

Head 28 — CIVIL AVIATION DEPARTMENT

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

Estimate 2018–19 **\$1,088.2m**

Establishment ceiling 2018–19 (notional annual mid-point salary value) representing an estimated 750 non-directorate posts as at 31 March 2018 rising by 80 posts to 830 posts as at 31 March 2019..... **\$612.1m**

In addition, there will be an estimated 22 directorate posts as at 31 March 2018 rising by two posts to 24 posts as at 31 March 2019.

Controlling Officer's Report

Programmes

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

Detail

Programme (1): Flight Standards

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	2018–19 (Estimate)
Financial provision (\$m)	112.0	126.8	114.2 (–9.9%)	135.2 (+18.4%)
				(or +6.6% on 2017–18 Original)

Aim

2 The aim is to set and enforce flight and airworthiness standards in compliance with international civil aviation safety requirements, and to keep the relevant legislation and operational requirements up-to-date.

Brief Description

3 The Flight Standards and Airworthiness Division of the Department is responsible for regulating the operational safety and airworthiness of aircraft registered in Hong Kong, and other matters related to flight safety. The work involves:

- monitoring and inspecting Hong Kong air operators in respect of flight operations policy and standards, flight crew training and aircraft maintenance standards;
- maintaining the Hong Kong Civil Aircraft Register;
- issuing certificates of airworthiness;
- approving flight simulators;
- approving maintenance facilities;
- approving design and production organisations for aircraft and related products/parts;
- approving maintenance training organisations;
- approving flying training organisations which provide commercial pilot training courses;

Head 28 — CIVIL AVIATION DEPARTMENT

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

4 The Flight Standards and Airworthiness Division inspects the operational and training activities of Hong Kong air operators regularly throughout the year to ensure that they maintain high safety and operational standards. The demand for inspections is expected to remain at a level comparable to that in 2017.

5 The key performance measures are:

Targets

	Target	2016 (Actual)	2017 (Actual)	2018 (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 licences (working days)	6	6	6	6
issue of professional pilot licences (working days)	3.5	3.5	3.5	3.5
approval of aircraft maintenance organisations (working days)	60	60	60	60
approval of flying training organisations (working days)	60	60	60	60
approval of maintenance training organisations (working days)	60	60	60	60
flight operations and cabin safety inspections	130	136	143	140
inspections of operations and maintenance services at Hong Kong air operators' outstations	45	45	45	45
inspections of overseas maintenance facilities	25	25	25	25
inspections of local maintenance organisations	55	55	55	55
inspections of maintenance training organisations	5	5	5	5

Indicators

	2016 (Actual)	2017 (Actual)	2018 (Estimate)
aircraft registered on the Hong Kong Civil Aircraft Register	327	331	359
air operator's certificates issued	10	11	12
local flight crew examination papers processed	2 095	2 365	2 480
overseas flight crew examination papers processed	2 717	1 586 ^α	1 600^α
aircraft maintenance licence examination papers processed	3 580	2 776	2 910
medical certificates processed	5 576	5 721	6 000
flight crew and aircraft maintenance licences processed	4 908	5 265	5 520
approval/renewal of approved flight simulators	46	44	45
approval of authorised examiners/approved persons	272	298	310

^α The decrease in 2017 was due to the recruitment of more experienced flight crew by Hong Kong air operators, hence a reduction in the number of examinations and training conducted overseas. The figure is expected to remain at a similar level in 2018.

Head 28 — CIVIL AVIATION DEPARTMENT

Matters Requiring Special Attention in 2018–19

- 6 During 2018–19, the Department will:
- continue to monitor the operational safety of Hong Kong air operators and airworthiness of aircraft registered in Hong Kong,
 - continue to liaise with overseas aeronautical authorities on mutual recognition of aircraft maintenance organisations, and
 - monitor the introduction of a new model of helicopter by the Government Flying Services.

