

Head 100 — MARINE DEPARTMENT

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

Estimate 2015–16	\$1,178.1m
Establishment ceiling 2015–16 (notional annual mid-point salary value) representing an estimated 1 375 non-directorate posts as at 31 March 2015 rising by four posts to 1 379 posts as at 31 March 2016	\$525.4m
In addition, there will be an estimated 25 directorate posts as at 31 March 2015 and as at 31 March 2016.	
Commitment balance	\$126.7m

Controlling Officer's Report

Programmes

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

Detail

Programme (1): Infrastructure

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	51.0	51.1	53.5 (+4.7%)	53.9 (+0.7%)
				(or +5.5% on 2014–15 Original)

Aim

2 The aim is to enhance the contribution of the port and shipping related activities to Hong Kong's economy by furthering the interests of Hong Kong's merchant shipping and ensuring the provision of the necessary physical, regulatory and policy bases.

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Brief Description

3 Port and shipping related activities are fundamental to Hong Kong's trade and economic growth. Timely planning is needed to ensure that port facilities, including the information systems of the Department, keep pace with demand. Legislation and policy must also be developed to support and protect Hong Kong's maritime interests. The work involves:

- undertaking the planning of government port facilities;
- formulating policies on ship registration, safety of ships, marine environment protection, seafarer qualifications and welfare in accordance with the requirements of the Conventions by the International Maritime Organization (IMO) or the International Labour Organization;
- participating in the development of international conventions and liaising with other maritime administrations on shipping matters;
- managing local vessels;
- formulating and implementing information system strategy to support the Department's business; and
- discharging the duties as the Designated Authority under the International Ship and Port Facility Security Code in enhancing maritime security.

4 In 2014, the Department generally achieved the aim of the programme. Port and shipping related activities will likely remain steady in 2015. Sound regulation and quality service have ensured a steady growth of the Hong Kong Shipping Register, which grew to 92.8 million gross tonnage as at 31 December 2014.

5 The key performance measures are:

Target

	Target	2013 (Actual)	2014 (Actual)	2015 (Plan)
efforts to facilitate timely application of international conventions in Hong Kong: Draft Drafting Instructions for legislation to be completed 24 months before the conventions enter into force internationally (%).....	95.0	100	100	95.0

Indicators

	2013 (Actual)	2014 (Actual)	2015 (Estimate)
container throughput (million twenty-foot equivalent units) ...	22.4§	22.4α	22.6
projects under planning which will affect the port and its associated facilities	93	91	91

§ Adjusted from the provisional actual figure shown in the 2014–15 Estimates.

α Provisional actual subject to adjustment.

Matters Requiring Special Attention in 2015–16

6 During 2015–16, the Department will continue to:

- implement the regulatory regime on local vessels and safety of shipboard works under the Merchant Shipping (Local Vessels) Ordinance (Cap. 548);
- develop measures to make the Hong Kong Shipping Register more efficient, user-friendly and attractive; and
- take forward amendments to local legislation to reflect the latest international standards promulgated by the IMO or relevant bodies including the Revised Annex VI (for prevention of air pollution) to the MARPOL 73/78 Convention and the Maritime Labour Convention, 2006.

Programme (2): Port Services

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	381.1	422.0	432.3 (+2.4%)	432.7 (+0.1%)

(or +2.5% on
2014–15 Original)

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Aim

7 The aim is to enable ocean-going vessels (OGVs) using the port to conduct their business quickly, safely and economically.

Brief Description

8 This programme involves the following areas of work:

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

9 In 2014, the Department continued to ensure the efficient and safe running of the port. Safe vessel movements were maintained through vigilant monitoring and regulation of marine traffic. Continued efforts were made to tackle littoral and floating rubbish in Hong Kong waters. The outsourcing arrangements for provision of marine cleansing services have been enhanced with reference to findings from a review conducted jointly with the Efficiency Unit. To fulfil Hong Kong's commitment to the Tokyo Memorandum of Understanding, the PSC inspection rate was set at 15 per cent of OGVs visiting Hong Kong each year. The Department continued to monitor closely the operation of cross-boundary ferry services to ensure that they met the demand of the public. The tenancy agreement of the Tuen Mun Ferry Terminal for operation of cross-boundary passenger ferry services was terminated on 9 September 2012 by the operator. The Department is preparing to conduct a new open tender exercise in early 2015 to let out the Tuen Mun Ferry Terminal by way of commercial tenancy for cross-boundary ferry services.

