

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 28 – CIVIL AVIATION DEPARTMENT Subhead 000 Operational expenses

Members are invited to recommend to Finance Committee the retention of the following supernumerary post in the Civil Aviation Department with effect from 1 April 2019 or upon approval by Finance Committee (whichever is later) to 31 March 2025 –

1 Administrative Officer Staff Grade B
(D3) (\$199,050 - \$217,300)

PROBLEM

The Civil Aviation Department (CAD) needs dedicated directorate support on a time-limited basis to continue strengthening the senior management of the Department for taking forward various major initiatives as well as sustaining the enhancement of overall administrative control and management in the Department in the coming years.

PROPOSAL

2. We propose to retain the supernumerary post of Administrative Officer Staff Grade B (AOSGB) (D3), designated as Deputy Director-General of Civil Aviation (2) (DDGCA(2)), in CAD with effect from 1 April 2019 or upon approval of Finance Committee (FC) (whichever is later) to 31 March 2025.

/JUSTIFICATIONS

JUSTIFICATIONS

Enhancement in senior management support

3. Prior to June 2016, the Director-General of Civil Aviation (D6) was deputised by one DDGCA (D3), who is one of the professional grade members in CAD. In view of the need to strengthen the capacity of the senior management of CAD, with the support of the Panel on Economic Development (ED Panel) and approval of FC of the Legislative Council (LegCo), a supernumerary AOSGB (D3) post (i.e. DDGCA(2)) was created on 28 June 2016 until 31 March 2019¹.

4. Since the creation of the DDGCA(2) post, the incumbent has been providing senior management support in a number of major initiatives and in strengthening administrative supervision. The Administration Division, the Finance Division and the Air Services and Safety Management Division (ASMD)² of the Department are put under the charge of DDGCA(2) to enhance administrative supervision. DDGCA(2) also supervises the public relations unit in the Department. As part of the overall responsibilities, DDGCA(2) maintains close contact with the LegCo and other outside stakeholders to explain CAD's policies and operations where necessary. The former DDGCA post has been re-designated as DDGCA(1) and continues to oversee the Flight Standards and Airworthiness Division, the Air Traffic Management Division (ATMD), the Air Traffic Engineering Services Division and the Airport Standards Division, with focus on supervising the technical and professional operations of CAD. The respective job descriptions of DDGCA(1) and DDGCA(2) are set out at Encls. 1 & 2 Enclosures 1 and 2. The existing organisation chart showing the Department's senior management (including the DDGCA(2) post proposed to be retained) and Encl. 3 four non-directorate time-limited posts³ to be retained is at Enclosure 3.

5. With the strengthened senior management since 2016, a number of key projects which contributed to fostering the status of Hong Kong as an international aviation hub have been completed. These included the full

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¹ For details, please refer to the relevant Establishment Subcommittee Paper EC(2016-17)3.

² Offices under ASMD include, among others, the Unmanned Aircraft Office (UAO), the Training Development and International Liaison Office (TIO) and the Air Traffic Management Standards Office (ATMSO). UAO is responsible for regulating the operation of unmanned aircraft systems (UAS) and coordinating civil aviation legislative amendments matters. TIO is responsible for coordinating the departmental training policy and liaison on aviation-related matters with international organisations, particularly International Civil Aviation Organization (ICAO). ATMSO is, effectively, the regulator of CAD in respect of its provision of air navigation services.

³ The four non-directorate posts were created in 2016 to provide dedicated support to DDGCA(2) for three years until 31 March 2019.

commissioning of the new air traffic management system (ATMS) in November 2016 which, according to the Final Report of the ATMS Expert Panel published in November 2017⁴, has achieved an overall satisfactory and smooth performance after a run-in period, and has successfully coped with the peak air traffic flow and overcome the challenges brought by adverse weather. In addition, advice and support have been provided to the Airport Authority Hong Kong (AAHK) on the establishment of the Hong Kong International Aviation Academy (HKIAA), which was formally set up in 2016 to provide courses targeting the younger generation and working adults. This is a key milestone in nurturing local and regional talents in the aviation industry.