Programme (2): Airport Standards

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	2018–19 (Estimate)
Financial provision (\$m)	51.7	57.1	51.3 (–10.2%)	59.9 (+16.8%)
				(or +4.9% on 2017–18 Original)

Aim

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

Brief Description

8 The Airport Standards Division of the Department is responsible for the licensing, regulation, inspection and monitoring of the safety and security standards of international aerodromes, including heliports, in Hong Kong. The work involves:

- establishing aerodrome licensing standards and issuing licences for aerodromes;
- establishing and maintaining a system for monitoring the performance of aerodrome licensees in the areas of aerodrome safety and aviation security;
- monitoring the safety procedures and practices in respect of the operation of the Hong Kong International Airport (HKIA);
- ensuring compliance with the Hong Kong Aviation Security Programme and provisions of the Aviation Security Ordinance (Cap. 494) and its subsidiary legislation;
- liaising with foreign and local authorities on matters relating to the handling and sharing of threat and security sensitive information for compliance with the Standards and Recommended Practices set by the International Civil Aviation Organization (ICAO);
- implementing audit and inspection plans to monitor the execution of security programmes by airport operators, airline operators, tenant restricted area operators and regulated agents;
- enforcing the Hong Kong Airport (Control of Obstructions) Ordinance (Cap. 301) and its subsidiary legislation;
- monitoring the carriage of dangerous goods by air through inspections, and keeping up-to-date and enforcing the Dangerous Goods (Consignment by Air) (Safety) Ordinance (Cap. 384) and its subsidiary legislation;
- enforcing the Air Navigation (Flight Prohibition) Order (Cap. 448E);
- monitoring the noise and flight tracks of aircraft operating to and from the HKIA; and
- monitoring the demand for helicopter services and facilitating the operation of such services and heliport development.

9 The Airport Standards Division ensures that operations at the HKIA comply with all relevant airport safety and aviation security standards through a number of measures. These include vetting and endorsing the airport safety procedures in accordance with the Aerodrome Manual, the Safety Management System Manual and the Emergency Procedures Manual as well as the security control measures stated in the security programmes of the airport and other operators, and inspecting the airport operational facilities and aviation security facilities.

Head 28 — CIVIL AVIATION DEPARTMENT

10 The key performance measures are:

Targets

	Target	2016 (Actual)	2017 (Actual)	2018 (Plan)
audit relating to aerodrome licensing issues.....	14	14	14	14
audit of airport operators and airport tenants to ensure compliance with the requirements in the Hong Kong Aviation Security Programme	16	16	16	16
inspections of airport operators and operational facilities	130	130	130	130
inspections of shippers, freight forwarders, airlines and ground handling agents in respect of their dangerous goods handling standards.....	100	98	102	100
inspections of operators in respect of their security programmes submitted under the Aviation Security Ordinance.....	100	100	100	100
inspections of all regulated agents on the register of regulated agents once every two years (%)	100	100	100	100
vetting building plans/development proposals and lighting proposals for compliance with airport height restrictions and other aviation safety requirements (working days per application).....	11.0	11.8	13.6#	13.0#
processing applications for exemption from height restrictions prescribed by orders made under the Hong Kong Airport (Control of Obstructions) Ordinance (working days per application).....	10	12	12	12
processing applications from cargo agents for registration as regulated agents and the associated security programmes (working days per application).....	14	14	14	14
processing applications for carriage of dangerous goods and munitions by air (working days per application)	11	11	11	11

The longer lead time in 2017 was due to the more complexed proposals and method statements submitted by developers and consultants, particularly in respect of those for the on-airport development at the HKIA and the expansion of the HKIA into a three-runway system. The figure is expected to remain at a similar level in 2018.

Indicators

	2016 (Actual)	2017 (Actual)	2018 (Estimate)
applications for registration as regulated agents	102	125	125
regulated agents on the register of regulated agents	1 469	1 498	1 500
building plans/development proposals and lighting proposals submitted for assessment of compliance with airport height restrictions and other aviation safety requirements	476	578^	570^
applications for exemption from height restrictions prescribed by orders made under the Hong Kong Airport (Control of Obstructions) Ordinance	303	522@	520@

^ The increase in 2017 was due to the rise in number of building plans and development proposals submitted by developers and consultants, in particular for the on-airport development at the HKIA and the expansion of the HKIA into a three-runway system. The figure is expected to remain at a similar level in 2018.

