

Head 28 — CIVIL AVIATION DEPARTMENT

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

Estimate 2004–05	\$663.7m
Establishment ceiling 2004–05 (notional annual mid-point salary value) representing an estimated 703 non-directorate posts as at 31 March 2004 reducing by six posts to 697 posts as at 31 March 2005.....	\$313.5m
In addition there will be an estimated 20 directorate posts as at 31 March 2004 and as at 31 March 2005.	
Commitment balance	\$1.2m

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 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

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	46.4	56.2	53.7 (–4.4%)	56.5 (+5.2%)
				(or +0.5% on 2003–04 Original)

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;

Head 28 — CIVIL AVIATION DEPARTMENT

- ground inspections of foreign registered aircraft;
- 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;
- safety oversight on air traffic management services by formulating safety policies and requirements relating to air traffic management operations and air navigation, monitoring air traffic safety as well as auditing air traffic control procedures and training; and
- issue of air traffic control licence and the associated air traffic control ratings through a personnel licensing mechanism and ensuring the effectiveness of the Air Traffic Management Division's competency assurance programme.

4 The Flight Standards and Airworthiness Division inspects the operational and training activities of Hong Kong airlines and air traffic management service provider regularly throughout the year to ensure that they maintain high safety and operational standards. The demand for inspections and personnel licensing is expected to increase with increases in the volume of flight operations and air traffic control operations.

5 The key performance measures are:

Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
issue of air operator's certificates (working days).....	60	60	60	60
issue of aircraft certificates of registration (working days).....	3	3	3	3
issue of aircraft maintenance licences (working days).....	6	6	6	6
issue of professional pilot licences (working days).....	3½	3½	3½	3½
approval of aircraft maintenance organisations (working days).....	60	60	60	60
approval of flying training organisations (working days).....	60	60	60	60
flight operations inspections (no. of flights)††.....	110††	78	114	110
inspection of outstations and overseas maintenance facilities (no.)	28	35	29	28
inspection of local maintenance organisations (no.).....	36	36	40	38
inspection of maintenance training organisations (no.).....	7	N.A.§	9	7
inspection of air traffic control operations/training/examination (no.)	40	N.A.†	N.A.†	40

†† This is an improvement over the previous target of 80.

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

† Not applicable as this is a new target taking effect from 2004.

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
aircraft registered on the Hong Kong Register	150	153	161
air operator's certificates issued	8	9	9
local flight crew examinations (no. of examination papers processed).....	1 599	1 534	1 600
overseas flight crew examinations (no. of examination papers processed).....	517	720	750
aircraft maintenance licence examinations (no. of examination papers processed)	593	2 054§	2 000§
medical certificates issued	3 348	3 458	3 500
personnel licences issued.....	1 216	1 444	1 500
air traffic control officer licences issued	N.A.†	N.A.†	32
air traffic control ratings and certificates issued or renewed ...	N.A.†	N.A.†	380

Head 28 — CIVIL AVIATION DEPARTMENT

§ The increase in the number of examination papers is due to the segregation of the papers into different modules.

† Not applicable as these are new indicators taking effect from 2004.

Matters Requiring Special Attention in 2004–05

6 During 2004–05, 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 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
- prepare for the forthcoming extension of the International Civil Aviation Organisation's Universal Safety Oversight Audit Programme.

Programme (2): Airport Standards

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	30.3	34.5	32.5 (–5.8%)	34.7 (+6.8%)
				(or +0.6% on 2003–04 Original)

Aim

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

Brief Description

8 The Airport Standards Division is responsible for the licensing, regulation, inspection and monitoring of 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;
- 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 Organisation;
- developing and supervising the implementation of audit and inspection programmes for monitoring the application of security programmes provided by airport operators, airline operators, tenant restricted area operators and regulated agents;
- enforcing the Hong Kong Airport (Control of Obstructions) Ordinance (Cap. 301) and subsidiary legislation; 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 that 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.

