

Head 28 — CIVIL AVIATION DEPARTMENT

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

| | |
|---|-----------------|
| Estimate 2003–04 | \$682.6m |
| Establishment ceiling 2003–04 (notional annual mid-point salary value) representing an estimated 714 non-directorate posts as at 31 March 2003 and as at 31 March 2004 | \$326.4m |
| In addition there will be an estimated 20 directorate posts as at 31 March 2003 and as at 31 March 2004. | |
| Capital Account commitment balance | \$0.3m |

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 Economic Development and Labour). |
| Programme (2) Airport Standards | This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour) and Policy Area 9: Internal Security (Secretary for Security). |
| Programme (3) Air Traffic Management Programme (4) Engineering and Systems Programme (5) Air Services | These programmes contribute to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour). |
| Programme (6) Air Passenger Departure Tax (APDT) 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

| | 2001–02 (Actual) | 2002–03 (Approved) | 2002–03 (Revised) | 2003–04 (Estimate) |
|---------------------------|---------------------|-----------------------|----------------------|-------------------------------|
| Financial provision (\$m) | 44.8 | 50.7 (+13.2%) | 49.8 (–1.8%) | 56.2 (+12.9%) |

Aim

2 The aim is to set and enforce flight, airworthiness and air traffic management 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, air traffic management standards and other matters related to flight safety. This work involves:

- monitoring and inspection of Hong Kong airlines, light aircraft and helicopter operators in respect of flight operations policy and standards, flight crew training and aircraft maintenance standards;
- registration of aircraft;
- issue of certificates of airworthiness;
- approval of flight simulators;
- approval of maintenance facilities;
- approval of maintenance training organisations;
- approval of flying training organisations which provide commercial pilot training courses;
- ground inspections of foreign registered aircraft;

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- examination of licence applicants, issue of licences for flight crew and maintenance engineers and the grant of authority for suitable persons as authorised examiners;
- compliance with the mandatory occurrence reporting scheme;
- investigation of aircraft incidents and accidents; and
- safety oversight on air traffic management services by monitoring air traffic safety, auditing air traffic control procedures and training, as well as rating revalidation examination standards of air traffic controllers.

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 on services in flight operations, airworthiness and personnel licensing is expected to increase.

5 The key performance measures are:

Targets

| | Target | 2001 (Actual) | 2002 (Actual) | 2003 (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 engineer's 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)..... | 80† | 76 | 78 | 80 |
| inspection of outstations and overseas maintenance facilities (no.)..... | 28 | 26 | 35Ω | 29 |
| inspection of local maintenance organisations (no.)..... | 36# | 35 | 36 | 36 |
| inspection of maintenance training organisations (no.)..... | 7 | N.A.§ | N.A.§ | 8 |

† The previous target was 70 flights. The target is revised to 80 flights to reflect the department's efforts in stepping up inspections to cope with the increase in air operators, aircraft types and airlines routes.

Ω The increase is due to an increase in the number of outstations requiring inspection in 2002.

The previous target was 40 inspections. The target is revised to 36 inspections to reflect the reduced need to inspect the local maintenance organisations as a result of improvements in the quality of their maintenance standards.

§ Not applicable as this is a new target taking effect from 2003.

Indicators

| | 2001 (Actual) | 2002 (Actual) | 2003 (Estimate) |
|--|------------------|------------------|--------------------|
| significant aircraft registered on the Hong Kong Register..... | 114 | 150 | 161 |
| air operator's certificates issued..... | 6 | 8 | 8 |
| local flight crew examinations (no. of examination papers processed)..... | 2 557 | 1 599† | 2 030 |
| overseas flight crew examinations (no. of examination papers processed)..... | 488 | 517 | 755 |
| aircraft maintenance engineer's licence examinations (no. of examination papers processed)..... | 593 | 593 | 430Ω |
| medical certificates issued..... | 3 335 | 3 348 | 3 620 |
| personnel licences issued..... | 1 366 | 1 216# | 1 390 |

† The decrease is due to the contracted aviation industry after the 9-11 incident and the increase in the number of overseas flight crew examinations held.

Ω As the majority of candidates had already sat the examinations in 2001 and 2002, there will be lesser candidates sitting the examinations in 2003.

The decrease is due to the contracted aviation industry after the 9-11 incident.