Head 28 — CIVIL AVIATION DEPARTMENT

@ The increase in 2017 was due to the rise in number of applications for exemption, in particular for the Hong Kong-Zhuhai-Macao Bridge Hong Kong Link Road Project and the expansion of the HKIA into a three-runway system. The relevant works areas stretched over the vicinity of the runway of the HKIA, where the height restrictions are more stringent for aircraft operations. The figure is expected to remain at a similar level in 2018.

Matters Requiring Special Attention in 2018–19

11 During 2018–19, the Department will continue to:

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

Programme (3): Air Traffic Management

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	2018–19 (Estimate)
Financial provision (\$m)	423.8	451.9	431.5 (–4.5%)	482.2 (+11.7%)
				(or +6.7% on 2017–18 Original)

Aim

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

Brief Description

13 The Air Traffic Management Division of the Department is responsible for the provision of air traffic services for the safe and efficient operations of aircraft within the HKFIR, which has a total area of 276 000 km² and extends over the South China Sea to some 370 km to the east and south-east of Hong Kong and 580 km to the south. It also provides quality telecommunication services for the Hong Kong aviation community and acts as an important node in the global aeronautical communication network. The work involves:

- providing positive control over all air traffic to ensure aviation safety;
- providing information essential for the safe and efficient conduct of flights;
- designing flight routes and aircraft arrival/departure procedures;
- co-ordinating, in conjunction with the AA, periodic review of the capacity of the runways to meet demand;
- alerting appropriate organisations regarding aircraft in need of search and rescue services and co-ordinating search and rescue missions;
- operating the Aeronautical Fixed Telecommunication Network (AFTN) between Hong Kong and adjacent Flight Information Regions and providing Aeronautical Broadcast Services to aircraft;
- maintaining close liaison with civil aviation authorities of the Mainland and Macao to review and evaluate air traffic control (ATC) and flight procedures for airports in the Pearl River Delta region;
- maintaining close liaison with the AA and industry partners to improve the safety and efficiency of operations at the HKIA;

Head 28 — CIVIL AVIATION DEPARTMENT

- co-ordinating with neighbouring Area Control Centres (ACCs) in the implementation of updated ATC procedures;
- participating actively in the ICAO working group, task force and panel meetings in the areas of air traffic management and airspace capacity enhancement; and
- providing professional and technical training to all ATC staff to ensure that competence is maintained up to the highest possible standard.

14 The ATC systems at the HKIA continue to operate smoothly with a high standard of safety and efficiency. The operating efficiency has been enhanced and the declared runway capacity has been increased to 68 movements per hour since October 2015.

15 The key performance measures are:

Target

	Target	2016 (Actual)	2017 (Actual)	2018 (Plan)
availability of the AFTN (%).....	99.9	99.9	99.9	99.9

Indicators

	2016 (Actual)	2017 (Actual)	2018 (Estimate)
aircraft movements.....	413 077	422 420	430 500
aircraft transiting HKFIR.....	281 429	325 200 β	370 000β
notices to airmen and aeronautical information publication supplements issued/received.....	638 391	765 223 Ω	895 300Ω
pre-flight bulletins issued.....	380 373	419 924	457 700
telecommunication messages relayed by the AFTN (million).....	58	63	69

β The increase in 2017 was due to significant air traffic growth in the Asia Pacific region, in particular, traffic to and from the Mainland which overfly the HKFIR. The figure is expected to further increase in 2018.

Ω The increase in 2017 was due to a substantial increase in the amount of notices to airmen issuance globally which was attributed to a number of reasons such as an increase in construction and maintenance work at airports, a general increase of air traffic, more dynamic airspace and route management. Such increase is in line with international trend. The figure is expected to further increase in 2018.

Matters Requiring Special Attention in 2018–19

16 During 2018–19, the Department will:

- continue to improve the efficiency of air traffic management in order to further enhance the runway capacity of the HKIA,
- continue to co-ordinate with neighbouring ACCs to rationalise and optimise the airspace design of the Pearl River Delta region,
- refine air traffic operating procedures and improve ATC and air navigation services to enhance flight safety and capacity of the HKFIR,
- provide professional inputs to AA's preparation work in respect of flight routes and procedures design in support of the development of the HKIA into a three-runway system,
- recruit and train more ATC staff to meet air traffic services demand and support the future three-runway system, and
- continue to implement the safety management system in accordance with the ICAO's requirements to ensure that a high level of safety is maintained in the provision of air traffic services.

