

## Head 28 — CIVIL AVIATION DEPARTMENT

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

**Estimate 2016–17** ..... **\$945.7m**

**Establishment ceiling 2016–17** (notional annual mid-point salary value) representing an estimated 709 non-directorate posts as at 31 March 2016 rising by eight posts to 717 posts as at 31 March 2017..... **\$499.2m**

In addition, there will be an estimated 21 directorate posts as at 31 March 2016 rising by one post to 22 posts as at 31 March 2017.

### 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 Transport and Housing).
<b>Programme (2) Airport Standards</b>	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing) and Policy Area 9: Internal Security (Secretary for Security).
<b>Programme (3) Air Traffic Management Programme (4) Air Traffic Engineering Services</b>	These programmes contribute to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing).
<b>Programme (5) Air Services and Safety Management</b>	
<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

	2014–15 (Actual)	2015–16 (Original)	2015–16 (Revised)	<b>2016–17 (Estimate)</b>
Financial provision (\$m)	101.4	106.4	107.6 (+1.1%)	<b>115.6</b> (+7.4%)
				(or +8.6% on 2015–16 Original)

#### *Aim*

**2** The aim is to set and enforce flight and airworthiness 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 of the Department is responsible for regulating the operational safety and airworthiness of aircraft registered in Hong Kong, and other matters related to flight safety. The work involves:

- monitoring and inspecting Hong Kong air 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 design and production organisations for aircraft and related products/parts;
- approving maintenance training organisations;

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- approving flying training organisations which provide commercial pilot training courses;
- conducting surveillance and certification validation of foreign air operators;
- conducting examinations and issuing licences for flight crew and maintenance engineers, reviewing the licensing policy and requirements, and granting authority for suitable persons as authorised examiners;
- issuing medical certificates to flight crew and air traffic controllers;
- monitoring compliance with the mandatory occurrence reporting scheme and carrying out safety analysis on reportable occurrences;
- overseeing the compliance of Flight Time Limitations Schemes by Hong Kong air operators; and
- monitoring the implementation of the safety management systems by Hong Kong air operators and maintenance organisations.

4 The Flight Standards and Airworthiness Division inspects the operational and training activities of Hong Kong air operators regularly throughout the year to ensure that they maintain high safety and operational standards. The demand for inspections is expected to remain at a level comparable to that in 2015.

5 The key performance measures are:

### *Targets*

	Target	2014 (Actual)	2015 (Actual)	2016 (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) .....	3.5	3.5	3.5	<b>3.5</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>
approval of maintenance training organisations (working days).....	60	60	60	<b>60</b>
flight operations and cabin safety inspections .....	130	140	132	<b>130</b>
inspections of operations and maintenance services at Hong Kong air operators' outstations .....	45	45	46	<b>45</b>
inspections of overseas maintenance facilities .....	25	25	25	<b>25</b>
inspections of local maintenance organisations .....	55	55	55	<b>55</b>
inspections of maintenance training organisations .....	5	5	5	<b>5</b>

### *Indicators*

	2014 (Actual)	2015 (Actual)	2016 (Estimate)
aircraft registered on the Hong Kong Civil Aircraft Register .....	299	311	<b>332</b>
air operator's certificates issued.....	10	10	<b>11</b>
local flight crew examination papers processed.....	1 723	2 555 $\beta$	<b>2 600<math>\beta</math></b>
overseas flight crew examination papers processed.....	1 848	4 366 $\beta$	<b>4 400<math>\beta</math></b>
aircraft maintenance licence examination papers processed .....	3 631	3 681	<b>3 700</b>
medical certificates processed.....	4 980	5 541 $\beta$	<b>5 800<math>\beta</math></b>
flight crew and aircraft maintenance licences processed .....	2 467	4 749 $\beta$	<b>4 800<math>\beta</math></b>
approval/renewal of approved flight simulators .....	39	37	<b>37</b>
approval of authorised examiners/approved persons .....	221	281 $\beta$	<b>280<math>\beta</math></b>

$\beta$  The increase in 2015 was due to new applications from Hong Kong air operators to cope with their fleet expansion, compounded by new applications in connection with the introduction of a new aircraft type by a Hong Kong air operator. The figure is expected to remain at a similar level in 2016.

