

Head 28 — CIVIL AVIATION DEPARTMENT

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

Estimate 2012–13..... **\$820.3m**

Establishment ceiling 2012–13 (notional annual mid-point salary value) representing an estimated 752 non-directorate posts as at 31 March 2012 rising by six posts to 758 posts as at 31 March 2013 **\$423.8m**

In addition, there will be an estimated 22 directorate posts as at 31 March 2012 and as at 31 March 2013.

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).

Detail

Programme (1): Flight Standards

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	76.1	87.1	83.5 (–4.1%)	92.6 (+10.9%)
				(or +6.3% on 2011–12 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 of the Department 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 design and production organisations for aircraft and related products/parts;
- approving maintenance training organisations;

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- approving flying training organisations which provide commercial pilot training courses;
- conducting surveillance and certification validation of foreign air operators;
- conducting examinations and issuing licences for flight crew and maintenance engineers, reviewing the licensing policy and requirements, and granting authority for suitable persons as authorised examiners;
- issuing medical certificates to flight crew and air traffic controllers;
- monitoring compliance with the mandatory occurrence reporting scheme and carrying out safety analysis on reportable occurrences;
- overseeing the compliance of Flight Time Limitations Schemes by Hong Kong air operators;
- monitoring the implementation of the safety management systems by Hong Kong air operators and maintenance organisations; 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 is expected to remain at a level comparable to that in 2011.

5 The key performance measures are:

Targets

	Target	2010 (Actual)	2011 (Actual)	2012 (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).....	3.5	3.5	3.5	3.5
approval of aircraft maintenance organisations (working days).....	60	60	60	60
approval of flying training organisations (working days).....	60	60	60	60
approval of maintenance training organisations (working days).....	60	60	60	60
flight operations and cabin safety inspections.....	130	116	158Φ	150
inspections of operations and maintenance services at Hong Kong airlines' outstations.....	45	50	48	45
inspections of overseas maintenance facilities.....	25	25	25	25
inspections of local maintenance organisations.....	55	55	55	55
inspections of maintenance training organisations.....	5	5	5	5

Φ The increase in 2011 was due to aircraft fleet expansion of local airlines.

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
aircraft registered on the Hong Kong Civil Aircraft Register.....	244	262@	300@
air operator's certificates issued.....	9	10	10
local flight crew examinations (no. of examination papers processed).....	2 045	1 932	2 600^
overseas flight crew examinations (no. of examination papers processed).....	1 149	2 708‡	3 200‡
aircraft maintenance licence examinations (no. of examination papers processed).....	4 811	5 391#	5 800#

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	2010 (Actual)	2011 (Actual)	2012 (Estimate)
medical certificates issued	3 894	4 264 [^]	4 800[^]
flight crew and aircraft maintenance licences issued	1 836	1 954	2 200[^]
approval/renewal of approved flight simulators.....	45	48	45
approval of authorised examiners/approved persons	221	253 ^ψ	250

@ The increase is due to arrival of new aircraft of local airlines.

[^] The increase is due to local airlines recruiting more pilots to cope with their expanding fleet.

‡ The increase is due to local airlines recruiting more cadet pilots to attend overseas training.

The increase is due to increase in demand for examination services.

^ψ The increase in 2011 was due to increase in the number of applications from local airlines.

Matters Requiring Special Attention in 2012–13

6 During 2012–13, the Department will:

- monitor the operational safety of Hong Kong air operators and airworthiness of aircraft registered in Hong Kong; and
- liaise with overseas aeronautical authorities on mutual recognition of aircraft maintenance organisations.

Programme (2): Airport Standards

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	32.7	33.8	34.7 (+2.7%)	36.3 (+4.6%)
				(or +7.4% on 2011–12 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 of the Department 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 (Cap. 494) 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 International Civil Aviation Organization (ICAO);
- implementing audit and inspection plans to monitor the execution of security programmes 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;
- 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 (Cap. 384) 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 Procedures 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.

