

Head 100 — MARINE DEPARTMENT

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

Estimate 2002–03	\$988.8m
Establishment ceiling 2002–03 (notional annual mid-point salary value) representing an estimated 1 577 non-directorate posts at 31 March 2002 reducing by 39 posts to 1 538 posts at 31 March 2003 ..	\$421.0m
In addition there will be an estimated 21 directorate posts at 31 March 2002 and at 31 March 2003.	
Capital Account commitment balance	\$5.5m

Controlling Officer's Report

Programmes

Programme (1) Infrastructure	This programme contributes to Policy Area 3: Air and Sea Communications (Secretary for Economic Services).
Programme (2) Port Services	This programme contributes to Policy Areas 3: Air and Sea Communications (Secretary for Economic Services), 9: Internal Security (Secretary for Security), 21: Transport (Secretary for Transport), 22: Buildings, Lands and Planning (Secretary for Planning and Lands) and 23: Environmental Protection and Conservation (Secretary for the Environment and Food).
Programme (3) Local Services	This programme contributes to Policy Areas 3: Air and Sea Communications (Secretary for Economic Services) and 23: Environmental Protection and Conservation (Secretary for the Environment and Food).
Programme (4) Services to Ships	This programme contributes to Policy Areas 3: Air and Sea Communications (Secretary for Economic Services) and 8: Employment (Secretary for Education and Manpower).
Programme (5) Government Fleet	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Economic Services).

Detail

Programme (1): Infrastructure

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	30.4	32.2 (+5.9%)	33.3 (+3.4%)	35.3 (+6.0%)

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.

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. This 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 Administrations on shipping matters;
- management of local craft;
- collation and analysis of statistics; and
- formulating and implementing information system strategy to support the department's business.

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4 The 2001 targets on planning and legislation have been met in most cases. It is estimated that port and shipping related activities will continue to experience a period of consolidation in 2002. The container throughput in 2001 is estimated to be 17.9 million Twenty-foot Equivalent Units (TEUs). Registration and survey procedures for Hong Kong registered ships have been streamlined and related fees reduced to make the Hong Kong Shipping Register more competitive and more user friendly. Good progress has been made in formulating safety and manning standards and in setting up a certification system for Hong Kong vessels engaged in coastal trading (Mainland ports) in consultation with the Maritime Safety Administration, Beijing.

5 The key performance measures are:

Target

	Target	2000 (Actual)	2001 (Actual)	2002 (Plan)
to facilitate timely application of international conventions in Hong Kong, complete the Draft Drafting Instructions for legislation nine months before the conventions enter into force internationally.....	95% of cases#	91	95	95

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
container throughput (million TEUs).....	18.1†	17.9	18.5
projects under planning which will affect the port and its associated facilities.....	84	88	88

The previous target was 100% of cases. The target is revised to 95% of cases to reflect the practical difficulty as this task involves consultations with the industry and other departments on the proposed legislation.

† The final figure for 2000 as confirmed in the first quarter of 2001.

Matters Requiring Special Attention in 2002-03

6 During 2002-03, the department will finalise safety and manning standards and the setting up of a certification system for Hong Kong vessels engaged in coastal trading (Mainland ports).

Programme (2): Port Services

	2000-01 (Actual)	2001-02 (Approved)	2001-02 (Revised)	2002-03 (Estimate)
Financial provision (\$m)	312.6	338.9 (+8.4%)	338.1 (-0.2%)	357.7 (+5.8%)

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:

- regulation of shipping movements including the provision of Vessel Traffic Services and aids to navigation;
- provision of hydrographic and charting services;
- management of government buoys and anchorages;
- regulation of pilotage services;
- management of passenger ferry terminals;
- maintaining emergency preparedness;
- co-ordination of search and rescue activities;
- inspection of foreign OGVs in Hong Kong waters for port state control purposes to ensure their compliance with international safety standards;
- control of conveyance of dangerous goods at sea; and

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- provision of harbour scavenging services and implementation of international conventions and local laws on environmental protection.

9 Safe vessel movements have been maintained through vigilant monitoring and regulation of marine traffic. Continued efforts have been made to tackle littoral and floating rubbish in Hong Kong waters. To fulfill Hong Kong's commitment to the Tokyo Memorandum of Understanding, the inspection rate is required to be maintained at 15% or above of OGVs visiting Hong Kong each year. This target and other targets on the efficient and safe running of the port are generally met.