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### *Matters Requiring Special Attention in 2016–17*

- 6 During 2016–17, the Department will:
- continue to monitor the operational safety of Hong Kong air operators and airworthiness of aircraft registered in Hong Kong,
  - continue to liaise with overseas aeronautical authorities on mutual recognition of aircraft maintenance organisations, and
  - monitor the introduction of A350 aircraft by a Hong Kong air operator.

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

	2014–15 (Actual)	2015–16 (Original)	2015–16 (Revised)	<b>2016–17 (Estimate)</b>
Financial provision (\$m)	46.4	52.4	52.7 (+0.6%)	<b>52.2</b> (–0.9%)
				(or –0.4% on 2015–16 Original)

### *Aim*

7 The aim is to set and enforce aerodrome safety and aviation security standards, and to keep the related legislation up-to-date.

### *Brief Description*

8 The Airport Standards Division of the Department is responsible for the licensing, regulation, inspection and monitoring of the safety and security standards of international aerodromes, including heliports, in Hong Kong. The 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);
- ensuring compliance with the Hong Kong Aviation Security Programme and provisions of the Aviation Security Ordinance (Cap. 494) and its 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 International Civil Aviation Organization (ICAO);
- implementing audit and inspection plans to monitor the execution of security programmes by airport operators, airline operators, tenant restricted area operators and regulated agents;
- enforcing the Hong Kong Airport (Control of Obstructions) Ordinance (Cap. 301) and its 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 (Cap. 384) and its subsidiary legislation;
- enforcing the Air Navigation (Flight Prohibition) Order (Cap. 448E);
- monitoring the noise and flight tracks of aircraft operating to and from the HKIA; and
- monitoring the demand for helicopter services and facilitating the operation of such services and heliport development.

9 The Airport Standards Division ensures 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, the Safety Management System Manual and the Emergency Procedures 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.

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10 The key performance measures are:

### *Targets*

	Target	2014 (Actual)	2015 (Actual)	<b>2016 (Plan)</b>
audit relating to aerodrome licensing issues.....	14	14	14	<b>14</b>
audit of airport operators and airport tenants to ensure compliance with the requirements in the Hong Kong Aviation Security Programme .....	16	16	15	<b>16</b>
inspections of airport operators and operational facilities .....	130	130	130	<b>130</b>
inspections of shippers, freight forwarders, airlines and ground handling agents in respect of their dangerous goods handling standardsΔ....	100	61	108	<b>100</b>
inspections of operators in respect of their security programmes submitted under the Aviation Security Ordinance.....	100	100	100	<b>100</b>
inspections of all regulated agents on the register of regulated agents once every two years (%) .....	100	100	100	<b>100</b>
vetting building plans/development proposals and lighting proposals for compliance with airport height restrictions and other aviation safety requirements (working days per application).....	11.0	11.2	12.6α	<b>11.0</b>
processing applications for exemption from height restrictions prescribed by orders made under the Hong Kong Airport (Control of Obstructions) Ordinance (working days per application).....	10.0	9.7	10.4	<b>10.0</b>
processing applications from cargo agents for registration as regulated agents and the associated security programmes (working days per application).....	14	14	14	<b>14</b>
processing applications for carriage of dangerous goods and munitions by air (working days per application) .....	11	11	11	<b>11</b>

Δ The target is revised from 80 to 100 as from 2016 for continuous strengthening of surveillance on entities involved in air transport of dangerous goods. The 2014 and 2015 figures refer to meeting the original targets of 45 and 80 inspections respectively.

α The longer lead time in 2015 was due to the complexity of the proposals and method statements submitted by developers and consultants.

### *Indicators*

	2014 (Actual)	2015 (Actual)	<b>2016 (Estimate)</b>
applications for registration as regulated agents .....	99	101	<b>100</b>
regulated agents on the register of regulated agents .....	1 421	1 450	<b>1 460</b>
building plans/development proposals and lighting proposals submitted for assessment of compliance with airport height restrictions and other aviation safety requirements ..	258	377#	<b>380#</b>
applications for exemption from height restrictions prescribed by orders made under the Hong Kong Airport (Control of Obstructions) Ordinance.....	250	233	<b>240</b>

# The increase in 2015 was due to the rise in number of building plans and development proposals submitted by developers and consultants, in particular for the on-airport development at the HKIA. The figure is expected to remain at a similar level in 2016.

