

**For discussion
on 26 January 2016**

Legislative Council Panel on Economic Development

**Staffing Proposal to Strengthen Senior Management of the
Civil Aviation Department**

PURPOSE

This paper seeks Members' views and support of a proposal to create a supernumerary Administrative Officer Staff Grade B (AOSGB) (D3) post in the Civil Aviation Department (CAD), to be designated as Deputy Director-General of Civil Aviation (2) (DDGCA(2)), for three years with immediate effect upon approval of the Finance Committee, to strengthen the capability of the senior management of the Department in taking forward various key projects and, generally, in administrative control and management.

BACKGROUND

2. The Audit Commission has conducted a review of the provision of office accommodation and facilities in the new CAD Headquarters, and a separate review on CAD's administration of the air traffic control (ATC) and related services with a view to identifying room for improvement. The two reports were tabled at the Legislative Council (LegCo) on 20 November 2014. The Public Accounts Committee (PAC) subsequently held hearings and issued reports on the subjects. The Director of Audit recommended that the Director-General of Civil Aviation (DGCA), in managing building works projects, should strengthen internal controls over compliance with government regulations and guidelines, and take measures to raise the awareness of CAD staff on the need to comply with government regulations and procedures in managing accommodation matters and public funds. PAC urged the Transport and Housing Bureau (THB) to step up its supervisory role to

ensure the effective implementation of major projects by CAD in the future. In addressing the Government Minute to the PAC, the Chief Secretary for Administration stated, inter alia, that to ensure the administrative management, resource planning, liaison and co-ordination work involved can be conducted effectively, the Government would consider allocating additional resources to strengthen the senior management of CAD. The Government now proposes to create a supernumerary AOSGB post in CAD, to be designated as DDGCA(2), to support the DGCA in taking forward the various key projects in the Department and, generally, strengthening the Department's administrative control and management.

JUSTIFICATIONS

Need for dedicated directorate support

3. The DGCA is currently deputised by one DDGCA. The DDGCA post is filled by professional staff of the Department. The DDGCA has to directly supervise the work of all the seven divisions in CAD, attending to the full range of the Department's activities and responsibilities. The existing organisation chart of CAD is at **Enclosure 1**. Given the background in paragraph 2 above and in the light of the developments described in paragraphs 4 to 11 below, the "single deputy" set-up in the Department will have to be suitably strengthened to better ensure that the Department has the necessary capability at its senior level to handle the tasks ahead.

Implementation of the new Air Traffic Control (ATC) system

4. With a view to coping with the rapidly increased air traffic and enhancing the quality of flight traffic management, CAD commenced work to replace the existing ATC system in 2007. The new ATC system is at its final stage of preparation for rollout. The system, equipped with a state-of-the-art air traffic management system, will meet the latest air traffic management standards and safety requirements and be able to cope with the continued growth in air traffic volume. CAD strives to ensure the safety, efficiency and reliability of the system. To this end, CAD

and THB have each appointed an independent consultant to warrant the system safety, and also operational and staff readiness before the system is commissioned.

5. There is a pressing need to create a DDGCA(2) post to strengthen the management, in particular the administrative aspect, of the project in order to facilitate the safe, efficient and smooth commissioning of the new system. CAD's professional staff is working strenuously on the project, but substantial amount of co-ordination and administrative work would be involved to ensure smooth running of the new system, including resource and manpower deployment for the system operation, reporting to the LegCo and THB on progress etc. The proposed DDGCA(2) will, apart from performing the above duties, also follow up on the recommendations of the Director of Audit and the PAC to step up the managing and supervisory effect (on, for example, human resources, procurement, and financial management) to ensure the effective implementation of CAD's major projects, including the new ATC system, while allowing the existing DDGCA to focus on project management, as well as the operational and engineering aspects of the project.

