

Head 28 — CIVIL AVIATION DEPARTMENT

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

Estimate 2006–07	\$636.0m
Establishment ceiling 2006–07 (notional annual mid-point salary value) representing an estimated 686 non-directorate posts as at 31 March 2006 reducing by 31 posts to 655 posts as at 31 March 2007	\$301.4m
In addition, there will be an estimated 20 directorate posts as at 31 March 2006 and as at 31 March 2007.	
Commitment balance	\$0.8m

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

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	53.3	55.3	54.6 (–1.3%)	55.8 (+2.2%)
				(or +0.9% on 2005–06 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;

Head 28 — CIVIL AVIATION DEPARTMENT

- approval of maintenance training organisations;
- approval of flying training organisations which provide commercial pilot training courses;
- 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, and conducting inspections and audits on air traffic control procedures, operations, training and examinations; 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	2004 (Actual)	2005 (Actual)	2006 (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).....	150	191#	152	150
approval/renewal of approved flight simulators	25	N.A.@	27	25
approval of authorised examiners/ approved persons	120	N.A.@	179β	120
inspections of operations and maintenance services at Hong Kong airlines' outstations.....	38	N.A.@	56	38
inspections of overseas maintenance facilities	26Δ	19	26	28
inspections of local maintenance organisations.....	55Ω	44	55	60
inspections of maintenance training organisations.....	6^	9	5	6
inspections of air traffic control operations/training/examination	40	38	39	38

The increase in 2004 was due to the inauguration of new airlines routes and new aircraft types.

@ Not applicable as these are new targets as from 2005.

β The increase in 2005 as compared with the target was due to additional number of approvals relating to new aircraft types and the re-issue of approvals due to change in the name of a company.

Δ The target will be revised from 15 to 26 inspections as from 2006 to reflect the Department's efforts to cope with the increase in applications for registration of new aircraft types.

Ω The target will be revised from 36 to 55 inspections as from 2006 to reflect the Department's efforts to cope with the increase in applications for registration of new aircraft types.

^ The target will be revised from seven to six inspections as from 2006 to reflect the decrease in applications from maintenance training organisations for variations of approvals granted.

Head 28 — CIVIL AVIATION DEPARTMENT

Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
aircraft registered on the Hong Kong Register	164	188	200
air operator's certificates issued	9	9	9
local flight crew examinations (no. of examination papers processed)	1 755	2 304#	2 500
overseas flight crew examinations (no. of examination papers processed)	480	555	600
aircraft maintenance licence examinations (no. of examination papers processed)	2 498	6 344@	6 000
medical certificates issued	3 765	4 076	3 000
personnel licences issued	2 021	2 587	3 000
air traffic control officer licences, ratings and certificates issued	31	52β	60
air traffic control ratings and certificates renewed	370	364	360

The increase in 2005 was due to the increase in the number of technical examination papers processed for inclusion of aircraft rating in a Hong Kong Professional Licence.

@ The increase in 2005 was due to higher than expected number of maintenance personnel taking the examinations and the increase in the number of candidates retaking the examinations.

β The increase in 2005 was due to higher than expected number of candidates passing the air traffic control officer ratings examinations.

Matters Requiring Special Attention in 2006–07

6 During 2006–07, the Department will continue to:

- monitor closely the operational safety and airworthiness of aircraft registered in Hong Kong;
- review the policy on the avoidance of fatigue in aircrews;
- review the policy on the 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 the B747-400 freighter conversion programme;
- liaise with overseas aeronautical authorities on mutual recognition of aircraft maintenance organisations;
- prepare for the International Civil Aviation Organization's (ICAO) Universal Safety Oversight Audit Programme;
- host the Steering Committee Meeting of the ICAO Cooperative Development of Operational Safety and Continuing Airworthiness Programme - South East Asia; and
- formulate measures to improve the reliability of the safety critical and operationally significant air traffic control systems and their associated supporting systems.

Programme (2): Airport Standards

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	32.2	33.4	32.6 (–2.4%)	32.6 (—)
				(or –2.4% on 2005–06 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:

Head 28 — CIVIL AVIATION DEPARTMENT

- establishing aerodrome licensing standards and issuing licences for aerodromes;
- establishing and maintaining a system for monitoring the performance of aerodrome licensees in the areas of aerodrome safety and aviation security;
- monitoring the safety procedures and practices in respect of the operation of the Hong Kong International Airport (HKIA);
- ensuring compliance with the Hong Kong Aviation Security Programme and provisions of the Aviation Security Ordinance 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 ICAO;
- 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;
- 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 and Regulations; and
- enforcing the Air Navigation (Flight Prohibition) Order (Cap. 448E).