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Matters Requiring Special Attention in 2003–04

6 During 2003–04, the department will continue to:

- review the revised policy on the avoidance of fatigue in aircrews;
- review the operational and engineering aspects of policies on Low Weather Minima Operations and Reduced Vertical Separation Minima;
- review the policy on avoidance of drug and alcohol abuse in personnel holding aviation safety-sensitive posts;
- approve and monitor extended range twin-engined operation;
- monitor preparations for the introduction of new helicopters by Government Flying Service;
- monitor the approved flying training organisations;
- monitor and approve ab initio aircraft maintenance organisations;
- monitor the implementation of new requirements in certifying staff to undertake aircraft maintenance duties;
- approve and monitor the aircraft maintenance training organisations;
- monitor the implementation of cockpit security enhancement programmes of Hong Kong aircraft operators; and
- establish the Air Traffic Management Standards Office to function as a regulator for overseeing the safety and efficiency of air traffic control operations.

Programme (2): Airport Standards

| | 2001–02 (Actual) | 2002–03 (Approved) | 2002–03 (Revised) | 2003–04 (Estimate) |
|---------------------------|---------------------|-----------------------|----------------------|-------------------------------|
| Financial provision (\$m) | 26.8 | 31.1 (+16.0%) | 30.5 (–1.9%) | 34.5 (+13.1%) |

Aim

7 The aim is to set and enforce aerodrome safety and aviation security standards, to keep up-to-date and ensure compliance with related legislation.

Brief Description

8 The Airport Standards Division is responsible for the licensing, regulation, inspection and monitoring of safety and security of international aerodromes (including heliports) in Hong Kong. This 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;
- ensuring compliance with the Hong Kong Aviation Security Programme and provisions of the Aviation Security Ordinance (Cap. 494) and Aviation Security Regulation;
- enforcing the Hong Kong Airport (Control of Obstructions) Ordinance (Cap. 301) and subsidiary legislation; and
- 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 Regulations.

9 The Airport Standards Division will ensure operations at the Hong Kong International Airport comply with all relevant airport safety and aviation security standards. These include vetting and endorsing the airport safety procedures under the Aerodrome Manual and Emergency Procedure Manual, and the inspection of airport operational facilities and aviation security facilities.

10 The key performance measures are:

Targets

| | Target | 2001 (Actual) | 2002 (Actual) | 2003 (Plan) |
|--|--------|------------------|------------------|------------------------|
| audit inspection relating to aerodrome licensing issues (no.) | 14 | 13 | 14 | 13 |

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| | Target | 2001 (Actual) | 2002 (Actual) | 2003 (Plan) |
|---|--------|------------------|------------------|------------------------|
| audit inspection of airport operators and airport tenants to ensure compliance with the requirements in the Hong Kong Aviation Security Programme (no.)..... | 14 | 14 | 14 | 14 |
| vetting of building plans/development proposals and lighting proposals for compliance with airport height restrictions and other aviation safety requirements (working days)..... | 12 | 13 | 12 | 12 |
| processing applications for exemption from height restrictions prescribed by orders made under Cap. 301 (working days)..... | 10 | 10 | 10 | 10 |
| processing applications from cargo agents for registration as regulated agents and the associated security programmes (working days)..... | 15 | 13 | 12 | 15 |
| processing applications for carriage of dangerous goods and munitions by air (working days)..... | 14 | 12 | 13 | 14 |

Indicators

| | 2001 (Actual) | 2002 (Actual) | 2003 (Estimate) |
|---|------------------|------------------|----------------------------|
| no. of inspections of airport operators and operational facilities | 204 | 147† | 130† |
| no. of inspections of airport operators, airlines, airport tenants and regulated agents in respect of their aviation security measures and facilities..... | 301 | 330 | 350 |
| no. of building plans/development proposals and lighting proposals submitted for assessment of compliance with airport height restrictions and other aviation safety requirements | 247 | 294 | 300 |
| no. of applications for exemption from height restrictions prescribed by orders made under Cap. 301..... | 68 | 61 | 60 |
| no. of inspections of shippers, freight forwarders, airlines and ground handling agents in respect of their dangerous goods handling standards..... | 85 | 82 | 90 |

† The decreases in the number of inspections in 2002 and 2003 are due to the completion of cargo apron extension works in 2001 and the airfield ground lighting enhancement works in 2002 at the Hong Kong International Airport.