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### *Matters Requiring Special Attention in 2016–17*

11 During 2016–17, the Department will:

- continue to provide advice and guidance to the Airport Authority (AA) as well as conduct inspections to ensure that the HKIA meets the required safety and security standards and satisfies all aerodrome licensing requirements;
- continue to review the Hong Kong Aviation Security Programme in the light of international standards and relevant considerations;
- continue to monitor airfield enhancement works at the HKIA to ensure that the new facilities meet aerodrome licensing standards;
- continue to vet building plans/development proposals to ensure compliance with airport height restrictions;
- introduce legislative amendments as necessary in relation to the ICAO's latest standards on carriage of dangerous goods by air;
- continue to monitor aircraft noise and flight tracks, and implement the noise abatement programme; and
- continue to regularly review the demand for helicopter services and take forward projects and initiatives on the development of heliports and provision of helicopter services.

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

	2014–15 (Actual)	2015–16 (Original)	2015–16 (Revised)	<b>2016–17 (Estimate)</b>
Financial provision (\$m)	383.2	402.0	415.5 (+3.4%)	<b>425.8</b> (+2.5%)
				(or +5.9% on 2015–16 Original)

### *Aim*

12 The aim is to maintain a safe, orderly and expeditious flow of air traffic within the Hong Kong Flight Information Region (HKFIR) through the provision of quality air navigation services, aeronautical information services and schedule co-ordination and slot allocation services, and to co-ordinate search and rescue operations in the event of aircraft accidents.

### *Brief Description*

13 The Air Traffic Management Division of the Department is responsible for the provision of air traffic services for the safe and efficient operations of aircraft within the HKFIR, which 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 quality telecommunication services for the Hong Kong aviation community and acts as an important node in the global aeronautical communication network. The work involves:

- providing positive control over all air traffic to prevent collision;
- providing information essential for the safe and efficient conduct of flights;
- providing schedule co-ordination and slot allocation services to airlines and other aircraft operators;
- designing flight routes and aircraft arrival/departure procedures;
- co-ordinating, in conjunction with the AA, periodic review of the capacity of the runways to meet demand;
- 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 the AA and industry partners to improve the safety and efficiency of operations at the HKIA;
- co-ordinating with neighbouring Area Control Centres (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; and

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- providing professional and technical training to all air traffic control staff to ensure that competence is maintained up to the highest possible standard.

14 The air traffic control systems (ATC 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 increased to 68 movements per hour since October 2015.

15 The key performance measures are:

### *Target*

	Target	2014 (Actual)	2015 (Actual)	2016 (Plan)
availability of the AFTN (%).....	99.9	99.9	99.9	99.9

### *Indicators*

	2014 (Actual)	2015 (Actual)	2016 (Estimate)
aircraft movements.....	392 120	407 623	416 000
aircraft transiting HKFIR.....	232 224	250 198	266 000
notices to airmen and aeronautical information publication supplements issued/received.....	540 869	613 305	644 000
pre-flight bulletins issued.....	256 293	269 763	283 000
telecommunication messages relayed by the AFTN (million).....	47	49	52

### *Matters Requiring Special Attention in 2016–17*

16 During 2016–17, the Department will:

- continue to improve the efficiency of air traffic management in order to further enhance the runway capacity of the HKIA,
- continue to co-ordinate with neighbouring ACCs to rationalise and optimise the airspace design of the Pearl River Delta region,
- refine air traffic operating procedures and improve air traffic control and air navigation services to enhance flight safety and capacity of the HKFIR,
- recruit and train more air traffic control staff to meet air traffic services demand,
- monitor the slot utilisation and time-keeping performance of airlines and other aircraft operators, and
- continue to implement the safety management system in accordance with the ICAO's requirements to ensure that a high level of safety is maintained in the provision of air traffic services.