9 The Airport Standards Division will ensure operations at the HKIA 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, as well as the security control measures stated in the security programmes of the airport and other operators, and the inspection of airport operational facilities and aviation security facilities.

10 The key performance measures are:

Targets

	Target	2004 (Actual)	2005 (Actual)	2006 (Plan)
audit inspections relating to aerodrome licensing issues	14	14	12	14
audit inspections of airport operators and airport tenants to ensure compliance with the requirements in the Hong Kong Aviation Security Programme	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 per application)	12	9	10	12
processing applications for exemption from height restrictions prescribed by orders made under Cap. 301 (working days per application)	10	12	11	10
processing applications from cargo agents for registration as regulated agents and the associated security programmes (working days per application)	15	11	11	11
processing applications for carriage of dangerous goods and munitions by air (working days per application)	14	14	14	14
processing applications for exemption from flight restriction prescribed under Cap. 448E (working days per application)#	14	N.A.	N.A.	14

New target as from 2006.

Head 28 — CIVIL AVIATION DEPARTMENT

Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
inspections of airport operators and operational facilities	130	127	130
inspections of airport operators, airlines, airport tenants and regulated agents in respect of their aviation security measures and facilities	563	626	630
building plans/development proposals and lighting proposals submitted for assessment of compliance with airport height restrictions and other aviation safety requirements	242	334@	400
applications for exemption from height restrictions prescribed by orders made under Cap. 301	66	85	100
inspections of shippers, freight forwarders, airlines and ground handling agents in respect of their dangerous goods handling standards	38	46	50
applications for exemption from flight restriction prescribed under Cap. 448EΔ	N.A.	N.A.	22

@ The increase in 2005 was due to more building plans and development proposals submitted by developers. It is anticipated that the increasing trend of submission of plans and proposals will continue in 2006.

Δ New indicator as from 2006.

Matters Requiring Special Attention in 2006–07

11 During 2006–07, the Department will continue to:

- provide advice and guidance to the Airport Authority (AA) and conduct inspections to ensure that the HKIA meets the required safety and security standards and satisfies all aerodrome licensing requirements;
- implement aviation security quality control programme and develop training programme to meet international requirements;
- inspect registered regulated agents to ensure compliance with the required security standards relating to air cargo;
- monitor preparatory work at the HKIA for the anticipated operation of the Airbus A380 aircraft in 2006;
- introduce legislative amendment to implement ICAO's latest standards on carriage of dangerous goods by air and monitor industry compliance; and
- review the operators' security programmes to ensure that they meet the requirements of the Hong Kong Aviation Security Programme.

Programme (3): Air Traffic Management

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	244.5	255.8	280.3 (+9.6%)	295.3 (+5.4%)
				(or +15.4% on 2005–06 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 aeronautical information services, and to co-ordinate search and rescue services.

Brief Description

13 With effect from 1 October 2005, the Telecommunications Unit (previously under the Engineering and Systems Division) has come under the Air Traffic Management Division. The 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. It also provides a quality telecommunication service for the Hong Kong aviation community. This work involves:

Head 28 — CIVIL AVIATION DEPARTMENT

- 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;
- operating the Aeronautical Fixed Telecommunication Network (AFTN) between Hong Kong and adjacent Flight Information Regions and providing Aeronautical Broadcast Services to aircraft;
- maintaining close liaison with civil aviation authorities of the Mainland and Macau to review and evaluate air traffic control and flight procedures for airports in the Pearl River Delta region;
- 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 updated air traffic control procedures;
- participating actively in the ICAO working group, task force and panel meetings in the areas of air traffic management and airspace capacity enhancement;
- 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 the air traffic control equipment testing and acceptance.

14 The air traffic control system at the HKIA 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 53 movements per hour.

15 The key performance measures are:

Target

	Target	2004 (Actual)	2005 (Actual)	2006 (Plan)
availability of AFTN (%).....	99.9	99.9	99.9	99.9

Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
aircraft movements	237 071	263 461	275 000
aircraft transiting Hong Kong Flight Information Region.....	116 884	125 686	133 500
notices to airmen and aeronautical information publication supplements issued/received	214 407	238 477	240 000
pre-flight bulletins issued	207 280	200 306	200 000
telecommunication messages relayed by AFTN (millions).....	23.2	23.4	23.7

Matters Requiring Special Attention in 2006–07

16 During 2006–07, the Department will continue to:

- review the possibility of further enhancing runway capacity;
- co-ordinate with adjacent air traffic control authorities to improve the air traffic management to support air traffic growth in the Pearl River Delta region;
- 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
- implement progressively the Safety Management System to ensure the highest standard of safety is maintained in air traffic services.