Matters Requiring Special Attention in 2003–04

11 During 2003–04, the department will continue to:

- provide advice and guidance to the Airport Authority and conduct inspections to ensure that the Hong Kong International Airport meets the required safety and security standards and satisfies all aerodrome licensing requirements;
- develop and implement aviation security measures in the Hong Kong International Airport to meet international requirements; and
- inspect registered regulated agents to ensure compliance with the required security standards relating to air cargo.

Programme (3): Air Traffic Management

| | 2001–02 (Actual) | 2002–03 (Approved) | 2002–03 (Revised) | 2003–04 (Estimate) |
|---------------------------|---------------------|-----------------------|----------------------|-------------------------------|
| Financial provision (\$m) | 259.5 | 280.7 (+8.2%) | 263.8 (–6.0%) | 275.5 (+4.4%) |

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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 to co-ordinate search and rescue services.

Brief Description

13 The Air Traffic Management Division is responsible for managing the movement of aircraft within Hong Kong Flight Information Region, which currently has a total area of 276 000 sq. km 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. This 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;
- maintaining close liaison with civil aviation authorities of the Mainland and Macau to review and evaluate air traffic control and flight procedures for airports in the Pearl River Delta area;
- maintaining close liaison with neighbouring Area Control Centres (ACC) to review the organisation of airspace and air routes structure in an effort to enhance the safe and efficient provision of air traffic services;
- co-ordinating with neighbouring ACCs in the implementation of Letters of Agreement on air traffic control procedures;
- participating actively in the International Civil Aviation Organisation (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 performance is maintained at the highest possible standard;
- designing flight procedures; and
- participating in air traffic control equipment testing and acceptance.

14 The air traffic control system at the Hong Kong International Airport continues 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 has been progressively increased to 49 movements per hour. Further enhancement of runway capacity is being studied.

15 The key performance measures are:

Targets

In view of the unique safety orientated nature of air traffic control services, it is impossible to set performance targets in quantitative terms. However, the department is committed to ensuring the efficient and safe operation of all aircraft movements within the capacity limits of the air traffic control system. The department is also responsible for immediate response to aircraft emergencies and co-ordination of search and rescue.

Indicators

| | 2001 (Actual) | 2002 (Actual) | 2003 (Estimate) |
|---|------------------|------------------|--------------------|
| aircraft movements | 219 795 | 230 945 | 240 000 |
| aircraft transiting Hong Kong Flight Information Region | 93 750 | 94 277 | 98 000 |
| notices to airmen and aeronautical information publication supplements issued/received | 171 119 | 183 395 | 193 000 |
| pre-flight bulletins issued | 149 968 | 163 709 | 175 000 |

Matters Requiring Special Attention in 2003–04

16 During 2003–04, the department will continue to:

- co-ordinate with adjacent air traffic control authorities to facilitate the operation of aircraft to and from the Shenzhen, Zhuhai, Macau and Hong Kong Airports;
- refine the air traffic control procedures and effect improvement to facilities with a view to promoting flight safety, operational efficiency and enhancing air traffic control system capacity;
- recruit and provide quality training to air traffic control staff to meet the anticipated air traffic services demand;
- study and evaluate the various components of the satellite-based Communications, Navigation, Surveillance/Air Traffic Management (CNS/ATM) Systems; and

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- develop and implement the Safety Management System to ensure the highest standard of safety is maintained in air traffic control services.

Programme (4): Engineering and Systems

| | 2001-02 (Actual) | 2002-03 (Approved) | 2002-03 (Revised) | 2003-04 (Estimate) |
|---------------------------|---------------------|-----------------------|----------------------|-------------------------------|
| Financial provision (\$m) | 254.5 | 297.6 (+16.9%) | 263.0 (-11.6%) | 290.7 (+10.5%) |

Aim

17 The aim is to provide advice on technical and engineering matters, to liaise with other government departments to ensure the smooth and timely completion of projects, and to provide a telecommunications service for the Hong Kong aviation community.

Brief Description

18 The Engineering and Systems Division is responsible for the design, co-ordination and provision of air traffic control systems, radar, navigational aids, communications equipment and information technology systems. This work involves:

- overseeing the procurement, installation, testing and commissioning of air traffic control equipment;
- overseeing the enhancement and maintenance of air traffic control facilities and arranging periodic flight calibration for equipment validation;
- operating the Aeronautical Fixed Telecommunication Network between adjacent Flight Information Regions and providing Aeronautical Mobile and Aeronautical Broadcast Services to aircraft;
- planning, studying and conducting trials for the phased implementation of satellite-based CNS/ATM Systems;
- co-ordinating the design of facilities with works departments and monitoring their construction and commissioning; and
- planning and implementing information technology systems and establishing the data security policy for the department in line with the E-Government objective.

