

Head 100 — MARINE DEPARTMENT

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

Estimate 2004–05	\$942.4m
Establishment ceiling 2004–05 (notional annual mid-point salary value) representing an estimated 1 477 non-directorate posts as at 31 March 2004 reducing by 56 posts to 1 421 posts as at 31 March 2005.....	\$390.5m
In addition there will be an estimated 21 directorate posts as at 31 March 2004 and as at 31 March 2005.	
Commitment balance	\$3.5m

Controlling Officer's Report

Programmes

Programme (1) Infrastructure	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour).
Programme (2) Port Services	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).
Programme (3) Local Services	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).
Programme (4) Services to Ships	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).
Programme (5) Government Fleet	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Economic Development and Labour).

Detail

Programme (1): Infrastructure

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	34.4	36.4	34.9 (–4.1%)	36.6 (+4.9%)
				(or +0.5% on 2003–04 Original)

Aim

2 The aim is to enhance the contribution of the port and shipping related activities to Hong Kong's economy by furthering the interests of Hong Kong's merchant shipping and ensuring the provision of the necessary physical, regulatory and policy bases.

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:

Head 100 — MARINE DEPARTMENT

- undertaking the planning of government port facilities;
- formulating policies on ship registration, safety of ships, marine environment protection, seafarers qualifications and welfare;
- participating in the development of international conventions and liaising with other 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 department met most of its 2003 targets on planning and legislation. It is estimated that port and shipping related activities will grow in 2004. Streamlining of registration and survey procedures together with good customer service has ensured a continued steady growth of the Hong Kong Shipping Register which grew to 20.7 million tonnage as at 31 December 2003. Further progress was made in reaching an understanding 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:

Target

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
Efforts to facilitate timely application of international conventions in Hong Kong: Draft Drafting Instructions for legislation to be completed nine months before the conventions enter into force internationally	95%	100	97	95

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
container throughput (million TEUs)	19.1	20.0	20.5
projects under planning which will affect the port and its associated facilities	98	120	120

Matters Requiring Special Attention in 2004–05

6 During 2004–05, the department will :

- co-ordinate the efforts of various government agencies to ensure the smooth and timely implementation of the International Ship and Port Facility Security (ISPS) Code in Hong Kong;
- complete the legislation work to implement the new international requirements on maritime security as stipulated in the relevant Safety of Life at Sea (SOLAS) amendments and the associated International Ship and Port Facility Security Code, and Annex IV to MARPOL 73/78 Convention for prevention of pollution by sewage discharge from ships;
- complete the Code of Practice for Hong Kong vessels engaged in coastal trading (Mainland ports);
- finalise the manning standards and safety management system for coastal vessels; and
- continue to develop measures to make the Hong Kong Shipping Register more efficient, user friendly and attractive.

Programme (2): Port Services

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	323.8	368.3	342.4 (-7.0%)	341.3 (-0.3%)

(or -7.3% on
2003–04 Original)

Head 100 — MARINE DEPARTMENT

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;
- 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 Targets on the efficient and safe running of the port were generally met in 2003. Safe vessel movements were maintained through vigilant monitoring and regulation of marine traffic. Continued efforts were made to tackle littoral and floating rubbish in Hong Kong waters. To fulfil Hong Kong's commitment to the Tokyo Memorandum of Understanding, the inspection rate was maintained at 15% or above of OGVs visiting Hong Kong each year. Port State Control inspections of OGVs were further enhanced by introducing inspections during weekends whenever practicable.

10 The key performance measures are:

Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
complete port formalities for OGVs (minutes)	20 or less	20	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	16.9	20.4	15
respond to search and rescue and casualty evacuation incidents	Immediate	Immediate	Immediate	Immediate
allocate a passenger ferry berth within five 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 two hours.....	100%	100	100	100
hydrographic survey of Hong Kong waters	360 km ²	410	383	360
publication of new nautical charts covering Hong Kong waters (number) ...	3	3	3	3
maintain the availability of aids to navigation up to international standard ..	99%	99	99	99

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
container throughput by OGVs (million TEUs)	13.7	14.3	14.5
OGV arrivals (does not include vessels in transit through Hong Kong waters to Shenzhen ports).....	35 500	35 600	35 600

