

Head 100 — MARINE DEPARTMENT

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

Estimate 2007–08	\$896.8m
Establishment ceiling 2007–08 (notional annual mid-point salary value) representing an estimated 1 385 non-directorate posts as at 31 March 2007 and as at 31 March 2008	\$360.7m
In addition, there will be an estimated 22 directorate posts as at 31 March 2007 and as at 31 March 2008.	
Commitment balance	\$6.4m

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 Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour), Policy Area 9: Internal Security (Secretary for Security), Policy Area 21: Transport (Secretary for the Environment, Transport and Works), Policy Area 22: Buildings, Lands and Planning (Secretary for Housing, Planning and Lands) and Policy Area 23: Environmental Protection and Conservation (Secretary for the Environment, Transport and Works).
Programme (3) Local Services	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour) and Policy Area 23: Environmental Protection and Conservation (Secretary for the Environment, Transport and Works).
Programme (4) Services to Ships	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Economic Development and Labour) and Policy Area 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

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	38.4	40.1	37.5 (–6.5%)	38.3 (+2.1%)
				(or –4.5% on 2006–07 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.

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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. The work involves:

- 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 maritime administrations on shipping matters;
- managing local craft;
- collating and analysing statistics;
- formulating and implementing information system strategy to support the Department's business; and
- discharging the duties as the Designated Authority under the International Ship and Port Facility Security Code in enhancing maritime security.

4 In 2006, the Department generally achieved the aim of the programme. Port and shipping related activities will continue to grow in 2007. Sound regulation and quality service have ensured a continued steady growth of the Hong Kong Shipping Register, which grew to 32.5 million gross tonnage as at 31 December 2006.

5 The key performance measures are:

Target

	Target	2005 (Actual)	2006 (Actual)	2007 (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 (%)	95.0	97.0	95.2	95.0

Indicators

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
container throughput (million twenty-foot equivalent units) ...	22.4	23.2	24.5
projects under planning which will affect the port and its associated facilities	91	93	91

Matters Requiring Special Attention in 2007–08

6 During 2007–08, the Department will:

- implement the regulatory regime on local vessels and safety of shipboard works under the newly enacted Merchant Shipping (Local Vessels) Ordinance;
- continue to develop measures to make the Hong Kong Shipping Register more efficient, user friendly and attractive;
- expedite the legislative work to implement Annex VI to MARPOL 73/78 Convention for Prevention of Air Pollution from Ships;
- expedite the legislative work to implement the Revised Annex I to MARPOL 73/78 Convention for Prevention of Pollution by Oil; and
- expedite the legislative work to implement the Revised Annex II to MARPOL 73/78 Convention for Control of Pollution by Noxious Liquid Substance in Bulk.

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Programme (2): Port Services

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	287.5	318.4	299.7 (–5.9%)	319.7 (+6.7%)
				(or +0.4% on 2006–07 Original)

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:

- regulating shipping movements including the provision of vessel traffic services and aids to navigation;
- providing hydrographic and charting services;
- managing government buoys and anchorages;
- regulating pilotage services;
- managing passenger ferry terminals;
- maintaining emergency preparedness;
- co-ordinating search and rescue activities;
- inspecting foreign OGVs in Hong Kong waters for Port State Control (PSC) purposes to ensure their compliance with international safety standards;
- controlling conveyance of dangerous goods at sea; and
- providing harbour scavenging services and implementing international conventions and local laws on environmental protection.

9 In 2006, the Department continued to ensure the efficient and safe running of the port. 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 set at 15% or above of OGVs visiting Hong Kong each year. PSC inspections of OGVs were also conducted outside office hours whenever practicable.

