

## Head 28 — CIVIL AVIATION DEPARTMENT

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

**Estimate 2007–08** ..... **\$626.4m**

**Establishment ceiling 2007–08** (notional annual mid-point salary value) representing an estimated 655 non-directorate posts as at 31 March 2007 rising by 14 posts to 669 posts as at 31 March 2008 ... **\$304.8m**

In addition, there will be an estimated 20 directorate posts as at 31 March 2007 rising by two posts to 22 directorate posts as at 31 March 2008.

### Controlling Officer's Report

#### Programmes

<b>Programme (1) Flight Standards</b>	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour).
<b>Programme (2) Airport Standards</b>	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).
<b>Programme (3) Air Traffic Management Programme (4) Engineering and Systems Programme (5) Air Services</b>	These programmes contribute to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour).
<b>Programme (6) Air Passenger Departure Tax Administration</b>	This programme contributes to Policy Area 25: Revenue Collection and Financial Control (Secretary for Financial Services and the Treasury).

#### Detail

##### Programme (1): Flight Standards

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	<b>2007–08 (Estimate)</b>
Financial provision (\$m)	54.7	55.8	55.7 (–0.2%)	<b>61.8</b> (+11.0%)
				(or +10.8% on 2006–07 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 inspecting Hong Kong airlines, light aircraft and helicopter operators in respect of flight operations policy and standards, flight crew training and aircraft maintenance standards;
- maintaining the Hong Kong civil aircraft register;
- issuing certificates of airworthiness;
- approving flight simulators;
- approving maintenance facilities;
- approving maintenance training organisations;
- approving flying training organisations which provide commercial pilot training courses;

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- conducting ground inspections of foreign registered aircraft;
- conducting examination and issuing licences for flight crew and maintenance engineers, and granting authority for suitable persons as authorised examiners;
- monitoring compliance with the mandatory occurrence reporting scheme;
- investigating aircraft incidents and accidents;
- regulating air traffic management services and operations; and
- issuing air traffic control licences and the associated air traffic control ratings.

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	2005 (Actual)	2006 (Actual)	2007 (Plan)
issue of air operator's certificates (working days).....	60	60	60	<b>60</b>
issue of aircraft certificates of registration (working days).....	3	3	3	<b>3</b>
issue of aircraft maintenance licences (working days).....	6	6	6	<b>6</b>
issue of professional pilot licences (working days).....	3½	3½	3½	<b>3½</b>
approval of aircraft maintenance organisations (working days).....	60	60	60	<b>60</b>
approval of flying training organisations (working days).....	60	60	60	<b>60</b>
flight operations inspections (no. of flights).....	150	152	152	<b>150</b>
approval/renewal of approved flight simulators .....	35Ω	27	38@	<b>35</b>
approval of authorised examiners/ approved persons.....	240^	179	319@	<b>240</b>
inspections of operations and maintenance services at Hong Kong airlines' outstations .....	38	56	40	<b>38</b>
inspections of overseas maintenance facilities .....	26	26	29	<b>26</b>
inspections of local maintenance organisations .....	55	55	61	<b>55</b>
inspections of maintenance training organisations .....	6	5	5#	<b>6</b>
inspections of air traffic control operations/training/examination .....	40	39	41	<b>40</b>

Ω The target will be revised from 25 to 35 approvals/renewals of approval as from 2007 to reflect the increase in the number of flight simulators in connection with the introduction of new aircraft types.

@ The increase in 2006 was mainly due to the introduction of new aircraft types by local airlines and the commencement of operations by a new airline.

^ The target will be revised from 120 to 240 approvals as from 2007 to reflect the Department's efforts to facilitate the flight crew training conducted by airlines.

# The target was marginally not met in 2006 as one application for variation of approval, which would have required one inspection, was not made by a maintenance training organisation as originally planned.