### **Programme (4): Air Traffic Engineering Services**

	2014–15 (Actual)	2015–16 (Original)	2015–16 (Revised)	2016–17 (Estimate)
Financial provision (\$m)	301.3	300.0	302.5 (+0.8%)	306.9 (+1.5%)
				(or +2.3% on 2015–16 Original)

### *Aim*

17 The aim is to maintain the air navigation services systems up to the highest standard, and to ensure the smooth and timely completion of engineering projects within budget.

### *Brief Description*

18 The Air Traffic Engineering Services Division of the Department is responsible for the design, co-ordination, provision and maintenance of ATC systems, radar, navigational aids, communications equipment and information technology systems. The work involves:

- overseeing the enhancement and maintenance of air traffic control facilities and organising periodic flight calibration of equipment validation;
- planning the reprovisioning of the Air Traffic Control Centre (ATCC), and implementing the replacement of the ATC systems;



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- planning and implementing the replacement and enhancement of communications, navigation and surveillance facilities;
- co-ordinating with works departments for the improvement works for on-airport and off-airport equipment stations;
- planning, studying, conducting trials and phased implementation of the satellite-based Communications, Navigation, Surveillance/Air Traffic Management (CNS/ATM) Systems in accordance with the ICAO Global Air Navigation Plan; and
- planning, implementing and enhancing information technology systems and establishing the cyber security policy for ATC systems and information and communications technology systems in line with the e-government objective and ICAO requirements.

19 The key performance measures are:

### *Targets*

	Target	2014 (Actual)	2015 (Actual)	2016 (Plan)
electronic engineering projects completed on time and within budget (%) .....	98	98	98	<b>98</b>
availability of air traffic control equipment (%) .....	99.9	99.9	99.9	<b>99.9</b>

### *Indicator*

	2014 (Actual)	2015 (Actual)	2016 (Estimate)
CNS/ATM trials and electronic engineering projects completed.....	10	10	<b>10</b>

### *Matters Requiring Special Attention in 2016–17*

20 During 2016–17, the Department will:

- continue to enhance the maintenance programme for the existing ATC systems to meet the air traffic growth;
- continue to co-ordinate with aviation stakeholders on a replacement plan for the existing radar, navigational aids and radio communication systems;
- commission the new ATC systems and ensure their safe, stable and reliable operation;
- co-ordinate with works departments for retrofitting works for the existing ATCC; and
- continue trials and the phased implementation of the satellite-based CNS/ATM Systems.

### **Programme (5): Air Services and Safety Management**

	2014–15 (Actual)	2015–16 (Original)	2015–16 (Revised)	2016–17 (Estimate)
Financial provision (\$m)	41.5	40.7	43.8 (+7.6%)	<b>43.2</b> (–1.4%)
				(or +6.1% on 2015–16 Original)

### *Aim*

21 The aim is to implement air services arrangements and aviation policy to enable air services to be operated to meet demand, to develop and implement safety policy to promote and enhance safety in the aviation system, to set and enforce air navigation services standards in compliance with international civil aviation safety requirements, and to regulate the air navigation services and operations.

### *Brief Description*

22 The Air Services and Safety Management Division of the Department 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;

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- 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 Transport and Housing 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 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;
- co-ordinating the supply of air traffic statistics to international organisations;
- co-ordinating the implementation of ICAO Universal Safety Oversight Audit Programme (USOAP) Continuous Monitoring Approach in Hong Kong and Hong Kong Safety Programme to ensure compliance with the applicable new ICAO Annex 19 provisions;
- investigating aircraft accidents and incidents;
- regulating air navigation services and operations including incident investigations;
- approving air traffic control training courses, issuing air traffic control licences and the associated air traffic control ratings and certificates; and
- formulating the departmental training policy, including the establishment of a training and development plan/programme for departmental professional grade staff.

