

Head 28 — CIVIL AVIATION DEPARTMENT

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

Estimate 2008–09..... **\$677.5m**

Establishment ceiling 2008–09 (notional annual mid-point salary value) representing an estimated 669 non-directorate posts as at 31 March 2008 rising by 26 posts to 695 posts as at 31 March 2009.... **\$343.8m**

In addition, there will be an estimated 22 directorate posts as at 31 March 2008 and as at 31 March 2009.

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 Transport and Housing).
Programme (2) Airport Standards	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing) and Policy Area 9: Internal Security (Secretary for Security).
Programme (3) Air Traffic Management Programme (4) Air Traffic Engineering and Standards§ Programme (5) Air Services	These programmes contribute to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing).
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).

§ Revised description of the previous programme "Engineering and Systems" to better reflect the ambit upon the transfer of the responsibilities on air traffic management services from Programme (1) and air traffic control systems operations from Programme (3).

Detail

Programme (1): Flight Standards

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	55.7	61.8	61.5 (–0.5%)	71.1 (+15.6%)
				(or +15.0% on 2007–08 Original)

Aim

2 The aim is to set and enforce flight and airworthiness 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, and other matters related to flight safety. The work involves:

- monitoring and inspecting Hong Kong airlines, light aircraft and helicopter operators in respect of flight operations policy and standards, flight crew training and aircraft maintenance standards;
- maintaining the Hong Kong civil aircraft register;
- issuing certificates of airworthiness;
- approving flight simulators;
- approving maintenance facilities;
- approving maintenance training organisations;

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- approving flying training organisations which provide commercial pilot training courses;
- conducting ground inspections of foreign registered aircraft;
- conducting examination and issuing licences for flight crew and maintenance engineers, and granting authority for suitable persons as authorised examiners;
- monitoring compliance with the mandatory occurrence reporting scheme; and
- investigating aircraft incidents and accidents.

4 The Flight Standards and Airworthiness Division inspects the operational and training activities of Hong Kong airlines 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 aircraft maintenance activities.

5 The key performance measures are:

Targets

	Target	2006 (Actual)	2007 (Actual)	2008 (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	152	149	150
approval/renewal of approved flight simulators.....	45Δ	38	43@	45
approval of authorised examiners/ approved persons.....	240	319	300	270
inspections of operations and maintenance services at Hong Kong airlines' outstations.....	45β	40	48Ω	45
inspections of overseas maintenance facilities.....	25#	29	25	25
inspections of local maintenance organisations.....	55	61	53§	57
inspections of maintenance training organisations.....	5¶	5	6	5

Δ The target will be revised from 35 to 45 approvals/renewal of approvals as from 2008 to reflect the increase in the number of flight simulators used by local airlines.

@ The increase in 2007 was mainly due to the fleet expansion of local airlines.

β The target will be revised from 38 to 45 inspections as from 2008 to tie in with the increased activities of the local airlines.

Ω The increase in 2007 was mainly due to the network expansion of local airlines.

The target will be revised from 26 to 25 inspections as from 2008 due to the introduction of more bilateral overseas mutual recognition arrangements on aircraft maintenance.

§ The decrease in 2007 was mainly due to the re-scheduling of two inspections to 2008.

¶ The target will be revised from six to five inspections as from 2008 to reflect the actual number of maintenance training organisations.

Indicators

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
aircraft registered on the Hong Kong Register.....	205	220	252∇
air operator's certificates issued.....	10	9	10
local flight crew examinations (no. of examination papers processed).....	2 675	3 772Ψ	3 960

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	2006 (Actual)	2007 (Actual)	2008 (Estimate)
overseas flight crew examinations (no. of examination papers processed)	470	531 Ψ	560
aircraft maintenance licence examinations (no. of examination papers processed).....	7 100	7 413	7 700
medical certificates issued	3 299	3 781 Ψ	3 970
personnel licences issued	2 577	2 487	2 800 ϕ

∇ The increase in 2008 is mainly due to the fleet expansion of local airlines.

Ψ The increases in 2007 were mainly due to the fleet expansion of local airlines resulting in the additional intake of flight crew members.

ϕ The increase in 2008 is mainly due to the growth of the aviation industry resulting in the expansion of the aviation workforce.