Legislative amendment exercises

6. With the advancement in technology and the rapid development in the aviation arena, Hong Kong is obliged to reflect the updated requirements promulgated by the International Civil Aviation Organization as well as the latest international practice in local legislation, as appropriate, to ensure safety and efficiency in aviation operations. Legislative amendments under review include update of requirements in (i) accident investigation in the Hong Kong Civil Aviation (Investigation of Accidents) Regulations (Cap. 448B); (ii) safety regulations in Air Navigation (Hong Kong) Order 1995 (Cap. 448C); (iii) Hong Kong Air Navigation (Fees) Regulation (Cap. 448D); and (iv) amendments of the Dangerous Goods (Consignment by Air) (Safety) Regulations (Cap. 384A) and the Air Navigation (Dangerous Goods) Regulations (Schedule 16 to Cap. 448C). As the above legislative proposals involve various aspects of aviation operation, an additional DDGCA is needed to coordinate cross-divisional efforts in the legislative process, including policy research, engagement with stakeholders and the

actual drafting of legislative proposals.

7. Furthermore, the usage of unmanned aircraft systems (UAS) is becoming more popular in the general community and, similar to overseas experience, there have been calls in Hong Kong for more systematic and effective regulation of UAS from the perspectives of safety, security and privacy. It is therefore necessary for CAD to review the regulatory regime for UAS to make sure that it keeps pace with technological development and international best practice that best suits the situation in Hong Kong. The proposed DDGCA(2) will lead the Department in overseeing the regulatory review, stakeholder consultation and legislative amendment exercise.

Civil Aviation Academy

8. As the local and regional aviation industries continue to flourish, it is incumbent upon Hong Kong to develop and maintain a sufficient supply of aviation professionals to entrench Hong Kong's position as a major aviation hub. To this end, the Chief Executive announced in his 2016 Policy Address that the Airport Authority Hong Kong (AAHK) will establish a civil aviation academy. An academy in Hong Kong dedicated for aviation is a totally new concept. Whilst AAHK will be the owner and driver of this initiative, CAD, as the regulator of the aviation sector and a major provider of various aviation-related professional services, would also have a vital role to play in the project, including course design, course certification, logistic support, and liaison with stakeholders. It will be necessary to have a representative from CAD with strong administrative skill and sufficiently high ranking to work closely with AAHK to take forth the project. This is especially so in the initial and formative stage of the civil aviation academy when the exact form, setup, and direction should be well considered to ensure its success. It is necessary to designate a senior directorate officer at CAD to ensure that CAD's input is appropriately incorporated in the planning process, so that the training programmes would meet professional needs and standards of the industry and to achieve the objectives of creating a talent pool to entrench Hong Kong's status as a premium aviation hub.

Three-Runway System

9. While AAHK is the proponent of the Three-Runway System (3RS) at the Hong Kong International Airport, CAD, as the regulator of air services and air traffic control service provider, plays a key role in working with AAHK in providing professional and technical support and advice in the process. The size of the 3RS project calls for meticulous and strategic planning and co-ordination both within the Department as well as among various policy bureaux/departments and AAHK. As well, to complement the 3RS, it is envisaged that CAD will require additional resources in terms of, for example, manpower and equipment. Whilst the existing DDGCA will focus on the professional and technical aspects of the 3RS project, the proposed DDGCA(2) will focus on resource planning and control, as well as public relations and political liaison. The work of DDGCA(2) will include, for instance, long-term resource/manpower planning and acquisition; communication and engagement with the LegCo, the Aviation Development and Three-runway System Advisory Committee, stakeholders and the general public; and participation in air space coordination work with the Mainland authorities.

Manpower planning

10. Arising from the robust air traffic growth in recent years as well as the 3RS project, the staffing need for several professional grades at CAD, especially air traffic controllers and flight operations inspectors, is mounting. Specifically, there is a long lead-time (around six years) to train up a full-fledged air traffic controller from fresh recruit. Hence, well thought-out long-term manpower planning is essential to maintaining a good and sufficient pool of air traffic controllers. In the case of flight operations inspectors, CAD faces keen competition from the private sector in recruiting qualified candidates. In this connection, an additional DDGCA strong in administrative management is required to take charge of manpower planning and development of CAD, such as conducting manpower review, devising new recruitment measures and coordinating with relevant bureaux to seek additional resources as necessary, to ensure that there will be adequate and sufficient manpower supply to effectively discharge CAD's regulatory functions and services

in the long term.