23 The key performance measures are:

### *Targets*

	Target	2014 (Actual)	2015 (Actual)	2016 (Plan)
processing applications for non-scheduled air services permits (working days per application).....	3	3	3	3
inspections of air navigation services operations/training/examination .....	28	28	28	28

### *Indicators*

	2014 (Actual)	2015 (Actual)	2016 (Estimate)
scheduled air services permits issued.....	132	139	140
non-scheduled air services permits issued .....	870	934	900
tariff filings processed.....	2 860	3 186	3 000
applications for schedule changes.....	4 438	4 812	4 800
notifications, returns, etc., to and from the ICAO.....	402	408	415
notifications, returns, etc., to and from the APEC .....	25	25	25
air traffic control licences, ratings and certificates issued .....	132	90Ω	47Ω
air traffic control ratings and certificates renewed.....	189	163	170

Ω The decrease in the number of air traffic control licences, ratings and certificates issued for air traffic control staff in 2015 was due to the redeployment of training resources to focus on air traffic control staff familiarisation and conversion training for transition to the new ATCC which will not require the award of licences, ratings and certificates. This arrangement is expected to continue in 2016.

### *Matters Requiring Special Attention in 2016–17*

24 During 2016–17, the Department will:

- continue to monitor the development of the ICAO's initiatives in air transport and take necessary action to align our legal framework for regulating air transport and aviation safety with the latest ICAO standards and international practices,
- continue to 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,
- continue to co-ordinate the implementation of the ICAO USOAP Continuous Monitoring Approach in Hong Kong,
- continue to implement the Hong Kong Safety Programme and the related new ICAO Annex 19 provisions,



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- continue to oversee the implementation of safety management initiatives for ensuring the safe provision of air navigation services in accordance with ICAO requirements, and
- provide the necessary input and advice to the AA to help it take forth the establishment of a civil aviation academy.

### Programme (6): Air Passenger Departure Tax Administration

	2014–15 (Actual)	2015–16 (Original)	2015–16 (Revised)	<b>2016–17 (Estimate)</b>
Financial provision (\$m)	1.8	1.9	1.9 (—)	<b>2.0</b> (+5.3%)
				(or +5.3% on 2015–16 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 (Cap. 140).

#### *Brief Description*

**26** The Revenue Section of the Finance Division of the Department 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 APDT collected by airlines and helicopter companies to Government's accounts; and
- reviewing the rate of charges payable to airlines, helicopter companies and other agents in connection with the collection of the APDT.

**27** The key performance measures are:

#### *Target*

	Target	2014 (Actual)	2015 (Actual)	<b>2016 (Plan)</b>
applications for refund received by post processed within 29 working days (%)....	99	99	99	<b>99</b>

#### *Indicators*

	2014 (Actual)	2015 (Actual)	<b>2016 (Estimate)</b>
taxpayers .....	19 379 381	20 651 000 <sub>μ</sub>	<b>21 368 000</b>
exemptions processed.....	18 888	19 400 <sub>μ</sub>	<b>20 100</b>
amount of APDT collected (\$m).....	2,317.6	2,446.5	<b>2,548.0</b>

<sub>μ</sub> Provisional actual subject to adjustment.

#### *Matters Requiring Special Attention in 2016–17*

**28** During 2016–17, the Department will continue to monitor the collection of the APDT through checking monthly returns on details of departing passengers and aircraft departures submitted by airline operators and helicopter companies. The Department will also require operators to furnish information on persons buying air tickets but not departing Hong Kong eventually, so that it can strengthen the monitoring of processing of APDT refunds.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	2014–15 (Actual) (\$m)	2015–16 (Original) (\$m)	2015–16 (Revised) (\$m)	2016–17 (Estimate) (\$m)
(1) Flight Standards .....	101.4	106.4	107.6	115.6
(2) Airport Standards .....	46.4	52.4	52.7	52.2
(3) Air Traffic Management .....	383.2	402.0	415.5	425.8
(4) Air Traffic Engineering Services .....	301.3	300.0	302.5	306.9
(5) Air Services and Safety Management .....	41.5	40.7	43.8	43.2
(6) Air Passenger Departure Tax Administration.....	1.8	1.9	1.9	2.0
	875.6	903.4	924.0 (+2.3%)	945.7 (+2.3%)
				<b>(or +4.7% on 2015–16 Original)</b>

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2016–17 is \$8.0 million (7.4%) higher than the revised estimate for 2015–16. This is mainly due to the increased provision for the filling of vacancies and other operating expenses.