Head 100 — MARINE DEPARTMENT

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
collisions, strandings and strikings affecting OGVs in Hong Kong waters	34	32	N.A.§
search and rescue operations and casualty evacuations co-ordinated	79	74	N.A.§
passengers using marine ferry terminals (m)	18.8	16.6	18.0
refuse collected from ships (tonnes)	1 338	1 172	1 100
floating refuse collected (tonnes)	9 277	11 464	11 500
aids to navigation maintained (number)	485	497	504
wreck search and new dangers survey (times)	14	13	N.A.§
production of hydrographic plans (number)	130	82	65

§ Not applicable

Matters Requiring Special Attention in 2004–05

11 During 2004–05, the department will:

- continue to improve the general environment and user-friendliness of the China Ferry Terminal and Macau Ferry Terminal;
- complete the study on, and begin implementation of, the Public Private Partnership approach for provision of marine cleansing services;
- facilitate the establishment and operation of a cross-boundary ferry terminal at Tuen Mun;
- continue to extend Port State Control inspections to weekends and holidays when practicable;
- arrange Port State Control officer exchange programmes with the Mainland Maritime Safety Authority and other maritime administrations; and
- prepare consequential amendments to the subsidiary legislation of the Dangerous Goods Ordinance to keep the control and regulation measures in pace with the international as well as local development and practices in transport of dangerous goods by sea.

Programme (3): Local Services

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	93.9	101.8	98.5 (–3.2%)	100.3 (+1.8%)
				(or –1.5% on 2003–04 Original)

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 In 2003, the department continued to keep the casualty rate of non-OGVs at a very low level through effective traffic management and control.

15 The key performance measures are:

Head 100 — MARINE DEPARTMENT

Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
complete port formalities for river trade vessels (minutes)	10 or less	10	10	10
inspect locally licensed and river trade vessels for compliance with marine legislation (no. of inspections)	19 000#	19 700	19 500	19 000

With effect from 2004, the target will be revised from 18 000 to 19 000 to reflect improved efficiency.

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
cargo throughput for PCWAs (m tonnes)	11.8	12.9	13.0
river trade cargo vessel arrivals	119 250	120 000	120 000
licences issued for local craft	13 000	13 300	13 500
collisions, strandings and strikings affecting locally licensed, river trade and coastal vessels in Hong Kong waters	260	266	N.A. §
refuse collected from locally licensed and river trade vessels (tonnes)	1 253	1 291	1 300

§ Not applicable

Matters Requiring Special Attention in 2004–05

16 During 2004–05, the department will:

- plan the closure of one PCWA for improvement of efficiency in the overall PCWA management; and
- enact the subsidiary legislation of the Merchant Shipping (Local Vessels) Ordinance for better control and regulation of local vessels.

Programme (4): Services to Ships

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	57.0	59.9	56.6 (–5.5%)	58.3 (+3.0%)

(or –2.7% on
2003–04 Original)

Aim

17 The aim is to ensure that Hong Kong registered ships and locally licensed vessels comply with relevant international and local regulations and are designed, constructed, maintained and manned by competent crews for safe operation and protection of the marine environment.

Brief Description

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

Head 100 — MARINE DEPARTMENT

19 In 2003, the department continued to achieve the aim of the programme. The safety standards of Hong Kong registered ships and licensed craft were maintained at a high level. All the major international maritime conventions were enforced and plans were made to enact and enforce the recent major amendments to international conventions. The competitiveness and user friendliness of the Hong Kong Register of Ships were further enhanced. The Flag State Quality Control (FSQC) inspection system proved to be an effective and efficient means in maintaining the quality of ships in the Hong Kong Shipping Register. During the year a Pre-registration Quality Control (PRQC) System was introduced in order to prevent sub-standard ships joining the shipping register. The Ship Safety Branch which enforces Flag State and Port State Control implemented ISO 9000 quality standards during the year and was duly certificated. Exchanges with the relevant Mainland authorities were maintained.