Head 28 — CIVIL AVIATION DEPARTMENT

10 The key performance measures are:

Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
audit inspection relating to aerodrome licensing issues (no.)	14	14	14	14
audit inspection of airport operators and airport tenants to ensure compliance with the requirements in the Hong Kong Aviation Security Programme (no.)	14	14	13	14
vetting of building plans/development proposals and lighting proposals for compliance with airport height restrictions and other aviation safety requirements (working days per application)	12	12	9	12
processing applications for exemption from height restrictions prescribed by orders made under Cap. 301 (working days per application)	10	10	14§	10
processing applications from cargo agents for registration as regulated agents and the associated security programmes (working days per application)	15	12	11	15
processing applications for carriage of dangerous goods and munitions by air (working days per application)	14	13	14	14

§ The increase in the number of working days to process applications in 2003 is due to the complexity of the applications processed.

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
no. of inspections of airport operators and operational facilities	147	138	130
no. of inspections of airport operators, airlines, airport tenants and regulated agents in respect of their aviation security measures and facilities	330	509	520
no. of building plans/development proposals and lighting proposals submitted for assessment of compliance with airport height restrictions and other aviation safety requirements	294	237	240
no. of applications for exemption from height restrictions prescribed by orders made under Cap. 301	61	43	50
no. of inspections of shippers, freight forwarders, airlines and ground handling agents in respect of their dangerous goods handling standards	82	58	60

Matters Requiring Special Attention in 2004–05

11 During 2004–05, 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 quality control programme and training programme to meet international requirements; and
- inspect registered regulated agents to ensure compliance with the required security standards relating to air cargo.

Head 28 — CIVIL AVIATION DEPARTMENT

Programme (3): Air Traffic Management

	2002-03 (Actual)	2003-04 (Original)	2003-04 (Revised)	2004-05 (Estimate)
Financial provision (\$m)	274.3	275.5	243.8 (-11.5%)	260.5 (+6.8%)
				(or -5.4% on 2003-04 Original)

Aim

12 The aim is to maintain a safe, orderly and expeditious flow of air traffic and a high standard in the provision of air navigation services, and to co-ordinate search and rescue services.

Brief Description

13 The Air Traffic Management Division is responsible for managing the movement of aircraft within the 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 competence 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

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
aircraft movements	230 945	187 210†	238 000
aircraft transiting Hong Kong Flight Information Region	94 277	89 151†	106 000
notices to airmen and aeronautical information publication			
supplements issued/received	183 395	200 715	219 000
pre-flight bulletins issued	163 709	193 245	218 000

† The decreases in the number of aircraft movements and aircraft transiting Hong Kong Flight Information Region in 2003 are due to the impact of the SARS on the aviation industry.

Head 28 — CIVIL AVIATION DEPARTMENT

Matters Requiring Special Attention in 2004–05

16 During 2004–05, 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 and 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
- 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

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	234.0	290.7	244.2 (–16.0%)	286.0 (+17.1%)
				(or –1.6% on 2003–04 Original)

Aim

17 The aim is to provide advice on technical and engineering matters, to ensure the smooth and timely completion of projects within budget and to provide a quality 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 key performance measures are:

Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
electronic engineering projects completed on time and within budget (%)	98.0	98.8	98.0	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

Head 28 — CIVIL AVIATION DEPARTMENT

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
no. of telecommunication messages relayed by AFTN (million)	20.7	20.8	21.0
no. of CNS/ATM trials and electronic engineering projects completed.....	11	11	12

Matters Requiring Special Attention in 2004–05

20 During 2004–05, 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;
- 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 Telecommunication Network/Air Traffic Services Message Handling System and the availability of the additional communications and radar facilities at Xisha;
- organise the necessary activities for the continued 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

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	22.8	24.1	23.2 (–3.7%)	24.4 (+5.2%)
				(or +1.2% on 2003–04 Original)

Aim

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

Brief Description

22 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.