##### Programme (2)

Provision for 2016–17 is \$0.5 million (0.9%) lower than the revised estimate for 2015–16. This is mainly due to the reduced provision for replacing ageing equipment, partly offset by the increased provision for a net increase of two posts in 2016–17.

##### Programme (3)

Provision for 2016–17 is \$10.3 million (2.5%) higher than the revised estimate for 2015–16. This is mainly due to the increased provision for the creation of six posts in 2016–17 and the filling of vacancies, partly offset by the reduced provision for other operating expenses.

##### Programme (4)

Provision for 2016–17 is \$4.4 million (1.5%) higher than the revised estimate for 2015–16. This is mainly due to the increased provision for replacing ageing equipment and the creation of one post in 2016–17, partly offset by the reduced provision for other operating expenses.

##### Programme (5)

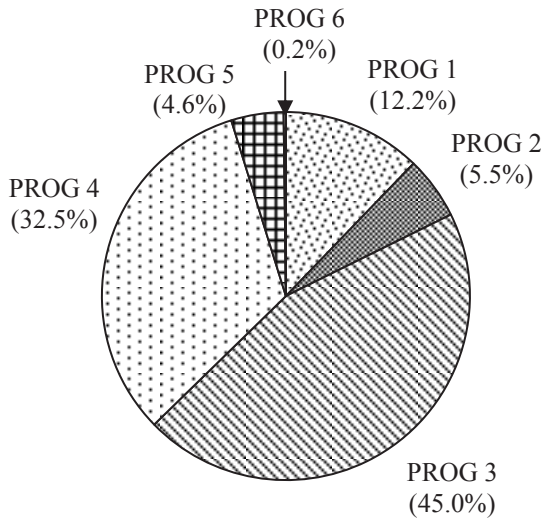
Provision for 2016–17 is \$0.6 million (1.4%) lower than the revised estimate for 2015–16. This is mainly due to the reduced provision for operating expenses.

##### Programme (6)

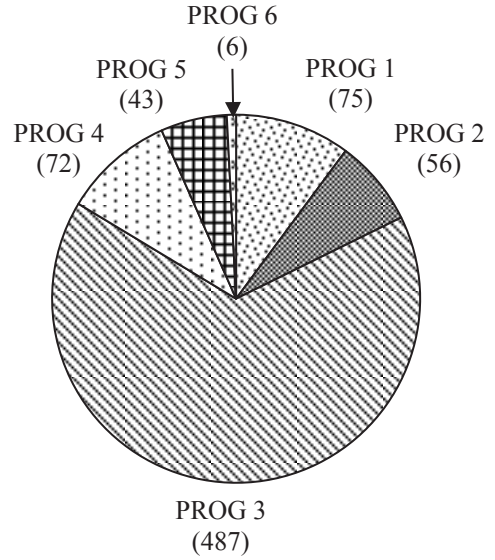
Provision for 2016–17 is \$0.1 million (5.3%) higher than the revised estimate for 2015–16. This is mainly due to the increased provision for operating expenses.

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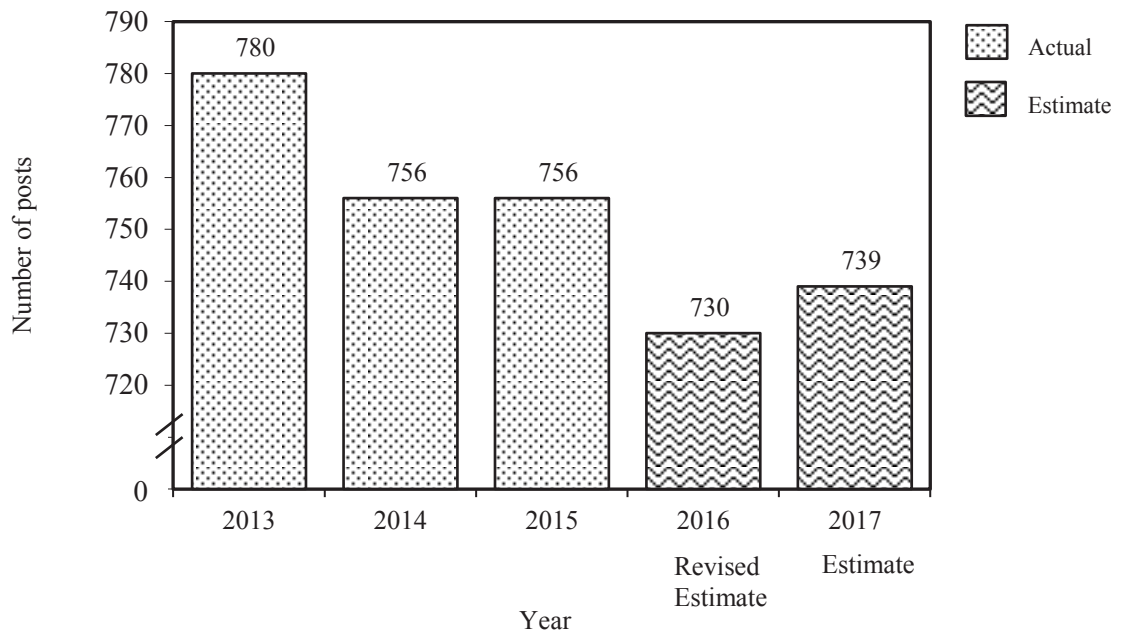
*Allocation of provision to programmes (2016-17)*