Head 28 — CIVIL AVIATION DEPARTMENT

Programme (4): Engineering and Systems

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	246.7	278.6	246.9 (–11.4%)	229.0 (–7.2%)
				(or –17.8% on 2005–06 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 maintain the air traffic control systems at the highest standard.

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 required by the Department. 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;
- 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, implementing and enhancing information technology systems and establishing the information security policy for the Department in line with the e-government objective.

19 The key performance measures are:

Targets

	Target	2004 (Actual)	2005 (Actual)	2006 (Plan)
electronic engineering projects completed on time and within budget (%)	98.0	99.7	100.0	98.0
availability of air traffic control equipment (%)	99.9	99.9	99.9	99.9

Indicator

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
CNS/ATM trials and electronic engineering projects completed	12	11	9

Matters Requiring Special Attention in 2006–07

20 During 2006–07, the Department will continue to:

- enhance the air traffic control system capability to ensure efficient and reliable operation;
- 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;
- conduct a comprehensive review on the air traffic control facilities and identify improvement measures to support the long-term aviation development;
- organise the necessary activities for the continued provision of electronic and telecommunications services when these services are no longer provided under a central contract expiring on 30 September 2006; and
- plan, implement and enhance information technology systems and establish the information security policy in line with the e-government objective.

Head 28 — CIVIL AVIATION DEPARTMENT

Programme (5): Air Services

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	22.2	23.7	23.1 (–2.5%)	21.8 (–5.6%)
				(or –8.0% on 2005–06 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:

- facilitating the operation of scheduled services in accordance with Air Services Agreements and arrangements;
- regulating non-scheduled air services and private non-revenue flights;
- providing information to the Air Transport Licensing Authority for consideration of applications by local airlines for licences to operate scheduled air services;
- providing information to the 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 participation in the activities of international organisations, particularly the ICAO and the Asia-Pacific Economic Cooperation (APEC);
- in conjunction with the AA, co-ordinating periodic review of air transport demand forecasts 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 HKIA; and
- monitoring the demand for and facilitating the operation of helicopter services and heliport development.

23 The key performance measures are:

Target

	Target	2004 (Actual)	2005 (Actual)	2006 (Plan)
processing applications for non-scheduled air services permits (working days per application).....	3	2	2	3

Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
scheduled air services permits issued	186	183	190
non-scheduled air services permits issued	1 258	1 601	1 800
tariff filings processed	807	1 014#	1 050
applications for schedule changes	2 705	2 428β	2 700
notifications, returns, etc., to and from ICAO	325	324	330
notifications, returns, etc., to and from APEC	39	36	35

The increase in 2005 was due to more applications filed by airlines to levy passenger fuel surcharge as a result of increases in oil price.

β The decrease in 2005 was due to the change from daily applications to weekly applications filed by an airline. It is anticipated that the number of applications filed by other airlines will increase in 2006.

Head 28 — CIVIL AVIATION DEPARTMENT

Matters Requiring Special Attention in 2006–07

24 During 2006–07, the Department will continue to:

- take forward legislative work to align our legal framework for regulating air navigation and aviation safety with the latest ICAO's standards and international practices;
- prepare for the introduction of a scheme to require airlines to make advance payments to air accident victims;
- 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 the 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 take forward necessary statutory procedures for the development of heliports.

Programme (6): Air Passenger Departure Tax Administration

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	1.6	1.5	1.5 (—)	1.5 (—)
				(or same as 2005–06 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.

27 The key performance measures are:

Target

	Target	2004 (Actual)	2005 (Actual)	2006 (Plan)
applications for refund received by post to be processed within 35 working days (%).....	95	95	100	95

Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
taxpayers.....	11 124 937	11 837 786	12 723 000
exemptions processed.....	54 530	41 001#	18 600#
amount of APDT collected (\$m)	1,277.9	1,411.3	1,517.4

The decreases in 2005 and 2006 are due to the setting up of a refund counter at the HKIA in April 2005 for ferry operators and airlines to handle refund of the APDT for sea-to-air passengers.

