

## Head 100 — MARINE DEPARTMENT

---

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

<b>Estimate 2003–04</b> .....	<b>\$990.2m</b>
<b>Establishment ceiling 2003–04</b> (notional annual mid-point salary value) representing an estimated 1 508 non-directorate posts as at 31 March 2003 reducing by two posts to 1 506 posts as at 31 March 2004.....	<b>\$407.1m</b>
In addition there will be an estimated 21 directorate posts as at 31 March 2003 and as at 31 March 2004.	
<b>Capital Account commitment balance</b> .....	<b>\$4.9m</b>

---

### Controlling Officer's Report

#### Programmes

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

#### Detail

##### Programme (1): Infrastructure

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	<b>2003–04 (Estimate)</b>
Financial provision (\$m)	32.1	35.3 (+10.0%)	34.8 (–1.4%)	<b>36.4 (+4.6%)</b>

#### *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.

#### *Brief Description*

3 Port and shipping related activities are fundamental to Hong Kong's trade and economic growth. Timely planning is needed to ensure that port facilities, including the information systems of the Marine Department, keep pace with demand. Legislation and policy must also be developed to support and protect Hong Kong's maritime interests. This work involves:

- undertaking the planning of government port facilities;

## Head 100 — MARINE DEPARTMENT

- formulating policies on ship registration, safety of ships, marine environment protection, seafarers qualifications and welfare;
- participating in the development of international conventions and liaising with other Administrations on shipping matters;
- management of local craft;
- collation and analysis of statistics; and
- formulating and implementing information system strategy to support the department's business.

4 The 2002 targets on planning and legislation have been met in most cases. It is estimated that port and shipping related activities will grow in 2003. Streamlining of registration and survey procedures including provision of one-stop-shop service, combined with reduction of related fees, has resulted in a steady growth of the Hong Kong Shipping Register which grew to 16.2 million tonnage as at 31 December 2002. General agreement was reached with the relevant Mainland authorities on the required safety and manning standards for Hong Kong vessels engaged in coastal trading.

5 The key performance measures are:

### *Targets*

	Target	2001 (Actual)	2002 (Actual)	<b>2003 (Plan)</b>
to facilitate timely application of international conventions in Hong Kong, complete the Draft Drafting Instructions for legislation nine months before the conventions enter into force internationally.....	95% of cases	95	100	<b>95</b>

### *Indicators*

	2001 (Actual)	2002 (Actual)	<b>2003 (Estimate)</b>
container throughput (million TEUs) .....	17.9	19.1	<b>19.5</b>
projects under planning which will affect the port and its associated facilities .....	88	98	<b>100</b>

### *Matters Requiring Special Attention in 2003–04*

6 During 2003–04, the department will :

- continue to look for measures to make the Hong Kong Shipping Register more efficient, user friendly and attractive; and
- finalise the manning standards and safety management system as well as complete the Code of Practice for Hong Kong vessels engaged in coastal trading (Mainland Ports).

### **Programme (2): Port Services**

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	<b>2003–04 (Estimate)</b>
Financial provision (\$m)	313.4	357.7 (+14.1%)	331.1 (-7.4%)	<b>368.3 (+11.2%)</b>

### *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:

- regulation of shipping movements including the provision of Vessel Traffic Services and aids to navigation;
- provision of hydrographic and charting services;
- management of government buoys and anchorages;
- regulation of pilotage services;

## Head 100 — MARINE DEPARTMENT

- management of passenger ferry terminals;
- maintaining emergency preparedness;
- co-ordination of search and rescue activities;
- inspection of foreign OGVs in Hong Kong waters for port state control purposes to ensure their compliance with international safety standards;
- control of conveyance of dangerous goods at sea; and
- provision of harbour scavenging services and implementation of international conventions and local laws on environmental protection.

9 Safe vessel movements have been maintained through vigilant monitoring and regulation of marine traffic. Continued efforts have been made to tackle littoral and floating rubbish in Hong Kong waters. To fulfil Hong Kong's commitment to the Tokyo Memorandum of Understanding, the inspection rate is required to be maintained at 15% or above of OGVs visiting Hong Kong each year. This target and other targets on the efficient and safe running of the port were generally met in 2002.