Matters Requiring Special Attention in 2008–09

6 During 2008–09, the Department will:

- 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 the avoidance of drug and alcohol abuse in personnel holding aviation safety-sensitive posts;
- monitor the approved flying training organisations;
- monitor the implementation of safety management systems by Hong Kong airlines and maintenance organisations;
- liaise with overseas aeronautical authorities on mutual recognition of aircraft maintenance organisations; and
- prepare for the Universal Safety Oversight Audit Programme of the International Civil Aviation Organization (ICAO).

Programme (2): Airport Standards

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	32.2	32.2	32.0 (–0.6%)	33.5 (+4.7%)
				(or +4.0% on 2007–08 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 the safety and security standards of international aerodromes (including heliports) in Hong Kong. The 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;
- 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 subsidiary legislation;
- 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;

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- 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 subsidiary legislation; and
- enforcing the Air Navigation (Flight Prohibition) Order (Cap. 448E).

9 The Airport Standards Division ensures that operations at the HKIA comply with all relevant airport safety and aviation security standards through a number of measures. These include vetting and endorsing the airport safety procedures in accordance with the Aerodrome Manual, the Safety Management System Manual and the Emergency Procedure Manual as well as the security control measures stated in the security programmes of the airport and other operators, and inspecting the airport operational facilities and aviation security facilities.

10 The key performance measures are:

Targets

	Target	2006 (Actual)	2007 (Actual)	2008 (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	16@	16	16	16
vetting building plans/development proposals and lighting proposals for compliance with airport height restrictions and other aviation safety requirements (working days per application)	11#	10	10	11
processing applications for exemption from height restrictions prescribed by orders made under Cap. 301 (working days per application)	10	10	9	10
processing applications from cargo agents for registration as regulated agents and the associated security programmes (working days per application)	11Δ	10	11	11
processing applications for carriage of dangerous goods and munitions by air (working days per application)	14	14	14	14
processing applications for exemption from flight restriction prescribed under Cap. 448E (working days per application)	14	13	13	14

@ The target will be revised from 14 to 16 audit inspections as from 2008 to reflect the Department's efforts to step up inspections of airport operators and airport tenants.

The target will be revised from 12 to 11 working days per application as from 2008 to reflect the Department's improved efficiency in vetting the building plans / development proposals and lighting proposals.

Δ The target will be revised from 15 to 11 working days per application as from 2008 to reflect the Department's improved efficiency in processing applications from cargo agents.

Indicators

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
inspections of airport operators and operational facilities	132	130	130
inspections of airport operators, airlines, airport tenants and regulated agents in respect of their aviation security measures and facilities	591	440¶	400¶
building plans/development proposals and lighting proposals submitted for assessment of compliance with airport height restrictions and other aviation safety requirements	280	280	280
applications for exemption from height restrictions prescribed by orders made under Cap. 301	70	75	70
inspections of shippers, freight forwarders, airlines and ground handling agents in respect of their dangerous goods handling standards	46	43	45

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	2006 (Actual)	2007 (Actual)	2008 (Estimate)
applications for exemption from flight restriction prescribed under Cap. 448E.....	11	5Ω	8β

¶ The decreases in 2007 and 2008 are mainly due to the adoption of a more targeted approach in inspections of regulated agents. Documentary checks and validation tests are used to identify regulated agents which require more frequent inspections. The remaining regulated agents are subject to random surprise inspections to ensure their continued vigilance.

Ω The decrease in 2007 was due to the completion of planting works by a contractor and aerial filming of archaeological sites by the Leisure and Cultural Services Department.

β The increase in 2008 is mainly due to the commencement of site investigation works of a new project in the vicinity of the Flight Prohibition Area.

Matters Requiring Special Attention in 2008–09

11 During 2008–09, the Department will:

- 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 the Hong Kong Civil Aviation Security Training Programme in accordance with Annex 17 of ICAO on aviation security and monitor the industry compliance;
- monitor airfield enhancement works at the HKIA, including the design and construction of new taxiways, additional parking stands and remote terminal concourse, to ensure that these new facilities meet aerodrome licensing standards;
- continue to monitor the industry's compliance with the ICAO's latest standards on carriage of dangerous goods by air; and
- implement the security measures introduced by the ICAO including the supplementary guidelines on security control of liquids, aerosols and gels.

Programme (3): Air Traffic Management

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	284.7	294.8	295.8 (+0.3%)	308.2 (+4.2%)
				(or +4.5% on 2007–08 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 aeronautical information services, and to co-ordinate search and rescue services.