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10 The key performance measures are:

Targets

	Target	2010 (Actual)	2011 (Actual)	2012 (Plan)
audit relating to aerodrome licensing issues	14	13	14	14
audit of airport operators and airport tenants to ensure compliance with the requirements in the Hong Kong Aviation Security Programme	16	15	15	15
inspections of airport operators and operational facilities	130	130	130	130
inspections of shippers, freight forwarders, airlines and ground handling agents in respect of their dangerous goods handling standards	45	47	45	46
inspections of operators in respect of their security programmes submitted under the Aviation Security Ordinance	100	97	100	100
inspections of all regulated agents on the register of regulated agents once every two years (%)	100	100	100	100
vetting building plans/development proposals and lighting proposals for compliance with airport height restrictions and other aviation safety requirements (working days per application)	11	9	11	11
processing applications for exemption from height restrictions prescribed by orders made under the Hong Kong Airport (Control of Obstructions) Ordinance (working days per application)	10	10	9.5	10
processing applications from cargo agents for registration as regulated agents and the associated security programmes (working days per application)	14	14	14	14
processing applications for carriage of dangerous goods and munitions by air (working days per application)	11 ^λ	12	11	11

^λ The target was revised from 14 to 11 working days per application as from 2011 to reflect the Department's improved efficiency upon the standardisation of procedures in the processing of applications.

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
applications for registration as regulated agents	155	126 ^Ω	120
regulated agents on the register of regulated agents	1 404	1 385	1 400
building plans/development proposals and lighting proposals submitted for assessment of compliance with airport height restrictions and other aviation safety requirements	238	287 [§]	280
applications for exemption from height restrictions prescribed by orders made under the Hong Kong Airport (Control of Obstructions) Ordinance	93	74 ^Λ	70

^Ω The decrease in 2011 was due to declining air cargo throughput.

[§] The increase in 2011 was due to more building plans and development submissions from developers and consultants.

^Λ The decrease in 2011 was due to fewer applications from developers, consultants and construction contractors.

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Matters Requiring Special Attention in 2012–13

11 During 2012–13, 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;
- review the Hong Kong Aviation Security Programme vis-à-vis the new edition of the ICAO Security Manual;
- monitor airfield enhancement works at the HKIA to ensure that the new facilities meet aerodrome licensing standards;
- monitor the ICAO's latest standards on carriage of dangerous goods by air; and
- monitor the implementation of the new certification programme for aviation security screeners.

Programme (3): Air Traffic Management

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	306.8	334.4	346.9 (+3.7%)	368.4 (+6.2%)
				(or +10.2% on 2011–12 Original)

Aim

12 The aim is to maintain a safe, orderly and expeditious flow of air traffic within the Hong Kong Flight Information Region (HKFIR) through the provision of quality air navigation services and aeronautical information services, and to co-ordinate search and rescue operations in the event of aircraft accidents.

Brief Description

13 The Air Traffic Management Division of the Department is responsible for the provision of air traffic services for the safe and efficient operations of aircraft within the HKFIR, which 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 quality telecommunication services for the Hong Kong aviation community and acts as an important node in the global aeronautical communication network. The work involves:

- providing positive control over all air traffic to prevent collision;
- providing information essential for the safe and efficient conduct of flights;
- designing flight routes and aircraft arrival/departure procedures;
- 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 the AA and industry partners to improve the safety and efficiency of operations at the HKIA;
- co-ordinating with neighbouring Area Control Centres (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; and
- providing professional and technical training to all air traffic control staff to ensure that competence is maintained up to the highest possible standard.

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 increased to 63 movements per hour in 2012.

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15 The key performance measures are:

Target

	Target	2010 (Actual)	2011 (Actual)	2012 (Plan)
availability of the AFTN (%)	99.9	99.9	99.9	99.9

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
aircraft movements	308 004	335 232	342 800
aircraft transiting HKFIR.....	161 437	184 842 ^β	185 000
notices to airmen and aeronautical information publication supplements issued/received	408 902	429 325	443 000
pre-flight bulletins issued.....	170 758	187 827	188 500
telecommunication messages relayed by the AFTN (million) .	34.1	36.1	37.0

β The increase in 2011 was due to the air traffic growth in the Asia Pacific Region.

Matters Requiring Special Attention in 2012–13

16 During 2012–13, the Department will:

- continue to improve the efficiency of air traffic management in order to further enhance the runway capacity of the HKIA;
- continue to co-ordinate with neighbouring ACCs to rationalise and optimise the airspace design of the Pearl River Delta region;
- refine air traffic operating procedures and improve air traffic control and air navigation facilities to enhance flight safety and capacity of the HKFIR;
- recruit and train more air traffic control staff to meet air traffic services demand; and
- continue to implement the safety management system in accordance with the ICAO's requirements to ensure that a high level of safety is maintained in the provision of air traffic services.