10 The key performance measures are:

### *Targets*

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
complete port formalities for OGVs .....	20 minutes or less@	22	20	20
perform initial inspection on OGVs for compliance with international requirements on ship safety and environmental protection (excluding re-inspections)(% of OGVs inspected)...	15	15.8	16.9	15
respond to search and rescue and casualty evacuation incidents .....	Immediate	Immediate	Immediate	Immediate
allocate a passenger ferry berth within 5 minutes of request at				
China Ferry Terminal.....	99%	99	99	99
Macau Ferry Terminal .....	99%	99	99	99
respond on site to oil spillages inside harbour limits within 2 hours.....	100%	100	100	100
hydrographic survey of Hong Kong waters	400 km <sup>2</sup>	380	410	400
publication of new nautical charts covering Hong Kong waters .....	3#	2	3	3
maintain the availability of aids to navigation up to international standard ..	99%	99	99	99

@ The target is revised from 22 minutes to 20 minutes to reflect improved efficiency.

# The target is revised from 2 to 3 to reflect improved efficiency.

### *Indicators*

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
container throughput by OGVs (million TEUs) .....	13.1	13.7	14.2
OGV arrivals (does not include vessels in transit through Hong Kong waters to Shenzhen ports).....	36 700	35 500	36 000
collisions, strandings and strikings affecting OGVs in Hong Kong waters .....	31	34	N.A.§
search and rescue operations and casualty evacuations co-ordinated .....	76	79	N.A.§
passengers using marine ferry terminals (m) .....	17.7	18.8	18.5
refuse collected from ships (tonnes) .....	1 434	1 338	1 300
floating refuse collected (tonnes) .....	9 394	9 277	9 250
aids to navigation maintained (number) .....	482	485	485
wreck search and new dangers survey (times).....	15	14	N.A.§
production of hydrographic plans (number) .....	60	130	80

§ Not applicable

## Head 100 — MARINE DEPARTMENT

### *Matters Requiring Special Attention in 2003–04*

11 During 2003–04, the department will:

- improve the general environment and user-friendliness of the China Ferry Terminal and Macau Ferry Terminal;
- plan the development of a cross-boundary ferry terminal in Tuen Mun;
- continue to enhance the effectiveness of floating refuse scavenging services;
- continue to implement the modernisation of the aids to navigation in the waters of Hong Kong;
- establish local traffic surveillance system at Green Island;
- continue to strengthen the regulation on the carriage of dangerous goods by vessels in Hong Kong waters;
- establish control measures for emission of black smoke from vessels; and
- continue to implement the certification system for the vessel traffic regulators to comply with International Maritime Organization (IMO) standard.

### **Programme (3): Local Services**

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	<b>2003–04 (Estimate)</b>
Financial provision (\$m)	90.4	102.1 (+12.9%)	97.1 (–4.9%)	<b>101.8 (+4.8%)</b>

### *Aim*

12 The aim is to ensure the safe and efficient use of Hong Kong waters by locally licensed and river trade vessels.

### *Brief Description*

13 This programme involves the following areas of work:

- managing Public Cargo Working Areas (PCWAs);
- managing typhoon shelters;
- managing private moorings;
- liaising with local associations, district councils and vessel operators;
- providing licensing services to locally licensed and river trade vessels;
- enforcing the Shipping and Port Control Ordinance;
- conducting the port formalities for locally licensed and river trade vessels; and
- detaining and disposing of craft seized by enforcement agencies.

14 The casualty rate of non-OGVs has continued to be kept at a very low level through effective traffic management and control.

15 The key performance measures are:

#### *Targets*

	Target	2001 (Actual)	2002 (Actual)	<b>2003 (Plan)</b>
complete port formalities for river trade vessels .....	10 minutes or less	10	10	<b>10</b>
inspect locally licensed and river trade vessels for compliance with marine legislation (no. of inspections) .....	18 000	18 000	19 700	<b>19 000</b>

#### *Indicators*

	2001 (Actual)	2002 (Actual)	<b>2003 (Estimate)</b>
cargo throughput for PCWAs (m tonnes) .....	13.4	11.8	<b>12.0</b>
river trade cargo vessel arrivals .....	116 200	119 250	<b>120 000</b>
licences issued for local craft .....	13 300	13 000	<b>13 000</b>