10 The key performance measures are:

Targets

	Target	2000 (Actual)	2001 (Actual)	2002 (Plan)
complete port formalities for OGVs.....	22 minutes or less	22	22	20
perform initial inspection on OGVs for compliance with international requirements on ship safety and environmental protection (excluding re-inspections) (% of OGVs inspected) .	15	15	15.8	15
respond to search and rescue and casualty evacuation incidents.....	Immediate	Immediate	Immediate	Immediate
allocate a passenger ferry berth within 5 minutes of request.....	99% at CFT# 99% at MFT†	99 99	99 99	99 99
respond on site to oil spillages inside harbour limits within 2 hours.....	100%	96	100	100
hydrographic survey of Hong Kong waters	400km ² @	380	380	400
publication of new nautical charts covering Hong Kong waters	2	2	2	2
maintain the availability of aids to navigation up to international standard..	99%	99	99	99

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
container throughput by OGVs (million TEUs)	13.7φ	13.1	13.9
OGV arrivals (does not include vessels in transit through Hong Kong waters to Shenzhen ports).....	37 000	36 700	37 000
collisions, strandings and strikings affecting OGVs in Hong Kong waters	83	31	N.A.§
search and rescue operations and casualty evacuations co-ordinated	60	76	N.A.§
passengers using marine ferry terminals (m).....	17.1	17.7	18.3
refuse collected from ships (tonnes).....	1 327	1 434	1 450
floating refuse collected (tonnes)	8 713	9 394	9 420
aids to navigation maintained (number)	462	482	488
wreck search and new dangers survey (times)	23	15	N.A.§
production of hydrographic plans (number).....	55	60	60

China Ferry Terminal

† Macau Ferry Terminal

§ Not applicable

@ The previous target was 350km². The target is revised to 400km² to reflect increased efficiency in conducting hydrographic survey in the light of experience.

φ The final figure for 2000 as confirmed in the first quarter of 2001.

Matters Requiring Special Attention in 2002–03

11 During 2002–03, the department will:

- establish local traffic surveillance system at Green Island;
- establish control measures for emission of black smoke from vessels;
- continue to strengthen the regulation on the carriage of dangerous goods by vessels in Hong Kong waters;

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- implement the certification system for the vessel traffic regulators to comply with International Maritime Organization (IMO) standard;
- establish a ship simulator for training and assessment purposes;
- improve the general environment and user-friendliness of the marine ferry terminals;
- pursue establishment of a new marine refuse collection point to enhance marine cleansing services;
- implement measures to improve the effectiveness of floating refuse scavenging services; and
- continue to implement the modernisation of the aids to navigation in the waters of Hong Kong.

Programme (3): Local Services

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	87.9	94.9 (+8.0%)	94.0 (–0.9%)	102.1 (+8.6%)

Aim

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

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 local associations, district councils 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 The casualty rate of non-OGVs has continued to be kept at a very low level through effective traffic management and control.

15 The key performance measures are:

Targets

	Target	2000 (Actual)	2001 (Actual)	2002 (Plan)
complete port formalities for river trade vessels.....	10 minutes or less	10	10	10
inspect locally licensed and river trade vessels for compliance with marine legislation	18 000	18 000	18 000	18 000

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
cargo throughput for PCWAs (m tonnes)	12.0	13.4	13.4
river trade cargo vessel arrivals	119 000	116 200	118 500
licences issued for local craft	13 100	13 300	13 100
collisions, strandings and strikings affecting locally licensed, river trade and coastal vessels in Hong Kong waters	326	265	N.A.§
refuse collected from locally licensed and river trade vessels (tonnes).....	1 263	1 226	1 250

§ Not applicable

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Matters Requiring Special Attention in 2002–03

16 During 2002–03, the department will:

- continue to implement the recommendations of the Helping Business Phase II Study in respect of licensing and surveying of local vessels;
- enact the subsidiary legislation of the Merchant Shipping (Local Vessels) Ordinance for better control and regulation of local vessels;
- provide legislation for the operation of the Coastal Vessel Control Centre;
- enhance the regulation of oil barge operation;
- establish traffic control measures at Kap Shui Mun channel and Kwai Chung basin;
- continue to conduct educational seminar for masters and operators of River Trade Vessels; and
- develop proposals for berth allocation process for 2004 to further implement the management reform of PCWAs with a view to enhancing the operational efficiency and promoting a business friendly environment.