Programme (4): Air Traffic Engineering Services

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	2018–19 (Estimate)
Financial provision (\$m)	315.3	304.9	358.0 (+17.4%)	352.8 (–1.5%)
				(or +15.7% on 2017–18 Original)

Head 28 — CIVIL AVIATION DEPARTMENT

Aim

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

Brief Description

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

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

19 The key performance measures are:

Targets

	Target	2016 (Actual)	2017 (Actual)	2018 (Plan)
electronic engineering projects completed on time and within budget (%)	98.0	98.0	99.5	98.0
availability of ATC equipment (%).....	99.9	99.9	99.9	99.9

Indicator

	2016 (Actual)	2017 (Actual)	2018 (Estimate)
CNS/ATM trials and electronic engineering projects completed.....	10	10	10

Matters Requiring Special Attention in 2018–19

20 During 2018–19, the Department will:

- continue to enhance the maintenance programme for the existing radar, navigational aids and radio communication systems to meet the air traffic growth and to co-ordinate with aviation stakeholders to plan for provision and replacement of these systems in phases;
- enhance the performance of the new ATC systems and operational efficiency for provision of air traffic services by necessary system improvement work;
- co-ordinate with works departments for retrofitting the Air Traffic Control Centre (ATCC) in the airfield and provision of new ATC systems herein as a backup ATCC;
- conduct trials and plan for the phased implementation of various new satellite-based CNS/ATM technologies to support initiatives in improving airport and airspace capacities; and
- plan for provision or enhancement of ATC and CNS/ATM systems to support the future three-runway system operations at the HKIA.

Head 28 — CIVIL AVIATION DEPARTMENT

Programme (5): Air Services and Safety Management

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	2018–19 (Estimate)
Financial provision (\$m)	45.2	51.9	49.6 (–4.4%)	56.0 (+12.9%)
				(or +7.9% on 2017–18 Original)

Aim

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

Brief Description

22 The Air Services and Safety Management Division of the Department is responsible for:

- facilitating the operation of scheduled services in accordance with air services agreements and arrangements;
- regulating non-scheduled air services and private non-revenue flights;
- providing information to the Air Transport Licensing Authority for consideration regarding applications by local airlines for licences to operate scheduled air services;
- providing information to the Transport and Housing Bureau (THB) for air services negotiations;
- providing schedule co-ordination and slot allocation services to airlines and other aircraft operators;
- reviewing and, if necessary, proposing changes to civil aviation legislation;
- co-ordinating the Department's participation in the activities of international organisations, particularly the ICAO and the Asia-Pacific Economic Cooperation (APEC);
- co-ordinating, in conjunction with the AA, periodic review of air transport demand forecasts;
- co-ordinating the supply of air traffic statistics to international organisations;
- co-ordinating the implementation of ICAO Universal Safety Oversight Audit Programme (USOAP) Continuous Monitoring Approach in Hong Kong and Hong Kong Safety Programme to ensure compliance with the applicable new ICAO Annex 19 provisions;
- approving ATC training courses, issuing ATC licences and the associated ATC ratings and certificates; and
- formulating the departmental training policy, including the establishment of a training and development plan/programme for departmental professional grade staff.

23 The key performance measures are:

Targets

	Target	2016 (Actual)	2017 (Actual)	2018 (Plan)
processing applications for non-scheduled air services permits (working days per application)	3	3	3	3
inspections of air navigation services operations/training/examination	28	28	28	28

Indicators

	2016 (Actual)	2017 (Actual)	2018 (Estimate)
scheduled air services permits issued.....	124	143	140
non-scheduled air services permits issued	891	1 163	1 200
tariff filings processed.....	1 576	1 146	1 200
applications for schedule changes	4 255	4 771	4 800
notifications, returns, etc., to and from the ICAO.....	408	400	400
notifications, returns, etc., to and from the APEC	25	25	25

Head 28 — CIVIL AVIATION DEPARTMENT

	2016 (Actual)	2017 (Actual)	2018 (Estimate)
ATC licences, ratings and certificates issued.....	69	158Φ	200Φ
ATC ratings and certificates renewed.....	192	198	190