## Head 100 — MARINE DEPARTMENT

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
collisions, strandings and strikings affecting locally licensed, river trade and coastal vessels in Hong Kong waters .....	265	260	N.A.§
refuse collected from locally licensed and river trade vessels (tonnes) .....	1 226	1 253	1 250

§ Not applicable

### *Matters Requiring Special Attention in 2003–04*

**16** During 2003–04, the department will:

- continue to implement the recommendations of the Helping Business Phase II Study in respect of licensing and surveying of local vessels;
- enact the subsidiary legislation of the Merchant Shipping (Local Vessels) Ordinance for better control and regulation of local vessels;
- enhance the regulation of oil barge operation; and
- continue to conduct educational seminar for masters and operators of River Trade Vessels.

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

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	58.3	61.9 (+6.2%)	56.5 (–8.7%)	59.9 (+6.0%)

### *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. This involves:

- enforcing international conventions;
- maintaining the quality of Hong Kong Register of Ships;
- conducting examination and issuing certificates of seafarers;
- regulating the recruitment and engagement conditions of seafarers;
- carrying out initial and periodical safety surveys and inspections of locally licensed and river trade vessels;
- investigating accidents;
- ensuring safety of cargo handling and ship repairs; and
- ascertaining the cause of marine casualties and marine industrial accidents.

**19** The aim of the programme has been consistently achieved. The safety standards of Hong Kong registered ships and licensed craft continue to be maintained at a high level. All the major international maritime conventions are being enforced and measures are in hand to enact and enforce the recent major amendments to international conventions. The competitiveness and user friendliness of the Hong Kong Register of Ships have been well maintained. The Flag State Quality Control (FSQC) inspection system has proved to be an effective and efficient means in maintaining the quality of ships in the Hong Kong Shipping Register. All Hong Kong registered ships are in compliance with International Safety Management Code as well as the 1995 amendments on the Standards of Training, Certification and Watchkeeping Convention (STCW 95 Amendments). Customers are satisfied with the services provided to ships. The safety of cargo handling, ship repair and marine construction activities within Hong Kong waters is ensured through safety inspections. Pamphlets, posters and notices on safe working practices are published for the promotion of marine industrial safety. Exchanges with the Mainland authorities have been maintained to discuss matters relating to coastal and river trade shipping standards.

**20** The key performance measures are:

## Head 100 — MARINE DEPARTMENT

### *Targets*

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
analyse ship records to assess ship's safety performance.....	60%	35	60	<b>60</b>
FSQC inspection of Hong Kong registered ships .....	5%#	6.9	6.6	<b>5</b>

# Actual % of FSQC inspections carried out was below the previous target of 10% due to the substantial increase in the total number of Hong Kong registered ships. The actual number of inspections are maintained at 2001 level. Based on our experience, the revised target inspection of 5% ships should be sufficient to maintain quality standards of Hong Kong registered ships.

### *Indicators*

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
percentage of Hong Kong registered ships detained in Port			
State Control inspections by other administrations .....	2.8	2.5	<b>2.5</b>
gross registered tonnage on the register (m).....	13.7	16.2	<b>17.0</b>
authorisations issued to man Hong Kong ships .....	9 258	10 019	<b>9 000@</b>
fatalities in marine industrial accidents .....	9	11	<b>N.A.§</b>
casualties involving Hong Kong registered ships .....	2	1	<b>N.A.§</b>
inspection visits of locally licensed vessels .....	5 382	5 196	<b>5 000</b>
certificates of surveys issued to locally licensed vessels .....	3 720	3 624	<b>3 500</b>

@ The decline is due to the completion of the exercise in 2002 to renew all sea-going certificates as a result of the implementation of the STCW95 Amendments.

§ Not applicable

### *Matters Requiring Special Attention in 2003–04*

**21** During 2003–04, the department will:

- continue to fine tune the implementation of Flag State Quality Control System;
- continue to make direct marketing calls to local and overseas shipping companies to promote the services of the Hong Kong Shipping Register;
- continue to improve operational efficiency in licensing and surveys of local vessels through implementation of an integrated information system;
- implement improvement measures, including a revised local certificate of competency scheme, delegation of surveys and updated safety standards for locally licensed vessels, and updated safety requirements for marine industrial operations upon the commencement of the Merchant Shipping (Local Vessels) Ordinance and related subsidiary legislation;
- implement the on-line computerised examination system for local certificates of competency on enhancement of the revised local certificate of competency scheme; and
- continue to strengthen liaison and coordination with the Mainland Authorities in order to harmonise and enhance shipping standards.