Head 28 — CIVIL AVIATION DEPARTMENT

23 The key performance measures are:

Target

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
processing applications for non-scheduled air services permits (working days per application).....	3	2	2	3

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
scheduled air services permits issued	178	164	170
non-scheduled air services permits issued	1 466†	986	1 000
tariff filings processed	663	674	650
no. of applications for schedule changes	2 499	3 192§	2 600
no. of notifications, returns, etc. to and from ICAO.....	300	325	330
no. of notifications, returns, etc. to and from APEC.....	86	64	70

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

§ The increase in the number of applications in 2003 is due to the outbreak of the SARS which gave rise to an increase in schedule changes.

Matters Requiring Special Attention in 2004–05

24 During 2004–05, 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 Administration

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	1.6	1.6	1.6 (—)	1.6 (—)

(or same as
2003–04 Original)

Aim

25 The aim is to ensure effective administration of the Air Passenger Departure Tax (APDT) collection pursuant to the Air Passenger Departure Tax Ordinance.

Brief Description

26 The APDT Unit of the Finance Division is responsible for:

- monitoring airlines' and helicopter companies' compliance with their legal obligation to collect the APDT from departing air passengers;
- handling applications for refund/waiver;
- monitoring prompt banking of the tax collected by airlines and helicopter companies to Government's accounts; and
- reviewing the rate of charges payable to airlines, helicopter companies and other agents responsible for handling refund and exemption applications.

Head 28 — CIVIL AVIATION DEPARTMENT

27 The key performance measures are:

Target

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
applications for refund received by post to be processed within 14 working days (%).....	95	100	100	99

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
no. of taxpayers	11 009 052	8 847 348†	11 554 000
no. of exemptions	12 196	11 864	21 600§
amount of APDT collected (\$m)	877.7	705.0†	1,327.6††

† The decreases in the number of taxpayers and amount of APDT collected in 2003 were due to the impact of the outbreak of SARS on the aviation industry.

§ The estimated increase in the number of exemptions in 2004 is due to the commencement of operation of the Skypier of the Hong Kong International Airport in September 2003 and a resultant increase in the number of transit passengers eligible for a refund in APDT.

†† The estimated increase in the amount of APDT to be collected in 2004 takes into account the revision of APDT from \$80 to \$120 with effect from 9 January 2004.

Matters Requiring Special Attention in 2004–05

28 During 2004–05, the department will continue to monitor the collection of APDT and the processing of refunds.

Head 28 — CIVIL AVIATION DEPARTMENT

ANALYSIS OF FINANCIAL PROVISION

Programme	2002-03 (Actual) (\$m)	2003-04 (Original) (\$m)	2003-04 (Revised) (\$m)	2004-05 (Estimate) (\$m)
(1) Flight Standards	46.4	56.2	53.7	56.5
(2) Airport Standards	30.3	34.5	32.5	34.7
(3) Air Traffic Management	274.3	275.5	243.8	260.5
(4) Engineering and Systems	234.0	290.7	244.2	286.0
(5) Air Services	22.8	24.1	23.2	24.4
(6) Air Passenger Departure Tax Administration	1.6	1.6	1.6	1.6
	609.4	682.6	599.0 (-12.2%)	663.7 (+10.8%)
				(or -2.8% on 2003-04 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2004-05 is \$2.8 million (5.2%) higher than the revised estimate for 2003-04, mainly to meet the increase in workload resulting from the introduction of new aircraft and registration of new aircraft as well as new aircraft operators.

Programme (2)

Provision for 2004-05 is \$2.2 million (6.8%) higher than the revised estimate for 2003-04. This is mainly due to additional provision to implement various initiatives to enhance aviation security including organisation of training courses and enhanced inspections.

Programme (3)

Provision for 2004-05 is \$16.7 million (6.8%) higher than the revised estimate for 2003-04. This is mainly due to additional requirements for procuring and enhancing air traffic control equipment, partly offset by deletion of one post in 2004-05.