10 The key performance measures are:

Targets

	Target	2013 (Actual)	2014 (Actual)	2015 (Plan)
completing port formalities for OGVs (minutes).....	20 or less	20	20	20
performing initial inspection on OGVs for compliance with international requirements on ship safety and environmental protection (excluding re-inspections) (% of OGVs inspected).....	15	15	15	15
responding to search and rescue and casualty evacuation incidents	immediate	immediate	immediate	immediate
allocating a passenger ferry berth within five minutes of request at				
China Ferry Terminal (%).....	99	99	99	99
Macau Ferry Terminal (%)	99	99	99	99
responding on site to oil spillages inside harbour limits within two hours (%).....	100	100	100	100
hydrographic survey of Hong Kong waters (km ²).....	300	282	288	300
publishing new nautical charts covering Hong Kong waters	2	2	2	2
maintaining the availability of aids to navigation (%)	99	99	99	99

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	Target	2013 (Actual)	2014 (Actual)	2015 (Plan)
maintaining the reliability / continuity of aids to navigation in service up to international standard (%)	99	99	99	99
operational availability of the Hong Kong Vessel Traffic Services (HKVTS) system (%)	99.9	99.9	99.9	99.9

Indicators

	2013 (Actual)	2014 (Actual)	2015 (Estimate)
container throughput by OGVs (million twenty-foot equivalent units)	16.0	15.9	16.0
OGV arrivals (excluding vessels in transit through Hong Kong waters to Shenzhen ports)	29 900§	30 100α	30 300
collisions, strandings and strikings involving OGVs in Hong Kong waters	17	22	—Ω
search and rescue operations co-ordinated	54	58	—Ω
passengers using marine ferry terminals (million)	26.2	26.6	27.0
refuse collected from ships (tonnes)	2 537	2 494	2 500
floating refuse collected (tonnes)	10 900	11 265	11 000
aids to navigation maintained	542	546	546
wreck search and new dangers survey (times)	11	5	—Ω
hydrographic plans produced	58	60	60

§ Adjusted from the provisional actual figure shown in the 2014–15 Estimates.

α Provisional actual subject to adjustment.

Ω Not possible to estimate.

Matters Requiring Special Attention in 2015–16

11 During 2015–16, the Department will continue to:

- arrange PSC officer exchange programmes with the Mainland Maritime Safety Administration and other maritime administrations to promote harmonisation of inspections and enhance co-operation with other maritime administrations, and
- implement the project of replacing/upgrading the HKVTS system so as to enhance navigational safety and traffic efficiency in Hong Kong waters.

Programme (3): Local Services

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	104.4	124.7	138.7 (+11.2%)	121.9 (–12.1%)
				(or –2.2% on 2014–15 Original)

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,
- providing licensing services to locally-licensed vessels,

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- enforcing the Merchant Shipping (Local Vessels) Ordinance,
 - conducting port formalities for locally-licensed and river trade vessels, and
 - detaining and disposing of craft seized by enforcement agencies.
- 14 In 2014, the Department continued to adopt stringent traffic management and control.
- 15 The key performance measures are:

Targets

	Target	2013 (Actual)	2014 (Actual)	2015 (Plan)
completing port formalities for river trade vessels (minutes).....	10 or less	10	10	10
inspecting locally-licensed and river trade vessels for compliance with marine legislation (no. of inspections).....	15 000#	15 000	15 000	15 000

The target is revised from 16 000 to 15 000 as from 2015 for the purpose of redeploying resources for implementing an enhanced enforcement strategy with a focus on mounting special operations to ensure compliance with life-saving appliances on passenger carrying vessels and other statutory safety requirements, etc.