Programme (4): Air Traffic Engineering and Standards

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	238.9	265.8	267.3 (+0.6%)	285.2 (+6.7%)
				(or +7.3% on 2011–12 Original)

Aim

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

Brief Description

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

- overseeing the enhancement and maintenance of air traffic control facilities and organising 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;

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- 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 navigation services and operations including conducting incident investigations;
- approving air traffic control training courses, issuing air traffic control licences and the associated air traffic control ratings and certificates; and
- formulating the departmental training policy, including the establishment of a training and development plan/programme for departmental professional grade staff.

19 The key performance measures are:

Targets

	Target	2010 (Actual)	2011 (Actual)	2012 (Plan)
electronic engineering projects completed on time and within budget (%).....	98.0	99.2	99.0	98.0
availability of air traffic control equipment (%)	99.9	99.9	99.9	99.9
inspections of air navigation services operations/training/examination	28	28	28	28

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
CNS/ATM trials and electronic engineering projects completed.....	11	10	10
air traffic control officer licences, ratings and certificates issued.....	91	138 ^φ	130
air traffic control ratings and certificates renewed.....	237	222	130^ψ

φ The increase in 2011 was mainly due to the increase in the number of Student Air Traffic Control Officers and Air Traffic Control Officers applying for licences/ratings/certificates.

ψ The estimate in 2012 is lower than 2010 and 2011 as the phased renewal exercise for the air traffic control ratings with new titles was conducted in these two years.

Matters Requiring Special Attention in 2012–13

20 During 2012–13, the Department will:

- continue to enhance the maintenance programme for the existing air traffic control systems to meet the air traffic growth;
- continue to co-ordinate with aviation stakeholders on a replacement plan for the existing radar, navigational aids and radio communication systems;
- monitor the construction and conduct site inspection of operational training rooms, equipment workshops, and office facilities in the new headquarters of the Department;
- conduct installation and testing of new air traffic control systems, and information and communication technology infrastructure for the new headquarters of the Department;
- continue to develop implementation plans and procure equipment for the study and trials of the satellite-based CNS/ATM Systems;
- oversee the progress on development of safety management initiatives for assuring a safe and orderly transition and implementation into the new headquarters of the Department; and
- continue to develop the competence scheme for the Electronics Engineers undertaking operational safety-related tasks in line with the forthcoming ICAO competency-based training requirements.

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Programme (5): Air Services

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	33.8	36.2	36.6 (+1.1%)	36.2 (–1.1%)
				(or same as 2011–12 Original)

Aim

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

Brief Description

22 The Air Services Division of the Department 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 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 demand;
- providing schedule co-ordination and slot allocation services to aircraft operators;
- 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	2010 (Actual)	2011 (Actual)	2012 (Plan)
processing applications for non-scheduled air services permits (working days per application).....	3	3	3	3

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
scheduled air services permits issued.....	150	135	140
non-scheduled air services permits issued	1 141	1 050	1 100
tariff filings processed	2 069	2 926 Δ	2 500
applications for schedule changes.....	4 345	4 179	4 300
notifications, returns, etc., to and from the ICAO.....	336	369	360
notifications, returns, etc., to and from the APEC	25	25	25

Δ The increase in 2011 was due to more applications for general fare and fuel surcharges when compared with 2010.

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Matters Requiring Special Attention in 2012–13

24 During 2012–13, the Department will continue to:

- monitor the development of the ICAO’s initiatives in air transport and take necessary action to align our legal framework for regulating air transport and aviation safety with the latest ICAO 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 slot utilisation and time-keeping performance of airlines;
- monitor aircraft noise and flight tracks, and implement the noise abatement programme; and
- regularly review the demand for helicopter services and take forward projects and initiatives on the development of heliports and provision of helicopter services.

Programme (6): Air Passenger Departure Tax Administration

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	1.5	1.5	1.5 (—)	1.6 (+6.7%)
				(or +6.7% on 2011–12 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 (Cap. 140).

Brief Description

26 The APDT Unit of the Finance Division of the Department 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 in connection with the collection of the APDT.