19 The Engineering and Systems Division will continue to ensure proper operations of air traffic control equipment and that air traffic control facilities are procured and satisfactorily commissioned on time and within budget.

20 The key performance measures are:

Targets

| | Target | 2001 (Actual) | 2002 (Actual) | 2003 (Plan) |
|---|--------|------------------|------------------|------------------------|
| electronic engineering projects completed on time and within budget (%) | 98.0 | 100.0 | 98.8 | 98.0 |
| availability of Aeronautical Fixed Telecommunication Network (AFTN) (%)..... | 99.9 | 99.9 | 99.9 | 99.9 |
| availability of air traffic control equipment (%)..... | 99.9 | 99.9 | 99.9 | 99.9 |

Indicators

| | 2001 (Actual) | 2002 (Actual) | 2003 (Estimate) |
|--|------------------|------------------|----------------------------|
| no. of telecommunication messages relayed by AFTN (million) | 21.0 | 20.7 | 21.5 |
| no. of CNS/ATM trials and electronic engineering projects completed..... | 10 | 11 | 11 |

Matters Requiring Special Attention in 2003-04

21 During 2003-04, the department will:

- continue to enhance the air traffic control system capability to ensure efficient and reliable operation;
- continue to ensure proper maintenance of the 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 the level of the telecommunications services arising from the implementation of new Aeronautical Telecommunications Network/Air Traffic Services Message Handling System and the availability of various communications and radar facilities at Xisha;
- organise the necessary activities for the provision of electronic and telecommunications services when these services are no longer provided under a central contract with effect from 30 September 2006; and
- continue to plan and implement information technology systems and the data security policy in line with the E-Government objective.

Programme (5): Air Services

| | 2001-02 (Actual) | 2002-03 (Approved) | 2002-03 (Revised) | 2003-04 (Estimate) |
|---------------------------|---------------------|-----------------------|----------------------|-------------------------------|
| Financial provision (\$m) | 22.2 | 23.5 (+5.9%) | 22.7 (-3.4%) | 24.1 (+6.2%) |

Aim

22 The aim is to regulate scheduled and non-scheduled air services; to review and, if necessary, propose changes to civil aviation legislation; to further Hong Kong's interests through co-ordinating the participation in the activities of international organisations, particularly the ICAO and the Asia-Pacific Economic Cooperation (APEC); to assess air transport demand and to ensure the capacity of the runways meets the demand; to ensure proper allocation and utilisation of runway slots; to assess the demand for helicopter services and provide support to heliport development; to compile and disseminate air traffic statistics; and to formulate and implement aircraft noise management policies.

Brief Description

23 The Air Services Division is responsible for:

- regulating 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 Air Services Negotiations Unit of the Economic Development and Labour Bureau for air services negotiations;
- co-ordinating the department's requirements under the legislative programme and reviewing and, if necessary, proposing changes to civil aviation legislation;
- co-ordinating the department's inputs to, and participation in, the activities of international organisations, particularly the ICAO and the APEC;
- co-ordinating periodic review of air transport demand forecasts together with the Airport Authority 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 Hong Kong International Airport; and
- monitoring the demand for and facilitating the operation of helicopter services and heliport development.

24 The key performance measures are:

Targets

| | Target Working Days | 2001 (Actual) | 2002 (Actual) | 2003 (Plan) |
|--|---------------------------|------------------|------------------|------------------------|
| processing applications for non-scheduled air services permits..... | 3 | 2 | 2 | 3 |

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Indicators

| | 2001 (Actual) | 2002 (Actual) | 2003 (Estimate) |
|--|------------------|--------------------|--------------------|
| scheduled air services permits issued | 184 | 178 | 180 |
| non-scheduled air services permits issued | 885 | 1 466 [†] | 1 000 |
| tariff filings processed | 656 | 663 | 610 |
| no. of applications for schedule changes | 2 382 | 2 499 | 2 600 |
| no. of notifications, returns, etc. to and from ICAO | 314 | 300 | 300 |
| no. of notifications, returns, etc. to and from APEC | 82 | 86 | 80 |

[†] The increase in the number of permits issued is due to the increase in the number of cargo flight applications as a result of US west coast port workers' strike in 2002.