Indicators

	2013 (Actual)	2014 (Actual)	2015 (Estimate)
cargo throughput for PCWAs (million tonnes).....	7.5	7.3	7.3
river trade cargo vessel arrivals.....	77 400§	79 300 α	81 200
licences issued for local vessels	17 200	17 700	18 200
collisions, strandings and strikings involving locally-licensed, river trade and coastal vessels in Hong Kong waters	108	112	—Ω
refuse collected from locally-licensed and river trade vessels (tonnes).....	1 811	1 858	1 860
special operations conducted.....	50	51	55

§ Adjusted from the provisional actual figure shown in the 2014–15 Estimates.

α Provisional actual subject to adjustment.

Ω Not possible to estimate.

Matters Requiring Special Attention in 2015–16

- 16 During 2015–16, the Department will:
- consult the trade on the outcome of the review on PCWAs with a view to establishing the way forward for reallocation of PCWA berths when the current Berth License Agreements expire in July 2016,
 - continue to conduct the fundamental review to look into the demand and supply of sheltered space for local and small visiting vessels including berthing spaces with a view to ensuring that there is sufficient sheltered space to meet the anticipated demand for use of local vessels during passage of typhoons and achieving better use of berthing spaces, and
 - continue to enhance the safety of local passenger carrying vessels and take appropriate follow-up actions in response to the recommendations of the Commission of Inquiry into the Collision of Vessels near Lamma Island on 1 October 2012 and the Local Vessels Advisory Committee.

Programme (4): Services to Ships

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	85.3	94.2	97.4 (+3.4%)	92.6 (–4.9%)
				(or –1.7% on 2014–15 Original)

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Aim

17 The aim is to ensure that Hong Kong-registered ships and locally-licensed vessels comply with relevant international and local regulations and are designed, constructed, maintained and manned by competent crews for safe operation and protection of the marine environment.

Brief Description

18 This programme relates to the registration and licensing of Hong Kong vessels and the competence of their crews. The work involves:

- enforcing international conventions,
- maintaining the quality of the Hong Kong Shipping Register,
- conducting examinations and issuing certificates of seafarers,
- regulating the recruitment and engagement conditions of seafarers,
- carrying out initial and periodical safety surveys and inspections of locally-licensed and river trade vessels,
- investigating accidents,
- ensuring the safety of cargo handling and ship repairs, and
- ascertaining the cause of marine casualties and marine industrial accidents.

19 In 2014, the Department continued to work towards ensuring the safety standards of Hong Kong-registered ships and licensed vessels. All the major international maritime conventions were enforced, and plans were made to enact and enforce recent major amendments to international conventions. The competitiveness and user-friendliness of the Hong Kong Shipping Register were maintained. The quality assurance system on Hong Kong-registered ships, which included the Flag State Quality Control (FSQC) and the Pre-registration Quality Control (PRQC) inspection systems, was strengthened to ensure the quality of ships in the Register and in preventing sub-standard ships from joining the Register. The Ship Safety Branch which enforced FSQC and PSC effectively maintained its ISO 9000 quality standards during the year and was duly certificated. Exchanges with the relevant Mainland authorities were maintained.

20 The key performance measures are:

Targets

	Target	2013 (Actual)	2014 (Actual)	2015 (Plan)
assessing the quality performance of Hong Kong-registered ships by the FSQC management system (%)	100	100	100	100
quality assurance inspection and audits on Hong Kong-registered ships and their management companies (%)	5	5	5	5

Indicators

	2013 (Actual)	2014 (Actual)	2015 (Estimate)
Hong Kong-registered ships detained in PSC inspections by other administrations (%)	2.4§	2.3 ^α	2.3
gross registered tonnage on the Register (million)	86.4	92.8	99.0
authorisations issued to man Hong Kong-registered ships and locally-licensed vessels	22 554	24 553	25 740
fatalities in marine industrial accidents	2	9	— ^Ω
casualties involving Hong Kong-registered ships	6	8	— ^Ω
inspection visits to locally-licensed vessels	3 052	3 177	3 350
certificates of surveys issued to locally-licensed vessels	2 140	2 085	2 200

§ Adjusted from the provisional actual figure shown in the 2014–15 Estimates.

^α Provisional actual subject to adjustment.

^Ω Not possible to estimate.