- λ The decrease in 2017 was due to (a) the continual suspension of the levying of passenger fuel surcharge since February 2016 and, (b) after the resumption of the levying of cargo fuel surcharge in April 2017, the waiving of applications from airlines provided that the proposed cargo fuel surcharge rate is not higher than the rate published by the Department. In light of the recommendations of the consultancy study on fuel surcharges completed in 2017, the Department is conducting a further study with a view to formulating a long-term strategy. A similar level is estimated for 2018 pending the outcome of the study.
- Φ The increase in 2017 was due to the resumption of ATC staff training after the transition to the new ATCC in November 2016. The further increase in 2018 is attributed to the expedition of training courses and deployment of additional ATC staff to cope with the projected air traffic growth and prepare for the three-runway system implementation at the HKIA.

Matters Requiring Special Attention in 2018–19

24 During 2018–19, the Department will:

- continue to monitor the development of the ICAO’s initiatives in air transport and take necessary action to align our legal framework for regulating air transport and aviation safety (especially on air accident investigation) with the latest ICAO standards and international practices;
- assist in the transition of civil aviation accident/serious incident investigation functions in the Department to a new air accident investigation authority under the THB;
- review the regulation of unmanned aircraft systems in Hong Kong;
- review the long-term way forward for fuel surcharge regulation;
- continue to provide support to the negotiation and implementation of Hong Kong’s air services agreements and promote Hong Kong as an international and regional aviation centre;
- continue to monitor the slot utilisation and time keeping performance of airlines and other aircraft operators;
- continue to co-ordinate the implementation of the ICAO USOAP Continuous Monitoring Approach in Hong Kong;
- continue to implement the Hong Kong Safety Programme and the related new ICAO Annex 19 provisions;
- continue to oversee the implementation of safety management initiatives for ensuring the safe provision of air navigation services in accordance with ICAO requirements; and
- provide support to the Hong Kong International Aviation Academy by providing training facilities and advice on relevant course contents, training materials and instructor qualifications.

Programme (6): Air Passenger Departure Tax Administration

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	2018–19 (Estimate)
Financial provision (\$m)	2.0	2.1	2.1 (—)	2.1 (—)
				(or same as 2017–18 Original)

Aim

25 The aim is to ensure effective administration of the Air Passenger Departure Tax (APDT) collection pursuant to the Air Passenger Departure Tax Ordinance (Cap. 140).

Brief Description

26 The Revenue Section of the Finance Division of the Department is responsible for:

- monitoring airlines’ and helicopter companies’ compliance with their legal obligation to collect the APDT from departing air passengers;
- handling applications for refund/waiver;

Head 28 — CIVIL AVIATION DEPARTMENT

- monitoring prompt banking of the APDT collected by airlines and helicopter companies to Government's accounts; and
- reviewing the rate of charges payable to airlines, helicopter companies and other agents in connection with the collection of the APDT.

27 The key performance measures are:

Target

	Target	2016 (Actual)	2017 (Actual)	2018 (Plan)
applications for refund received by post processed within 29 working days (%)....	99	99	99	99

Indicators

	2016 (Actual)	2017 (Actual)	2018 (Estimate)
taxpayers	21 761 978	22 640 400 μ	23 533 800
exemptions processed.....	23 583	27 200 μ	28 300
amount of APDT collected (\$m).....	2,552.3	2,672.3 μ	2,815.2

μ Provisional actual subject to adjustment.

Matters Requiring Special Attention in 2018–19

28 During 2018–19, the Department will continue to monitor the collection and refund of the APDT through checking regular returns on details of departing passengers and aircraft departures submitted by airline operators and helicopter companies.

