

Head 28 — CIVIL AVIATION DEPARTMENT

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

Estimate 2002–03..... **\$685.2m**

Establishment ceiling 2002–03 (notional annual mid-point salary value) representing an estimated 716 non-directorate posts at 31 March 2002 rising by three posts to 719 posts at 31 March 2003 **\$339.7m**

In addition there will be an estimated 20 directorate posts at 31 March 2002 and at 31 March 2003.

Controlling Officer's Report

Programmes

Programme (1) Flight Standards	This programme contributes to Policy Area 3: Air and Sea Communications (Secretary for Economic Services).
Programme (2) Airport Standards	This programme contributes to Policy Area 3: Air and Sea Communications (Secretary for Economic Services) and Policy Area 9: Internal Security (Secretary for Security).
Programme (3) Air Traffic Management Programme (4) Engineering and Systems Programme (5) Air Services	These programmes contribute to Policy Area 3: Air and Sea Communications (Secretary for Economic Services).
Programme (6) Air Passenger Departure Tax (APDT) Administration	This programme contributes to Policy Area 25: Revenue Collection and Financial Control (Secretary for the Treasury).

Detail

Programme (1): Flight Standards

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	44.6	48.3 (+8.3%)	47.4 (–1.9%)	50.7 (+7.0%)

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 is responsible for regulating the operational safety and airworthiness of aircraft registered in Hong Kong and other matters related to flight safety. This work involves:

- monitoring and inspection of Hong Kong airlines, light aircraft and helicopter operators in respect of flight operations policy and standards, flight crew training and aircraft maintenance standards;
- registration of aircraft;
- issue of certificates of airworthiness;
- approval of flight simulators;
- approval of maintenance facilities;
- approval of flying training organisations which provide commercial pilot training courses;
- ground inspections of foreign registered aircraft;
- examination of licence applicants, issue of licences for flight crew and maintenance engineers and the grant of authority for suitable persons as authorised examiners;
- compliance with the mandatory occurrence reporting scheme; and
- investigation of aircraft incidents and accidents.

4 The Flight Standards and Airworthiness Division inspects the operational and training activities of Hong Kong airlines regularly throughout the year to ensure that they maintain high safety and operational standards. The demand on services in flight operations, airworthiness and personnel licensing is expected to increase.

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5 The key performance measures are:

Targets

	Target	2000 (Actual)	2001 (Actual)	2002 (Plan)
issue of air operator's certificates (working days).....	60	60	60	60
issue of aircraft certificates of registration (working days).....	3	3	3	3
issue of aircraft maintenance engineer's licences (working days).....	6	6	6	6
issue of professional pilot licences (working days).....	3½	3½	3½	3½
approval of aircraft maintenance organisations (working days)	60	60	60	60
approval of flying training organisations (working days).....	60	60	60	60
flight operations inspections (no. of flights)	70†	47	76	99
inspection of outstations and overseas maintenance facilities (no.)	28	30	26	32
inspection of local maintenance organisations (no.)	40	45	35	40

† The previous target was 55 flights. The target is revised to 70 flights to reflect the department's efforts in stepping up inspections to cope with the increase in aircraft types and airlines routes.

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
significant aircraft registered on the Hong Kong Register.....	85	114	126
air operator's certificates issued.....	6	6	6
local flight crew examinations (no. of examination papers processed).....	2 441	2 557	2 560
overseas flight crew examinations (no. of examination papers processed)	323	488§	490
aircraft maintenance engineer's licence examinations (no. of examination papers processed).....	391	593†	480
medical certificates issued	2 914	3 335	3 340
personnel licences issued	1 206	1 366	1 370

§ The increase in the number of examination papers processed is due to an increase in the number of pilot cadets sitting the examinations and the requirement for candidates to take 16 papers in 2001 instead of 13 papers in 2000.

† The increase in the number of examination papers processed is due to an increase in the number of candidates sitting the examinations in 2001 after the introduction of new certification requirements for staff undertaking aircraft maintenance duties with effect from 1 April 2002.