10 The key performance measures are:

Targets

	Target	2005 (Actual)	2006 (Actual)	2007 (Plan)
completing port formalities for OGVs (minutes)	20 or less	20	20	20
performing initial inspection on OGVs for compliance with international requirements on ship safety and environmental protection (excluding re-inspections)(% of OGVs inspected)...	15.0	11.2@	13.1@	15.0
responding to search and rescue and casualty evacuation incidents	immediate	immediate	immediate	immediate
allocating a passenger ferry berth within five minutes of request at				
China Ferry Terminal (%).....	99	99	99	99
Macau Ferry Terminal (%)	99	99	99	99
responding on site to oil spillages inside harbour limits within two hours (%).....	100	100	100	100
hydrographic survey of Hong Kong waters (km ²)	300	308	306	300
publishing new nautical charts covering Hong Kong waters.....	2	2	2	2

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	Target	2005 (Actual)	2006 (Actual)	2007 (Plan)
maintaining the availability of aids to navigation up to international standard (%)	99	99	99	99

@ The target could not be met due to the temporary redeployment of staff to meet the increased number of ships applying to join the Hong Kong Shipping Register. It is anticipated that the target will be met in 2007.

Indicators

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
container throughput by OGVs (million twenty-foot equivalent units).....	15.5	15.8	16.2
OGV arrivals (excluding vessels in transit through Hong Kong waters to Shenzhen ports).....	39 350	39 100	39 100
collisions, strandings and strikings affecting OGVs in Hong Kong waters	24	34	N.A.
search and rescue operations co-ordinated	62	53	N.A.
passengers using marine ferry terminals (million).....	19.5	21.2	21.8
refuse collected from ships (tonnes)	1 630	2 110	2 000
floating refuse collected (tonnes)	11 727	12 167	12 000
aids to navigation maintained	518	529	532
wreck search and new dangers survey (times).....	20	20	N.A.
hydrographic plans produced	69	57	60

Matters Requiring Special Attention in 2007–08

11 During 2007–08, the Department will:

- continue to improve the general environment and user-friendliness of the China Ferry Terminal and Macau Ferry Terminal;
- co-ordinate the improvement of ferry services at the cross-boundary ferry terminal at Tuen Mun in accordance with the tenant's plan and programme;
- keep under review the reformed outsourcing arrangements for provision of marine cleansing services and fine tune the arrangements as necessary;
- continue to extend PSC inspections to beyond office hours whenever practicable;
- arrange PSC officer exchange programmes with the Mainland Maritime Safety Administration and other maritime administrations to promote harmonisation of inspections and enhance co-operation with other maritime administrations;
- host the 17th Port State Control committee meeting and the 16th Regional Database Managers meeting of the Tokyo Memorandum of Understanding; and
- propose amendments to the subsidiary legislation of the Dangerous Goods Ordinance to keep the control and regulatory measures in pace with international as well as local development and practices in the transport of dangerous goods by sea.

Programme (3): Local Services

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	89.7	94.0	90.7 (–3.5%)	92.8 (+2.3%)

(or –1.3% on
2006–07 Original)

Aim

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

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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 District Councils, local associations 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 2006, 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:

Targets

	Target	2005 (Actual)	2006 (Actual)	2007 (Plan)
completing port formalities for river trade vessels (minutes)	10 or less	10	10	10
inspecting locally licensed and river trade vessels for compliance with marine legislation (no. of inspections)	19 000	19 300	18 860#	19 000

The target could not be met due to the temporary deployment of staff to meet other service needs such as extended patrol in summer and during major events at sea. It is anticipated that the target will be met in 2007.

Indicators

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
cargo throughput for PCWAs (million tonnes)	13.3	13.2	13.2
river trade cargo vessel arrivals	115 000	117 900	117 900
licences issued for local craft	14 800	14 800	15 000
collisions, strandings and strikings affecting locally licensed, river trade and coastal vessels in Hong Kong waters	240	225	N.A.
refuse collected from locally licensed and river trade vessels (tonnes)	1 628	1 933	1 900

Matters Requiring Special Attention in 2007–08

16 During 2007–08, the Department will:

- implement the newly enacted Merchant Shipping (Local Vessels) Ordinance for better control and regulation of local vessels; and
- complete a comprehensive review of the management of PCWAs.

Programme (4): Services to Ships

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	56.8	61.5	59.7 (–2.9%)	62.6 (+4.9%)

(or +1.8% on
2006–07 Original)

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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. The work involves:

- enforcing international conventions;
- maintaining the quality of the Hong Kong Shipping Register;
- 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 the safety of cargo handling and ship repairs; and
- ascertaining the cause of marine casualties and marine industrial accidents.