Strengthening administrative supervision

11. CAD has been implementing various improvement measures in the light of the Audit Reports and the PAC Reports on CAD to strengthen internal control and to raise staff awareness of Government rules and regulations. Nevertheless, it is considered that strong administrative and financial management at senior level in the Department would be conducive to ensuring that internal control is adequately and properly implemented, especially at a time when CAD is implementing various key projects. In this connection, it is proposed to create an additional DDGCA with strong administrative skills required to oversee the Administration Division (including public relations) and Finance Division of CAD, so that areas of concern with regard to work procedures, procurement strategy, project management and record documentation can be addressed in a systemic manner and be compliant with Government policies and practices.

Need for the additional post to be ranked at AOSGB

12. The tasks outlined above demand very strong administrative management and strategic competency; the post holder should also be well versed with government processes, procedures, regulations, human resource planning, etc. These considerations warrant the dedicated high-level input of an AOSGB in providing the necessary steer and directives, as well as setting rules and guidelines in respect of administrative and finance matters. The core skills possessed by an AOSGB, including political acumen, communication skills and policy analysis and formulation, would serve as a complementary asset to the professional/technical competencies of CAD's existing talent pool. Given the significance, urgency and complexity of the work outlined in the above paragraphs, we see a pressing and absolute need to create a supernumerary AOSGB post, to be designated as DDGCA(2), in CAD for three years to handle the tasks. We consider that a three-year period is appropriate as the ATC replacement project, legislative amendment exercises, manpower planning and strengthening administrative supervision are expected to bear fruit under the timeframe. The length

of the post would also allow the proposed AOSGB to lay down the groundwork for the establishment of the civil aviation academy and planning for the 3RS. We will review the manpower requirement and organisation setup upon the expiry of the three-year period.

13. Upon the creation of the proposed supernumerary AOSGB post, the existing DDGCA will be re-designated as DDGCA(1). The new organisational setup would allow the existing DDGCA to concentrate on supervising the daily operations of CAD, including its regulatory functions over the aviation industry and provision of air traffic control services, and providing professional guidance to CAD's various key initiatives.

14. As the new ATC system is at the final stage of preparation, a substantial amount of administrative and logistic planning is involved for the transition from the existing system to the new system. In the meantime, CAD, as the aeronautical authority and air traffic control service provider, plays a key role in the planning and preparation of the 3RS project at the Hong Kong International Airport. Given the urgent need to strengthen CAD's administrative management capacity at the top level, especially in light of the above two major projects and PAC's observations and recommendations, one AOSGB post has been temporarily redeployed to CAD from within the Administration, pending the Finance Committee's deliberation on the proposed creation of the supernumerary AOSGB post.

Staffing support for the proposed post

15. In order for the proposed AOSGB to effectively steer the projects mentioned above, apart from the Administration and Finance Divisions, the Air Services and Safety Management Division (ASMD) will be put under the proposed AOSGB post to facilitate operation. Offices under ASMD include, among others, the Legal and International Relations Office (LIO), the Training and Development Office (TDO) and the Air Traffic Management Standards Office (ATMSO). LIO is responsible for coordinating legislative amendments matters of CAD. TDO is responsible for staff training and development, as well as matters relating to the civil aviation academy. ATMSO is, effectively, the

internal auditor of CAD's air navigation services divisions. Under this organisational setup, the proposed AOSGB could make best use of the resources and expertise under ASMD in steering legislative amendment exercises, pursuing staff training and development initiatives as well as the establishment of the civil aviation academy under AAHK. Furthermore, ATMSO could be kept at arm's length from the other operational divisions and maintain a certain level of independent check and balance within CAD. The proposed organisation chart showing senior directorate posts of CAD is at **Enclosure 1**. The job description of the proposed supernumerary AOSGB is at **Enclosure 2**.