Matters Requiring Special Attention in 2002–03

6 During 2002–03, the department will continue to:

- review the revised policy on the avoidance of fatigue in aircrews;
- review the operational and engineering aspects of policies on Low Weather Minima Operations and Reduced Vertical Separation Minima;
- review the policy on avoidance of drug and alcohol abuse in personnel holding aviation safety-sensitive posts;
- approve and monitor extended range twin-engined operation;
- monitor preparations for the introduction of new helicopters by Government Flying Service;
- monitor the approved flying training organisations;
- monitor and approve ab initio aircraft maintenance organisations; and
- monitor the implementation of new requirements in certifying staff to undertake aircraft maintenance duties.

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Programme (2): Airport Standards

	2000-01 (Actual)	2001-02 (Approved)	2001-02 (Revised)	2002-03 (Estimate)
Financial provision (\$m)	27.7	27.5 (-0.7%)	27.5 (0.0%)	31.1 (+13.1%)

Aim

7 The aim is to set and enforce aerodrome safety and aviation security standards, to keep up-to-date and ensure compliance with related legislation, and to monitor the standard of air traffic control services provided in Hong Kong.

Brief Description

8 The Airport Standards Division is responsible for the licensing, regulation, inspection and monitoring of safety and security of international aerodromes (including heliports) in Hong Kong and the monitoring of the safety standards and procedures of the Hong Kong air traffic control services. 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;
- ensuring compliance with the Hong Kong Aviation Security Programme and provisions of the Aviation Security Ordinance (Cap. 494) and Aviation Security Regulation;
- enforcing the Hong Kong Airport (Control of Obstructions) Ordinance (Cap. 301) and subsidiary legislation;
- monitoring air traffic safety, air traffic control procedures and training, as well as rating revalidation examination standards of air traffic controllers; and
- 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 Regulations.

9 The Airport Standards Division will ensure operations at the Hong Kong International Airport comply with all relevant airport safety and aviation security standards. These include vetting and endorsing the airport safety procedures under the Aerodrome Manual and Emergency Procedure Manual, and the inspection of airport operational facilities and aviation security facilities.

10 The key performance measures are:

Targets

	Target	2000 (Actual)	2001 (Actual)	2002 (Plan)
audit inspection relating to aerodrome licensing issues (no.).....	14	N.A.§	13	13
audit inspection of airport operators and airport tenants to ensure compliance with the requirements in the Hong Kong Aviation Security Programme (no.).....	14	N.A.§	14	16
vetting of building plans/development proposals and lighting proposals for compliance with airport height restrictions and other aviation safety requirements (working days)	12	12	13	12
processing applications for exemption from height restrictions prescribed by orders made under Cap. 301 (working days).....	10	8	10	10
processing applications from cargo agents for registration as regulated agents and the associated security programmes (working days)	15†	N.A.§	13	14
processing applications for carriage of dangerous goods and munitions by air (working days)	14	N.A.§	12	14

§ Not Applicable because this target only came into existence in 2001.

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† The 2001 target of 20 working days is revised to 15 working days to reflect increased efficiency in processing applications for registration as regulated agents and the associated security programmes.

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
no. of inspections of airport operators and operational facilities	173	204†	150
no. of inspections of airport operators, airlines, airport tenants and regulated agents in respect of their aviation security measures and facilities	333	301#	350
no. of building plans/development proposals and lighting proposals submitted for assessment of compliance with airport height restrictions and other aviation safety requirements	336	247	250
no. of applications for exemption from height restrictions prescribed by orders made under Cap. 301	58	68	65
no. of inspections of shippers, freight forwarders, airlines and ground handling agents in respect of their dangerous goods handling standards	N.A.§	85	90

† The increase in the number of inspections in 2001 is due to the cargo apron extension works at the Hong Kong International Airport in 2001 which necessitated more inspections to be carried out. As the extension works were completed in December 2001, the need for the additional inspections will diminish in 2002.