19 In 2006, 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 Shipping Register were further enhanced. The quality assurance system on Hong Kong-registered ships, which included the Flag State Quality Control (FSQC) and the Pre-registration Quality Control (PRQC) inspection systems, proved to be an effective and efficient means in maintaining the quality of ships in the Register and in preventing sub-standard ships from joining the Register. The Ship Safety Branch which enforced Flag State Control and PSC effectively maintained its 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	2005 (Actual)	2006 (Actual)	2007 (Plan)
analysing ship records to assess ship's safety performance (%)	100	100	100	100
quality assurance inspection and audits on Hong Kong-registered ships and their management companies (%).....	5.0	5.3	5.0	5.0

Indicators

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
Hong Kong-registered ships detained in PSC inspections by other administrations (%).....	4.1	2.9	N.A.
gross registered tonnage on the Register (million)	29.8	32.5	34.5
authorisations issued to man Hong Kong-registered ships and locally licensed vessels.....	14 763	15 313	15 500
fatalities in marine industrial accidents	10	2	N.A.
casualties involving Hong Kong-registered ships.....	3	3	N.A.
inspection visits to locally licensed vessels	4 829	4 713	3 420
certificates of surveys issued to locally licensed vessels	3 302	3 307	3 300

Ω Under the newly enacted Merchant Shipping (Local Vessels) Ordinance and its subsidiary legislation, the inspection of certain class of vessels is delegated to authorised surveyors. Fewer inspection visits will therefore be required of the Department.

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Matters Requiring Special Attention in 2007–08

21 During 2007–08, the Department will continue to:

- implement the Annual Tonnage Charge Reduction Scheme;
- 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 under the newly enacted Merchant Shipping (Local Vessels) Ordinance and related subsidiary legislation;
- fine tune the implementation of the quality assurance system on Hong Kong-registered ships, which includes FSQC and PRQC inspections, and audits on management companies on the performance of their safety management system;
- strengthen liaison and co-operation with the Mainland authorities in order to harmonise shipping standards for coastal vessels and OGVs;
- arrange the International Safety Management Code auditor exchange programmes with the Mainland Maritime Safety Administration and other maritime administrations to promote harmonisation of audits and enhance co-operation with other maritime administrations; and
- administer the time-limited Sea-going Training Incentive Scheme to train sea-going cadets to become professionals serving Hong Kong's maritime industry.

Programme (5): Government Fleet

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	376.8	383.4	374.9 (–2.2%)	383.4 (+2.3%)
				(or same as 2006–07 Original)

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:

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

24 The Government Dockyard maintains over 713 vessels owned and used by various government departments. Over 50 of these vessels are operated by the Department.

25 The key performance measures are:

Target

	Target	2005 (Actual)	2006 (Actual)	2007 (Plan)
vessel availability to all users (%).....	87.0	88.6	89.8	87.0

Indicators

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
mechanised vessels in use.....	126	124	124
new vessel projects undertaken	14	14	14
user satisfaction with Government Dockyard's services (%)^.....	N.A.	N.A.	95
successful first sea trials after vessel maintenance (%)^.....	N.A.	N.A.	90
crew staff time available for deployment (%)^.....	N.A.	N.A.	85

^ New indicators as from 2007.

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Matters Requiring Special Attention in 2007–08

26 During 2007–08, the Department will continue to outsource marine transport services to reduce the size of the government fleet.

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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) Infrastructure.....	38.4	40.1	37.5	38.3
(2) Port Services.....	287.5	318.4	299.7	319.7
(3) Local Services.....	89.7	94.0	90.7	92.8
(4) Services to Ships.....	56.8	61.5	59.7	62.6
(5) Government Fleet	376.8	383.4	374.9	383.4
	849.2	897.4	862.5 (-3.9%)	896.8 (+4.0%)
				(or -0.1% on 2006-07 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2007-08 is \$0.8 million (2.1%) higher than the revised estimate for 2006-07. This is mainly due to the full-year provision for vacancies filled in 2006-07.