Matters Requiring Special Attention in 2003–04

25 During 2003–04, the department will continue to:

- endeavour to ensure that Hong Kong's civil aviation legislation meets Hong Kong's needs;
- provide support to the negotiation and implementation of Hong Kong's Air Services Agreements and promote Hong Kong as the international and regional aviation centre;
- monitor the allocation of runway slots and time-keeping performance of airlines in 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 provide necessary support to heliport development.

Programme (6): Air Passenger Departure Tax (APDT) Administration

| | 2001–02 (Actual) | 2002–03 (Approved) | 2002–03 (Revised) | 2003–04 (Estimate) |
|---------------------------|---------------------|-----------------------|----------------------|-----------------------|
| Financial provision (\$m) | 1.6 | 1.6 (0.0%) | 1.6 (0.0%) | 1.6 (0.0%) |

Aim

26 The aim is to administer the APDT collection pursuant to the Air Passenger Departure Tax Ordinance.

Brief Description

27 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.

28 The key performance measures are:

Targets

| | Target | 2001 (Actual) | 2002 (Actual) | 2003 (Plan) |
|---|--------|------------------|------------------|----------------|
| percentage of applications for refund received by post to be processed within 14 working days (%) | 95 | 100 | 100 | 99 |

Indicators

| | 2001 (Actual) | 2002 (Actual) | 2003 (Estimate) |
|--------------------------------------|------------------|------------------|--------------------|
| no. of taxpayers | 10 685 322 | 11 009 052 | 11 371 000 |
| no. of exemptions | 12 100 | 12 196 | 12 700 |
| amount of APDT collected (\$m) | 585.0 | 877.7 | 906.5 |

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Matters Requiring Special Attention in 2003–04

29 During 2003–04, the department will continue to monitor the tax collection and the processing of refund of the tax.

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ANALYSIS OF FINANCIAL PROVISION

| Programme | 2001-02 (Actual) (\$m) | 2002-03 (Approved) (\$m) | 2002-03 (Revised) (\$m) | 2003-04 (Estimate) (\$m) |
|--|------------------------------|--------------------------------|-------------------------------|--------------------------------|
| (1) Flight Standards | 44.8 | 50.7 | 49.8 | 56.2 |
| (2) Airport Standards..... | 26.8 | 31.1 | 30.5 | 34.5 |
| (3) Air Traffic Management | 259.5 | 280.7 | 263.8 | 275.5 |
| (4) Engineering and Systems | 254.5 | 297.6 | 263.0 | 290.7 |
| (5) Air Services | 22.2 | 23.5 | 22.7 | 24.1 |
| (6) Air Passenger Departure Tax (APDT) Administration | 1.6 | 1.6 | 1.6 | 1.6 |
| | 609.4 | 685.2 (+12.4%) | 631.4 (-7.9%) | 682.6 (+8.1%) |

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2003-04 is \$6.4 million (12.9%) higher than the revised estimate for 2002-03. This is mainly due to the full-year provision for the Air Traffic Management Standards Office established in March 2003 and the additional resources to meet the increase in workload resulting from the introduction of new aircraft, registration of new aircraft and new aircraft operators.

Programme (2)

Provision for 2003-04 is \$4.0 million (13.1%) higher than the revised estimate for 2002-03. This is mainly due to the full-year provision for vacancies filled in 2002-03 and additional provision to implement various initiatives to enhance aviation security, including promotional activities and enhanced inspections.

Programme (3)

Provision for 2003-04 is \$11.7 million (4.4%) higher than the revised estimate for 2002-03. This is mainly due to the full-year provision for vacancies filled in 2002-03, salary increments for staff and additional requirements for procuring and enhancing air traffic control equipment.

Programme (4)

Provision for 2003-04 is \$27.7 million (10.5%) higher than the revised estimate for 2002-03. This is mainly due to the additional provision for procuring specialised stores and spare parts for the maintenance of the air traffic control system, the acquisition of aeronautical communications services for enhancement of flight safety and salary increments for staff.