27 The key performance measures are:

Target

	Target	2010 (Actual)	2011 (Actual)	2012 (Plan)
applications for refund received by post processed within 29 working days (%) ...	99	99	99	99

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
taxpayers	14 955 156	15 898 248	16 481 000
exemptions processed	15 317	16 543	17 000
amount of APDT collected (\$m).....	1,786.5	1,902.6	1,972.0

Matters Requiring Special Attention in 2012–13

28 During 2012–13, 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	2010–11 (Actual) (\$m)	2011–12 (Original) (\$m)	2011–12 (Revised) (\$m)	2012–13 (Estimate) (\$m)
(1) Flight Standards	76.1	87.1	83.5	92.6
(2) Airport Standards	32.7	33.8	34.7	36.3
(3) Air Traffic Management.....	306.8	334.4	346.9	368.4
(4) Air Traffic Engineering and Standards.....	238.9	265.8	267.3	285.2
(5) Air Services.....	33.8	36.2	36.6	36.2
(6) Air Passenger Departure Tax Administration.....	1.5	1.5	1.5	1.6
	689.8	758.8	770.5 (+1.5%)	820.3 (+6.5%) (or +8.1% on 2011–12 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2012–13 is \$9.1 million (10.9%) higher than the revised estimate for 2011–12. This is mainly due to the increased provision for the filling of vacancies and the creation of two posts in 2012–13.

Programme (2)

Provision for 2012–13 is \$1.6 million (4.6%) higher than the revised estimate for 2011–12. This is mainly due to the increased provision for the full-year effect of filling vacancies in 2011–12 and the creation of three posts in 2012–13.

Programme (3)

Provision for 2012–13 is \$21.5 million (6.2%) higher than the revised estimate for 2011–12. This is mainly due to the increased provision for the full-year effect of filling vacancies in 2011–12, salary increments for staff and other operating expenses for the commissioning of the new headquarters of the Department.

Programme (4)

Provision for 2012–13 is \$17.9 million (6.7%) higher than the revised estimate for 2011–12. This is mainly due to the increased provision for the filling of vacancies and other operating expenses for the commissioning of the new headquarters of the Department.

Programme (5)

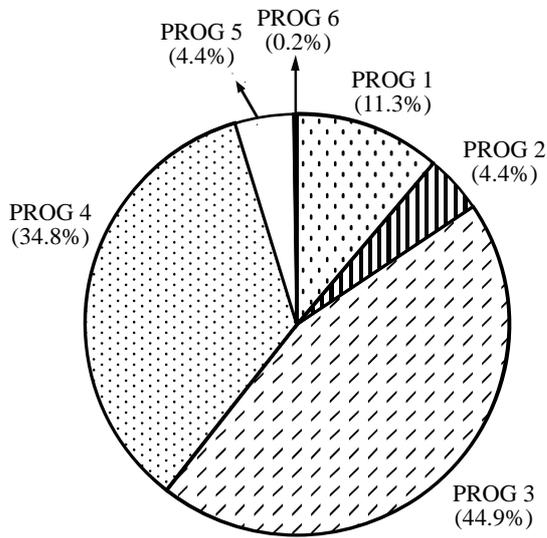
Provision for 2012–13 is \$0.4 million (1.1%) lower than the revised estimate for 2011–12. This is mainly due to the decreased provision for plant, equipment and works upon completion of replacement items partly offset by increased provision for the creation of one post in 2012–13.

Programme (6)

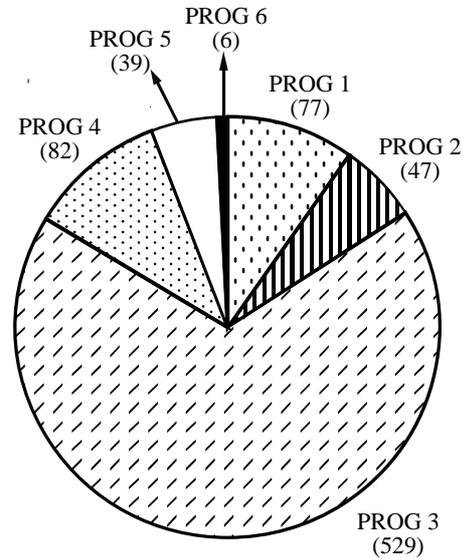
Provision for 2012–13 is \$0.1 million (6.7%) higher than the revised estimate for 2011–12. This is mainly due to the increased provision for salary increments for staff.