The decrease in the number of inspections in 2001 is due to the need to redeploy manpower resources to cope with emergency aviation security matters after the 9-11 incident, notably the planning and implementation of new security standards and requirements. As three new posts will be created in 2002–03 to handle aviation security matters, existing staff will be able to carry out more inspections in 2002.

§ Not Applicable. The indicator was introduced for 2001 and after.

Matters Requiring Special Attention in 2002–03

11 During 2002–03, the department will continue to:

- provide advice and guidance to the Airport Authority and conduct inspections to ensure that the Hong Kong International Airport meets the required safety and security standards and satisfies all aerodrome licensing requirements;
- launch a series of Dangerous Goods Awareness Programmes to warn air passengers of the types of dangerous goods which are forbidden to be carried on board aircraft;
- develop and implement aviation security measures in the Hong Kong International Airport to meet international requirements; and
- inspect registered regulated agents to ensure compliance with the required security standards relating to air cargo.

Programme (3): Air Traffic Management

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	278.7	267.0 (–4.2%)	263.1 (–1.5%)	280.7 (+6.7%)

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 to co-ordinate search and rescue services.

Brief Description

13 The Air Traffic Management Division is responsible for managing the movement of aircraft within Hong Kong's Flight Information Region, which currently has a total area of 276 000 sq. km and extends over the South China Sea to some 370 km to the east and south-east of Hong Kong and 580 km to the south. The decrease of 297 000 sq. km in the total area of Hong Kong's Flight Information Region is due to the restructuring of the airspace over the South China Sea by the International Civil Aviation Organization (ICAO). This work involves:

- providing positive control over all air traffic to prevent collision;
- providing information essential for the safe and efficient conduct of flights;

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- alerting appropriate organisations regarding aircraft in need of search and rescue services and co-ordinating search and rescue missions;
- maintaining close liaison with civil aviation authorities of the Mainland and Macau to review and evaluate air traffic control and flight procedures for airports in the Pearl River Delta area;
- 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 provisions of air traffic services;
- coordinating with neighbouring ACCs in the implementation of Letters of Agreement on air traffic control procedures;
- participating actively in ICAO working group, task force and panel meetings in the areas of air traffic management and airspace capacity enhancement;
- providing intensive training to all air traffic control staff to ensure that performance is maintained at the highest possible standard;
- designing flight procedures; and
- participating in air traffic control equipment testing and acceptance.

14 The air traffic control system at the Hong Kong International Airport continues to function smoothly and efficiently. Procedures are refined in the light of experience. The declared runway capacity has been increased to 47 movements per hour during busy traffic periods starting from March 2001. Further enhancement of runway capacity is being studied.

15 The key performance measures are:

Targets

In view of the unique safety orientated nature of air traffic control services, it is impossible to set performance targets in quantitative terms. However, the department is committed to ensuring the efficient and safe operation of all aircraft movements within the capacity limits of the air traffic control system. The department is also responsible for immediate response to aircraft emergencies and co-ordination of search and rescue.

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
aircraft movements	202 839	219 795	235 000
aircraft transiting Hong Kong Flight Information Region.....	82 154	93 750	94 000
notices to airmen and aeronautical information publication supplements issued/received	156 064	171 119	187 000
pre-flight bulletins issued	132 255	149 968	165 000

Matters Requiring Special Attention in 2002–03

16 During 2002–03, the department will:

- continue to co-ordinate with adjacent air traffic control authorities to facilitate the operation of aircraft to and from the Shenzhen, Zhuhai, Macau and Hong Kong Airports;
- continue to refine the air traffic control procedures and effect improvement to facilities with a view to promoting flight safety and operational efficiency and enhancing air traffic control system capacity;
- continue to recruit and provide quality training to air traffic control staff to meet the anticipated air traffic services demand;
- join with other air traffic control units in the region to implement the Reduced Vertical Separation Minima by October 2002 in a continuous effort to improve operational efficiency and fuel economy for airlines;
- continue to study and evaluate the various components of the satellite-based Communications, Navigation, Surveillance/Air Traffic Management (CNS/ATM) Systems; and
- develop and implement the Safety Management System to ensure the highest standard of safety is maintained in air traffic control services.