Programme (4)

Provision for 2004-05 is \$41.8 million (17.1%) higher than the revised estimate for 2003-04. This is mainly due to the additional provision for procuring specialised stores and spare parts for the maintenance of the air traffic control system and the acquisition of aeronautical communications services for enhancement of flight safety, partly offset by deletion of five posts in 2004-05.

Programme (5)

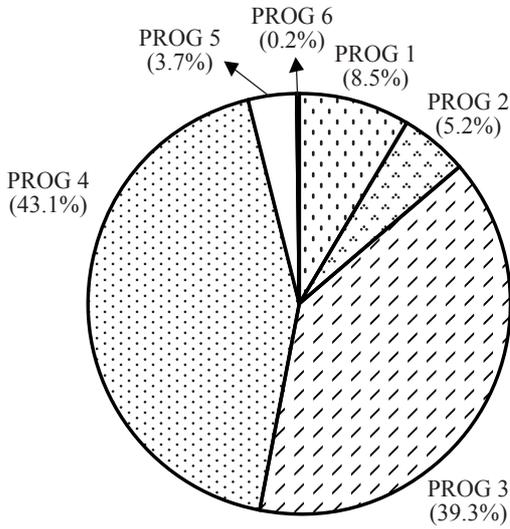
Provision for 2004-05 is \$1.2 million (5.2%) higher than the revised estimate for 2003-04. This is mainly due to the additional resources for hosting the 41st Conference of Directors General of Civil Aviation, Asia and Pacific Region to be held in Hong Kong in November 2004.

Programme (6)

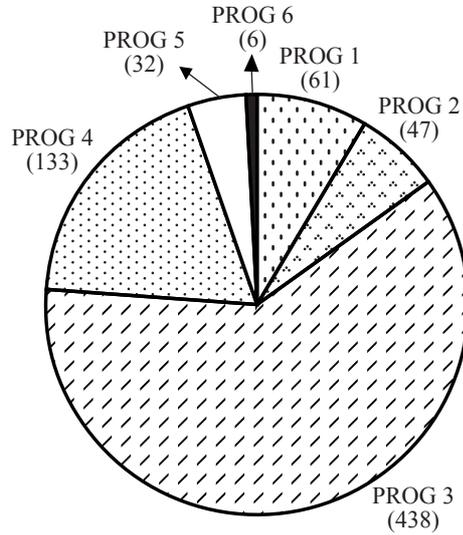
Provision for 2004-05 is the same as the revised estimate for 2003-04.

Head 28 — CIVIL AVIATION DEPARTMENT

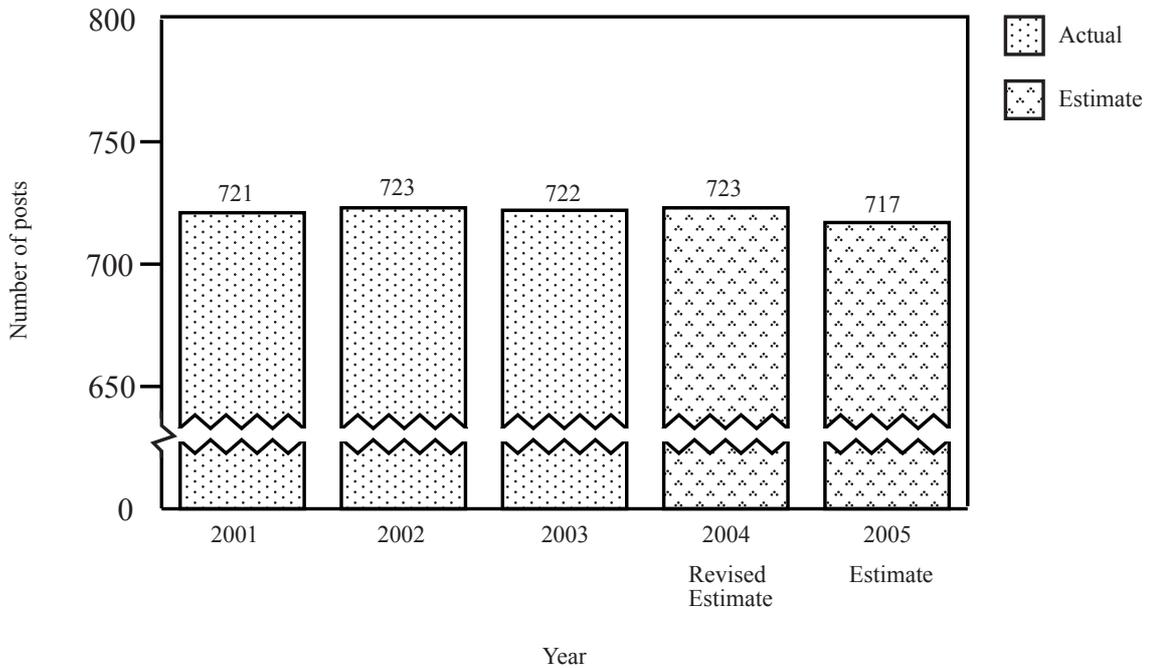
*Allocation of provision
to programmes
(2004-05)*