Head 28 — CIVIL AVIATION DEPARTMENT

ANALYSIS OF FINANCIAL PROVISION

Programme	2016-17 (Actual) (\$m)	2017-18 (Original) (\$m)	2017-18 (Revised) (\$m)	2018-19 (Estimate) (\$m)
(1) Flight Standards	112.0	126.8	114.2	135.2
(2) Airport Standards	51.7	57.1	51.3	59.9
(3) Air Traffic Management	423.8	451.9	431.5	482.2
(4) Air Traffic Engineering Services	315.3	304.9	358.0	352.8
(5) Air Services and Safety Management	45.2	51.9	49.6	56.0
(6) Air Passenger Departure Tax Administration.....	2.0	2.1	2.1	2.1
	950.0	994.7	1,006.7 (+1.2%)	1,088.2 (+8.1%)
				(or +9.4% on 2017-18 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2018-19 is \$21.0 million (18.4%) higher than the revised estimate for 2017-18. This is mainly due to the increased provision for the creation of six posts in 2018-19, filling of vacancies and other operating expenses.

Programme (2)

Provision for 2018-19 is \$8.6 million (16.8%) higher than the revised estimate for 2017-18. This is mainly due to the increased provision for the creation of seven posts in 2018-19 and other operating expenses.

Programme (3)

Provision for 2018-19 is \$50.7 million (11.7%) higher than the revised estimate for 2017-18. This is mainly due to the increased provision for the creation of 48 posts in 2018-19, filling of vacancies and other operating expenses.

Programme (4)

Provision for 2018-19 is \$5.2 million (1.5%) lower than the revised estimate for 2017-18. This is mainly due to the reduced provision for operating expenses, partly offset by the increased provision for replacing ageing equipment and system and the creation of 13 posts in 2018-19.

Programme (5)

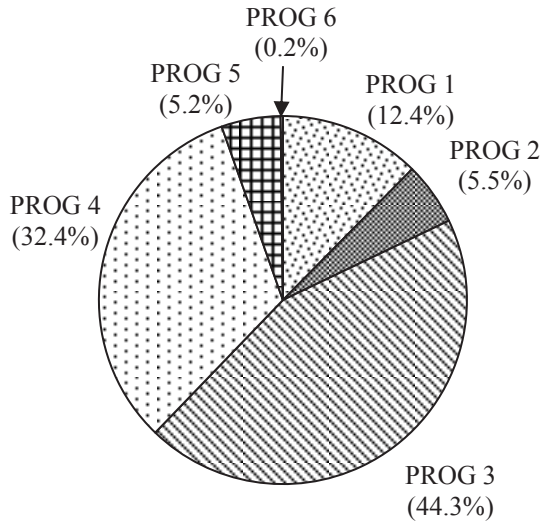
Provision for 2018-19 is \$6.4 million (12.9%) higher than the revised estimate for 2017-18. This is mainly due to the increased provision for the creation of eight posts in 2018-19.

Programme (6)

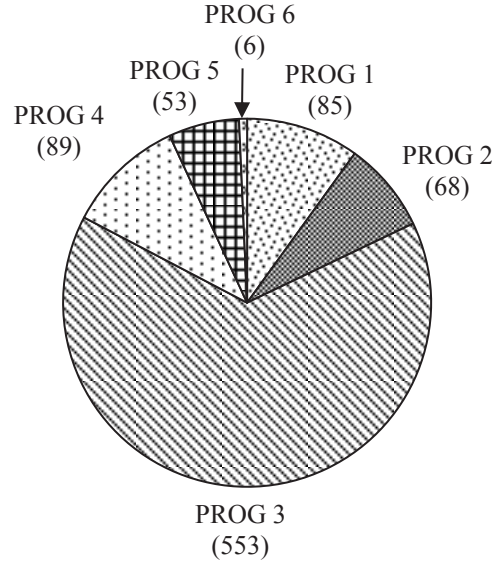
Provision for 2018-19 is the same as the revised estimate for 2017-18.