*Staff by programme (as at 31 March 2017)*



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



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Sub-head (Code)	Actual expenditure 2014–15	Approved estimate 2015–16	Revised estimate 2015–16	<b>Estimate 2016–17</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	869,127	892,815	915,409	<b>929,666</b>
170	Airport insurance .....	6,487	7,200	5,200	<b>6,000</b>
	Total, Recurrent.....	875,614	900,015	920,609	<b>935,666</b>
	Total, Operating Account .....	875,614	900,015	920,609	<b>935,666</b>
<b>Capital Account</b>					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	—	3,360	3,360	<b>10,000<sup>η</sup></b>
	Total, Plant, Equipment and Works.....	—	3,360	3,360	<b>10,000</b>
	Total, Capital Account.....	—	3,360	3,360	<b>10,000</b>
	Total Expenditure .....	875,614	903,375	923,969	<b>945,666</b>

η Provision of \$10,000,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$6,640,000 (197.6%) over the revised estimate for 2015–16. This reflects the updating of ambit of this block vote subhead as set out in the Introduction to the Estimates and the increased requirement for replacement equipment in 2016–17.

## Head 28 — CIVIL AVIATION DEPARTMENT

### Details of Expenditure by Subhead

The estimate of the amount required in 2016–17 for the salaries and expenses of the Civil Aviation Department is \$945,666,000. This represents an increase of \$21,697,000 over the revised estimate for 2015–16 and \$70,052,000 over the actual expenditure in 2014–15.

#### *Operating Account*

#### Recurrent

**2** Provision of \$929,666,000 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 2016 will be 730 permanent posts. It is expected that there will be a net increase of nine posts including one supernumerary post in 2016–17. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2016–17, but the notional annual mid-point salary value of all such posts must not exceed \$499,232,000.

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

	2014–15 (Actual) (\$'000)	2015–16 (Original) (\$'000)	2015–16 (Revised) (\$'000)	<b>2016–17 (Estimate) (\$'000)</b>
Personal Emoluments				
- Salaries.....	477,545	487,214	502,956	<b>526,626</b>
- Allowances.....	4,731	4,865	5,748	<b>5,450</b>
- Job-related allowances.....	719	1,143	855	<b>1,168</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	1,647	1,270	1,592	<b>1,401</b>
- Civil Service Provident Fund contribution.....	17,474	19,968	20,412	<b>23,770</b>
Departmental Expenses				
- General departmental expenses .....	367,011	378,355	383,846	<b>371,251</b>
	869,127	892,815	915,409	<b>929,666</b>

**5** Provision of \$6,000,000 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 increase of \$800,000 (15.4%) over the revised estimate for 2015–16 is to cater for an increase in premium due to the additional electronic equipment and projected increase in air traffic.

**6** Provision of \$10,000,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$6,640,000 (197.6%) over the revised estimate for 2015–16. This reflects the updating of ambit of this block vote subhead as set out in the Introduction to the Estimates and the increased requirement for replacement equipment in 2016–17.