*Staff by programme
(as at 31 March 2005)*



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



Head 28 — CIVIL AVIATION DEPARTMENT

Sub-head (Code)		Actual expenditure 2002-03	Approved estimate 2003-04	Revised estimate 2003-04	Estimate 2004-05
		\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses.....	598,343	673,159	586,041	651,137
170	Airport insurance.....	9,173	9,177	11,546	11,623*
	Total, Recurrent	<u>607,516</u>	<u>682,336</u>	<u>597,587</u>	<u>662,760</u>
Non-Recurrent					
700	General non-recurrent.....	1,208	261	1,457	955
	Total, Non-Recurrent	<u>1,208</u>	<u>261</u>	<u>1,457</u>	<u>955</u>
	Total, Operating Account.....	<u>608,724</u>	<u>682,597</u>	<u>599,044</u>	<u>663,715</u>
Capital Account					
Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	700	—	—	—
	Total, Plant, Equipment and Works	<u>700</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Total, Capital Account	<u>700</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Total Expenditure.....	<u><u>609,424</u></u>	<u><u>682,597</u></u>	<u><u>599,044</u></u>	<u><u>663,715</u></u>

Head 28 — CIVIL AVIATION DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2004–05 for the salaries and expenses of the Civil Aviation Department is \$663,715,000. This represents an increase of \$64,671,000 over the revised estimate for 2003–04 and of \$54,291,000 over actual expenditure in 2002–03.

Operating Account

Recurrent

2 Provision of \$651,137,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Civil Aviation Department. The increase of \$65,096,000 (11.1%) over the revised estimate for 2003–04 is mainly due to the additional provision for procuring air traffic control equipment, specialised stores and spare parts for the maintenance of air traffic control system and aeronautical communication services for the enhancement of flight safety.

3 The establishment as at 31 March 2004 will be 723 permanent posts. It is expected that six permanent posts will be deleted in 2004–05. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2004–05, but the notional annual mid-point salary value of all such posts must not exceed \$313,464,000.

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

	2002–03 (Actual) (\$'000)	2003–04 (Original) (\$'000)	2003–04 (Revised) (\$'000)	2004–05 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	364,755	375,041	360,490	356,347
- Allowances.....	4,786	4,833	3,402	3,996
- Job-related allowances	432	1,110	534	967
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	1,348	1,348	1,605
Departmental Expenses				
- Technical Services Agreement.....	142,004	169,895	121,384	158,740
- General departmental expenses.....	86,366	120,932	98,883	129,482
	598,343	673,159	586,041	651,137

5 Provision of \$11,623,000 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.

Head 28 — CIVIL AVIATION DEPARTMENT

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2003	Revised estimated expenditure for 2003-04	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	516	Technical feasibility study for the permanent heliport	1,500	—	820	680
	517	Contributions to the Co-operative Aviation Security Programme - South East Asia	826	—	276	550
		Total	<u>2,326</u>	<u>—</u>	<u>1,096</u>	<u>1,230</u>