

Head 100 — MARINE DEPARTMENT

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

Estimate 2010–11	\$964.3m
Establishment ceiling 2010–11 (notional annual mid-point salary value) representing an estimated 1 369 non-directorate posts as at 31 March 2010 reducing by one post to 1 368 as at 31 March 2011	\$400.3m
In addition, there will be an estimated 22 directorate posts as at 31 March 2010 and as at 31 March 2011.	
Commitment balance	\$20.6m

Controlling Officer's Report

Programmes

Programme (1) Infrastructure	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing).
Programme (2) Port Services	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing), Policy Area 9: Internal Security (Secretary for Security), Policy Area 21: Land and Waterborne Transport (Secretary for Transport and Housing), Policy Area 22: Buildings, Lands, Planning, Heritage Conservation, Greening and Landscape (Secretary for Development) and Policy Area 23: Environmental Protection, Conservation, Power and Sustainable Development (Secretary for the Environment).
Programme (3) Local Services	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing) and Policy Area 23: Environmental Protection, Conservation, Power and Sustainable Development (Secretary for the Environment).
Programme (4) Services to Ships	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing) and Policy Area 8: Employment and Labour (Secretary for Labour and Welfare).
Programme (5) Government Fleet	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Transport and Housing).

Detail

Programme (1): Infrastructure

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	41.8	44.8	44.3 (–1.1%)	42.2 (–4.7%)
				(or –5.8% on 2009–10 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. The 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 maritime 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 Code in enhancing maritime security.

4 In 2009, the Department generally achieved the aim of the programme. Port and shipping related activities will likely remain steady in 2010. Sound regulation and quality service have ensured a steady growth of the Hong Kong Shipping Register, which grew to 44.9 million gross tonnage as at 31 December 2009.

5 The key performance measures are:

Target

	Target	2008 (Actual)	2009 (Actual)	2010 (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 (%).....	95.0	93.2#	99.6	95.0

The target could not be met as more time had been used to consult the industry for a new international convention.

Indicators

	2008 (Actual)	2009 (Actual)	2010 (Estimate)
container throughput (million twenty-foot equivalent units)....	24.5§	20.9	21.3
projects under planning which will affect the port and its associated facilities.....	89	89	88

§ The figure is an update for the one set out in the 2009–10 Estimates.

Matters Requiring Special Attention in 2010–11

6 During 2010–11, the Department will:

- continue to implement the regulatory regime on local vessels and safety of shipboard works under the Merchant Shipping (Local Vessels) Ordinance;
- continue to develop measures to make the Hong Kong Shipping Register more efficient, user-friendly and attractive;
- expedite the legislative work to implement the Revised Annex I (for prevention of pollution by oil), Revised Annex II (for control of pollution by noxious liquid substances in bulk) and Revised Annex VI (for prevention of air pollution) to the MARPOL 73/78 Convention;
- expedite the legislative work to implement the Maritime Labour Convention, 2006; and
- expedite the legislative work to implement the International Convention on the Control of Harmful Anti-fouling Systems on Ships, 2001.

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Programme (2): Port Services

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	321.9	334.7	337.4 (+0.8%)	352.7 (+4.5%)
				(or +5.4% on 2009–10 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 and pollution prevention standards;
- controlling conveyance of dangerous goods at sea; and
- providing harbour scavenging services and implementing international conventions and local laws on environmental protection.

9 In 2009, the Department continued to ensure the efficient and safe running of the port. 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 PSC inspection rate was set at 15 per cent of OGVs visiting Hong Kong each year.

10 The key performance measures are:

Targets

	Target	2008 (Actual)	2009 (Actual)	2010 (Plan)
completing port formalities for OGVs (minutes).....	20 or less	20	20	20
performing initial inspection on OGVs for compliance with international requirements on ship safety and environmental protection (excluding re-inspections) (% of OGVs inspected).....	15	15	15	15
responding to search and rescue and casualty evacuation incidents.....	immediate	immediate	immediate	immediate
allocating a passenger ferry berth within five minutes of request at				
China Ferry Terminal (%).....	99	99	99	99
Macau Ferry Terminal (%).....	99	99	99	99
responding on site to oil spillages inside harbour limits within two hours (%).....	100	100	100	100
hydrographic survey of Hong Kong waters (km ²).....	300	298	299	300
publishing new nautical charts covering Hong Kong waters.....	2	2	2	2
maintaining the availability of aids to navigation (%).....	99	99	99	99

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	Target	2008 (Actual)	2009 (Actual)	2010 (Plan)
maintaining the reliability / continuity of aids to navigation in service up to international standard (%) [^]	99	N.A.	99	99
operational availability of the Hong Kong Vessel Traffic Services system (%) [^]	99.9	99.9	99.9	99.9

[^] New targets as from 2009.