Brief Description

13 The Air Traffic Management Division is responsible for the safe and efficient movement of aircraft within the Hong Kong Flight Information Region (HKFIR), which currently has a total area of 276 000 km² 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. It also provides a quality telecommunication services for the Hong Kong aviation community. The 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;
- operating the Aeronautical Fixed Telecommunication Network (AFTN) between Hong Kong and adjacent Flight Information Regions and providing Aeronautical Broadcast Services to aircraft;
- maintaining close liaison with civil aviation authorities of the Mainland and Macao to review and evaluate air traffic control and flight procedures for airports in the Pearl River Delta region;
- maintaining close liaison with neighbouring Area Control Centres (ACCs) to review the organisation of airspace and air routes structure in an effort to enhance the safe and efficient provision of air traffic services;

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- 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; and
- designing flight procedures.

14 The air traffic control systems at the HKIA continue 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 will be progressively increased to 56 movements per hour.

15 The key performance measures are:

Target

	Target	2006 (Actual)	2007 (Actual)	2008 (Plan)
availability of the AFTN (%)	99.9	99.9	99.9	99.9

Indicators

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
aircraft movements.....	280 426	295 532	313 400
aircraft transiting the HKFIR.....	142 026	156 356 Δ	171 100Δ
notices to airmen and aeronautical information publication supplements issued/received	256 338	281 552	300 000
pre-flight bulletins issued.....	176 407	146 331 $@$	150 000
telecommunication messages relayed by the AFTN (million).....	24.7	27.5 $#$	29.0$#$

Δ The increases in 2007 and 2008 are mainly due to regional traffic growth.

$@$ The decrease in 2007 was mainly due to the reduced number of amendments required as a result of the shortening of the validity period of the bulletins.

$#$ The increases in 2007 and 2008 are mainly due to the increase in the aircraft movements in the HKIA and aircraft transiting the HKFIR.

Matters Requiring Special Attention in 2008–09

16 During 2008–09, the Department will:

- continue to make improvements to air traffic management in order to further enhance the runway capacity;
- co-ordinate with neighbouring ACCs to rationalise and optimise the airspace design of the Pearl River Delta region;
- refine the air traffic control procedures and effect improvement to facilities with a view to promoting flight safety and operational efficiency and enhancing the capacity of the air traffic control systems;
- recruit and provide quality training to air traffic control staff to meet the anticipated air traffic services demand; and
- continue to implement the safety management system on air traffic management services in accordance with the ICAO's provisions to ensure that the highest standard of safety is maintained in the air traffic services.

Programme (4): Air Traffic Engineering and Standards

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	184.6	212.0	201.0 (–5.2%)	230.3 (+14.6%)
				(or +8.6% on 2007–08 Original)

Aim

17 The aim is to maintain the air traffic control systems at the highest standard, to ensure the smooth and timely completion of engineering projects within budget, to set and enforce air traffic management standards in compliance with international civil aviation safety requirements and to regulate the air traffic management services and operations.

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Brief Description

18 The Air Traffic Engineering and Standards Division is responsible for the design, co-ordination, provision and maintenance of air traffic control systems, radar, navigational aids, communications equipment and information technology systems, as well as the regulation of the air traffic management services and systems. The work involves:

- overseeing the enhancement and maintenance of air traffic control facilities and arranging periodic flight calibration of equipment validation;
- planning the reprovisioning of the Air Traffic Control Centre and implementing the replacement of the air traffic control systems;
- co-ordinating with works departments the design of the new Air Traffic Control Centre and other equipment stations for the new or replacement radar, navigational aids and communications systems, and monitoring their construction and commissioning;
- planning, studying and conducting trials for the phased implementation of the satellite-based Communications, Navigation, Surveillance/Air Traffic Management (CNS/ATM) Systems;
- planning, implementing and enhancing information technology systems, and establishing the information security policy for the Department in line with the e-government objective;
- regulating air traffic management services and operations including conducting incident investigation; and
- issuing air traffic control licences and the associated air traffic control ratings.

19 The key performance measures are:

Targets

	Target	2006 (Actual)	2007 (Actual)	2008 (Plan)
electronic engineering projects completed on time and within budget (%).....	98.0	97.9	99.3	98.0
availability of air traffic control equipment (%)	99.9	99.9	99.9	99.9
inspection of air traffic control operations/training/examinationΩ	40	41	54Δ	52

Ω Target transferred from Programme (1) “Flight Standards”.

Δ The increase in 2007 was mainly due to the increase in inspections on air traffic control operations and training as a result of the overall traffic growth as well as the implementation of the ICAO language proficiency requirements and the new licensing procedures for Air Traffic Control Officers (ATCOs).