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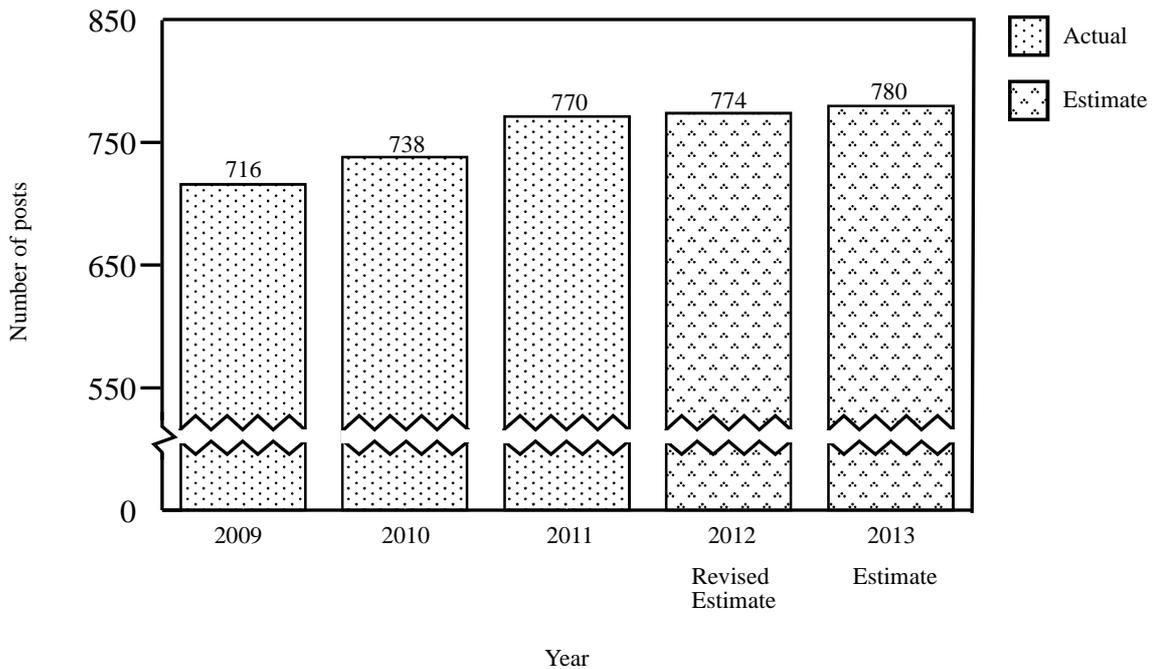
Allocation of provision to programmes (2012-13)



Staff by programme (as at 31 March 2013)



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



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Sub-head (Code)		Actual expenditure 2010-11	Approved estimate 2011-12	Revised estimate 2011-12	Estimate 2012-13
		\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses	682,123	749,223	761,377	811,983
170	Airport insurance.....	7,647	8,174	7,680	8,348
	Total, Recurrent	<u>689,770</u>	<u>757,397</u>	<u>769,057</u>	<u>820,331</u>
	Total, Operating Account	<u>689,770</u>	<u>757,397</u>	<u>769,057</u>	<u>820,331</u>
Capital Account					
Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	—	1,420	1,420	—
	Total, Plant, Equipment and Works	<u>—</u>	<u>1,420</u>	<u>1,420</u>	<u>—</u>
	Total, Capital Account	<u>—</u>	<u>1,420</u>	<u>1,420</u>	<u>—</u>
	Total Expenditure	<u><u>689,770</u></u>	<u><u>758,817</u></u>	<u><u>770,477</u></u>	<u><u>820,331</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2012–13 for the salaries and expenses of the Civil Aviation Department is \$820,331,000. This represents an increase of \$49,854,000 over the revised estimate for 2011–12 and of \$130,561,000 over actual expenditure in 2010–11.

Operating Account

Recurrent

2 Provision of \$811,983,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Civil Aviation Department.

3 The establishment as at 31 March 2012 will be 774 posts including one supernumerary post. It is expected that six posts will be created in 2012–13. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2012–13, but the notional annual mid-point salary value of all such posts must not exceed \$423,823,000.

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

	2010–11 (Actual) (\$'000)	2011–12 (Original) (\$'000)	2011–12 (Revised) (\$'000)	2012–13 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	392,484	414,222	433,316	449,400
- Allowances	4,576	5,172	3,314	4,814
- Job-related allowances.....	348	911	791	969
Personnel Related Expenses				
- Mandatory Provident Fund contribution	1,841	1,888	1,130	1,242
- Civil Service Provident Fund contribution	4,355	6,590	8,864	10,976
- Disturbance allowance.....	126	130	52	—
Departmental Expenses				
- General departmental expenses	278,393	320,310	313,910	344,582
	682,123	749,223	761,377	811,983

5 Provision of \$8,348,000 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. The increase of \$668,000 (8.7%) over the revised estimate for 2011–12 is to cater for increased premium payable to the insurer.