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

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	422.8	431.8 (+2.1%)	416.9 (–3.5%)	<b>423.8 (+1.7%)</b>

### *Aim*

**22** The aim is to provide cost-effective marine transport services to government departments.

### *Brief Description*

**23** This programme relates to the management of the government fleet and involves:

- developing a long term strategy for the procurement of new or replacement of government vessels;

## Head 100 — MARINE DEPARTMENT

---

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

**24** The Government Dockyard provides maintenance service to over 660 vessels and operational personnel for over 60 vessels for use by various government departments.

**25** The key performance measures are:

***Targets***

	Target	2001 (Actual)	2002 (Actual)	<b>2003 (Plan)</b>
vessel availability to all users (%).....	87	87	88	<b>87</b>

***Indicators***

	2001 (Actual)	2002 (Actual)	<b>2003 (Estimate)</b>
number of mechanised vessels in use .....	143	144	<b>149</b>
number of new vessel projects undertaken .....	6	11	<b>9</b>

***Matters Requiring Special Attention in 2003–04***

**26** During 2003–04, the department will review the provision of existing equipment in light of technological development over the years. Equipment that can be reduced or replaced by modern technology without affecting the safe operation of the vessels will be removed to reduce the number of items to be maintained and the number of failures in operation thereby reducing the cost of maintenance and down time of government vessels.

## Head 100 — MARINE DEPARTMENT

### ANALYSIS OF FINANCIAL PROVISION

Programme	2001-02 (Actual) (\$m)	2002-03 (Approved) (\$m)	2002-03 (Revised) (\$m)	2003-04 (Estimate) (\$m)
(1) Infrastructure.....	32.1	35.3	34.8	36.4
(2) Port Services.....	313.4	357.7	331.1	368.3
(3) Local Services.....	90.4	102.1	97.1	101.8
(4) Services to Ships.....	58.3	61.9	56.5	59.9
(5) Government Fleet .....	422.8	431.8	416.9	423.8
	917.0	988.8 (+7.8%)	936.4 (-5.3%)	990.2 (+5.7%)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2003-04 is \$1.6 million (4.6%) higher than the revised estimate for 2002-03. This is mainly due to the increased expenditure on information technology support services as part of the e-business initiative.

##### Programme (2)

Provision for 2003-04 is \$37.2 million (11.2%) higher than the revised estimate for 2002-03. This is mainly due to the increased provision for marine refuse cleansing service and for conducting a study on marine traffic risk assessment in 2003-04, the increased requirements for replacing ageing plant and equipment and the lower than expected expenditure in 2002-03.

##### Programme (3)

Provision for 2003-04 is \$4.7 million (4.8%) higher than the revised estimate for 2002-03. This is mainly due to the increased requirement for replacing ageing plant and equipment.

##### Programme (4)

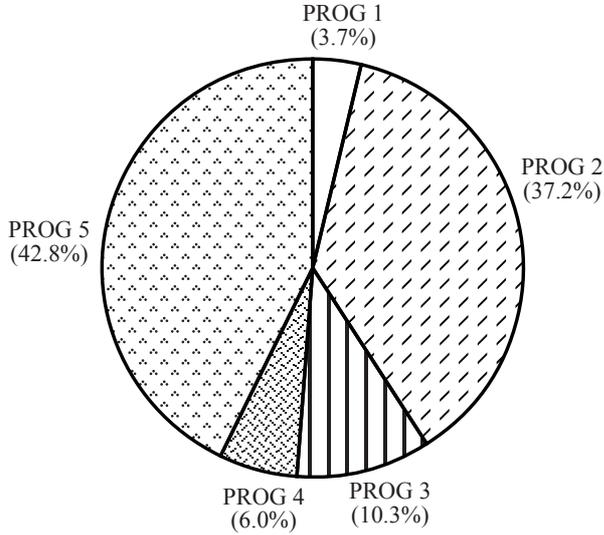
Provision for 2003-04 is \$3.4 million (6.0%) higher than the revised estimate for 2002-03. This is mainly due to the additional provision for conducting a Fatigue Study of High Speed Craft in 2003-04.