Indicators

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
CNS/ATM trials and electronic engineering projects completed	9	9	10
air traffic control officer licences, ratings and certificates issued#.....	34	292@	74∇
air traffic control ratings and certificates renewed#.....	387	345β	144β

Indicators transferred from Programme (1) “Flight Standards”.

@ The increase in 2007 was mainly due to the requirement to issue language proficiency assessor certificates to approved examiners and language proficiency certificates to ATCOs as well as the increase in the number of ATCO licences, ratings and certificates issued to ATCOs resulting from an increase in the number of training courses conducted.

∇ The decrease in 2008 is mainly due to the majority of ATCOs having been awarded the English language proficiency certificates in 2007.

β The decreases in 2007 and 2008 are mainly due to the adoption of specialisation approach in training policy and revised licensing procedures for ratings renewal.

Matters Requiring Special Attention in 2008–09

20 During 2008–09, the Department will continue to:

- enhance and upgrade the existing air traffic control systems to meet the air traffic growth;
- develop the safety management system on air traffic control systems;
- prepare tender specification for the procurement of replacement of air traffic control systems;

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- develop implementation plans and procure equipment for the study and trials of the satellite-based CNS/ATM Systems;
- review air traffic control licensing policy; and
- monitor and review training requirements for air traffic controllers.

Programme (5): Air Services

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	21.9	24.1	24.0 (–0.4%)	32.9 (+37.1%)
				(or +36.5% on 2007–08 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 an international and regional aviation centre.

Brief Description

22 The Air Services Division is responsible for:

- facilitating the operation of 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 Transport and Housing Bureau for air services negotiations;
- co-ordinating the Department's requirements under the Government's legislative programme and reviewing and, if necessary, proposing changes to the civil aviation legislation;
- co-ordinating the Department's participation in the activities of international organisations, particularly the ICAO and the Asia-Pacific Economic Cooperation (APEC);
- co-ordinating, in conjunction with the AA, 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;
- monitoring the demand for and facilitating the operation of helicopter services and heliport development; and
- co-ordinating the development of a new departmental building on the Airport Island and the replacement of the air traffic control systems.

23 The key performance measures are:

Target

	Target	2006 (Actual)	2007 (Actual)	2008 (Plan)
processing applications for non-scheduled air services permits (working days per application).....	3	2	1½Ψ	3

Ψ The shorter processing time in 2007 was mainly due to the increase in urgent applications from airlines for operating all-cargo charter flights to meet the market demand which required prompt processing.

Indicators

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
scheduled air services permits issued.....	140	144	150
non-scheduled air services permits issued	1 518	2 008Δ	2 100

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	2006 (Actual)	2007 (Actual)	2008 (Estimate)
tariff filings processed	1 033	1 400#	1 470
applications for schedule changes.....	2 019	1 842@	1 800
notifications, returns, etc., to and from the ICAO.....	321	317	320
notifications, returns, etc., to and from the APEC	26	26	26

Δ The increase in 2007 was mainly due to the increase in the number of applications for all-cargo charter flights.

The increase in 2007 was mainly due to the increase in the number of cargo fuel surcharge filings.

@ The decrease in 2007 was mainly due to the streamlining of procedures for filing these applications.

Matters Requiring Special Attention in 2008–09

24 During 2008–09, the Department will continue to:

- take forward legislative work to align our legal framework for regulating air navigation and aviation safety with the latest ICAO's standards and international practices;
- provide support to the negotiation and implementation of Hong Kong's air services agreements and promote Hong Kong as an 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.

Programme (6): Air Passenger Departure Tax Administration

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	1.5	1.5	1.5 (—)	1.5 (—)
				(or same as 2007–08 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	2006 (Actual)	2007 (Actual)	2008 (Plan)
applications for refund received by post processed within 29 working days (%)...	98	100	99	98

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Indicators

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
taxpayers	12 666 982	13 700 372	14 546 000
exemptions processed	19 530	19 512	19 800
amount of APDT collected (\$m).....	1,509.8	1,634.2	1,739.5