### *Indicators*

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
aircraft registered on the Hong Kong Register .....	188	205	<b>228</b>
air operator's certificates issued .....	9	10	<b>10</b>
local flight crew examinations (no. of examination papers processed).....	2 304	2 675Ψ	<b>2 940Ψ</b>

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	2005 (Actual)	2006 (Actual)	2007 (Estimate)
overseas flight crew examinations (no. of examination papers processed).....	555	470 <sup>β</sup>	<b>510</b>
aircraft maintenance licence examinations (no. of examination papers processed).....	6 344	7 100 <sup>§</sup>	<b>7 500<sup>§</sup></b>
medical certificates issued.....	4 076	3 299 <sup>Δ</sup>	<b>3 620</b>
personnel licences issued.....	2 587	2 577	<b>2 830</b>
air traffic control officer licences, ratings and certificates issued.....	52	34 <sup>¶</sup>	<b>37</b>
air traffic control ratings and certificates renewed .....	364	387	<b>401</b>

Ψ The increases in 2006 and 2007 are mainly due to the introduction of new aircraft types by local airlines and the commencement of operations by a new airline.

β The decrease in 2006 was mainly due to the reduced number of cadet pilots recruited by local operators.

§ The increases in 2006 and 2007 are due to the increased number of maintenance personnel taking aircraft maintenance licence examinations as a result of the introduction of new aircraft types and the commencement of operations by a new airline.

Δ The decrease in 2006 was mainly due to the extension of the validity period of medical certificates in accordance with the revised requirements stipulated by the International Civil Aviation Organization (ICAO).

¶ The decrease in 2006 was mainly due to the reduced number of air traffic control officers taking rating examinations.

### ***Matters Requiring Special Attention in 2007–08***

6 During 2007–08, the Department will:

- 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;
- monitor the approved flying training organisations;
- monitor and approve the B747-400 freighter conversion programme;
- undertake the certification work for the B777-300 extended range aircraft;
- liaise with overseas aeronautical authorities on mutual recognition of aircraft maintenance organisations; and
- prepare for the ICAO's Universal Safety Oversight Audit Programme.

### **Programme (2): Airport Standards**

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	31.2	32.6	32.2 (–1.2%)	<b>32.2</b> (—)

(or –1.2% on  
2006–07 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 the safety and security standards 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 (HKIA);

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- ensuring compliance with the Hong Kong Aviation Security Programme and provisions of the Aviation Security Ordinance and subsidiary legislation;
- 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 subsidiary legislation; and
- enforcing the Air Navigation (Flight Prohibition) Order (Cap. 448E).

9 The Airport Standards Division will ensure that operations at the HKIA comply with all relevant airport safety and aviation security standards through a number of measures. These include vetting and endorsing the airport safety procedures in accordance with the Aerodrome Manual and the Emergency Procedure Manual as well as the security control measures stated in the security programmes of the airport and other operators, and inspecting the airport operational facilities and aviation security facilities.

10 The key performance measures are:

### *Targets*

	Target	2005 (Actual)	2006 (Actual)	2007 (Plan)
audit inspections relating to aerodrome licensing issues.....	14	12	14	<b>14</b>
audit inspections of airport operators and airport tenants to ensure compliance with the requirements in the Hong Kong Aviation Security Programme .....	14	14	16∇	<b>17∇</b>
vetting of building plans/development proposals and lighting proposals for compliance with airport height restriction and other aviation safety requirements (working days per application).....	12	10	10	<b>11</b>
processing applications for exemption from height restriction prescribed by orders made under Cap. 301 (working days per application) .....	10	11	10	<b>10</b>
processing applications from cargo agents for registration as regulated agents and the associated security programmes (working days per application).....	15	11	10	<b>10</b>
processing applications for carriage of dangerous goods and munitions by air (working days per application).....	14	14	14	<b>14</b>
processing applications for exemption from flight restriction prescribed under Cap. 448E (working days per application).....	14	N.A.α	13	<b>14</b>

∇ The increases in 2006 and 2007 are due to the need to conduct more inspections on local airlines.

α Not applicable as this is a new target as from 2006.

### *Indicators*

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
inspections of airport operators and operational facilities.....	127	132	<b>130</b>
inspections of airport operators, airlines, airport tenants and regulated agents in respect of their aviation security measures and facilities .....	626	591	<b>590</b>

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	2005 (Actual)	2006 (Actual)	2007 (Estimate)
building plans/development proposals and lighting proposals submitted for assessment of compliance with airport height restriction and other aviation safety requirements .....	334	280	<b>300</b>
applications for exemption from height restriction prescribed by orders made under Cap. 301 .....	85	70	<b>70</b>
inspections of shippers, freight forwarders, airlines and ground handling agents in respect of their dangerous goods handling standards .....	46	46	<b>46</b>
applications for exemption from flight restriction prescribed under Cap. 448E .....	N.A.φ	11	<b>11</b>

φ Not applicable as this is a new indicator as from 2006.