Head 28 — CIVIL AVIATION DEPARTMENT

Matters Requiring Special Attention in 2006–07

28 During 2006–07, the Department will continue to monitor the collection of the APDT and the processing of refunds.

Head 28 — CIVIL AVIATION DEPARTMENT

ANALYSIS OF FINANCIAL PROVISION

Programme	2004–05 (Actual) (\$m)	2005–06 (Original) (\$m)	2005–06 (Revised) (\$m)	2006–07 (Estimate) (\$m)
(1) Flight Standards	53.3	55.3	54.6	55.8
(2) Airport Standards	32.2	33.4	32.6	32.6
(3) Air Traffic Management	244.5	255.8	280.3	295.3
(4) Engineering and Systems	246.7	278.6	246.9	229.0
(5) Air Services	22.2	23.7	23.1	21.8
(6) Air Passenger Departure Tax Administration	1.6	1.5	1.5	1.5
	600.5	648.3	639.0 (–1.4%)	636.0 (–0.5%)
				(or –1.9% on 2005–06 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2006–07 is \$1.2 million (2.2%) higher than the revised estimate for 2005–06. This is mainly due to the creation of two posts to cope with the increased workload resulting from the introduction and registration of new aircraft as well as registration of new aircraft operators.

Programme (2)

Provision for 2006–07 is the same as the revised estimate for 2005–06.

Programme (3)

Provision for 2006–07 is \$15.0 million (5.4%) higher than the revised estimate for 2005–06. This is mainly due to the full-year effect of the transfer of the Telecommunications Unit previously under Programme (4) to this programme. There will be a net deletion of 33 posts in 2006–07.

Programme (4)

Provision for 2006–07 is \$17.9 million (7.2%) lower than the revised estimate for 2005–06. This is mainly due to the full-year effect of the transfer of the Telecommunications Unit previously under this programme to Programme (3) and reduced requirement for operating expenses.

Programme (5)

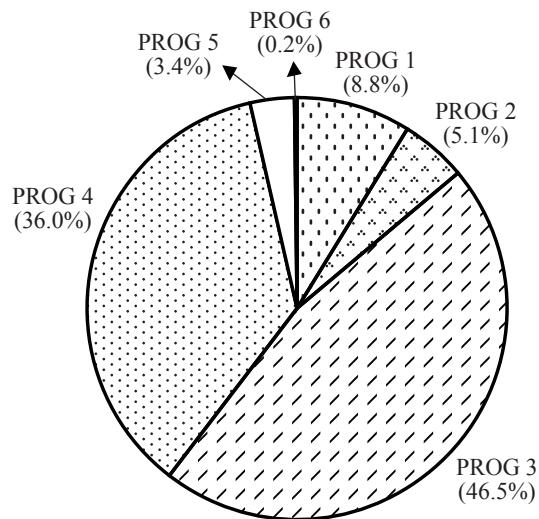
Provision for 2006–07 is \$1.3 million (5.6%) lower than the revised estimate for 2005–06. This is mainly due to the reduced cash flow requirement for non-recurrent items.

Programme (6)

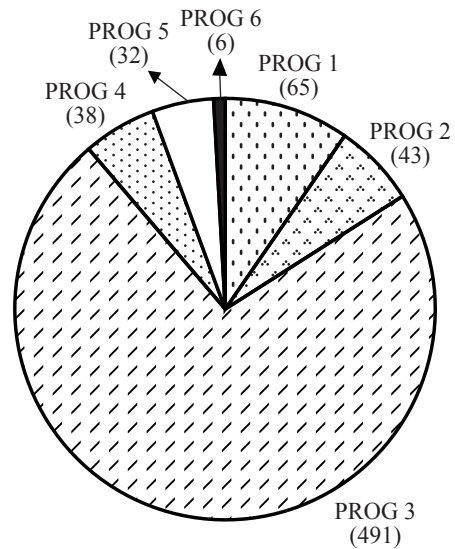
Provision for 2006–07 is the same as the revised estimate for 2005–06.