Programme (4): Engineering and Systems

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	261.7	282.4 (+7.9%)	280.6 (–0.6%)	297.6 (+6.1%)

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Aim

17 The aim is to provide advice on technical and engineering matters, to liaise with other government departments to ensure the smooth and timely completion of projects, and to provide a telecommunications service for the Hong Kong aviation community.

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. 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;
- operating the Aeronautical Fixed Telecommunication Network between adjacent Flight Information Regions and providing an Aeronautical Mobile Service to aircraft;
- planning, studying and conducting trials for the phased implementation of satellite-based CNS/ATM Systems;
- coordinating the design of facilities with works departments and monitoring their construction and commissioning; and
- planning and implementing information technology systems and establishing the data security policy for the department in line with the E-Government objective.

19 The Engineering and Systems Division will continue to ensure proper operations of air traffic control equipment and that air traffic control facilities are procured and satisfactorily commissioned on time and within budget.

20 The key performance measures are:

Targets

	Target	2000 (Actual)	2001 (Actual)	2002 (Plan)
electronic engineering projects completed on time and within budget (%)	98.0	100.0	100.0	98.0
availability of Aeronautical Fixed Telecommunication Network (AFTN) (%)	99.9	99.5	99.9	99.9
availability of air traffic control equipment (%)	99.9	99.9	99.9	99.9

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
no. of telecommunication messages relayed by AFTN (million)	18.5	21.0	22.5
no. of CNS/ATM trials and electronic engineering projects completed	9	10	12

Matters Requiring Special Attention in 2002–03

21 During 2002–03, the department will:

- continue to enhance the air traffic control system capability to ensure efficient and reliable operation;
- continue to ensure proper maintenance of the air traffic control systems;
- develop implementation plans and procure equipment for the study and trials of the satellite-based CNS/ATM Systems;
- review the level of the telecommunications service arising from the change of the Hong Kong Flight Information Region with effect from 1 November 2001;
- consider the arrangements for the provision of electronic and telecommunications services when these services are no longer provided under a central contract with effect from 30 September 2006; and
- continue to plan and implement information technology systems and define data security policy in line with the E-Government objective.

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Programme (5): Air Services

	2000-01 (Actual)	2001-02 (Approved)	2001-02 (Revised)	2002-03 (Estimate)
Financial provision (\$m)	8.8	23.9 (+171.6%)	22.0 (-7.9%)	23.5 (+6.8%)

Aim

22 The aim is to regulate scheduled and non-scheduled air services; to review and propose changes to civil aviation legislation; to further Hong Kong's interests through participation in the activities of international organisations, particularly the ICAO and the Asia-Pacific Economic Cooperation (APEC); to regularly assess the air transport demand and to ensure the capacity of the runways meets the demand; to ensure proper allocation and utilisation of runway slots; to compile and disseminate air traffic statistics; and to formulate and implement aircraft noise management policies.

Brief Description

23 The Air Services Division is responsible for:

- monitoring compliance by airlines with Air Services Agreements and other arrangements which govern scheduled air services;
- 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 Air Services Negotiations Unit of the Economic Services Bureau for air services negotiations;
- coordinating the department's requirements under the legislative programme and reviewing and proposing changes to civil aviation legislation;
- coordinating the department's inputs to, and participation in, the activities of international organisations, particularly the ICAO and the APEC;
- coordinating periodic review of air transport demand forecasts together with the Airport Authority and the capacity of the runways to meet the demand;
- monitoring the allocation of runway slots and time-keeping performance of airlines;
- coordinating the supply of air traffic statistics to international organisations;
- monitoring the noise and flight tracks of aircraft operating to and from the Hong Kong International Airport; and
- monitoring the demand for and facilitating the operation of helicopter services and heliport development.