Programme (4): Services to Ships

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	56.7	61.2 (+7.9%)	60.7 (–0.8%)	61.9 (+2.0%)

Aim

17 The aim is to ensure that Hong Kong ships comply with 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. This involves:

- enforcing international conventions;
- maintaining the quality of Hong Kong Register of Ships;
- conducting examination and issuing certificates of seafarers;
- regulating the recruitment and engagement conditions of seafarers;
- conducting initial safety surveys for registration and licensing;
- carrying out periodical surveys and inspection of registered ships and local craft;
- investigating accidents;
- ensuring safety of cargo handling and ship repairs; and
- ascertaining the cause of marine casualties and marine industrial accidents.

19 The aim of the programme has been consistently achieved. The safety standards of Hong Kong registered ships and licensed craft continue to be maintained at a high level. All the major international maritime conventions are being enforced and measures are in hand to enact and enforce the recent major amendments to international conventions. The competitiveness and user friendliness of the Hong Kong Register of Ships have been maintained. The Flag State Quality Control (FSQC) Computer System has provided an effective and efficient means in maintaining the quality of ships in the Hong Kong Shipping Register. The level of services to ships remains steady. The safety of cargo handling, ship repair and marine construction activities within Hong Kong waters is ensured through safety inspections. Pamphlets, posters and notices on safe working practices are published for the promotion of marine industrial safety.

20 The key performance measures are:

Targets

	Target	2000 (Actual)	2001 (Actual)	2002 (Plan)
analyse ship records to assess ship's safety performance	60%	30	35@	60
FSQC inspection of Hong Kong registered ships	10%	6.2	6.9#	7

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Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
percentage of Hong Kong registered ships detained in Port			
State Control inspections by other administrations	3.1	2.8	N.A.§
gross registered tonnage on the register (m)	10.4	13.7†	15.0
authorisations issued to man Hong Kong ships	7 208	9 258	9 000
fatalities in marine industrial accidents.....	6	9	N.A.§
casualties involving Hong Kong registered ships	8	2	N.A.§

@ Actual % of ships records analysed was below the target because of the extremely labour intensive nature of the current process. The situation will improve in 2002 with the improvement of the FSQC computer system and more electronic records from recognised organisations.

Actual % of FSQC inspections carried out was below the target because of the sharp increase in the total number of Hong Kong registered ships.

† The sharp increase is due to the overwhelming support from the Hong Kong and Mainland shipowners in 2001 as a result of the great effort spent in promoting the Hong Kong Shipping Register and improving the ship registration related services in 2000 and 2001.

§ Not applicable

Matters Requiring Special Attention in 2002–03

21 During 2002–03, the department will:

- continue to fine tune the implementation of Flag State Quality Control System;
- continue to implement the second stage of the International Safety Management Code which will be in force on 1 July 2002;
- implement the revised local certificates of competency scheme recommended in the Local Craft Review upon the commencement of the Merchant Shipping (Local Vessels) Ordinance;
- continue to implement the 1995 amendments to the Standard of Training, Certification and Watchkeeping Convention;
- continue to improve operational efficiency in licensing and surveying of local vessels;
- continue to amend Shipping and Port Control (Cargo Handling) Regulations to enhance the safety of marine industrial operations;
- implement the on-line computerised examination system for local certificates of competency on enactment of the revised local certificate of competency scheme;
- continue to make direct marketing calls to local and overseas shipping companies to promote the services of the Hong Kong Shipping Register;
- continue to maintain close and cordial relationship with the Hong Kong Shipping Register shipowners through promotional activities;
- implement one-stop shop service for ship registration related services, and
- continue to strengthen shipping links with the Mainland by harmonising the shipping standards, and by stepping up consultation and contact with the Mainland Authorities.