Indicators

	2008 (Actual)	2009 (Actual)	2010 (Estimate)
container throughput by OGVs (million twenty-foot equivalent units)	17.1Δ	14.0	14.3
OGV arrivals (excluding vessels in transit through Hong Kong waters to Shenzhen ports)	35 850Δ	32 700	33 500
collisions, strandings and strikings involving OGVs in Hong Kong waters	16	18	N.A.
search and rescue operations co-ordinated.....	51	59	N.A.
passengers using marine ferry terminals (million)	24.4	22.2§	22.9
refuse collected from ships (tonnes).....	2 391	2 442	2 430
floating refuse collected (tonnes).....	12 913	11 726#	12 200
aids to navigation maintained.....	535	540	543
wreck search and new dangers survey (times)	7	11	N.A.
hydrographic plans produced.....	58	57	58

Δ The figures are updates for the ones set out in the 2009–10 Estimates.

§ There was a drop of nine per cent in passengers using marine ferry terminals, which may be caused by the economic downturn and the revised requirements regarding the entry of Mainland visitors into Macau after visiting Hong Kong.

A significant amount of floating refuse originates from land sources and these are carried onto Hong Kong waters through various means. The most significant factor affecting the quantity of floating refuse in Hong Kong is the amount of rainfalls, in particular, heavy intensity rainfalls over short periods. The comparatively drier months in 2009 as well as the drought in the Pearl River areas has resulted in a decline in the amount of floating refuse collected compared with the same period in 2008.

Matters Requiring Special Attention in 2010–11

11 During 2010–11, the Department will continue to:

- improve the general environment and user-friendliness of the China Ferry Terminal and Macau Ferry Terminal through a renovation project;
- review the reformed outsourcing arrangements for provision of marine cleansing services and fine-tune the arrangements as necessary;
- arrange PSC officer exchange programmes with the Mainland Maritime Safety Administration and other maritime administrations to promote harmonisation of inspections and enhance co-operation with other maritime administrations; and
- fine-tune the proposal for amending the subsidiary legislation under the Dangerous Goods Ordinance in order to keep abreast of the requirement set against the international standard and concurrently taking into consideration the local transport practice on carriage of dangerous goods by sea.

Programme (3): Local Services

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	93.1	99.6	94.0 (–5.6%)	94.2 (+0.2%)
				(or –5.4% on 2009–10 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 District Councils, local associations and vessel operators;
- providing licensing services to locally licensed and river trade vessels;
- enforcing the Merchant Shipping (Local Vessels) Ordinance;
- conducting the port formalities for locally licensed and river trade vessels; and
- detaining and disposing of craft seized by enforcement agencies.

14 In 2009, 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	2008 (Actual)	2009 (Actual)	2010 (Plan)
completing port formalities for river trade vessels (minutes).....	10 or less	10	10	10
inspecting locally licensed and river trade vessels for compliance with marine legislation (no. of inspections).....	18 100@	18 000	18 100	18 100

@ Taking into account the redeployment of staff to perform other special duties in the Harbour Patrol Section and to meet the operational requirements of other Sections, the target is adjusted to 18 100.

Indicators

	2008 (Actual)	2009 (Actual)	2010 (Estimate)
cargo throughput for PCWAs (million tonnes)	10.0	8.6	8.6
river trade cargo vessel arrivals	100 610Ω	88 000	90 000
licences issued for local craft	13 300	14 100	14 000
collisions, strandings and strikings involving locally licensed, river trade and coastal vessels in Hong Kong waters	125	88	N.A.
refuse collected from locally licensed and river trade vessels (tonnes).....	1 870	2 027	2 100
special operations conducted	20	28	28

Ω The figure is an update for the one set out in the 2009–10 Estimates.

Matters Requiring Special Attention in 2010–11

16 During 2010–11, the Department will continue to implement the Merchant Shipping (Local Vessels) Ordinance for better control and regulation of local vessels.