Matters Requiring Special Attention in 2008–09

28 During 2008–09, 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	2006-07 (Actual) (\$m)	2007-08 (Original) (\$m)	2007-08 (Revised) (\$m)	2008-09 (Estimate) (\$m)
(1) Flight Standards	55.7	61.8	61.5	71.1
(2) Airport Standards	32.2	32.2	32.0	33.5
(3) Air Traffic Management.....	284.7	294.8	295.8	308.2
(4) Air Traffic Engineering and Standards	184.6	212.0	201.0	230.3
(5) Air Services	21.9	24.1	24.0	32.9
(6) Air Passenger Departure Tax Administration.....	1.5	1.5	1.5	1.5
	580.6	626.4	615.8 (-1.7%)	677.5 (+10.0%)
				(or +8.2% on 2007-08 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2008-09 is \$9.6 million (15.6%) higher than the revised estimate for 2007-08. This is mainly due to the increased provision for the filling of vacancies and the creation of two posts in 2008-09, as well as the increase in other operating expenses, partly offset by the transfer of relevant provision relating to air traffic management services to Programme (4).

Programme (2)

Provision for 2008-09 is \$1.5 million (4.7%) higher than the revised estimate for 2007-08. This is mainly due to the increased provision for the creation of two posts in 2008-09.

Programme (3)

Provision for 2008-09 is \$12.4 million (4.2%) higher than the revised estimate for 2007-08. This is mainly due to the increased provision for the filling of vacancies and the creation of 19 posts in 2008-09, as well as the increase in other operating expenses including the employment of additional temporary staff, partly offset by the transfer of relevant provision relating to the preparatory work for the replacement of the air traffic control systems to Programme (4).

Programme (4)

Provision for 2008-09 is \$29.3 million (14.6%) higher than the revised estimate for 2007-08. This is mainly due to additional provision transferred from Programme (1) and Programme (3), the filling of vacancies and the increased requirements for procurement of specialised stores and spare parts for maintenance of the air traffic control systems.

Programme (5)

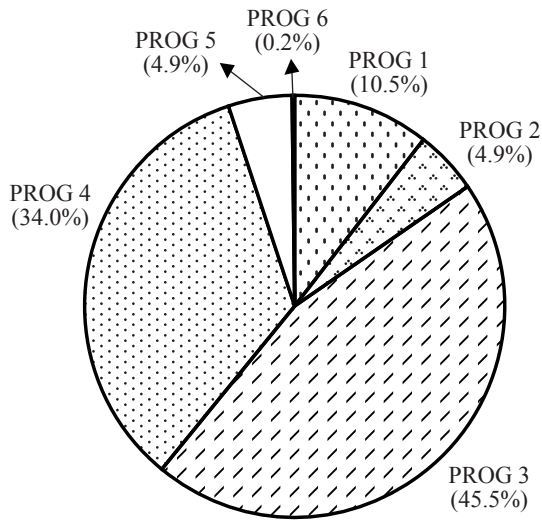
Provision for 2008-09 is \$8.9 million (37.1%) higher than the revised estimate for 2007-08. This is mainly due to the increased provision for the creation of three posts in 2008-09 and the increase in other operating expenses for the ad hoc project team to oversee the development of a new departmental building on the Airport Island and the replacement of the air traffic control systems.

Programme (6)

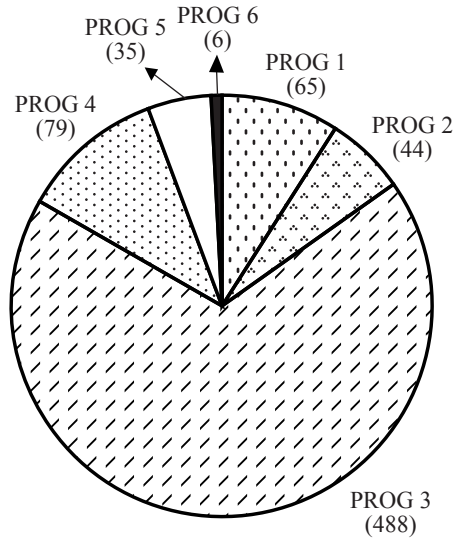
Provision for 2008-09 is the same as the revised estimate for 2007-08.