20 The key performance measures are:

Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
analyse ship records to assess ship's safety performance (%).....	100#	60	60	100
quality assurance inspection on Hong Kong registered ships (%).....	5	6.6	5.8	5

With effect from 2004, the target will be revised from 60% to 100% to reflect the establishment of a revised FSQC computer system.

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
Hong Kong registered ships detained in Port State Control inspections by other administrations (%).....	2.5	3.1	2.5
gross registered tonnage on the register (m).....	16.2	20.7	23
authorisations issued to man Hong Kong ships.....	10 019	11 998	12 000
fatalities in marine industrial accidents.....	11	3	N.A.§
casualties involving Hong Kong registered ships.....	1	1	N.A.§
inspection visits of locally licensed vessels.....	5 196	5 041	5 000
certificates of surveys issued to locally licensed vessels.....	3 624	3 583	3 500

§ Not applicable

Matters Requiring Special Attention in 2004–05

21 During 2004–05, the department will:

- implement the new maritime security requirements on Hong Kong registered vessels by 1 July 2004 in accordance with the relevant SOLAS amendments and the associated International Ships and Port Facility Security Code;
- continue to 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;
- continue to fine tune the implementation of Flag State Quality Control System and the Pre-registration Quality Control System;
- seek accreditation of ISO 9001:2000 for Shipping Registry and Seafarers Branch of the Shipping Division;
- continue to strengthen the liaison and co-operation with the relevant Mainland authorities in order to harmonise shipping standards for coastal and ocean going vessels; and
- implement a time-limited Sea-going Training Incentive Scheme to train sea-going cadets who would become professionals serving Hong Kong's maritime industry.

Programme (5): Government Fleet

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	413.3	423.8	403.8 (–4.7%)	405.9 (+0.5%)

(or –4.2% on
2003–04 Original)

Head 100 — MARINE DEPARTMENT

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;
- co-ordinating 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 670 vessels and operational personnel for over 60 vessels for use by various government departments.

25 The key performance measures are:

Target

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
vessel availability to all users (%).....	87	88	87.9	87

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
number of mechanised vessels in use	144	135	135
number of new vessel projects undertaken	11	17	14

Matters Requiring Special Attention in 2004–05

26 During 2004–05, the department will upgrade the Government Fleet Information System to streamline the maintenance processes. All administrative work from the preparation of job order, authorisation of tenders/quotations and procurement of spare parts are processed by the System. The management and control of stock and maintenance work will become more efficient and effective. A series of projects will also be pursued to maximise the use of available resources by improving the reliability and service life of machineries/equipment on the vessels. The department will continue to implement contracting out of marine transport services to reduce the size of government fleet.

Head 100 — MARINE DEPARTMENT

ANALYSIS OF FINANCIAL PROVISION

Programme	2002-03 (Actual) (\$m)	2003-04 (Original) (\$m)	2003-04 (Revised) (\$m)	2004-05 (Estimate) (\$m)
(1) Infrastructure.....	34.4	36.4	34.9	36.6
(2) Port Services.....	323.8	368.3	342.4	341.3
(3) Local Services.....	93.9	101.8	98.5	100.3
(4) Services to Ships.....	57.0	59.9	56.6	58.3
(5) Government Fleet	413.3	423.8	403.8	405.9
	922.4	990.2	936.2 (-5.5%)	942.4 (+0.7%)
				(or -4.8% on 2003-04 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2004-05 is \$1.7 million (4.9%) higher than the revised estimate for 2003-04. This is mainly due to the increased expenditure on information technology support services as part of the e-business initiative, partly offset by the deletion of six posts in 2004-05.

Programme (2)

Provision for 2004-05 is \$1.1 million (0.3%) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut, deletion of 28 posts in 2004-05 and reduced operating expenses to achieve efficiency savings, partly offset by the additional provision for the establishment and operation of a cross-boundary ferry terminal at Tuen Mun which involves the creation of nine posts in 2004-05.

Programme (3)

Provision for 2004-05 is \$1.8 million (1.8%) higher than the revised estimate for 2003-04. This is mainly due to the additional provision for salary payment to replacements for staff on pre-retirement leave and the lower than expected expenditure in 2003-04, partly offset by the deletion of five posts in 2004-05.