24 The key performance measures are:

Targets

	Target Working Days	2000 (Actual)	2001 (Actual)	2002 (Plan)
processing applications for non-scheduled air services permits	3	3	2	3

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
scheduled air services permits issued	172	184	175
non-scheduled air services permits issued	1 740	885§	880
tariff filings processed	434	656†	660
no. of applications for schedule changes	2 124	2 382	2 400
no. of notifications, returns, etc. to and from ICAO	312	314	310
no. of notifications, returns, etc. to and from APEC	78	82	80

§ The decrease in the number of non-scheduled air services permits issued is due to the conversion of some non-scheduled services to scheduled services after the signing of the Memorandum of Understanding between Mainland and Hong Kong on air services bilateral arrangements.

† The increase in the tariff filings processed is due to the increase in insurance surcharges applications processed after the 9-11 incident.

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Matters Requiring Special Attention in 2002–03

25 During 2002–03, the department will continue to:

- endeavour to ensure that Hong Kong's civil aviation legislation meets Hong Kong's needs;
- provide support to the negotiation and implementation of Hong Kong's Air Services Agreements and promote Hong Kong as the international and regional aviation centre;
- monitor the allocation of runway slots and time-keeping performance of airlines in light of expected traffic growth;
- monitor aircraft noise and flight tracks, and implement the noise abatement programme; and
- regularly review the demand for helicopter services and provide necessary support to heliport development.

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

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	1.6	1.6 (0.0%)	1.6 (0.0%)	1.6 (0.0%)

Aim

26 The aim is to administer the APDT collection pursuant to the Air Passenger Departure Tax Ordinance.

Brief Description

27 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.

28 The key performance measures are:

Targets

	Target	2000 (Actual)	2001 (Actual)	2002 (Plan)
percentage of applications for refund received by post to be processed within 14 working days (%)	95	100	100	99

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
no. of taxpayers	10 651 201	10 685 322	10 584 000
no. of exemptions	12 048	12 100	12 100
amount of APDT collected (\$m)	528.8	585.0	846.7

Matters Requiring Special Attention in 2002–03

29 During 2002–03, the department will continue to monitor the tax collection and the processing of refund of the tax.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2000-01 (Actual) (\$m)	2001-02 (Approved) (\$m)	2001-02 (Revised) (\$m)	2002-03 (Estimate) (\$m)
(1) Flight Standards.....	44.6	48.3	47.4	50.7
(2) Airport Standards	27.7	27.5	27.5	31.1
(3) Air Traffic Management.....	278.7	267.0	263.1	280.7
(4) Engineering and Systems	261.7	282.4	280.6	297.6
(5) Air Services	8.8	23.9	22.0	23.5
(6) APDT Administration	1.6	1.6	1.6	1.6
	623.1	650.7 (+4.4%)	642.2 (-1.3%)	685.2 (+6.7%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2002-03 is \$3.3 million (7.0%) higher than the revised estimate for 2001-02. This is mainly due to the full-year provision for filling of vacancies and salary increments for staff.

Programme (2)

Provision for 2002-03 is \$3.6 million (13.1%) higher than the revised estimate for 2001-02. This is mainly due to the creation of three posts to handle aviation security matters in 2002-03, the full-year provision for filling of vacancies and salary increments for staff.

Programme (3)

Provision for 2002-03 is \$17.6 million (6.7%) higher than the revised estimate for 2001-02. This is mainly due to the full-year provision for posts created and vacancies filled in 2001-02 and salary increments for staff, as well as the additional provision for the payment of airport insurance premium.

Programme (4)

Provision for 2002-03 is \$17.0 million (6.1%) higher than the revised estimate for 2001-02. This is mainly due to the additional provision on the Technical Services Agreement payable to Reach Networks Hong Kong Limited for the purchase of stores and spare parts for the maintenance of air traffic control system, the full-year provision for filling of vacancies, salary increments for staff and the additional provision for the payment of airport insurance premium.