### *Matters Requiring Special Attention in 2007–08*

**11** During 2007–08, the Department will:

- 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;
- develop and implement the Hong Kong Civil Aviation Security Training Programme in accordance with Annex 17 of the ICAO on aviation security;
- monitor airfield enhancement works at the HKIA, including the design and construction of new taxiways, cargo parking stands and remote terminal concourse, to ensure that these new facilities meet aerodrome licensing standards;
- continue to introduce legislative amendment to implement the ICAO's latest standards on carriage of dangerous goods by air and monitor industry compliance; and
- review the Hong Kong Aviation Security Programme and operators' security programmes for the implementation of Amendment 11 to Annex 17 of the ICAO on aviation security.

### **Programme (3): Air Traffic Management**

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	280.0	295.3	284.7 (–3.6%)	<b>294.8</b> (+3.5%)
				(or –0.2% on 2006–07 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** The Air Traffic Management Division is responsible for the safe and efficient movement of aircraft within the Hong Kong Flight Information Region, which currently has a total area of 276 000 km<sup>2</sup> 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 services for the Hong Kong aviation community. 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;
- 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 Macao 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;

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- 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 design, planning, testing and acceptance.

14 The air traffic control systems at the HKIA continue 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 54 movements per hour.

15 The key performance measures are:

### *Target*

	Target	2005 (Actual)	2006 (Actual)	2007 (Plan)
availability of AFTN (%).....	99.9	99.9	99.9	99.9

### *Indicators*

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
aircraft movements .....	263 461	280 426	313 000
aircraft transiting Hong Kong Flight Information Region .....	125 686	142 026	155 000
notices to airmen and aeronautical information publication supplements issued/received .....	238 477	256 338	260 000
pre-flight bulletins issued .....	200 306	176 407 <sup>β</sup>	180 000
telecommunication messages relayed by AFTN (million).....	23.4	24.7	26.0

β The decrease in 2006 was due to the reduced number of amendments required as a result of the shortening of the validity period of the bulletins from 90 to 60 days.

### *Matters Requiring Special Attention in 2007–08*

16 During 2007–08, the Department will:

- continue to make improvements to air traffic management in order to further enhance the runway capacity;
- co-ordinate with neighbouring ACCs to rationalise and optimise the airspace design of 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 the capacity of the air traffic control systems;
- recruit and provide quality training to air traffic control staff to meet the anticipated air traffic services demand;
- study and define operational requirements for the replacement of the air traffic control systems; and
- implement progressively the Safety Management System to ensure the highest standard of safety is maintained in air traffic services.

### **Programme (4): Engineering and Systems**

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	247.1	229.0	187.4 (–18.2%)	212.0 (+13.1%)

(or –7.4% on  
2006–07 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.

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### *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 the satellite-based Communications, Navigation, Surveillance/Air Traffic Management (CNS/ATM) Systems;
- planning the reprovisioning of the Air Traffic Control Centre and the replacement of the air traffic control systems;
- co-ordinating with works departments the design of equipment stations for the new or replacement radar, navigational aids and communications systems, 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	2005 (Actual)	2006 (Actual)	<b>2007 (Plan)</b>
electronic engineering projects completed on time and within budget (%) .....	98.0	100	97.9Δ	<b>98.0</b>
availability of air traffic control equipment (%) .....	99.9	99.9	99.9	<b>99.9</b>

Δ The target was marginally not met in 2006 as longer time was required to complete the tender procedures for two projects.

#### *Indicator*

	2005 (Actual)	2006 (Actual)	<b>2007 (Estimate)</b>
CNS/ATM trials and electronic engineering projects completed.....	11	9	<b>9</b>

### *Matters Requiring Special Attention in 2007–08*

**20** During 2007–08, the Department will continue to:

- enhance and upgrade the air traffic control systems to meet the air traffic growth; and
- develop implementation plans and procure equipment for the study and trials of the satellite-based CNS/ATM Systems.