Programme (4)

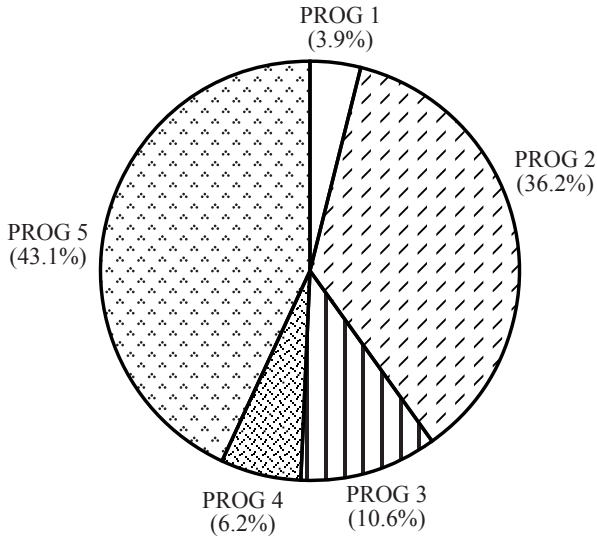
Provision for 2004-05 is \$1.7 million (3.0%) higher than the revised estimate for 2003-04. This is mainly due to the additional provision for salary payment to replacements for staff on pre-retirement leave, partly offset by the effect of the 2004 and 2005 civil service pay cut and deletion of four posts in 2004-05.

Programme (5)

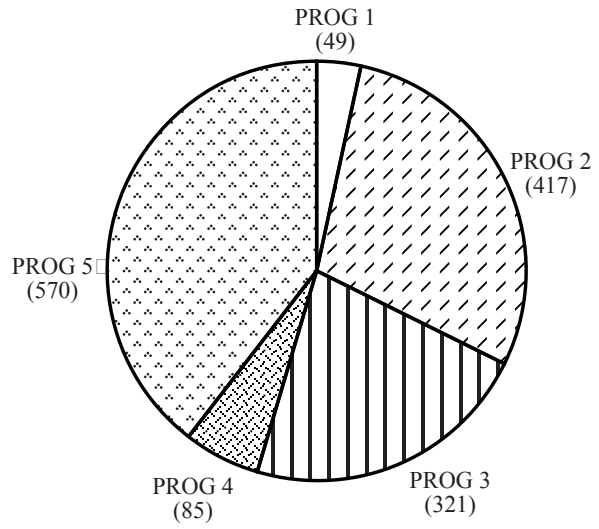
Provision for 2004-05 is \$2.1 million (0.5%) higher than the revised estimate for 2003-04. This is mainly due to the increased provision for salary payment to replacements for staff on pre-retirement leave and additional provision for minor plant and equipment, partly offset by the effect of the 2004 and 2005 civil service pay cut, deletion of 22 posts in 2004-05 and reduced expenditure on maintenance of the government fleet.

