

Head 100 — MARINE DEPARTMENT

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

Estimate 2011–12	\$988.9m
Establishment ceiling 2011–12 (notional annual mid-point salary value) representing an estimated 1 362 non-directorate posts as at 31 March 2011 rising by two posts to 1 364 as at 31 March 2012	\$408.1m
In addition, there will be an estimated 22 directorate posts as at 31 March 2011 and as at 31 March 2012.	
Commitment balance	\$27.8m

Controlling Officer's Report

Programmes

Programme (1) Infrastructure	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing).
Programme (2) Port Services	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing), Policy Area 9: Internal Security (Secretary for Security), Policy Area 21: Land and Waterborne Transport (Secretary for Transport and Housing), Policy Area 22: Buildings, Lands, Planning, Heritage Conservation, Greening and Landscape (Secretary for Development) and Policy Area 23: Environmental Protection, Conservation, Power and Sustainable Development (Secretary for the Environment).
Programme (3) Local Services	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing) and Policy Area 23: Environmental Protection, Conservation, Power and Sustainable Development (Secretary for the Environment).
Programme (4) Services to Ships	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing) and Policy Area 8: Employment and Labour (Secretary for Labour and Welfare).
Programme (5) Government Fleet	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Transport and Housing).

Detail

Programme (1): Infrastructure

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	43.4	42.2	41.3 (–2.1%)	41.3 (—)
				(or –2.1% on 2010–11 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 2010, the Department generally achieved the aim of the programme. Port and shipping related activities will likely remain steady in 2011. Sound regulation and quality service have ensured a steady growth of the Hong Kong Shipping Register, which grew to 56.5 million gross tonnage as at 31 December 2010.

5 The key performance measures are:

Target

	Target	2009 (Actual)	2010 (Actual)	2011 (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	99.6	100.0	95.0

Indicators

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
container throughput (million twenty-foot equivalent units)....	21.0§	23.5	24.7
projects under planning which will affect the port and its associated facilities.....	89	88	88

§ The figure is an update for the one set out in the 2010–11 Estimates.

Matters Requiring Special Attention in 2011–12

6 During 2011–12, the Department will:

- continue to implement the regulatory regime on local vessels and safety of shipboard works under the Merchant Shipping (Local Vessels) Ordinance (Cap. 548);
- continue to develop measures to make the Hong Kong Shipping Register more efficient, user-friendly and attractive;
- expedite the legislative work to implement the Revised Annex I (for prevention of pollution by oil), Revised Annex II (for control of pollution by noxious liquid substances in bulk) and Revised Annex VI (for prevention of air pollution) to the MARPOL 73/78 Convention;
- expedite the legislative work to implement the Maritime Labour Convention, 2006; and
- expedite the legislative work to implement the International Convention on the Control of Harmful Anti-fouling Systems on Ships, 2001.

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Programme (2): Port Services

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	326.6	352.7	347.3 (–1.5%)	385.9 (+11.1%)
				(or +9.4% on 2010–11 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 and pollution prevention 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 2010, 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 PSC inspection rate was set at 15 per cent of OGVs visiting Hong Kong each year. The Department also invited tenders for a tenancy of the Tuen Mun Ferry Terminal for operation of cross-boundary passenger ferry services upon the expiry of the existing tenancy in December 2010.

10 The key performance measures are:

Targets

	Target	2009 (Actual)	2010 (Actual)	2011 (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	15	15	15
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	299	300	300
publishing new nautical charts covering Hong Kong waters	2	2	2	2

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	Target	2009 (Actual)	2010 (Actual)	2011 (Plan)
maintaining the availability of aids to navigation (%)	99	99	99	99
maintaining the reliability / continuity of aids to navigation in service up to international standard (%).....	99	99	99	99
operational availability of the Hong Kong Vessel Traffic Services system (%)	99.9	99.9	99.9	99.9