##### Programme (5)

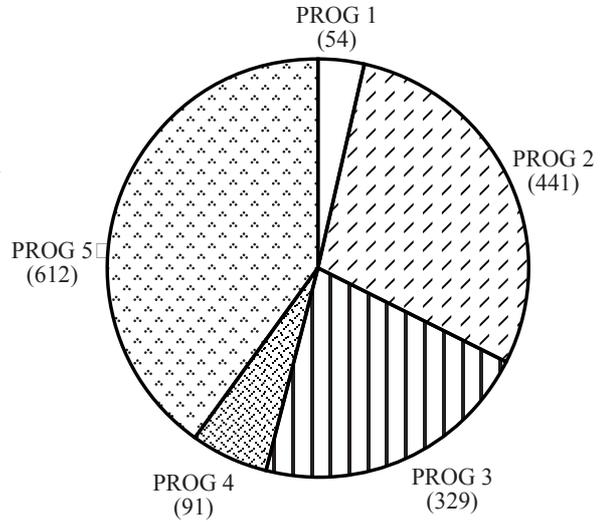
Provision for 2003-04 is \$6.9 million (1.7%) higher than the revised estimate for 2002-03. This is mainly due to the increased provision for pre-retirement leave payment, additional recurrent provision for maintenance of new vessels and the escalation of fuel prices, partly offset by reduced vessel maintenance cost due to efficiency measures and deletion of two posts to achieve efficiency savings.

**Head 100 — MARINE DEPARTMENT**

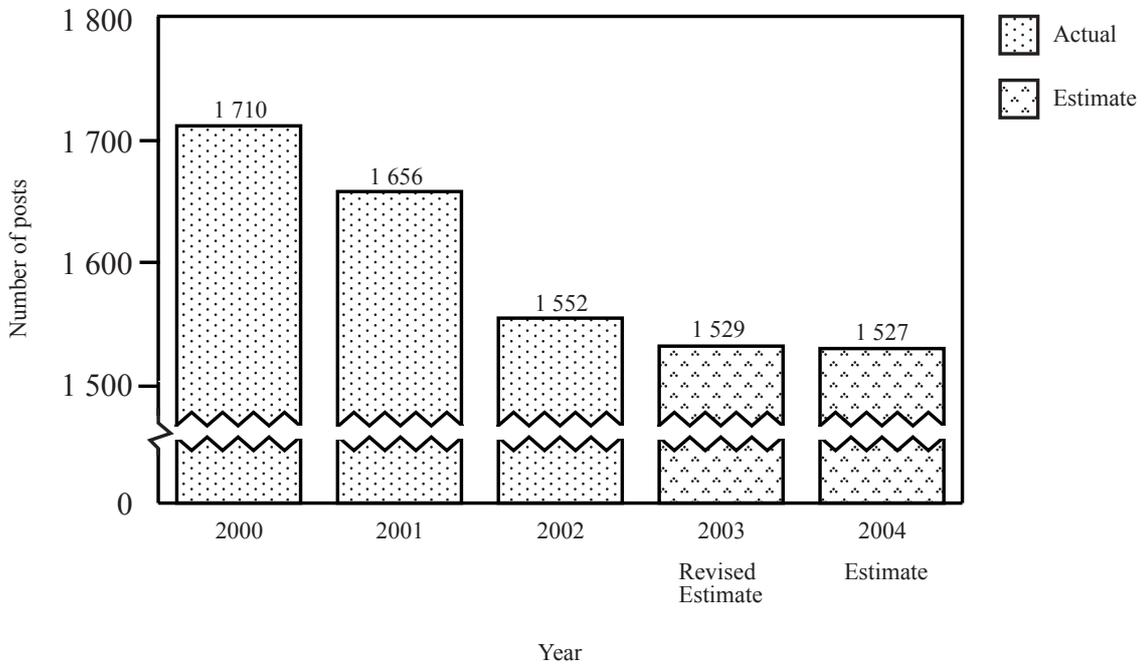
*Allocation of provision to programmes (2003-04)*