Head 100 — MARINE DEPARTMENT

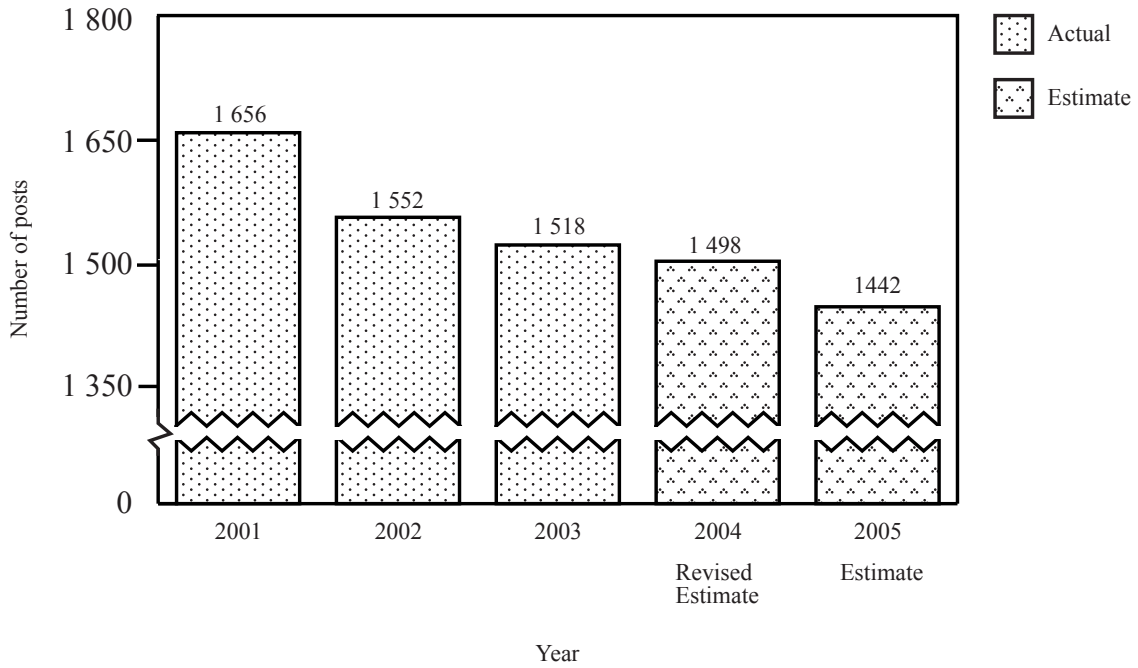
*Allocation of provision
to programmes
(2004-05)*



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



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



Head 100 — MARINE 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.....	—	961,269	904,162	912,503
	Salaries	480,677	—	—	—
	Allowances	13,964	—	—	—
	Job-related allowances	5,082	—	—	—
	Technical Services Agreement	25,568	—	—	—
	Maintenance materials.....	101,277	—	—	—
	Contract maintenance	83,442	—	—	—
	General departmental expenses	190,201	—	—	—
	Total, Recurrent	900,211	961,269	904,162	912,503
Non-Recurrent					
700	General non-recurrent.....	800	2,000	2,000	600
	Total, Non-Recurrent	800	2,000	2,000	600
	Total, Operating Account.....	901,011	963,269	906,162	913,103
Capital Account					
Plant, Equipment and Works					
603	Plant, vehicles and equipment	—	2,336	—	2,512
661	Minor plant, vehicles and equipment (block vote).....	21,433	24,607	30,074	26,751
	Total, Plant, Equipment and Works	21,433	26,943	30,074	29,263
	Total, Capital Account	21,433	26,943	30,074	29,263
	Total Expenditure.....	922,444	990,212	936,236	942,366

Head 100 — MARINE DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2004–05 for the salaries and expenses of the Marine Department is \$942,366,000. This represents an increase of \$6,130,000 over the revised estimate for 2003–04 and of \$19,922,000 over actual expenditure in 2002–03.

Operating Account

Recurrent

2 Provision of \$912,503,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Marine Department.

3 The establishment as at 31 March 2004 will be 1 498 permanent posts. It is expected that there will be a net deletion of 56 permanent posts 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 \$390,534,000.

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.....	480,677	485,387	471,486	459,576
- Allowances.....	13,964	17,743	14,431	13,651
- Job-related allowances	5,082	6,341	5,068	5,705
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	519	621	515
Departmental Expenses				
- Technical Services Agreement.....	25,568	30,062	29,062	31,466
- Maintenance materials	101,277	99,832	96,802	94,550
- Contract maintenance.....	83,442	83,117	80,647	78,982
- General departmental expenses.....	190,201	238,268	206,045	228,058
	900,211	961,269	904,162	912,503

Capital Account

Plant, Equipment and Works

5 Provision of \$26,751,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$3,323,000 (11.0%) against the revised estimate for 2003–04. This is mainly due to the reduced requirement for minor plant and equipment.

Head 100 — MARINE 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	548	<i>General non-recurrent</i> Hosting of the 10th International Symposium on Vessel Traffic Services in 2004.....	3,400	429	2,000	971
<i>Capital Account</i>						
603	405	<i>Plant, vehicles and equipment</i> Establishment of a physical barrier and four navigational buoys at the Marine Exclusion Zones of the Hong Kong International Airport	2,512	—	—	2,512
		Total.....	<u>5,912</u>	<u>429</u>	<u>2,000</u>	<u>3,483</u>