Head 28 — CIVIL AVIATION DEPARTMENT

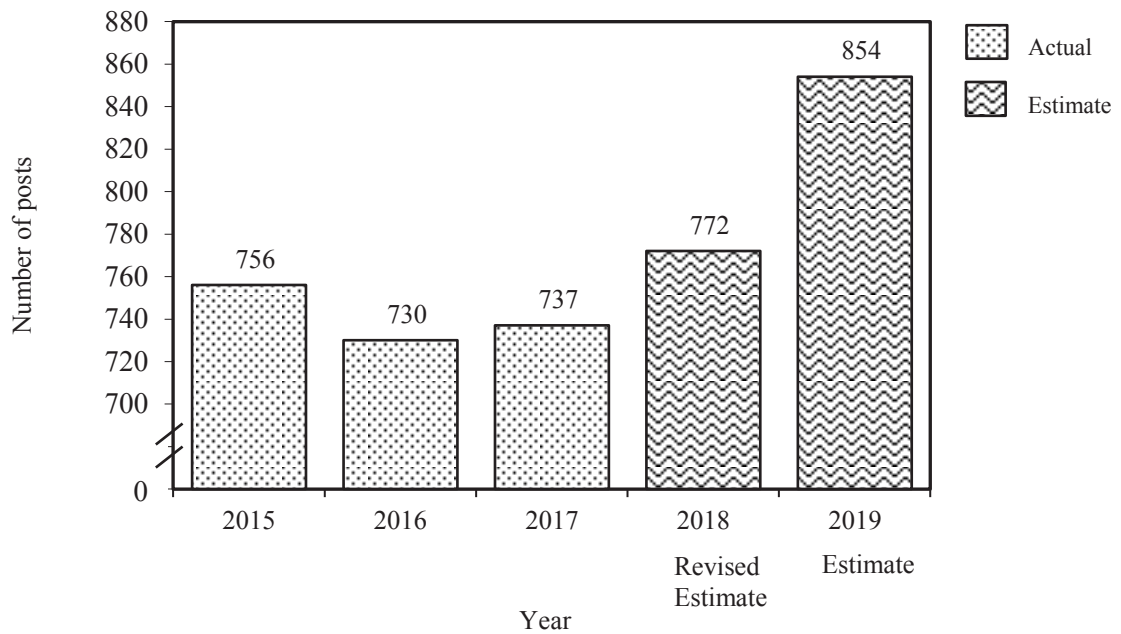
Allocation of provision to programmes (2018-19)



Staff by programme (as at 31 March 2019)



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



Head 28 — CIVIL AVIATION DEPARTMENT

Sub-head (Code)	Actual expenditure 2016-17	Approved estimate 2017-18	Revised estimate 2017-18	Estimate 2018-19	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	935,615	976,030	989,410	1,067,340
170	Airport insurance	4,390	5,200	3,820	4,400
	Total, Recurrent.....	940,005	981,230	993,230	1,071,740
	Total, Operating Account	940,005	981,230	993,230	1,071,740
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	10,000	13,500	13,500	16,507
	Total, Plant, Equipment and Works.....	10,000	13,500	13,500	16,507
	Total, Capital Account.....	10,000	13,500	13,500	16,507
	Total Expenditure	950,005	994,730	1,006,730	1,088,247

Head 28 — CIVIL AVIATION DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2018–19 for the salaries and expenses of the Civil Aviation Department is \$1,088,247,000. This represents an increase of \$81,517,000 over the revised estimate for 2017–18 and \$138,242,000 over the actual expenditure in 2016–17.

Operating Account

Recurrent

2 Provision of \$1,067,340,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Civil Aviation Department.

3 The establishment as at 31 March 2018 will be 772 posts including one supernumerary post. It is expected that there will be an increase of 82 posts including one supernumerary post in 2018–19. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2018–19, but the notional annual mid-point salary value of all such posts must not exceed \$612,128,000.

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

	2016–17 (Actual) (\$'000)	2017–18 (Original) (\$'000)	2017–18 (Revised) (\$'000)	2018–19 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	522,494	570,550	535,900	616,756
- Allowances.....	5,595	6,420	7,517	7,603
- Job-related allowances.....	710	1,208	1,266	1,331
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	1,426	1,170	1,420	1,942
- Civil Service Provident Fund contribution.....	24,700	28,847	27,661	32,957
- Disturbance allowance.....	—	—	—	2,770
Departmental Expenses				
- General departmental expenses	380,690	367,835	415,646	403,981
	935,615	976,030	989,410	1,067,340

5 Provision of \$4,400,000 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 \$580,000 (15.2%) over the revised estimate for 2017–18 is to cater for an increase in premium due to the additional electronic equipment and projected increase in air traffic.

Capital Account

Plant, Equipment and Works

6 Provision of \$16,507,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$3,007,000 (22.3%) over the revised estimate for 2017–18. This is mainly due to the increased requirement for replacement of ageing equipment and system.