### **Programme (5): Air Services**

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	<b>2007–08 (Estimate)</b>
Financial provision (\$m)	22.3	21.8	22.1 (+1.4%)	<b>24.1</b> (+9.0%)
				(or +10.6% on 2006–07 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 an international and regional aviation centre.

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### *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 Government's legislative programme and reviewing and, if necessary, proposing changes to the 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);
- co-ordinating, in conjunction with the AA, 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;
- monitoring the demand for and facilitating the operation of helicopter services and heliport development; and
- co-ordinating the development of a new departmental building on the Airport Island and the replacement of the air traffic control systems.

23 The key performance measures are:

#### *Target*

	Target	2005 (Actual)	2006 (Actual)	<b>2007 (Plan)</b>
processing applications for non-scheduled air services permits (working days per application).....	3	2	2	<b>3</b>

#### *Indicators*

	2005 (Actual)	2006 (Actual)	<b>2007 (Estimate)</b>
scheduled air services permits issued .....	183	140#	<b>140</b>
non-scheduled air services permits issued .....	1 601	1 518	<b>1 500</b>
tariff filings processed .....	1 014	1 033	<b>1 030</b>
applications for schedule changes .....	2 428	2 019§	<b>2 000</b>
notifications, returns, etc., to and from the ICAO .....	324	321	<b>320</b>
notifications, returns, etc., to and from the APEC .....	36	26@	<b>25</b>

# The decrease in 2006 was due to the extension of the validity period of permits from six months to one year as from 2005.

§ The decrease in 2006 was due to the submission of applications for schedule changes from weekly to monthly basis by some airlines.

@ The decrease in 2006 was due to the reduced activities of the APEC.

### *Matters Requiring Special Attention in 2007–08*

24 During 2007–08, 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;
- provide support to the negotiation and implementation of Hong Kong's air services agreements and promote Hong Kong as an international and regional aviation centre;
- monitor the allocation of runway slots and time-keeping performance of airlines in the light of expected traffic growth;



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- 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

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	<b>2007–08 (Estimate)</b>
Financial provision (\$m)	1.5	1.5	1.5 (—)	<b>1.5 (—)</b>
				(or same as 2006–07 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	2005 (Actual)	2006 (Actual)	<b>2007 (Plan)</b>
applications for refund received by post processed within 29 working days (%)¶ .....	98 <sup>^</sup>	100	100	<b>98</b>

¶ The target processing time for handling applications for refund received by post has been revised from 35 to 29 working days since 1 July 2006 due to the implementation of the five-day week.

<sup>^</sup> Improvement over the previous target of 95% within 35 working days.

#### *Indicators*

	2005 (Actual)	2006 (Actual)	<b>2007 (Estimate)</b>
taxpayers .....	11 837 786	12 666 982	<b>13 450 000</b>
exemptions processed.....	41 001	19 530 <sup>Ω</sup>	<b>21 000<sup>Ω</sup></b>
amount of APDT collected (\$m) .....	1,411.3	1,509.8	<b>1,607.4</b>

<sup>Ω</sup> The decrease in 2006 was due to the setting up of a refund counter at the HKIA in April 2005 for ferry operators and airlines to handle refunds of the APDT for sea-to-air passengers. It is anticipated that the number of exemptions will increase in 2007 because of the projected growth in passenger volume.

#### *Matters Requiring Special Attention in 2007–08*

**28** During 2007–08, the Department will continue to monitor the collection of the APDT and the processing of refunds.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	2005-06 (Actual) (\$m)	2006-07 (Original) (\$m)	2006-07 (Revised) (\$m)	2007-08 (Estimate) (\$m)
(1) Flight Standards .....	54.7	55.8	55.7	61.8
(2) Airport Standards.....	31.2	32.6	32.2	32.2
(3) Air Traffic Management .....	280.0	295.3	284.7	294.8
(4) Engineering and Systems .....	247.1	229.0	187.4	212.0
(5) Air Services .....	22.3	21.8	22.1	24.1
(6) Air Passenger Departure Tax Administration .....	1.5	1.5	1.5	1.5
	636.8	636.0	583.6 (-8.2%)	626.4 (+7.3%)
				(or -1.5% on 2006-07 Original)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2007-08 is \$6.1 million (11.0%) higher than the revised estimate for 2006-07. This is mainly due to filling of vacancies, creation of four posts in 2007-08 to strengthen the audit work on air traffic management and 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 2007-08 is the same as the revised estimate for 2006-07.