*Staff by programme (as at 31 March 2004)*



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



**Head 100 — MARINE DEPARTMENT**

Sub-head (Code)	Actual expenditure 2001-02	Approved estimate 2002-03	Revised estimate 2002-03	<b>Estimate 2003-04</b>
	\$'000	\$'000	\$'000	<b>\$'000</b>
<b>Recurrent Account</b>				
000	Operational expenses.....	—	—	<b>961,269</b>
	Salaries .....	495,051	493,412	—
	Allowances .....	16,651	20,200	—
	Job-related allowances .....	5,201	5,818	—
	Technical Services Agreement .....	21,197	32,117	—
	Maintenance materials .....	100,635	106,420	—
	Contract maintenance .....	86,728	85,614	—
	General departmental expenses .....	164,205	223,031	—
	Total, Recurrent Account .....	889,668	966,612	<b>961,269</b>
<b>Capital Account</b>				
I — Plant, Equipment and Works				
603	Plant, vehicles and equipment .....	—	2,512	<b>2,336</b>
661	Minor plant, vehicles and equipment (block vote) .....	20,438	18,696	<b>24,607</b>
	Total, Plant, Equipment and Works .....	20,438	21,208	<b>26,943</b>
II — Other Non-Recurrent				
700	General other non-recurrent .....	6,865	1,000	<b>2,000</b>
	Total, Other Non-Recurrent .....	6,865	1,000	<b>2,000</b>
	Total, Capital Account .....	27,303	22,208	<b>28,943</b>
	Total Expenditure.....	916,971	988,820	<b>990,212</b>

## Head 100 — MARINE DEPARTMENT

### Details of Expenditure by Subhead

The estimate of the amount required in 2003–04 for the salaries and expenses of the Marine Department is \$990,212,000. This represents an increase of \$53,823,000 over the revised estimate for 2002–03 and of \$73,241,000 over actual expenditure in 2001–02.

#### *Recurrent Account*

**2** Provision of \$961,269,000 under *Subhead 000 Operational expenses* is for the salaries and allowances of staff of the Marine Department and its other operating expenses. The increase of \$48,425,000 (5.3%) over the revised estimate for 2002–03 is mainly due to increased provision for marine refuse cleansing service and for conducting a study on marine traffic risk assessment in 2003–04, increased expenditure on information technology support services as part of the e-business initiative, additional recurrent provision for maintenance of new vessels and pre-retirement leave payment, escalation of fuel prices, and lower than expected expenditure in 2002–03.

**3** The establishment as at 31 March 2003 will be 1 529 permanent posts. It is expected that two non-directorate posts will be deleted 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 \$407,088,000.

**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)	<b>2003–04 (Estimate) (\$'000)</b>
Personal Emoluments				
- Salaries.....	495,051	493,412	479,302	<b>485,387</b>
- Allowances.....	16,651	20,200	17,164	<b>17,743</b>
- Job-related allowances .....	5,201	5,818	5,141	<b>6,341</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	—	—	<b>519</b>
Departmental Expenses				
- Technical Services Agreement.....	21,197	32,117	27,900	<b>30,062</b>
- Maintenance materials .....	100,635	106,420	101,902	<b>99,832</b>
- Contract maintenance.....	86,728	85,614	82,095	<b>83,117</b>
- General departmental expenses.....	164,205	223,031	199,340	<b>238,268</b>
	889,668	966,612	912,844	<b>961,269</b>

#### *Capital Account*

##### Plant, Equipment and Works

**5** Provision of \$24,607,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$2,529,000 (11.5%) over the revised estimate for 2002–03. This is mainly due to increased requirements for replacing ageing plant and equipment.

## Head 100 — MARINE DEPARTMENT

---

### 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
603		<i>Plant, vehicles and equipment</i>				
	405	Establishment of a physical barrier and four navigational buoys at the Marine Exclusion Zones of the Hong Kong International Airport .....	2,512	—	176	2,336
700		<i>General other non-recurrent</i>				
	548	Hosting of the 10th International Symposium on Vessel Traffic Services in 2004.....	3,400	—	800	2,600
		Total.....	<u>5,912</u>	<u>—</u>	<u>976</u>	<u>4,936</u>