, the Department will enhance the Government Fleet Information System to enable the tendering of services and procurement of spare parts via the Internet. The Department will continue to outsource marine transport services to reduce the size of the government fleet.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	2004-05 (Actual) (\$m)	2005-06 (Original) (\$m)	2005-06 (Revised) (\$m)	2006-07 (Estimate) (\$m)
(1) Infrastructure .....	35.2	41.8	38.9	40.1
(2) Port Services .....	301.1	324.9	294.3	318.4
(3) Local Services .....	89.5	97.4	91.4	94.0
(4) Services to Ships .....	57.4	59.0	58.9	61.5
(5) Government Fleet .....	399.7	386.4	375.7	383.4
	882.9	909.5	859.2 (-5.5%)	897.4 (+4.4%)
				(or -1.3% on 2005-06 Original)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2006-07 is \$1.2 million (3.1%) higher than the revised estimate for 2005-06. This is mainly due to the full-year provision for vacancies filled in 2005-06.

##### Programme (2)

Provision for 2006-07 is \$24.1 million (8.2%) higher than the revised estimate for 2005-06. This is mainly due to the full-year provision for vacancies filled in 2005-06 and for the cross-boundary ferry terminal at Tuen Mun, and additional requirement arising from anticipated increase in contract prices on goods and services, partly offset by the deletion of 11 posts in 2006-07.

##### Programme (3)

Provision for 2006-07 is \$2.6 million (2.8%) higher than the revised estimate for 2005-06. This is mainly due to the additional requirement arising from anticipated increase in contract prices on goods and services, partly offset by the deletion of one post in 2006-07.

##### Programme (4)

Provision for 2006-07 is \$2.6 million (4.4%) higher than the revised estimate for 2005-06. This is mainly due to the full-year provision for vacancies filled in 2005-06, partly offset by the deletion of two posts in 2006-07.

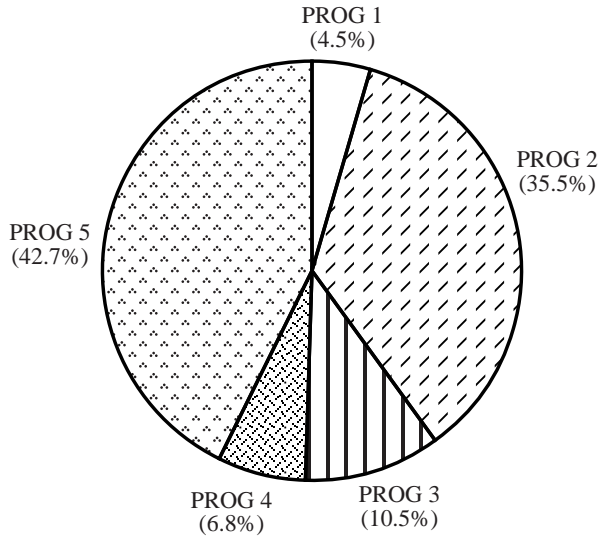
##### Programme (5)

Provision for 2006-07 is \$7.7 million (2.0%) higher than the revised estimate for 2005-06. This is mainly due to the full-year provision for vacancies filled in 2005-06, additional requirement arising from anticipated increase in contract prices on goods and services and increased expenditure on minor plant and equipment, partly offset by the net deletion of 19 posts in 2006-07.