Programme (5): Government Fleet

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	435.4	457.2 (+5.0%)	439.0 (–4.0%)	431.8 (–1.6%)

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:

- developing a long term strategy for the procurement of new or replacement of government vessels;
- coordinating the procurement of government vessels and monitoring their construction and commissioning;
- performing planned and unplanned maintenance of government vessels; and

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- operating Marine Department's crewed fleet and providing marine transport services to other government departments.

24 The Government Dockyard provides maintenance service to over 600 vessels and operational personnel for over 70 vessels for use by various government departments.

25 The key performance measures are:

Target

	Target	2000 (Actual)	2001 (Actual)	2002 (Plan)
vessel availability to all users (%)	87	86	87	87

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
number of mechanised vessels in use	154	143†	150
number of new vessel projects undertaken	5	6	9

† The decrease was mainly due to the outsourcing of marine transport services and the scrapping of aged vessels.

Matters Requiring Special Attention in 2002–03

26 During 2002–03, the department will continue to implement a series of improvement measures recommended by the Management Services Agency in the management of government fleet operations and maintenance. These measures, including the hiring of commercial vessels as work boats and launches, will enhance the department's efficiency and cost-effectiveness in providing marine transport services to government departments.

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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) Infrastructure.....	30.4	32.2	33.3	35.3
(2) Port Services	312.6	338.9	338.1	357.7
(3) Local Services.....	87.9	94.9	94.0	102.1
(4) Services to Ships.....	56.7	61.2	60.7	61.9
(5) Government Fleet.....	435.4	457.2	439.0	431.8
	923.0	984.4 (+6.7%)	965.1 (-2.0%)	988.8 (+2.5%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2002-03 is \$2.0 million (6.0%) higher than the revised estimate for 2001-02. This is mainly due to the increased expenditure on information technology support services.

Programme (2)

Provision for 2002-03 is \$19.6 million (5.8%) higher than the revised estimate for 2001-02. This is mainly due to the devolution of contract management of cleaning services for departmental premises from the Government Property Administrator, the recurrent consequences for the replacement/upgrading of the Vessel Traffic Services System and the lower than expected expenditure under the revised estimate for 2001-02 for implementing the maritime oil spill response plan and on the salvage, removal and disposal of vessels, wrecks and floating objects. The increase is partly offset by the deletion of two posts under the Enhanced Productivity Programme and two posts as a result of outsourcing.

Programme (3)

Provision for 2002-03 is \$8.1 million (8.6%) higher than the revised estimate for 2001-02. This is mainly due to the devolution of contract management of cleaning services for departmental premises from the Government Property Administrator and recurrent consequences for the Information System for Licensing and Survey of Local Vessels, partly offset by the deletion of one post under the Enhanced Productivity Programme and eight posts as a result of outsourcing.

Programme (4)

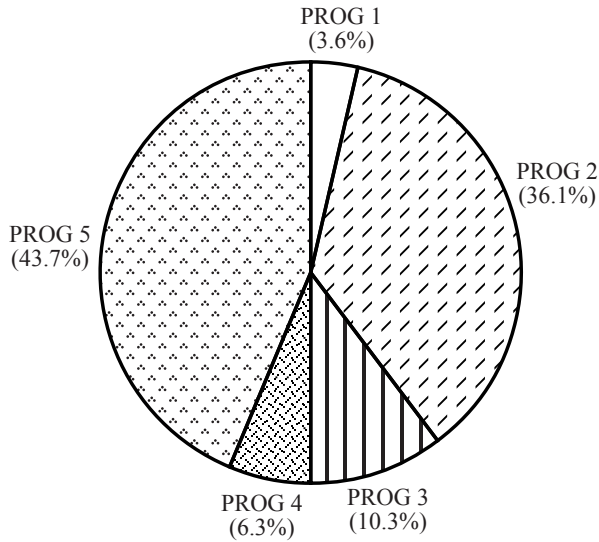
Provision for 2002-03 is \$1.2 million (2.0%) higher than the revised estimate for 2001-02. This is mainly due to the increase in membership subscription to international institutions and the full-year provision for posts created and filled in 2001-02, partly offset by the deletion of one post for a time-limited project and one other post through streamlining of work process.