Programme (4): Services to Ships

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	62.1	71.8	66.6 (-7.2%)	66.3 (-0.5%)
				(or -7.7% on 2009–10 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.

Brief Description

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

- enforcing international conventions;
- maintaining the quality of the Hong Kong Shipping Register;
- conducting examinations 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 the safety of cargo handling and ship repairs; and
- ascertaining the cause of marine casualties and marine industrial accidents.

19 In 2009, 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 being maintained. 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, was strengthened to ensure the quality of ships in the Register and in preventing sub-standard ships from joining the Register. The Ship Safety Branch which enforced FSQC 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	2008 (Actual)	2009 (Actual)	2010 (Plan)
assessing the quality performance of Hong Kong-registered ships by the FSQC management system (%)	100	100	100	100
quality assurance inspection and audits on Hong Kong-registered ships and their management companies (%)	5	5	5	5

Indicators

	2008 (Actual)	2009 (Actual)	2010 (Estimate)
Hong Kong-registered ships detained in PSC inspections by other administrations (%)	3.7	3.5	3.5
gross registered tonnage on the Register (million).....	39.6	44.9	48.5
authorisations issued to man Hong Kong-registered ships and locally licensed vessels	16 639	16 136	16 130
fatalities in marine industrial accidents	2	1	N.A.
casualties involving Hong Kong-registered ships	8	9	N.A.
inspection visits to locally licensed vessels.....	4 151	4 272	4 270
certificates of surveys issued to locally licensed vessels.....	3 218	3 256	3 250

Matters Requiring Special Attention in 2010–11

21 During 2010–11, the Department will continue to:

- implement the 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 under the Merchant Shipping (Local Vessels) Ordinance and related subsidiary legislation;

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- strengthen 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; and
- strengthen liaison and co-operation with the Mainland authorities in order to harmonise shipping standards for coastal vessels and OGVs.

Programme (5): Government Fleet

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	396.6	410.0	397.3 (–3.1%)	408.9 (+2.9%)
				(or –0.3% on 2009–10 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:

- co-ordinating the procurement of new government vessels and monitoring their construction and commissioning;
- performing planned and unplanned maintenance of government vessels; and
- operating the Department's crewed fleet and providing marine transport services to other government departments.

24 The Government Dockyard maintains 795 vessels owned and used by various government departments. Of these vessels, 45 are operated by the Department.

- 25** The key performance measures are:

Target

	Target	2008 (Actual)	2009 (Actual)	2010 (Plan)
vessel availability to all users (%)	87.0	87.6	86.8	88.0

Indicators

	2008 (Actual)	2009 (Actual)	2010 (Estimate)
mechanised vessels in use	121	116	117
new vessel projects undertaken	17	23	15
user satisfaction with Government Dockyard's services (%) ...	98.9	99.0	99.0
successful first sea trials after vessel maintenance (%)	88.6	93.0	90.0
crew staff time available for deployment (%)	88.5	87.3	87.5

Matters Requiring Special Attention in 2010–11

26 During 2010–11, the Department will continue to explore ways to improve Hong Kong's environment in a number of areas such as reducing government vessels' fuel consumption, improving waste management, controlling air emission and raising staff awareness on environmental issues.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2008-09 (Actual) (\$m)	2009-10 (Original) (\$m)	2009-10 (Revised) (\$m)	2010-11 (Estimate) (\$m)
(1) Infrastructure	41.8	44.8	44.3	42.2
(2) Port Services.....	321.9	334.7	337.4	352.7
(3) Local Services	93.1	99.6	94.0	94.2
(4) Services to Ships	62.1	71.8	66.6	66.3
(5) Government Fleet	396.6	410.0	397.3	408.9
	915.5	960.9	939.6 (-2.2%)	964.3 (+2.6%)
				(or +0.4% on 2009-10 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2010-11 is \$2.1 million (4.7%) lower than the revised estimate for 2009-10. This is mainly due to the reduced requirement for minor plant and equipment.

Programme (2)

Provision for 2010-11 is \$15.3 million (4.5%) higher than the revised estimate for 2009-10. This is mainly due to increase in other operating expenses and increase in requirement for minor plant and equipment.

Programme (3)

Provision for 2010-11 is \$0.2 million (0.2%) higher than the revised estimate for 2009-10. This is mainly due to increase in requirement for minor plant and equipment.