Indicators

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
container throughput by OGVs (million twenty-foot equivalent units)	14.1Δ	16.1	16.9
OGV arrivals (excluding vessels in transit through Hong Kong waters to Shenzhen ports)	33 160Δ	32 500	32 500
collisions, strandings and strikings involving OGVs in Hong Kong waters	18	20	N.A.
search and rescue operations co-ordinated.....	59	55	N.A.
passengers using marine ferry terminals (million)	22.2	24.4	26.8
refuse collected from ships (tonnes).....	2 442	2 456	2 460
floating refuse collected (tonnes).....	11 726	11 368	11 500
aids to navigation maintained.....	540	543	544
wreck search and new dangers survey (times)	11	11	N.A.
hydrographic plans produced.....	57	58	58

Δ The figures are updates for the ones set out in the 2010–11 Estimates.

Matters Requiring Special Attention in 2011–12

11 During 2011–12, the Department will continue to:

- improve the general environment and user-friendliness of the China Ferry Terminal and Macau Ferry Terminal through renovation;
- provide marine cleansing services through outsourcing and enhance the arrangements with reference to findings from the post-implementation services review conducted jointly with the Efficiency Unit;
- 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;
- fine-tune the proposal for amending the subsidiary legislation under the Dangerous Goods Ordinance (Cap. 295) in order to keep abreast of the requirement set against the international standard and concurrently take into consideration the local transport practice on carriage of dangerous goods by sea; and
- review the operations of Hong Kong Vessel Traffic Service (HKVTS), and plan for enhancing the HKVTS System so as to ensure navigational safety and traffic efficiency in Hong Kong waters.

Programme (3): Local Services

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	93.2	94.2	91.9 (–2.4%)	92.6 (+0.8%)

(or –1.7% on
2010–11 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 Merchant Shipping (Local Vessels) Ordinance;
- conducting port formalities for locally licensed and river trade vessels; and
- detaining and disposing of craft seized by enforcement agencies.

14 In 2010, 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	2009 (Actual)	2010 (Actual)	2011 (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).....	16 000@	18 100	15 500	16 000

@ Taking into account the redeployment of staff to perform other special duties in the Harbour Patrol Section and to meet the operational requirements of other Sections, the target is adjusted to 16 000.

Indicators

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
cargo throughput for PCWAs (million tonnes)	8.6	8.7	8.7
river trade cargo vessel arrivals	89 750Ω	91 400	93 900
licences issued for local vessels	14 100	14 600	14 700
collisions, strandings and strikings involving locally licensed, river trade and coastal vessels in Hong Kong waters	88	76	N.A.
refuse collected from locally licensed and river trade vessels (tonnes).....	2 027	1 964	2 000
special operations conducted	28	28	28

Ω The figure is an update for the one set out in the 2010–11 Estimates.

Matters Requiring Special Attention in 2011–12

16 During 2011–12, the Department will continue to implement the Merchant Shipping (Local Vessels) Ordinance for better control and regulation of local vessels.

Programme (4): Services to Ships

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	65.8	66.3	68.9 (+3.9%)	70.5 (+2.3%)
				(or +6.3% on 2010–11 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. The work involves:

- enforcing international conventions;
- maintaining the quality of the Hong Kong Shipping Register;
- conducting examinations 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 2010, 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 recent major amendments to international conventions. The competitiveness and user-friendliness of the Hong Kong Shipping Register were maintained. 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, was strengthened to ensure the quality of ships in the Register and in preventing sub-standard ships from joining the Register. The Ship Safety Branch which enforced FSQC 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	2009 (Actual)	2010 (Actual)	2011 (Plan)
assessing the quality performance of Hong Kong-registered ships by the FSQC management system (%)	100	100	100	100
quality assurance inspection and audits on Hong Kong-registered ships and their management companies (%)	5	5	5	5

Indicators

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
Hong Kong-registered ships detained in PSC inspections by other administrations (%)	3.5	3.5	3.5
gross registered tonnage on the Register (million).....	44.9	56.5	61.0
authorisations issued to man Hong Kong-registered ships and locally licensed vessels	16 136	17 394	17 394
fatalities in marine industrial accidents	1	6	N.A.
casualties involving Hong Kong-registered ships	9	6	N.A.
inspection visits to locally licensed vessels.....	4 272	3 904	3 900
certificates of surveys issued to locally licensed vessels.....	3 260 ^Ψ	2 934	2 930

^Ψ The figure is an update for the one set out in the 2010–11 Estimates.