Head 28 — CIVIL AVIATION DEPARTMENT

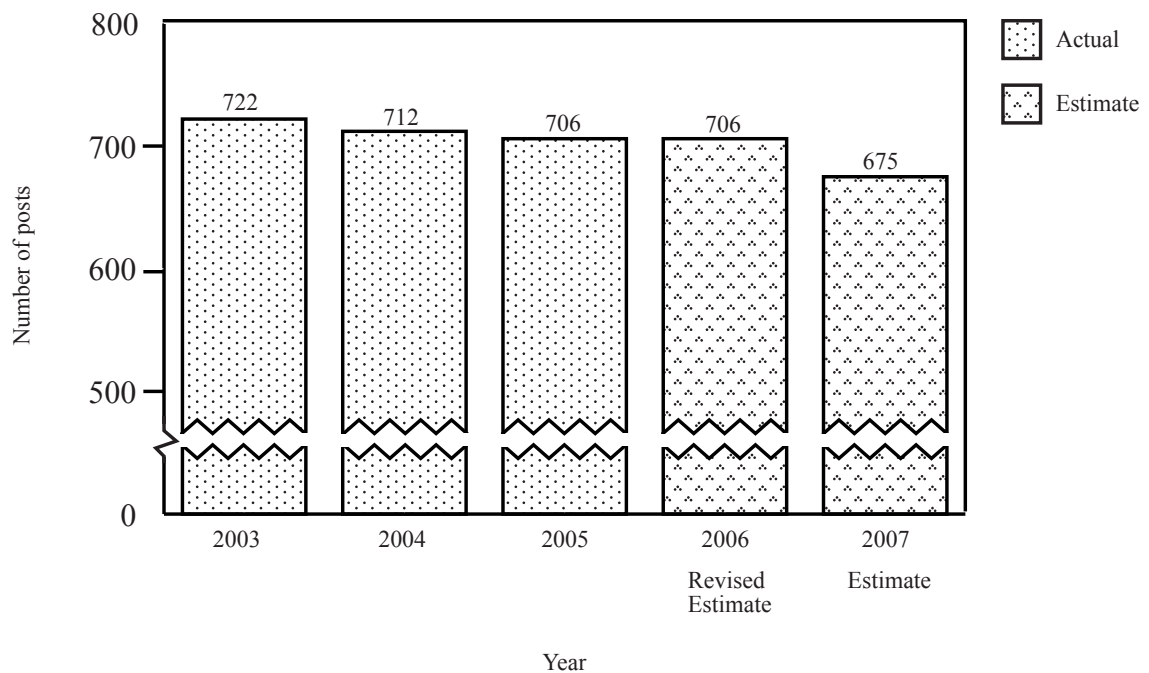
*Allocation of provision
to programmes
(2006-07)*



*Staff by programme
(as at 31 March 2007)*



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



Head 28 — CIVIL AVIATION DEPARTMENT

Sub-head (Code)		Actual expenditure 2004-05	Approved estimate 2005-06	Revised estimate 2005-06	Estimate 2006-07
		\$'000	\$'000	\$'000	\$'000
Operating Account					
	Recurrent				
000	Operational expenses	585,805	633,462	624,776	622,986
170	Airport insurance	12,887	13,037	12,100	12,733
	Total, Recurrent.....	<u>598,692</u>	<u>646,499</u>	<u>636,876</u>	<u>635,719</u>
	Non-Recurrent				
700	General non-recurrent.....	<u>1,807</u>	<u>1,791</u>	<u>2,137</u>	<u>250</u>
	Total, Non-Recurrent.....	<u>1,807</u>	<u>1,791</u>	<u>2,137</u>	<u>250</u>
	Total, Operating Account.....	<u>600,499</u>	<u>648,290</u>	<u>639,013</u>	<u>635,969</u>
<hr/>					
	Total Expenditure.....	<u><u>600,499</u></u>	<u><u>648,290</u></u>	<u><u>639,013</u></u>	<u><u>635,969</u></u>

Head 28 — CIVIL AVIATION DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2006–07 for the salaries and expenses of the Civil Aviation Department is \$635,969,000. This represents a decrease of \$3,044,000 against the revised estimate for 2005–06 and an increase of \$35,470,000 over actual expenditure in 2004–05.

Operating Account

Recurrent

2 Provision of \$622,986,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Civil Aviation Department.

3 The establishment as at 31 March 2006 will be 706 permanent posts. It is expected that there will be a net deletion of 31 permanent posts in 2006–07. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2006–07, but the notional annual mid-point salary value of all such posts must not exceed \$301,432,000.

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

	2004–05 (Actual) (\$'000)	2005–06 (Original) (\$'000)	2005–06 (Revised) (\$'000)	2006–07 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	347,512	346,209	337,266	343,155
- Allowances	3,324	3,726	3,644	3,726
- Job-related allowances	462	903	392	903
Personnel Related Expenses				
- Mandatory Provident Fund contribution	1,310	1,590	1,256	1,370
- Civil Service Provident Fund contribution	178	359	330	404
Departmental Expenses				
- Technical Services Agreement	140,237	154,040	177,566	71,708
- General departmental expenses	92,782	126,635	104,322	201,720
	<u>585,805</u>	<u>633,462</u>	<u>624,776</u>	<u>622,986</u>

5 Provision of \$12,733,000 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 31.3.2005	Revised estimated expenditure for 2005–06	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	516	Technical feasibility study for the permanent heliport	1,886	400	700	786
		Total	1,886	400	700	786