Programme (5)

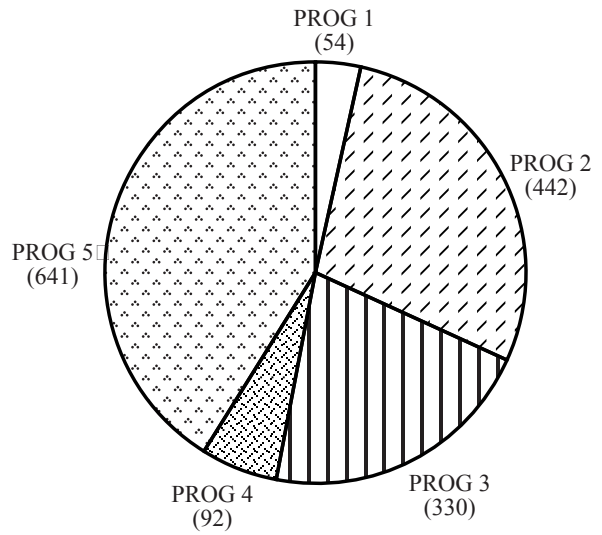
Provision for 2002-03 is \$7.2 million (1.6%) lower than the revised estimate for 2001-02. This is mainly due to the transfer of 24 crew posts to the Customs and Excise Department, reduced expenditure on vessel maintenance and data input under the Enhanced Productivity Programme, partly offset by the additional provision for new vessels.

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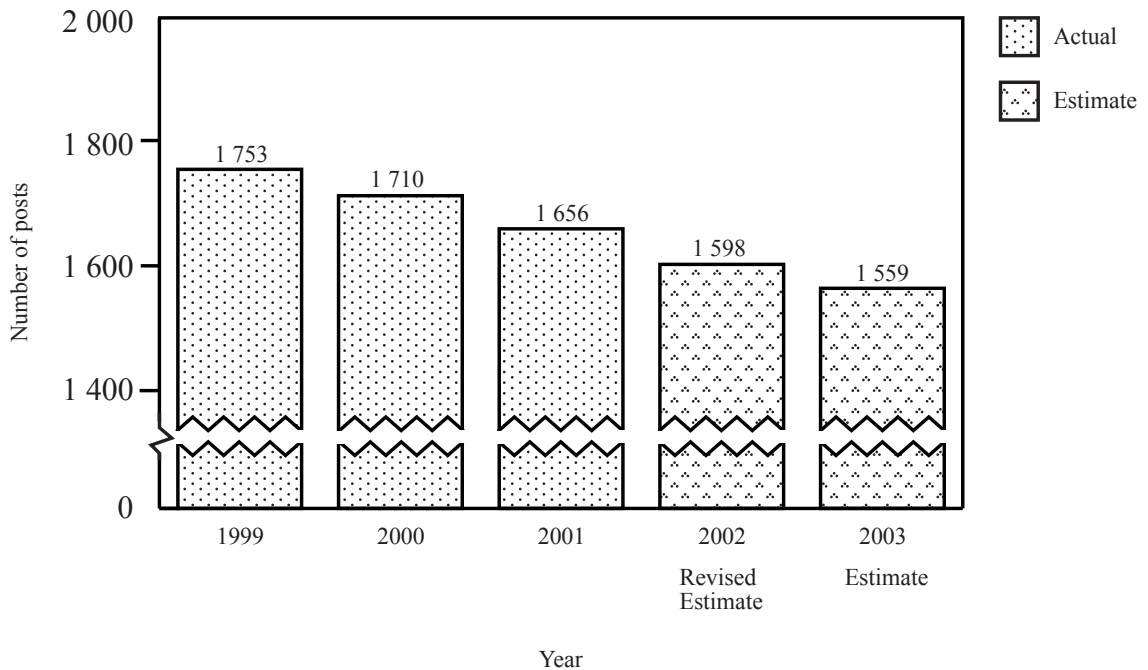
Allocation of provision to programmes (2002-03)