Programme (5)

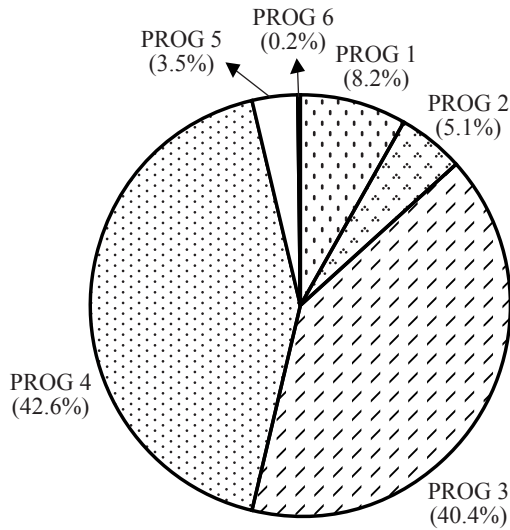
Provision for 2003-04 is \$1.4 million (6.2%) higher than the revised estimate for 2002-03. This is mainly due to the full-year provision for vacancies filled in 2002-03 and the additional resources required for the study on heliport development.

Programme (6)

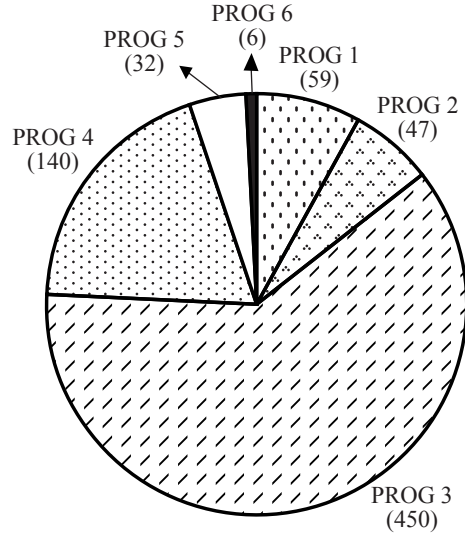
Provision for 2003-04 is the same as the revised estimate for 2002-03.

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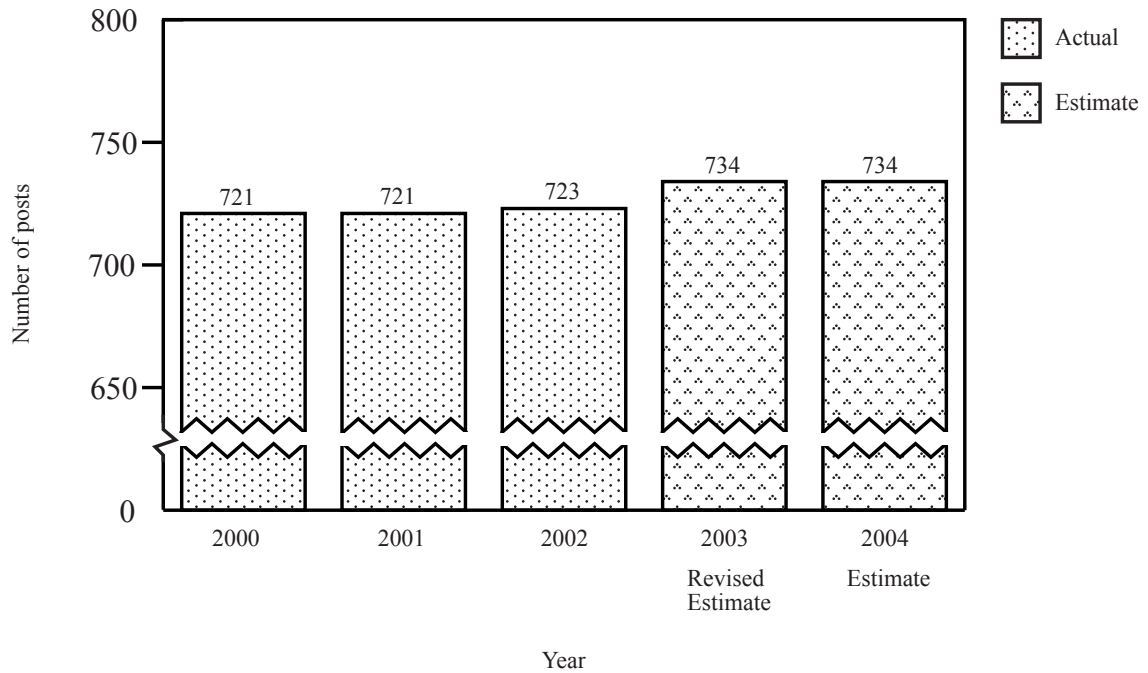
Allocation of provision to programmes (2003-04)