Programme (5)

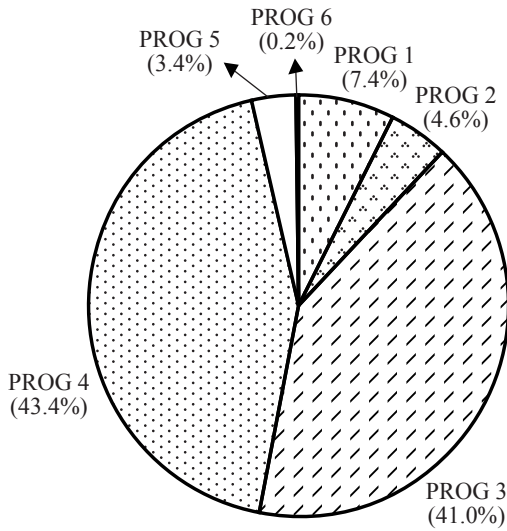
Provision for 2002-03 is \$1.5 million (6.8%) higher than the revised estimate for 2001-02. This is due to the full-year provision for filling of vacancies, salary increments for staff and the provision of an additional transformer in the Precision Runway Monitor Tower/Backup Air Traffic Control Tower.

Programme (6)

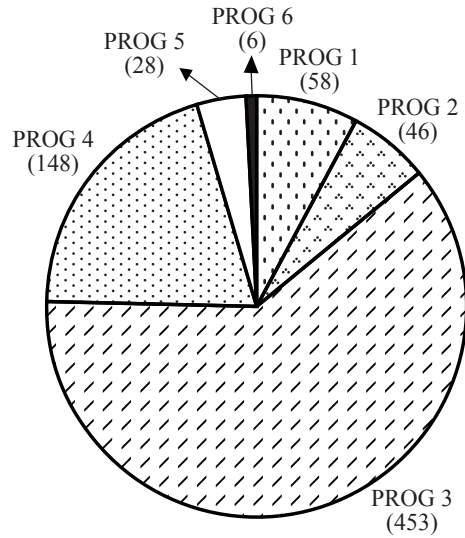
Provision for 2002-03 is the same as the revised estimate for 2001-02.

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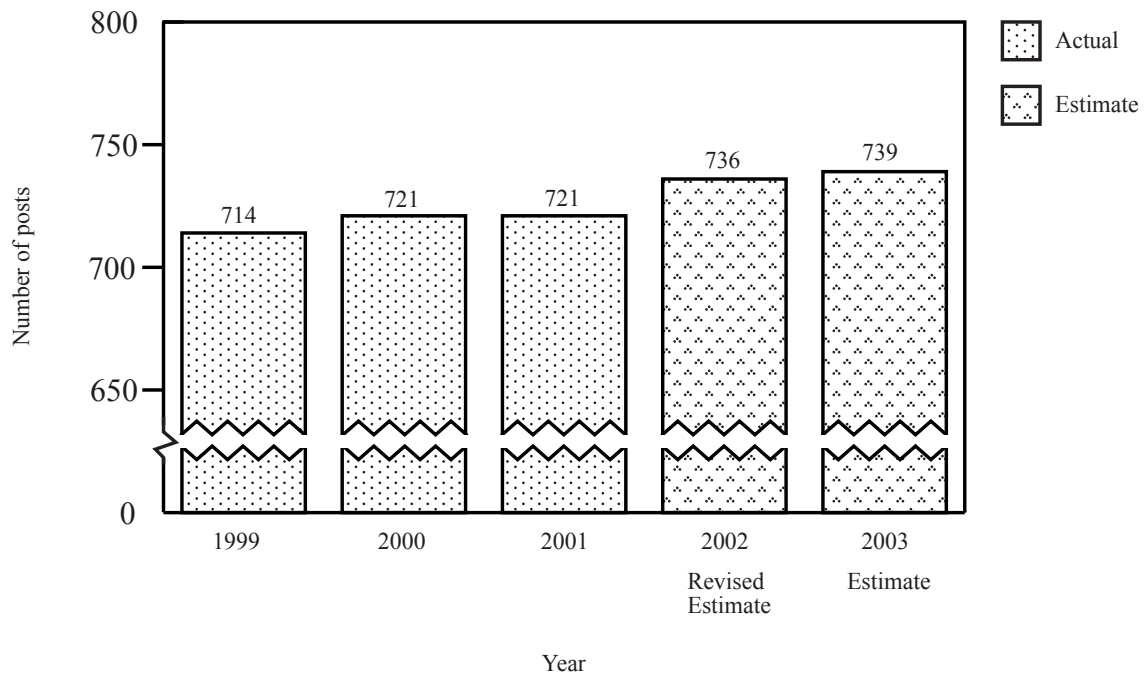
Allocation of provision to programmes (2002-03)