##### Programme (3)

Provision for 2007-08 is \$10.1 million (3.5%) higher than the revised estimate for 2006-07. This is mainly due to the creation of nine posts in 2007-08 and recruitment of temporary staff to cope with the increased workload on air traffic control management and to handle the preparatory work for the replacement of the air traffic control systems.

##### Programme (4)

Provision for 2007-08 is \$24.6 million (13.1%) higher than the revised estimate for 2006-07. This is mainly due to the additional provision for procurement of specialised stores and spare parts and for maintenance of the air traffic control systems. In addition, two posts will be created in 2007-08 to handle the preparatory work for the replacement of the air traffic control systems.

##### Programme (5)

Provision for 2007-08 is \$2.0 million (9.0%) higher than the revised estimate for 2006-07. This is mainly due to the creation of one post in 2007-08 and recruitment of temporary staff to co-ordinate and handle the preparatory work for the proposed development of a new departmental building on the Airport Island.

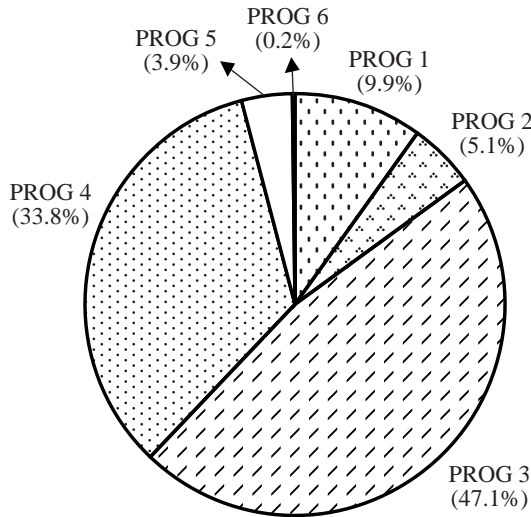
##### Programme (6)

Provision for 2007-08 is the same as the revised estimate for 2006-07.

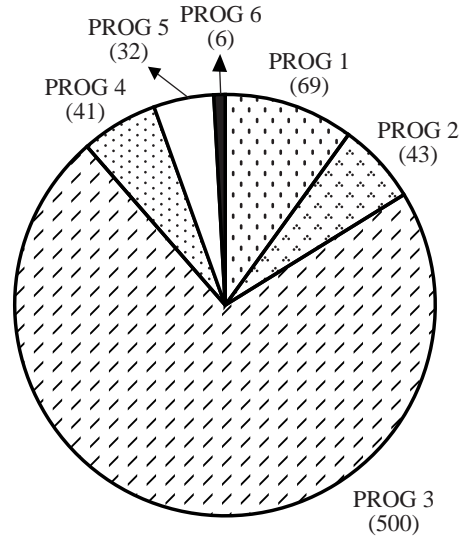
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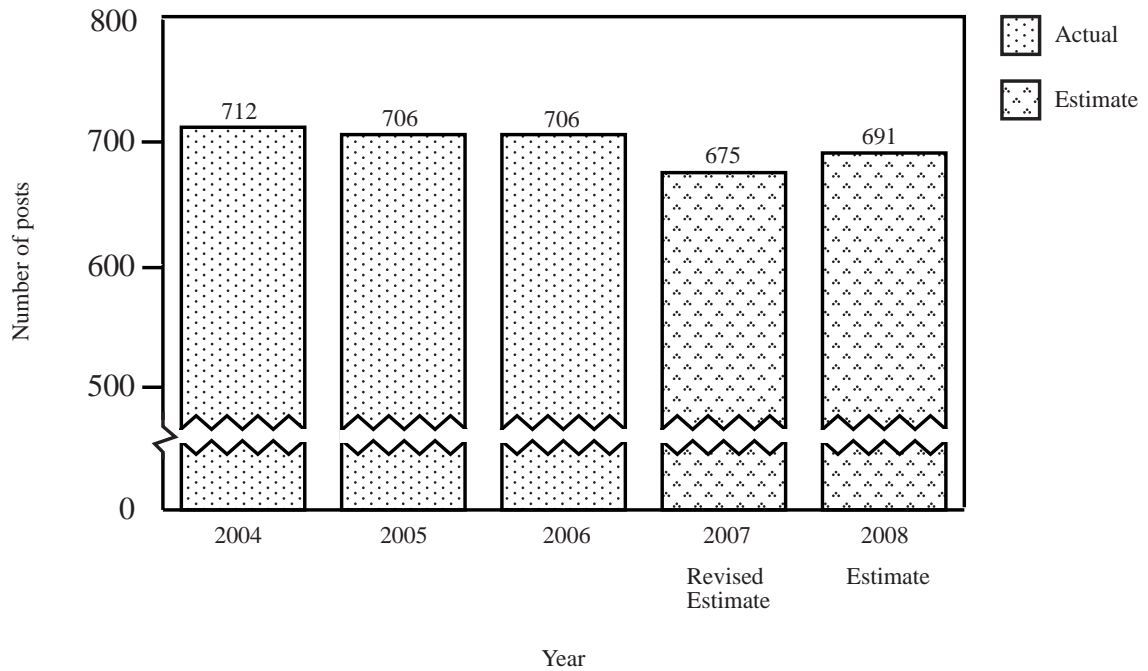
*Allocation of provision to programmes (2007-08)*