16. In addition to support from existing staff in CAD, the proposed AOSGB post will be supported by four non-directorate staff on administration and clerical/secretarial aspects, including one Chief Executive Officer and one Senior Executive Officer, who will support the proposed AOSGB in planning for resource management and deployment, mapping out strategies for manpower training and development, and carrying out procedural review with a view to mapping out improvement measures to enhance internal control as stated in the Audit Reports. These posts will be created in accordance with the existing policy and procedure within the Government.

ALTERNATIVES CONSIDERED

17. We have critically examined the possibility of redeploying existing staff resources within CAD for the tasks. The DGCA is at present underpinned by one DDGCA (D3), five Assistant Director-General of Civil Aviation (D2) and 14 D1 officers. All of them, from professional grades of Engineers, Air Traffic Controllers, etc., are fully occupied with their own schedule of duties, covering air traffic control, aviation regulatory activities, execution of air services agreements and provision of air traffic control system services, as well as administration and financial management. It is expected that their workload will only increase in the years ahead with the commencement of the new ATC system, 3RS project, civil aviation academy and expansion of air services amid fast-growing air traffic. It is operationally not possible for the existing establishment to take up the

high-level and urgent tasks mentioned above without adversely affecting the discharge of their current duties. Besides, as explained above, the Department's senior management will benefit from strengthened capability in administrative and resource management, planning and control, which will be better provided by a senior officer from the Administrative Officer Grade. An additional deputy head can also share out the heavy workload of the incumbent DDGCA in housekeeping matters, allowing him to focus on the professional work of CAD.

FINANCIAL IMPLICATIONS

18. The proposed creation of the supernumerary directorate post at CAD will incur an additional notional annual salary cost at mid-point of \$2,290,800. The additional full annual average staff cost, including salaries and staff on-cost, is about \$3,280,000. As regards the four non-directorate posts mentioned in paragraph 16 above, the additional notional annual salary cost at mid-point will not exceed \$2,875,260. The full annual average staff cost, including salaries and staff on-cost, is about \$4,290,000.

19. We will include the necessary provision in the draft Estimates of 2016-17 to meet the staff cost upon approval by the Finance Committee and will reflect the resources required in the Estimates of subsequent years.