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					
I — Personal Emoluments					
001	Salaries	490,786	493,847	498,090	493,412
002	Allowances	13,451	22,632	20,522	20,200
007	Job-related allowances	5,219	6,027	6,027	5,818
	Total, Personal Emoluments	<u>509,456</u>	<u>522,506</u>	<u>524,639</u>	<u>519,430</u>
III — Departmental Expenses					
102	Technical Services Agreement.....	25,751	31,013	29,614	32,117
120	Maintenance materials	108,136	113,520	107,770	106,420
121	Contract maintenance	86,742	96,953	88,553	85,614
149	General departmental expenses	163,394	198,767	186,186	223,031
	Total, Departmental Expenses	<u>384,023</u>	<u>440,253</u>	<u>412,123</u>	<u>447,182</u>
	Total, Recurrent Account.....	<u>893,479</u>	<u>962,759</u>	<u>936,762</u>	<u>966,612</u>
Capital Account					
I — Plant, Equipment and Works					
603	Plant, vehicles and equipment.....	—	—	—	2,512
661	Minor plant, vehicles and equipment (block vote).....	28,293	19,800	20,730	18,696
	Total, Plant, Equipment and Works	<u>28,293</u>	<u>19,800</u>	<u>20,730</u>	<u>21,208</u>
II — Other Non-Recurrent					
700	General other non-recurrent	1,178	1,830	7,570	1,000
	Total, Other Non-Recurrent	<u>1,178</u>	<u>1,830</u>	<u>7,570</u>	<u>1,000</u>
	Total, Capital Account	<u>29,471</u>	<u>21,630</u>	<u>28,300</u>	<u>22,208</u>
	Total Expenditure.....	<u><u>922,950</u></u>	<u><u>984,389</u></u>	<u><u>965,062</u></u>	<u><u>988,820</u></u>

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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 Marine Department is \$988,820,000. This represents an increase of \$23,758,000 over the revised estimate for 2001–02 and of \$65,870,000 over actual expenditure in 2000–01.

Recurrent Account

Personal Emoluments

2 Provision of \$519,430,000 for personal emoluments represents a decrease of \$5,209,000 against the revised estimate for 2001–02.

3 The establishment at 31 March 2002 will be 1 598 permanent posts. It is expected that 39 permanent posts will be deleted in 2002–03.

4 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 \$421,013,000.

5 Provision of \$20,200,000 under *Subhead 002 Allowances* is for standard allowances.

6 Provision of \$5,818,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances.

Departmental Expenses

7 Provision of \$32,117,000 under *Subhead 102 Technical Services Agreement* is to meet payments to Reach Networks Hong Kong Limited for services provided under the Technical Services Agreement. The increase of \$2,503,000 (8.5%) over the revised estimate for 2001–02 is mainly due to the additional provision for the replacement/upgrading of the Vessel Traffic Services System.

8 Provision of \$106,420,000 under *Subhead 120 Maintenance materials* includes provision for materials and minor spare parts for the maintenance and repair of the government fleet, plant, furniture, office and specialist equipment, aids to navigation equipment, and harbour buoys and moorings.

9 Provision of \$85,614,000 under *Subhead 121 Contract maintenance* includes provision for hull and deck repairs each costing \$100,000 or less and minor maintenance and repair of government fleet, plant, furniture, office and specialist equipment, and harbour buoys and moorings.

10 Provision of \$223,031,000 under *Subhead 149 General departmental expenses* represents an increase of \$36,845,000 (19.8%) over the revised estimate for 2001–02. This is mainly due to the devolution of contract management of cleaning services for departmental premises from the Government Property Administrator, additional provision for employing non-civil service contract staff and hire of services, recurrent consequences for projects and the lower than expected expenditure for implementing the maritime oil spill response plan and on the salvage, removal and disposal of vessels, wrecks and floating objects under the revised estimate for 2001–02.

Capital Account

Plant, Equipment and Works

11 Provision of \$18,696,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$2,034,000 (9.8%) against the revised estimate for 2001–02. This is mainly due to the reduced requirement for minor plant and equipment.

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Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2001	Revised estimated expenditure for 2001-02	Balance
			\$'000	\$'000	\$'000	\$'000
603		<i>Plant, vehicles and equipment</i>				
	405	Establishment of a physical barrier and four navigational buoys at the Marine Exclusion Zones of the Hong Kong International Airport.....	2,512	—	—	2,512
700		<i>General other non-recurrent</i>				
	548	Hosting of the 10 th International Symposium on Vessel Traffic Services in 2004	3,400	—	400	3,000
		Total.....	<u>5,912</u>	<u>—</u>	<u>400</u>	<u>5,512</u>