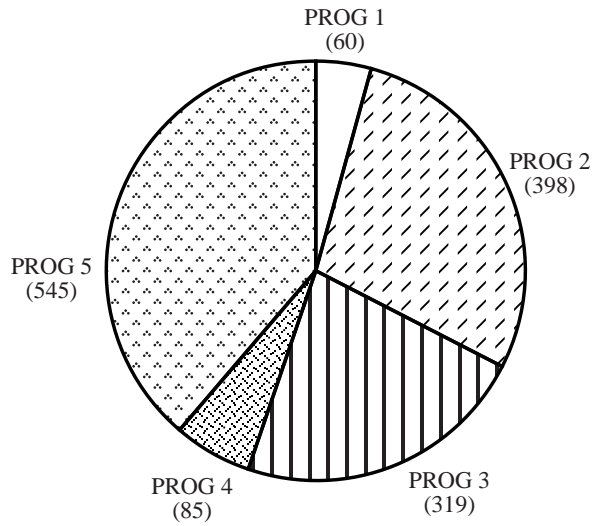


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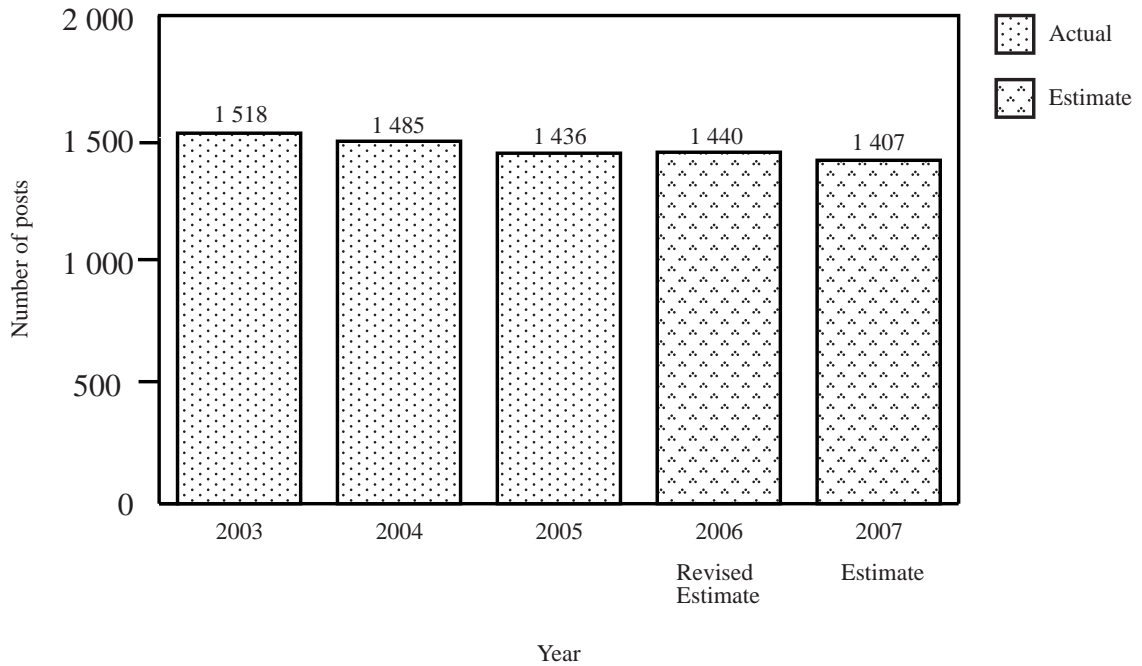
*Allocation of provision  
to programmes  
(2006-07)*



*Staff by programme  
(as at 31 March 2007)*



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



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Sub-head (Code)	Actual expenditure 2004-05	Approved estimate 2005-06	Revised estimate 2005-06	<b>Estimate 2006-07</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	847,569	881,444	829,752	<b>869,230</b>
	Total, Recurrent.....	<u>847,569</u>	<u>881,444</u>	<u>829,752</u>	<b><u>869,230</u></b>
Non-Recurrent					
700	General non-recurrent.....	71	1,500	1,500	<b>1,634</b>
	Total, Non-Recurrent.....	<u>71</u>	<u>1,500</u>	<u>1,500</u>	<b><u>1,634</u></b>
	Total, Operating Account .....	847,640	882,944	831,252	<b>870,864</b>
<b>Capital Account</b>					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote) .....	28,748	26,550	27,960	<b>26,550</b>
	Plant, vehicles and equipment .....	6,492	—	—	<b>—</b>
	Total, Plant, Equipment and Works .....	<u>35,240</u>	<u>26,550</u>	<u>27,960</u>	<b><u>26,550</u></b>
	Total, Capital Account .....	35,240	26,550	27,960	<b>26,550</b>
	 Total Expenditure .....	 <u>882,880</u>	 <u>909,494</u>	 <u>859,212</u>	 <b><u>897,414</u></b>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2006–07 for the salaries and expenses of the Marine Department is \$897,414,000. This represents an increase of \$38,202,000 over the revised estimate for 2005–06 and of \$14,534,000 over actual expenditure in 2004–05.

#### *Operating Account*

#### Recurrent

**2** Provision of \$869,230,000 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 2006 will be 1 440 permanent posts. It is expected that there will be a net deletion of 33 permanent posts in 2006–07. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2006–07, but the notional annual mid-point salary value of all such posts must not exceed \$364,977,000.

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

	2004–05 (Actual) (\$'000)	2005–06 (Original) (\$'000)	2005–06 (Revised) (\$'000)	<b>2006–07 (Estimate) (\$'000)</b>
Personal Emoluments				
- Salaries .....	447,176	450,052	429,104	<b>437,715</b>
- Allowances .....	9,014	13,592	8,721	<b>12,598</b>
- Job-related allowances .....	4,350	5,518	3,842	<b>5,450</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	546	687	475	<b>369</b>
- Civil Service Provident Fund contribution .....	—	23	23	<b>231</b>
- Disturbance allowance .....	—	234	227	—
Departmental Expenses				
- Technical Services Agreement.....	23,208	29,762	27,500	<b>14,000</b>
- Maintenance materials.....	107,452	96,612	96,582	<b>95,952</b>
- Contract maintenance .....	80,162	76,939	75,454	<b>75,134</b>
- General departmental expenses .....	175,661	208,025	187,824	<b>227,781</b>
	847,569	881,444	829,752	<b>869,230</b>

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### Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2005	Revised estimated expenditure for 2005-06	Balance
			\$'000	\$'000	\$'000	\$'000
<b><i>Operating Account</i></b>						
700		<i>General non-recurrent</i>				
	429	Sea-going Training Incentive Scheme...	9,000	53	1,399	7,548
		Total .....	9,000	53	1,399	7,548