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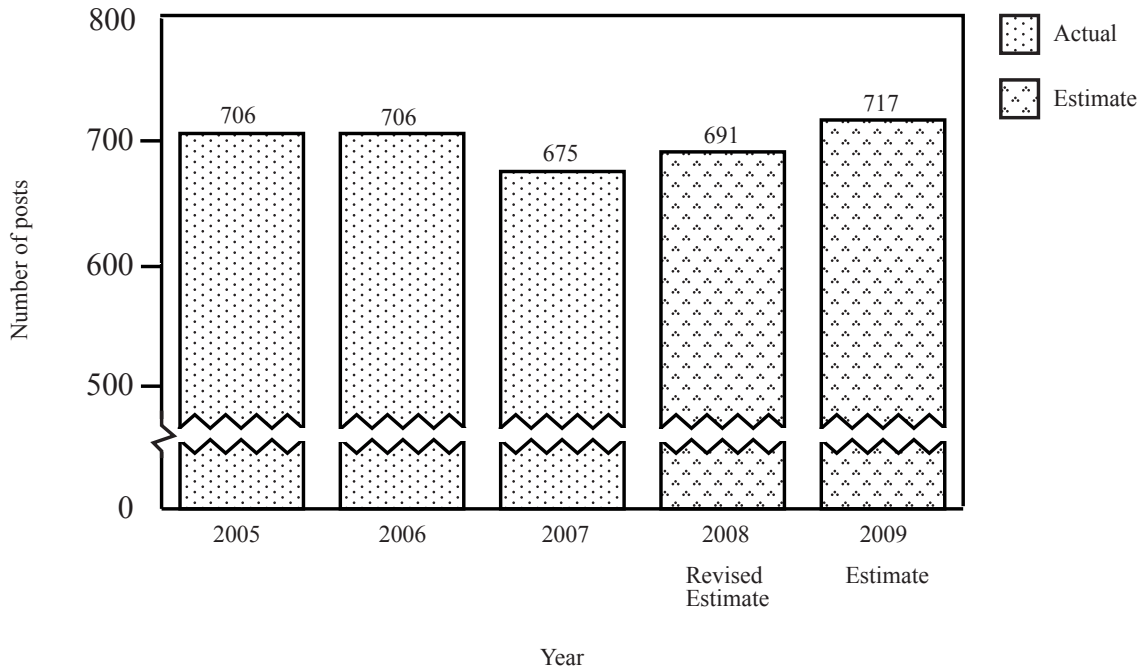
*Allocation of provision
to programmes
(2008-09)*



*Staff by programme
(as at 31 March 2009)*



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



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Sub-head (Code)	Actual expenditure 2006-07	Approved estimate 2007-08	Revised estimate 2007-08	Estimate 2008-09
	\$'000	\$'000	\$'000	\$'000
Operating Account				
Recurrent				
000	Operational expenses	566,518	614,626	605,662
170	Airport insurance	13,684	11,806	10,148
	Total, Recurrent.....	<u>580,202</u>	<u>626,432</u>	<u>615,810</u>
Non-Recurrent				
	General non-recurrent	430	—	—
	Total, Non-Recurrent.....	<u>430</u>	<u>—</u>	<u>—</u>
	Total, Operating Account	<u>580,632</u>	<u>626,432</u>	<u>615,810</u>
Total Expenditure				
		<u><u>580,632</u></u>	<u><u>626,432</u></u>	<u><u>615,810</u></u>
				<u><u>677,479</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2008–09 for the salaries and expenses of the Civil Aviation Department is \$677,479,000. This represents an increase of \$61,669,000 over the revised estimate for 2007–08 and of \$96,847,000 over actual expenditure in 2006–07.

Operating Account

Recurrent

2 Provision of \$666,784,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Civil Aviation Department. The increase of \$61,122,000 (10.1%) over the revised estimate for 2007–08 is mainly due to the creation of 26 posts, filling of vacancies, employment of additional temporary staff and the increased requirements for procurement of additional specialised stores, equipment and spare parts for the maintenance and minor upgrading/expansions of the air traffic control systems in 2008–09.

3 The establishment as at 31 March 2008 will be 690 permanent posts and one supernumerary post. It is expected that 26 permanent posts will be created in 2008–09. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2008–09, but the notional annual mid-point salary value of all such posts must not exceed \$343,787,000.

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

	2006–07 (Actual) (\$'000)	2007–08 (Original) (\$'000)	2007–08 (Revised) (\$'000)	2008–09 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	335,795	351,437	357,949	391,435
- Allowances	3,169	3,782	4,183	4,202
- Job-related allowances	354	909	478	914
Personnel Related Expenses				
- Mandatory Provident Fund contribution	1,259	1,296	1,373	1,610
- Civil Service Provident Fund contribution	376	764	987	1,922
- Disturbance allowance	17	18	89	—
Departmental Expenses				
- Technical Services Agreement	64,361	—	—	—
- General departmental expenses	161,187	256,420	240,603	266,701
	566,518	614,626	605,662	666,784

5 Provision of \$10,695,000 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.