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Matters Requiring Special Attention in 2011–12

21 During 2011–12, the Department will continue to:

- implement the 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 Merchant Shipping (Local Vessels) Ordinance and related subsidiary legislation;
- strengthen 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; and
- strengthen liaison and co-operation with the Mainland authorities in order to harmonise shipping standards for coastal vessels and OGVs.

Programme (5): Government Fleet

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	391.4	408.9	390.8 (–4.4%)	398.6 (+2.0%)
				(or –2.5% on 2010–11 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 766 vessels owned and used by various government departments. Of these vessels, 43 are operated by the Department.

25 The key performance measures are:

Target

	Target	2009 (Actual)	2010 (Actual)	2011 (Plan)
vessel availability to all users (%)	87.0	86.4Φ	87.6	87.0

Indicators

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
mechanised vessels in use	117Φ	111	111
new vessel projects undertaken	24Φ	15	15
user satisfaction with Government Dockyard’s services (%) ...	99.1Φ	98.7	99.0
successful first sea trials after vessel maintenance (%)	93.6Φ	90.7	90.0
crew staff time available for deployment (%)	86.6Φ	87.4	87.0

Φ The figures are updates for the ones set out in the 2010–11 Estimates.

Matters Requiring Special Attention in 2011–12

26 During 2011–12, the Department will continue to explore ways to improve Hong Kong’s environment in a number of areas such as reducing government vessels’ fuel consumption and controlling exhaust emission, improving waste management, and raising staff awareness of industrial safety and environmental issues.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2009–10 (Actual) (\$m)	2010–11 (Original) (\$m)	2010–11 (Revised) (\$m)	2011–12 (Estimate) (\$m)
(1) Infrastructure	43.4	42.2	41.3	41.3
(2) Port Services.....	326.6	352.7	347.3	385.9
(3) Local Services	93.2	94.2	91.9	92.6
(4) Services to Ships	65.8	66.3	68.9	70.5
(5) Government Fleet	391.4	408.9	390.8	398.6
	920.4	964.3	940.2 (-2.5%)	988.9 (+5.2%)
				(or +2.6% on 2010–11 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2011–12 is the same as the revised estimate for 2010–11. One post will be created in 2011–12.

Programme (2)

Provision for 2011–12 is \$38.6 million (11.1%) higher than the revised estimate for 2010–11. This is mainly due to the increase in other operating expenses, partly offset by the reduced requirement for minor plant and equipment. There will be a creation of four posts in 2011–12.

Programme (3)

Provision for 2011–12 is \$0.7 million (0.8%) higher than the revised estimate for 2010–11. This is mainly due to the increase in operational expenses, partly offset by the reduced requirement for minor plant and equipment. There will be a net decrease of three posts in 2011–12.

Programme (4)

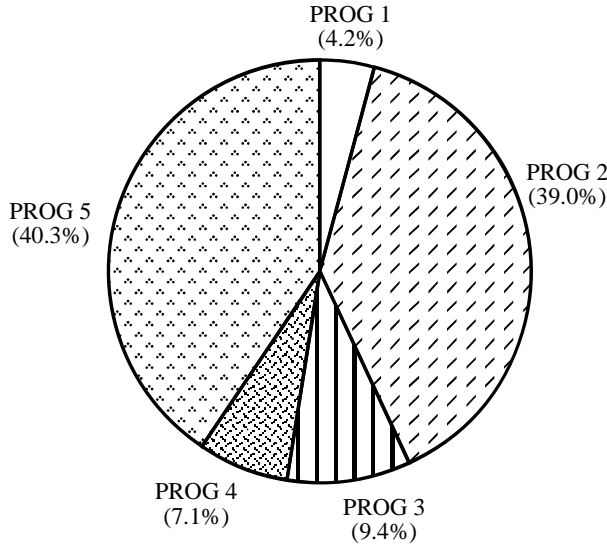
Provision for 2011–12 is \$1.6 million (2.3%) higher than the revised estimate for 2010–11. This is mainly due to the increase in cash flow requirement for the general non-recurrent item and creation of two posts in 2011–12.