*Staff by programme (as at 31 March 2008)*



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



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Sub-head (Code)	Actual expenditure 2005-06	Approved estimate 2006-07	Revised estimate 2006-07	<b>Estimate 2007-08</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses.....	623,460	622,986	569,204	<b>614,626</b>
170	Airport insurance.....	11,933	12,733	13,715	<b>11,806</b>
	Total, Recurrent .....	<u>635,393</u>	<u>635,719</u>	<u>582,919</u>	<b><u>626,432</u></b>
Non-Recurrent					
	General non-recurrent.....	1,384	250	650	—
	Total, Non-Recurrent .....	<u>1,384</u>	<u>250</u>	<u>650</u>	<u>—</u>
	Total, Operating Account.....	<u>636,777</u>	<u>635,969</u>	<u>583,569</u>	<b><u>626,432</u></b>
<hr/>					
	Total Expenditure.....	<u><u>636,777</u></u>	<u><u>635,969</u></u>	<u><u>583,569</u></u>	<b><u><u>626,432</u></u></b>

## Head 28 — CIVIL AVIATION DEPARTMENT

### Details of Expenditure by Subhead

The estimate of the amount required in 2007–08 for the salaries and expenses of the Civil Aviation Department is \$626,432,000. This represents an increase of \$42,863,000 over the revised estimate for 2006–07 and a decrease of \$10,345,000 against actual expenditure in 2005–06.

#### *Operating Account*

##### Recurrent

**2** Provision of \$614,626,000 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 2007 will be 675 permanent posts. It is expected that 15 permanent posts and one supernumerary post will be created in 2007–08. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2007–08, but the notional annual mid-point salary value of all such posts must not exceed \$304,774,000.

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

	2005–06 (Actual) (\$'000)	2006–07 (Original) (\$'000)	2006–07 (Revised) (\$'000)	2007–08 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	336,019	343,155	337,119	<b>351,437</b>
- Allowances.....	3,242	3,726	3,570	<b>3,782</b>
- Job-related allowances .....	338	903	525	<b>909</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	1,242	1,370	1,267	<b>1,296</b>
- Civil Service Provident Fund contribution.....	320	404	376	<b>764</b>
- Disturbance allowance .....	—	—	17	<b>18</b>
Departmental Expenses				
- Technical Services Agreement.....	177,566	71,708	64,700	—
- General departmental expenses.....	104,733	201,720	161,630	<b>256,420</b>
	623,460	622,986	569,204	<b>614,626</b>

**5** Provision of \$11,806,000 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. The decrease of \$1,909,000 (13.9%) against the revised estimate for 2006–07 is due to the contractual requirement under the new insurance contract to advance the first quarterly instalment on premium in 2007–08 to 2006–07.