Staff by programme (as at 31 March 2003)



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



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Sub-head (Code)	Actual expenditure 2000-01	Approved estimate 2001-02	Revised estimate 2001-02	Estimate 2002-03
	\$'000	\$'000	\$'000	\$'000
Recurrent Account				
000	Operational expenses	—	—	676,426
170	Airport insurance.....	3,038	3,208	8,090*
	Salaries	342,435	354,613	—
	Allowances.....	4,591	5,140	—
	Job-related allowances	483	635	—
	Technical Services Agreement.....	153,171	166,970	—
	General departmental expenses	88,070	118,268	—
	Total, Recurrent Account.....	591,788	648,834	684,516
Capital Account				
I — Plant, Equipment and Works				
661	Minor plant, vehicles and equipment (block vote).....	—	—	700
	Total, Plant, Equipment and Works	—	—	700
II — Other Non-Recurrent				
	General other non-recurrent	31,289	1,906	—
	Total, Other Non-Recurrent	31,289	1,906	—
	Total, Capital Account	31,289	1,906	700
	Total Expenditure.....	623,077	650,740	685,216

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Details of Expenditure by Subhead

The estimate of the amount required in 2002–03 for the salaries and expenses of the Civil Aviation Department is \$685,216,000. This represents an increase of \$43,056,000 over the revised estimate for 2001–02 and of \$62,139,000 over actual expenditure in 2000–01.

Recurrent Account

2 Provision of \$676,426,000 under *Subhead 000 Operational expenses* is for the salaries and allowances of staff of the Civil Aviation Department and its other operating expenses. Management and control of the Civil Aviation Department's operational expenses will take the form of a one-line vote with effect from 2002–03.

3 As a vote-funded department, the department is subject to establishment control. The establishment at 31 March 2002 will be 736 permanent posts. It is expected that three non-directorate posts will be created in 2002–03. Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2002–03, but the notional annual mid-point salary value of all such posts must not exceed \$339,651,000.

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

	2000–01 (Actual) (\$'000)	2001–02 (Original Estimate) (\$'000)	2001–02 (Revised Estimate) (\$'000)	2002–03 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	342,435	354,613	372,038	388,127
- Allowances	4,591	5,140	5,763	5,615
- Job-related allowances	483	635	542	635
Departmental Expenses				
- Technical Services Agreement	153,171	166,970	155,674	163,675
- General departmental expenses	88,070	118,268	102,186	118,374
	588,750	645,626	636,203	676,426

5 Provision of \$8,090,000 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 \$4,121,000 (103.8%) over the revised estimate for 2001–02 is mainly due to the increase in the premium payable for insurance against aviation legal liabilities following the 9-11 incident. The premium will be fully recovered through the Air Traffic Control Services Charges and the En-route Navigation Charges from aircraft landing at the Hong Kong International Airport and overflying Hong Kong airspace respectively.