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Matters Requiring Special Attention in 2015–16

21 During 2015–16, the Department will continue to:

- implement the improvement measures in relation to the collision of vessels near Lamma Island on 1 October 2012;
- implement the local certificate of competency scheme, delegation of surveys and updated safety standards for locally-licensed vessels, and safety requirements for marine industrial operations under the Merchant Shipping (Local Vessels) Ordinance and related subsidiary legislation;
- strengthen the quality assurance system on Hong Kong-registered ships, which includes FSQC and PRQC inspections, and audits on management companies on the performance of their safety management system; and
- strengthen liaison and co-operation with the Mainland authorities in order to harmonise shipping standards for coastal vessels and OGVs.

Programme (5): Government Fleet

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	438.9	464.5	474.4 (+2.1%)	477.0 (+0.5%)
				(or +2.7% on 2014–15 Original)

Aim

22 The aim is to provide cost-effective marine transport services to government departments.

Brief Description

23 This programme relates to the management of the government fleet and involves:

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

24 The Government Dockyard maintains 829 vessels owned and used by various government departments. Of these vessels, 43 are operated by the Department.

25 The key performance measures are:

Target

	Target	2013 (Actual)	2014 (Actual)	2015 (Plan)
vessel availability to all users (%)	87.0	87.4	87.1	87.0

Indicators

	2013 (Actual)	2014 (Actual)	2015 (Estimate)
mechanised vessels in use	108	108	108
new vessel projects undertaken	19	24	23
user satisfaction with Government Dockyard's services (%) ..	99.3	99.1	99.0
successful first sea trials after vessel maintenance (%)	97.7	93.0	90.0
crew staff time available for deployment (%)	85.5	86.0	86.0

Matters Requiring Special Attention in 2015–16

26 During 2015–16, the Department will continue to explore ways to improve Hong Kong's environment in a number of areas such as reducing government vessels' fuel consumption and reducing exhaust emission, improving waste management, raising staff awareness of industrial safety and environmental issues and continue to explore the installation of additional shore power supplies in the Government Dockyard to reduce noise pollution and emission of lay-by vessels.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2013-14 (Actual) (\$m)	2014-15 (Original) (\$m)	2014-15 (Revised) (\$m)	2015-16 (Estimate) (\$m)
(1) Infrastructure.....	51.0	51.1	53.5	53.9
(2) Port Services.....	381.1	422.0	432.3	432.7
(3) Local Services.....	104.4	124.7	138.7	121.9
(4) Services to Ships.....	85.3	94.2	97.4	92.6
(5) Government Fleet.....	438.9	464.5	474.4	477.0
	1,060.7	1,156.5	1,196.3 (+3.4%)	1,178.1 (-1.5%)
				(or +1.9% on 2014-15 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2015-16 is \$0.4 million (0.7%) higher than the revised estimate for 2014-15. This is mainly due to the filling of vacancies and salary increments for staff.

Programme (2)

Provision for 2015-16 is \$0.4 million (0.1%) higher than the revised estimate for 2014-15. This is mainly due to the filling of vacancies, salary increments for staff, the creation of four posts and the increased requirement for plant and equipment, partly off-set by the decreased provision for operating expenses.

Programme (3)

Provision for 2015-16 is \$16.8 million (12.1%) lower than the revised estimate for 2014-15. This is mainly due to the reduced requirement for non-recurrent expense and plant and equipment.

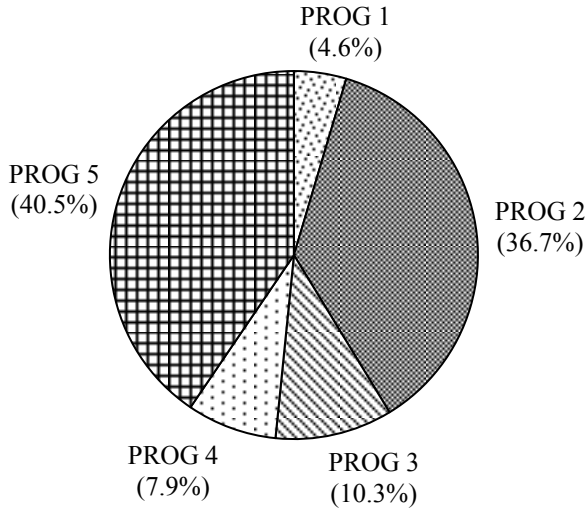
Programme (4)

Provision for 2015-16 is \$4.8 million (4.9%) lower than the revised estimate for 2014-15. This is mainly due to the decreased provision for operating expenses, partly offset by the salary increments for staff.