Programme (2)

Provision for 2007-08 is \$20.0 million (6.7%) higher than the revised estimate for 2006-07. This is mainly due to the full-year provision for vacancies filled in 2006-07 and for the cross-boundary ferry terminal at Tuen Mun, and additional requirement arising from anticipated increase in contract prices on goods and services, partly offset by the reduced requirement for minor plant and equipment.

Programme (3)

Provision for 2007-08 is \$2.1 million (2.3%) higher than the revised estimate for 2006-07. This is mainly due to the full-year provision for vacancies filled in 2006-07 and additional requirement arising from anticipated increase in contract prices on goods and services.

Programme (4)

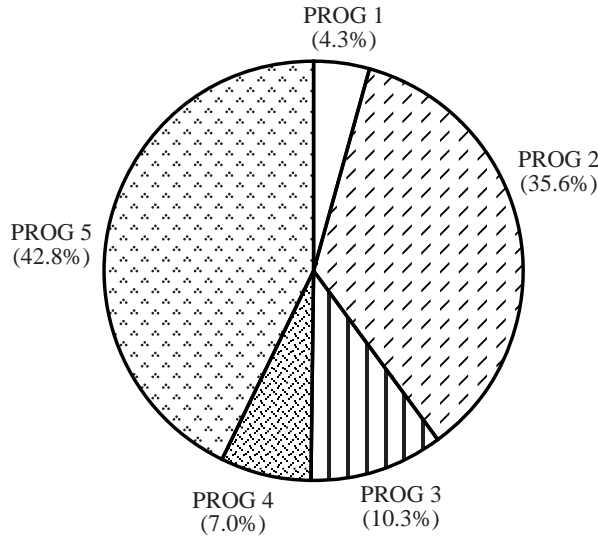
Provision for 2007-08 is \$2.9 million (4.9%) higher than the revised estimate for 2006-07. This is mainly due to the full-year provision for vacancies filled in 2006-07 and additional requirement arising from anticipated increase in contract prices on goods and services.

Programme (5)

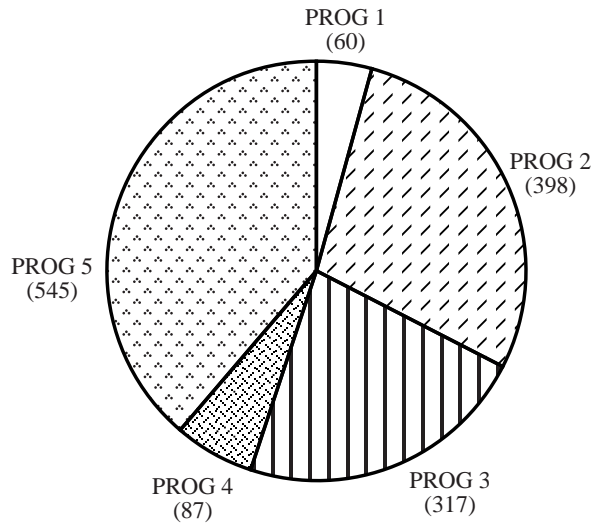
Provision for 2007-08 is \$8.5 million (2.3%) higher than the revised estimate for 2006-07. This is mainly due to the additional requirement arising from anticipated increase in contract prices on goods and services.