Programme (4)

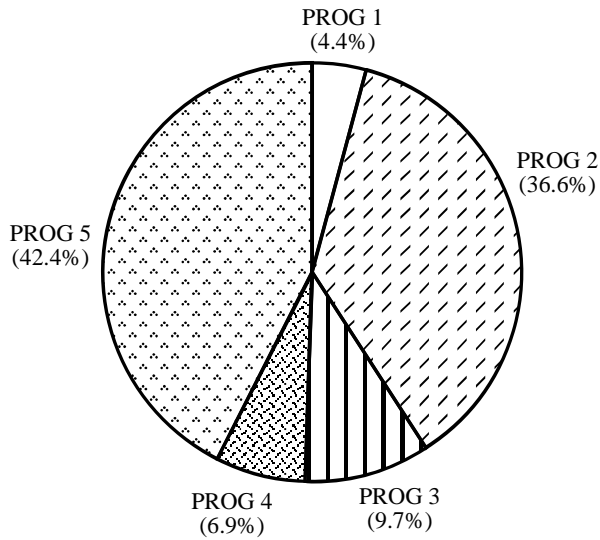
Provision for 2010-11 is \$0.3 million (0.5%) lower than the revised estimate for 2009-10. This is mainly due to reduced cash flow requirement for a general non-recurrent item.

Programme (5)

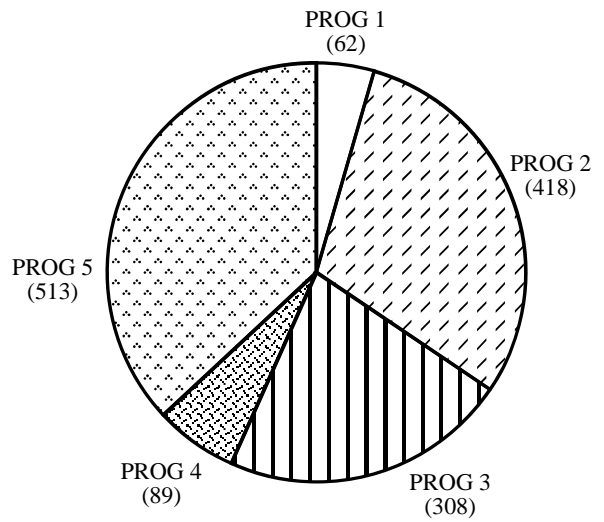
Provision for 2010-11 is \$11.6 million (2.9%) higher than the revised estimate for 2009-10. This is mainly due to increase in other operating expenses and increase in requirement for plant and equipment. One post will be deleted in 2010-11.

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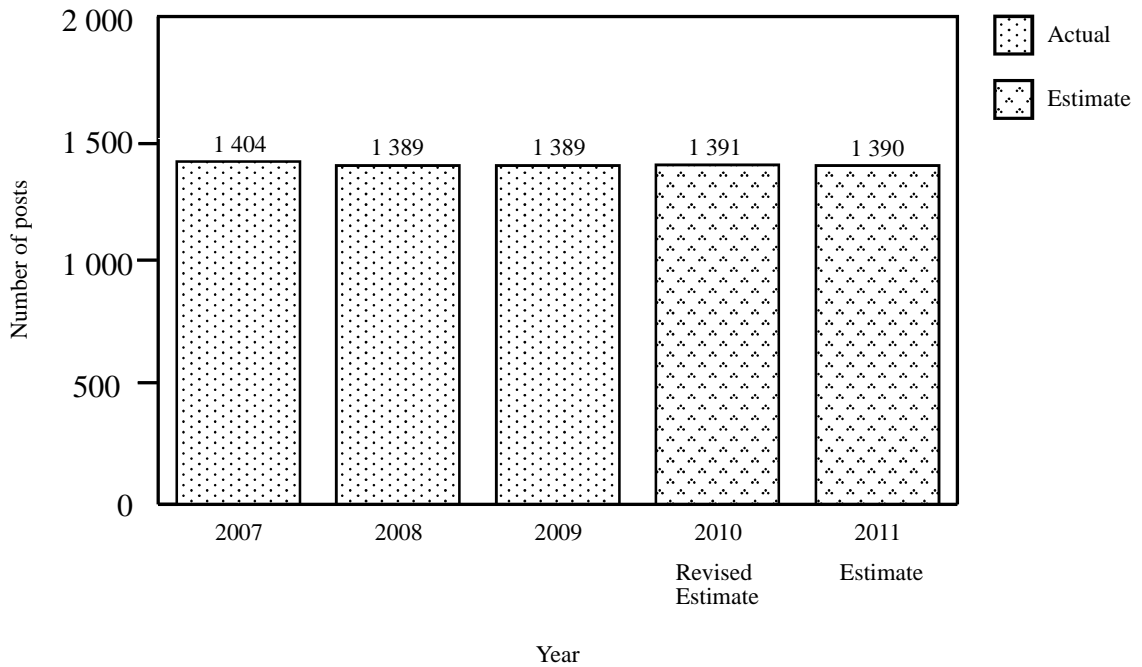
*Allocation of provision
to programmes
(2010-11)*