WAY FORWARD

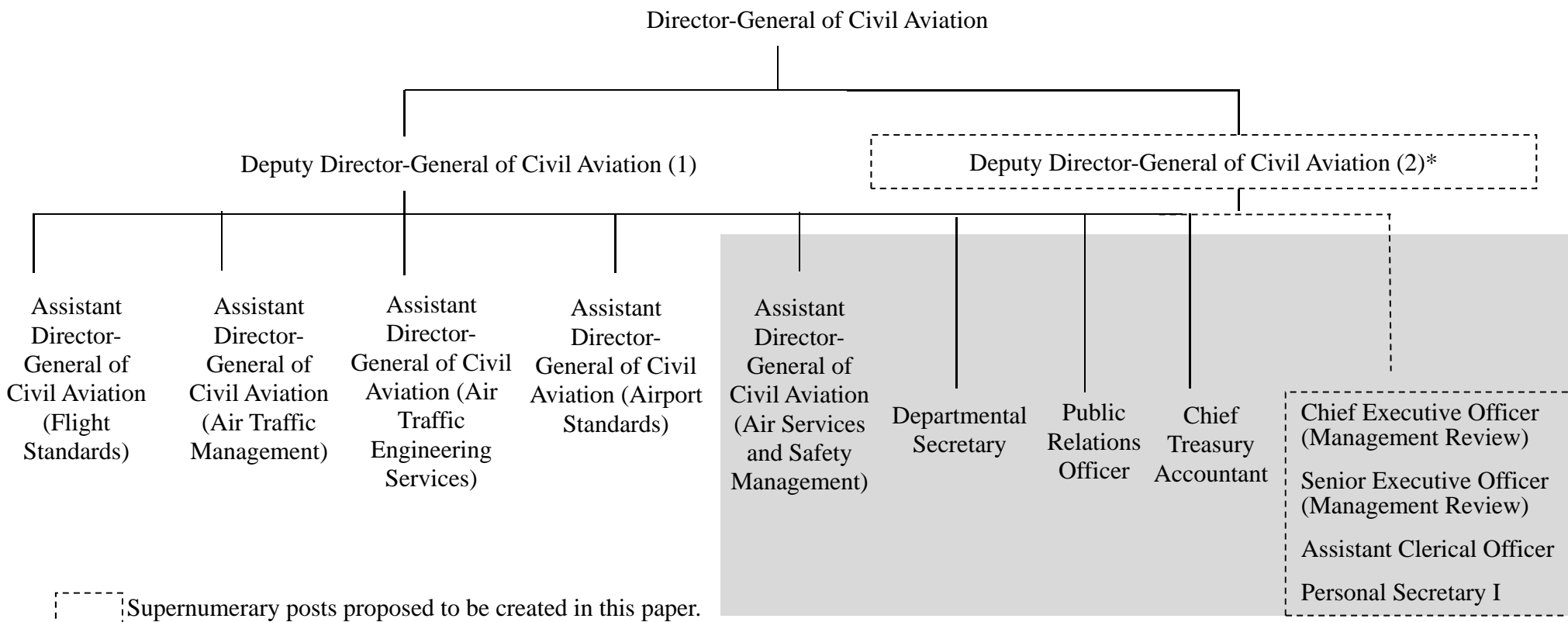
20. Subject to Members' comments, we plan to submit the proposal to the Establishment Subcommittee for consideration and the Finance Committee for approval soonest.

ADVICE SOUGHT

21. Members are invited to give their views and indicate support for the staffing proposal.

**Transport and Housing Bureau
Civil Aviation Department
January 2016**

**Existing and Proposed Organisation Chart of
Senior Directorate of Civil Aviation Department**



Supernumerary posts proposed to be created in this paper.

The departmental structure will be re-organised with the Air Services and Safety Management Division, Administration Division and Finance Division put under the proposed AOSGB (D3) post. The existing DDGCA will oversee the operations of the other four functional divisions.

**Proposed Job Description for the Post of
Deputy Director-General of Civil Aviation (2)**

Post title : Deputy Director-General of Civil Aviation (2)

Rank : Administrative Officer Staff Grade B (D3)

Responsible to : Director-General of Civil Aviation

Aim of the Post:

The proposed Deputy Director-General of Civil Aviation (2) will be tasked to oversee the administrative management of various key projects of CAD, and also strengthen the senior management of CAD.

Main Duties and Responsibilities –

1. To oversee the administrative work in preparation for the implementation of the new air traffic control system;
2. To map out a co-ordinated and strategic approach in taking forward various legislative proposals;
3. To work closely with the Airport Authority Hong Kong on the detailed planning and implementation of the Aviation Academy project, including resource planning, co-ordination among bureaux/ departments as well as engagement with the aviation industry and tertiary education sector;
4. To oversee the preparation of CAD's submissions on the Three-Runway System (3RS) to the Legislative Council Sub-committee on 3RS;
5. To oversee the manpower planning and staff development matters of CAD;

6. To support Director-General of Civil Aviation in supervising the Administration Division and Finance Division in CAD;
7. To support Director-General of Civil Aviation in overseeing the operation of the Air Services and Safety Management Division;
8. To devise departmental rules and guidelines with regard to work procedures, prevailing guiding principles, policies and strategies on procurement, project management and record documentation and foster a culture of compliance in CAD; and
9. Any other duties assigned by DGCA.