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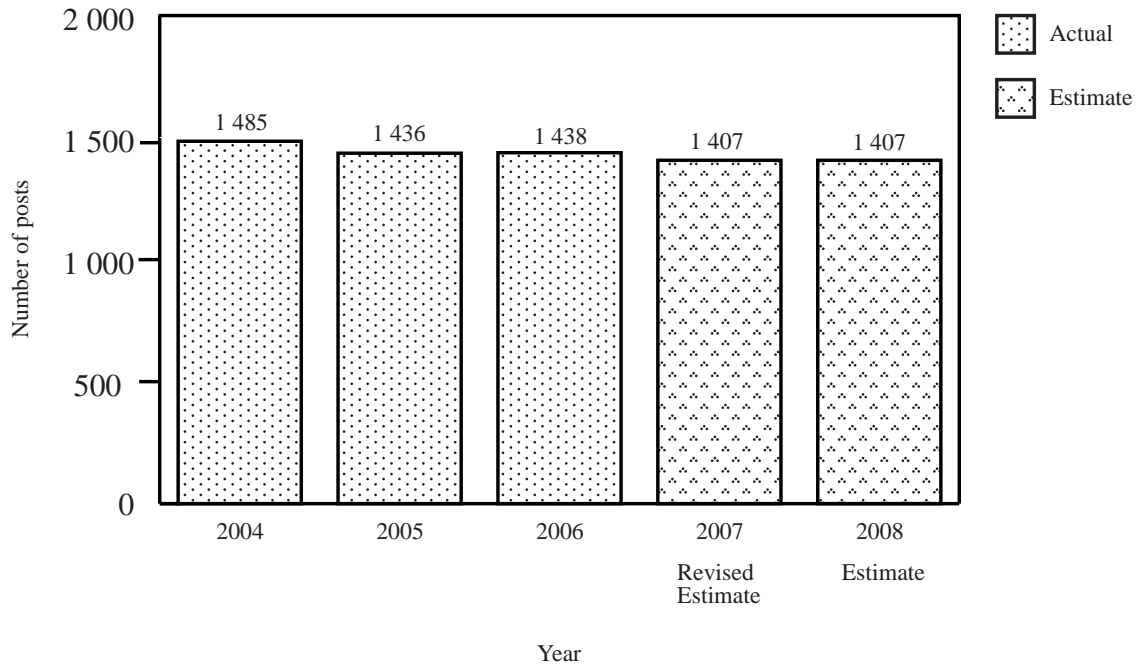
*Allocation of provision
to programmes
(2007-08)*



*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	Estimate 2007-08	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	822,511	869,230	826,264	869,458
	Total, Recurrent	<u>822,511</u>	<u>869,230</u>	<u>826,264</u>	<u>869,458</u>
Non-Recurrent					
700	General non-recurrent.....	997	1,634	1,634	1,620
	Total, Non-Recurrent	<u>997</u>	<u>1,634</u>	<u>1,634</u>	<u>1,620</u>
	Total, Operating Account.....	<u>823,508</u>	<u>870,864</u>	<u>827,898</u>	<u>871,078</u>
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	25,722	26,550	34,595	25,754
	Total, Plant, Equipment and Works	<u>25,722</u>	<u>26,550</u>	<u>34,595</u>	<u>25,754</u>
	Total, Capital Account	<u>25,722</u>	<u>26,550</u>	<u>34,595</u>	<u>25,754</u>
	Total Expenditure.....	<u><u>849,230</u></u>	<u><u>897,414</u></u>	<u><u>862,493</u></u>	<u><u>896,832</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2007–08 for the salaries and expenses of the Marine Department is \$896,832,000. This represents an increase of \$34,339,000 over the revised estimate for 2006–07 and of \$47,602,000 over actual expenditure in 2005–06.

Operating Account

Recurrent

2 Provision of \$869,458,000 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 2007 will be 1 407 permanent posts. No change in establishment is expected 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 \$360,683,000.

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.....	426,045	437,715	420,987	428,317
- Allowances.....	8,110	12,598	9,396	11,058
- Job-related allowances	4,065	5,450	5,420	6,581
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	490	369	381	214
- Civil Service Provident Fund contribution.....	22	231	230	646
- Disturbance allowance	227	—	157	—
Departmental Expenses				
- Technical Services Agreement.....	26,998	14,000	14,150	—
- Maintenance materials	97,715	95,952	95,422	96,662
- Contract maintenance.....	75,608	75,134	74,052	77,254
- General departmental expenses.....	183,231	227,781	206,069	248,726
	822,511	869,230	826,264	869,458

Capital Account

Plant, Equipment and Works

5 Provision of \$25,754,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$8,841,000 (25.6%) against the revised estimate for 2006–07. This is mainly due to the reduced requirement for minor plant and equipment.

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Commitments

Sub- head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2006	Revised estimated expenditure for 2006-07	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
	429	Sea-going Training Incentive Scheme....	9,000	953	1,634	6,413
		Total.....	9,000	953	1,634	6,413
			9,000	953	1,634	6,413