*Staff by programme
(as at 31 March 2011)*



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



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Sub-head (Code)	Actual expenditure 2008-09	Approved estimate 2009-10	Revised estimate 2009-10	Estimate 2010-11	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	889,844	925,831	903,582	919,630
	Total, Recurrent	<u>889,844</u>	<u>925,831</u>	<u>903,582</u>	<u>919,630</u>
Non-Recurrent					
700	General non-recurrent	1,314	1,218	4,674	2,720
	Total, Non-Recurrent	<u>1,314</u>	<u>1,218</u>	<u>4,674</u>	<u>2,720</u>
	Total, Operating Account.....	891,158	927,049	908,256	922,350
Capital Account					
Plant, Equipment and Works					
603	Plant, vehicles and equipment	—	3,430	980	9,570
661	Minor plant, vehicles and equipment (block vote).....	24,296	30,400	30,400	32,352
	Total, Plant, Equipment and Works	<u>24,296</u>	<u>33,830</u>	<u>31,380</u>	<u>41,922</u>
	Total, Capital Account	24,296	33,830	31,380	41,922
	Total Expenditure	<u>915,454</u>	<u>960,879</u>	<u>939,636</u>	<u>964,272</u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2010–11 for the salaries and expenses of the Marine Department is \$964,272,000. This represents an increase of \$24,636,000 over the revised estimate for 2009–10 and of \$48,818,000 over actual expenditure in 2008–09.

Operating Account

Recurrent

2 Provision of \$919,630,000 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 2010 will be 1 391 permanent posts. It is expected that there will be a net decrease of one permanent post in 2010–11. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2010–11, but the notional annual mid-point salary value of all such posts must not exceed \$400,338,000.

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

	2008–09 (Actual) (\$'000)	2009–10 (Original) (\$'000)	2009–10 (Revised) (\$'000)	2010–11 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	441,748	463,009	444,450	443,165
- Allowances	9,689	9,274	9,624	9,819
- Job-related allowances.....	5,560	5,040	4,860	4,894
Personnel Related Expenses				
- Mandatory Provident Fund contribution	228	844	713	1,053
- Civil Service Provident Fund contribution	1,700	1,915	1,865	1,920
- Disturbance allowance.....	—	176	184	—
Departmental Expenses				
- Maintenance materials	105,086	98,167	98,842	96,892
- Contract maintenance	73,521	82,151	78,995	80,264
- General departmental expenses.....	252,312	265,255	264,049	281,623
	889,844	925,831	903,582	919,630

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2009	Revised estimated expenditure for 2009–10	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	429	Sea-going Training Incentive Scheme ...	9,000	4,080	1,674	3,246
	808	Additional cleansing services to cross-boundary ferry terminals, marine refuse collection points and other concerned water areas.....	4,200	—	3,000	1,200
			<u>13,200</u>	<u>4,080</u>	<u>4,674</u>	<u>4,446</u>
<i>Capital Account</i>						
603		<i>Plant, vehicles and equipment</i>				
	828	Replacement of tug boat Marine 32 in Government Dockyard	9,800	—	980	8,820
	854	Replacement of three steel lighters in Government Dockyard	7,380	—	—	7,380
			<u>17,180</u>	<u>—</u>	<u>980</u>	<u>16,200</u>
		Total	<u><u>30,380</u></u>	<u><u>4,080</u></u>	<u><u>5,654</u></u>	<u><u>20,646</u></u>