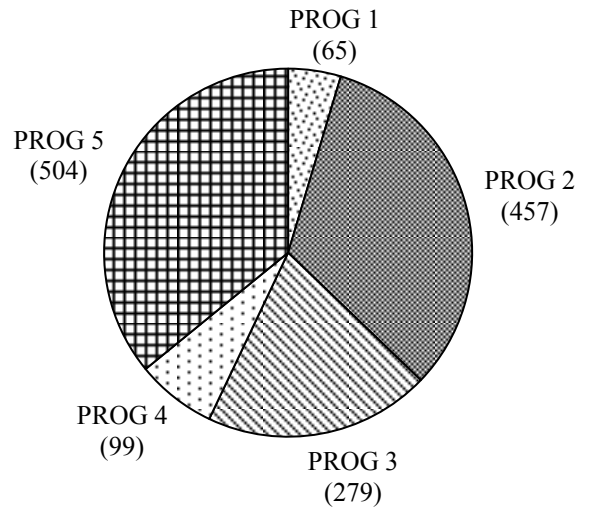
Programme (5)

Provision for 2015-16 is \$2.6 million (0.5%) higher than the revised estimate for 2014-15. This is mainly due to the filling of vacancies and salary increments for staff, and the increased provision for operating expenses, partly off-set by the reduced requirement for plant and equipment.

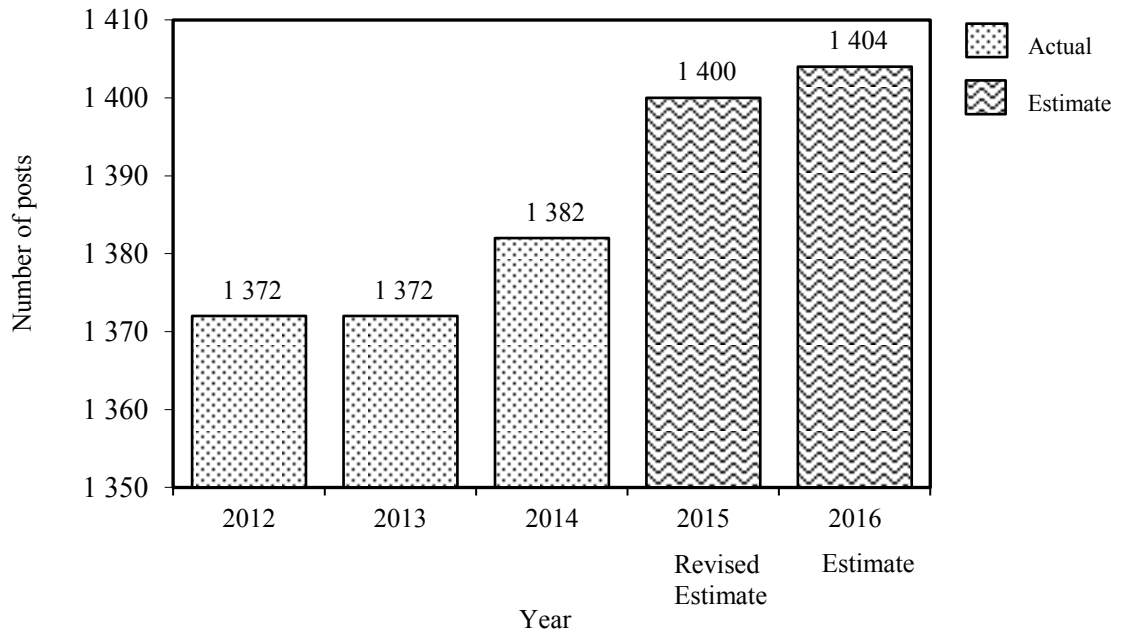
Allocation of provision to programmes (2015-16)



Staff by programme (as at 31 March 2016)