Staff by programme (as at 31 March 2004)



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



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| Sub-head (Code) | Actual expenditure 2001-02 | Approved estimate 2002-03 | Revised estimate 2002-03 | Estimate 2003-04 | |
|--------------------------------|--|---------------------------------|--------------------------------|-----------------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Recurrent Account | | | | | |
| 000 | Operational expenses..... | — | 676,426 | 620,290 | 673,159 |
| 170 | Airport insurance..... | 3,936 | 8,090 | 9,177 | 9,177* |
| | Salaries..... | 366,656 | — | — | — |
| | Allowances..... | 5,776 | — | — | — |
| | Job-related allowances..... | 483 | — | — | — |
| | Technical Services Agreement..... | 146,382 | — | — | — |
| | General departmental expenses..... | 84,222 | — | — | — |
| | Total, Recurrent Account..... | 607,455 | 684,516 | 629,467 | 682,336 |
| Capital Account | | | | | |
| I — Plant, Equipment and Works | | | | | |
| | Minor plant, vehicles and equipment (block vote)..... | — | 700 | 700 | — |
| | Total, Plant, Equipment and Works..... | — | 700 | 700 | — |
| II — Other Non-Recurrent | | | | | |
| 700 | General other non-recurrent..... | 1,988 | — | 1,224 | 261 |
| | Total, Other Non-Recurrent..... | 1,988 | — | 1,224 | 261 |
| | Total, Capital Account..... | 1,988 | 700 | 1,924 | 261 |
| | Total Expenditure..... | 609,443 | 685,216 | 631,391 | 682,597 |

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Details of Expenditure by Subhead

The estimate of the amount required in 2003–04 for the salaries and expenses of the Civil Aviation Department is \$682,597,000. This represents an increase of \$51,206,000 over the revised estimate for 2002–03 and of \$73,154,000 over actual expenditure in 2001–02.

Recurrent Account

2 Provision of \$673,159,000 under *Subhead 000 Operational expenses* is for the salaries and allowances of staff of the Civil Aviation Department and its other operating expenses. The increase of \$52,869,000 (8.5%) over the revised estimate for 2002–03 is mainly due to the lower than expected requirement for payment under the Technical Services Agreement in 2002–03 and the additional provision in 2003–04 for procuring specialised stores and spare parts for the maintenance of the air traffic control system, the acquisition of aeronautical communications services for enhancement of flight safety and the procurement and enhancement of air traffic control equipment.

3 The establishment as at 31 March 2003 will be 734 permanent posts. No change in establishment is expected in 2003–04. Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2003–04, but the notional annual mid-point salary value of all such posts must not exceed \$326,393,000.

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

| | 2001–02 (Actual) (\$'000) | 2002–03 (Original Estimate) (\$'000) | 2002–03 (Revised Estimate) (\$'000) | 2003–04 (Estimate) (\$'000) |
|---|---------------------------------|---|--|--|
| Personal Emoluments | | | | |
| - Salaries..... | 366,656 | 388,127 | 370,645 | 375,041 |
| - Allowances..... | 5,776 | 5,615 | 5,592 | 4,833 |
| - Job-related allowances | 483 | 635 | 597 | 1,110 |
| Personnel Related Expenses | | | | |
| - Mandatory Provident Fund contribution..... | — | — | — | 1,348 |
| Departmental Expenses | | | | |
| - Technical Services Agreement..... | 146,382 | 163,675 | 142,037 | 169,895 |
| - General departmental expenses..... | 84,222 | 118,374 | 101,419 | 120,932 |
| | 603,519 | 676,426 | 620,290 | 673,159 |

5 Provision of \$9,177,000 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.

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Capital Account

Commitments

| Sub-head (Code) | Item (Code) | Ambit | Approved commitment | Accumulated expenditure to 31.3.2002 | Revised estimated expenditure for 2002-03 | Balance |
|--------------------|----------------|---|------------------------|--|--|---------|
| | | | \$'000 | \$'000 | \$'000 | \$'000 |
| 700 | | <i>General other non-recurrent</i> | | | | |
| | 515 | Purchase of flight crew licensing examination papers from the UKCAA | 935 | — | 674 | 261 |
| | | Total..... | 935 | — | 674 | 261 |
| | | | 935 | — | 674 | 261 |