Programme (5)

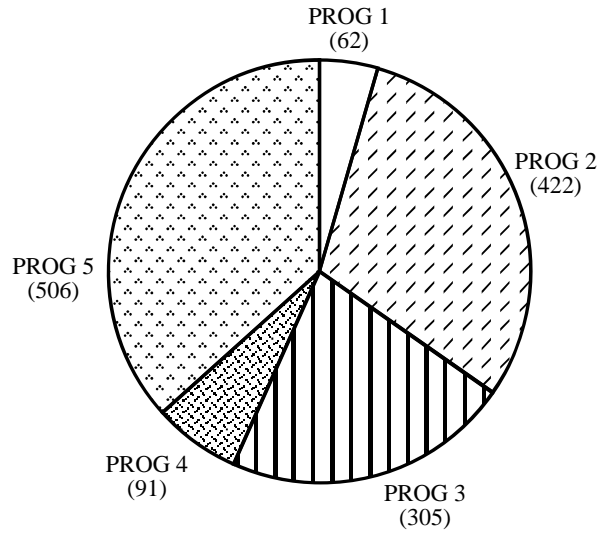
Provision for 2011–12 is \$7.8 million (2.0%) higher than the revised estimate for 2010–11. This is mainly due to the increase in other operating expenses, partly offset by the reduced requirement for plant and equipment. There will be a net decrease of two posts in 2011–12.

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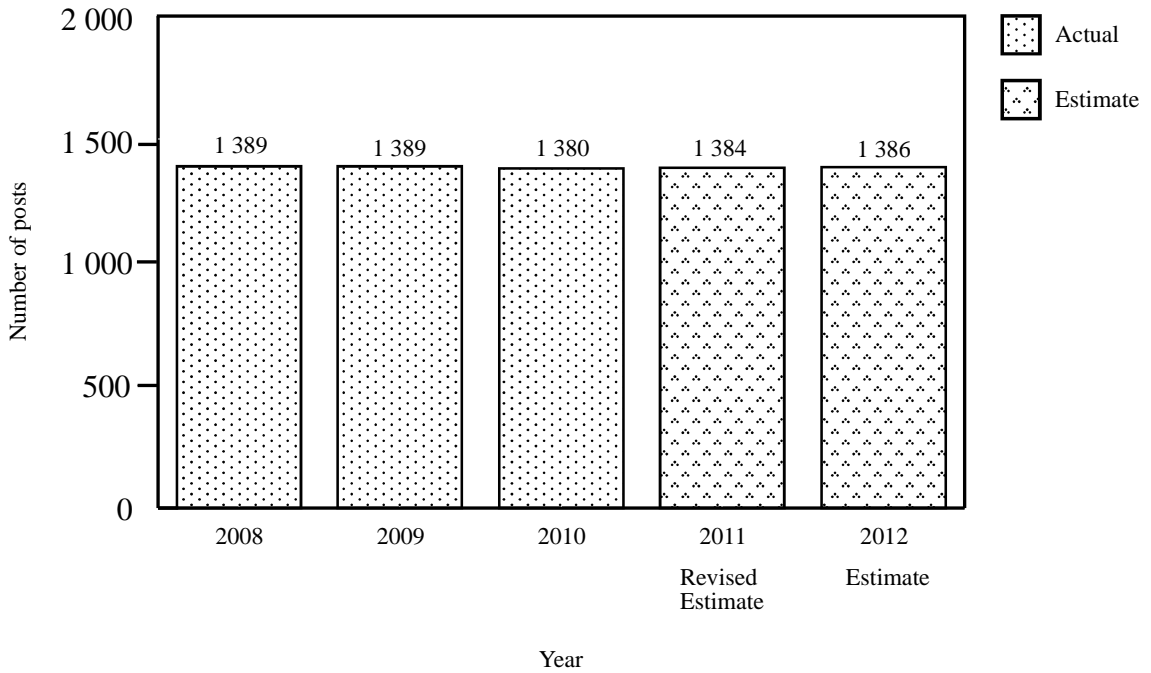
Allocation of provision to programmes (2011-12)