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



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Sub-head (Code)	Actual expenditure 2013-14	Approved estimate 2014-15	Revised estimate 2014-15	Estimate 2015-16	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	1,023,917	1,095,325	1,120,975	1,118,664
	Total, Recurrent.....	<u>1,023,917</u>	<u>1,095,325</u>	<u>1,120,975</u>	<u>1,118,664</u>
Non-Recurrent					
700	General non-recurrent	2,978	4,100	14,640	5,393
	Total, Non-Recurrent.....	<u>2,978</u>	<u>4,100</u>	<u>14,640</u>	<u>5,393</u>
	Total, Operating Account	<u>1,026,895</u>	<u>1,099,425</u>	<u>1,135,615</u>	<u>1,124,057</u>
Capital Account					
Plant, Equipment and Works					
603	Plant, vehicles and equipment.....	1,692	12,928	16,542	18,314
661	Minor plant, vehicles and equipment (block vote).....	32,134	44,120	44,120	35,721
	Total, Plant, Equipment and Works.....	<u>33,826</u>	<u>57,048</u>	<u>60,662</u>	<u>54,035</u>
	Total, Capital Account.....	<u>33,826</u>	<u>57,048</u>	<u>60,662</u>	<u>54,035</u>
	Total Expenditure	<u><u>1,060,721</u></u>	<u><u>1,156,473</u></u>	<u><u>1,196,277</u></u>	<u><u>1,178,092</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2015–16 for the salaries and expenses of the Marine Department is \$1,178,092,000. This represents a decrease of \$18,185,000 against the revised estimate for 2014–15 and an increase of \$117,371,000 over the actual expenditure in 2013–14.

Operating Account

Recurrent

2 Provision of \$1,118,664,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Marine Department.

3 The establishment as at 31 March 2015 will be 1 400 posts including three supernumerary posts. It is expected that four posts will be created in 2015–16. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2015–16, but the notional annual mid-point salary value of all such posts must not exceed \$525,444,000.

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

	2013–14 (Actual) (\$'000)	2014–15 (Original) (\$'000)	2014–15 (Revised) (\$'000)	2015–16 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	497,797	528,848	545,298	553,006
- Allowances.....	12,545	11,682	13,183	13,437
- Job-related allowances.....	5,114	4,907	4,430	4,951
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	1,922	2,186	2,393	2,406
- Civil Service Provident Fund contribution.....	8,456	11,777	12,140	17,168
- Disturbance allowance.....	—	299	221	224
Departmental Expenses				
- Maintenance materials.....	97,644	98,800	99,967	97,300
- Contract maintenance.....	86,288	93,151	94,245	91,651
- General departmental expenses.....	314,151	343,675	349,098	338,521
	1,023,917	1,095,325	1,120,975	1,118,664

Capital Account

Plant, Equipment and Works

5 Provision of \$35,721,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$8,399,000 (19%) against the revised estimate for 2014–15. This is mainly due to the decreased requirement for minor plant and equipment.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2014	Revised estimated expenditure for 2014–15	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	429	Sea-going Training Incentive Scheme	28,200	15,443	4,300	8,457
	984	Subsidy for Installation of Navigational Equipment on Local Passenger Vessels	4,700	—	540	4,160
			<u>32,900</u>	<u>15,443</u>	<u>4,840</u>	<u>12,617</u>
<i>Capital Account</i>						
603		<i>Plant, vehicles and equipment</i>				
	812	Replacement of four patrol launches.....	46,400	—	—	46,400
	832	Replacement of hydrographic survey launch “Hydro 2” [^]	43,500 [^]	—	—	43,500
	846	Replacement of one 20-tonne towing tractor “MAD25” in Government Dockyard.....	2,447	—	—	2,447
	865	Replacement of patrol launch “Marine 113”	6,000	—	—	6,000
	866	Replacement of patrol launch “Marine 116”	6,000	—	—	6,000
	893	Replacement of hydrographic survey launch “Hydro 1”	9,735	—	—	9,735
			<u>114,082</u>	<u>—</u>	<u>—</u>	<u>114,082</u>
	Total		<u>146,982</u>	<u>15,443</u>	<u>4,840</u>	<u>126,699</u>

[^] This is a new item, funding for which is included in the draft 2015–16 Estimates for consideration by the Legislative Council in the context of the Appropriation Bill.