Staff by programme (as at 31 March 2012)



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



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Sub-head (Code)	Actual expenditure 2009-10	Approved estimate 2010-11	Revised estimate 2010-11	Estimate 2011-12	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	887,680	919,630	897,419	955,728
	Total, Recurrent	<u>887,680</u>	<u>919,630</u>	<u>897,419</u>	<u>955,728</u>
Non-Recurrent					
700	General non-recurrent	4,367	2,720	3,285	2,631
	Total, Non-Recurrent	<u>4,367</u>	<u>2,720</u>	<u>3,285</u>	<u>2,631</u>
	Total, Operating Account.....	892,047	922,350	900,704	958,359
Capital Account					
Plant, Equipment and Works					
603	Plant, vehicles and equipment	965	9,570	8,685	2,856
661	Minor plant, vehicles and equipment (block vote).....	27,359	32,352	30,837	27,654
	Total, Plant, Equipment and Works	<u>28,324</u>	<u>41,922</u>	<u>39,522</u>	<u>30,510</u>
	Total, Capital Account	28,324	41,922	39,522	30,510
	Total Expenditure	<u>920,371</u>	<u>964,272</u>	<u>940,226</u>	<u>988,869</u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2011–12 for the salaries and expenses of the Marine Department is \$988,869,000. This represents an increase of \$48,643,000 over the revised estimate for 2010–11 and of \$68,498,000 over actual expenditure in 2009–10.

Operating Account

Recurrent

2 Provision of \$955,728,000 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 2011 will be 1 384 permanent posts. It is expected that there will be a net increase of two posts in 2011–12. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2011–12, but the notional annual mid-point salary value of all such posts must not exceed \$408,145,000.

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

	2009–10 (Actual) (\$'000)	2010–11 (Original) (\$'000)	2010–11 (Revised) (\$'000)	2011–12 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	444,068	443,165	435,840	441,375
- Allowances	8,410	9,819	8,769	8,820
- Job-related allowances.....	4,811	4,894	4,020	4,916
Personnel Related Expenses				
- Mandatory Provident Fund contribution	742	1,053	901	1,249
- Civil Service Provident Fund contribution	1,876	1,920	2,227	3,185
- Disturbance allowance.....	183	—	—	—
Departmental Expenses				
- Maintenance materials	108,314	96,892	94,321	98,418
- Contract maintenance	70,680	80,264	79,242	82,445
- General departmental expenses.....	248,596	281,623	272,099	315,320
	887,680	919,630	897,419	955,728

Capital Account

Plant, Equipment and Works

5 Provision of \$27,654,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$3,183,000 (10.3%) against the revised estimate for 2010–11. 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 31.3.2010	Revised estimated expenditure for 2010–11	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	429	Sea-going Training Incentive Scheme ...	28,200	6,016	1,945	20,239
			<u>28,200</u>	<u>6,016</u>	<u>1,945</u>	<u>20,239</u>
<i>Capital Account</i>						
603		<i>Plant, vehicles and equipment</i>				
	828	Replacement of tug boat Marine 32 in Government Dockyard	9,800	965	8,685	150
	854	Replacement of three steel lighters in Government Dockyard	7,380	—	—	7,380
			<u>17,180</u>	<u>965</u>	<u>8,685</u>	<u>7,530</u>
		Total	<u>45,380</u>	<u>6,981</u>	<u>10,630</u>	<u>27,769</u>