6. Moreover, a number of major and important initiatives which are essential to the development of the aviation industry have been kick-started. These include the preparation for supporting AAHK in the implementation of the Three-Runway System (3RS) project which entails substantial high-level liaison work with AAHK and among relevant bureaux/departments (B/Ds). Under the steer of DDGCA(2), funding support from FC has been secured for a new air traffic control (ATC) tower and associated air field facilities, as well as procuring new air navigation service (ANS) equipment and replacing/upgrading existing aged ANS equipment for 3RS. DDGCA(2) also supervised the administrative team in streamlining and/or expediting recruitment exercises of various professional and departmental grades, and has been addressing the recruitment and retention difficulties encountered in CAD, which form an essential element in the Department's overall strategy in coping with the robust air traffic growth and the 3RS project. In addition, DDGCA(2) led the Department's review of the regulation of UAS which comprised a consultancy study and a public consultation exercise completed respectively in 2017 and 2018. The aforesaid work formed a solid foundation for the legislative proposal being formulated in respect of the new regulatory regime for UAS operations. Moreover, DDGCA(2) steered a number of amendment exercises on local aviation legislation, including those relating to the safe transport of dangerous goods by air. Whilst substantial progress has been made in those major areas of work, on-going effort is needed to complete them (please see paragraphs 8 to 22 below).

7. CAD has critically reviewed the manpower position of its senior management and the major tasks ahead in the coming years, and considers it necessary to retain the supernumerary AOSGB post for six years for providing

/high-level

⁴ CAD set up the ATMS Expert Panel in December 2016 for a one-year term from December 2016 to November 2017. The Panel comprised local and overseas experts and academics in the fields of air traffic management, engineering and aviation safety management to offer independent advice to CAD on the teething issues identified since the full commissioning of the ATMS. The final report is available on CAD's website: <https://www.cad.gov.hk/reports/Final%20Report%20by%20the%20Air%20Traffic%20Management%20System%20Expert%20Panel%20dated%20November%202017.pdf>.

high-level management, steer and support. Details are set out in the ensuing paragraphs.

Major tasks ahead with steer and input by DDGCA(2)

CAD's Three-Runway System-related projects

8. To meet the growing air traffic demand and maintain Hong Kong's competitiveness as an international aviation hub, AAHK is developing the Hong Kong International Airport (HKIA) into a 3RS. Construction works for 3RS commenced in August 2016 and, according to AAHK, will take around eight years to complete. The commissioning of the third runway is scheduled for 2022, after which the existing North Runway will be closed for reconfiguration (viz. the interim two-runway system (2RS)). The full commissioning of the 3RS is targeted for end 2024.

9. To support the implementation of the 3RS project, CAD has been working with various stakeholders including AAHK on the necessary preparatory work. With the funding approval by FC in July 2018⁵ for constructing a new ATC tower and associated air field facilities, as well as procuring new ANS equipment and replacing/upgrading existing aged ANS equipment, CAD is proceeding in full swing with the implementation work, including preliminary design of ANS equipment and preparation of tender documents in accordance with the relevant procedures.

10. Moreover, CAD will embark on preparatory work on other fronts, such as developing new air navigation procedures for the interim 2RS and 3RS operations; providing technical comments and inputs to consultancy studies and reports submitted by AAHK, including but not limited to the proposed interim 2RS and 3RS airport height restriction plan, design of new air field facilities, such as the runway, taxiways and apron; and the subsequent vetting and acceptance of these new facilities and the associated operating procedures to ensure compliance with the latest ICAO Standards and Recommended Practices and CAD's Aerodrome Licensing requirements. These involve complicated, intertwined and meticulous tasks which require strategic planning and co-ordination both within CAD and with other stakeholders including various policy B/Ds and AAHK. While DDGCA(1) will focus on the professional and technical aspects of

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⁵ FC approved a funding of \$1,902.9 million for constructing a new ATC Tower and associated air field facilities, and a funding of \$2,958 million for procuring new ANS equipment and replacing/upgrading existing aged ANS equipment. For details, please refer to PWSC(2018-19)25 and FCR(2018-19)50 respectively.

the 3RS-related projects within CAD, CAD needs the expertise of an AOSGB with rich experience in administrative and resources management to continue to provide steer in resources planning and control, project management and public relations. This is critical to ensuring the smooth delivery of various 3RS-related projects within CAD to support the commissioning of the 3RS. The supernumerary AOSGB (D3) post should therefore be retained for a further period of six years from 1 April 2019 to provide high-level steer to the highly complex tasks of the Department in connection with operational matters concerning 3RS.

Manpower planning and strengthening administrative supervision

11. With the robust air traffic growth in recent years and the expected upsurge in air traffic demand brought by the HKIA's 3RS development, there is a mounting need to increase the manpower of CAD to tackle the challenges. The long lead time for training up a professional staff, typically five to seven years from a new student recruit to a full-fledged air traffic controller, means that it is crucial to have a far-sighted and comprehensive manpower plan as a basis for recruitment, training, retention and succession, and for securing the appropriate resources in good time.

12. In the past few years, CAD, under the steer of DDGCA(2), has been reviewing and implementing measures to improve the manpower situation of the Department's professional grades, particularly air traffic controllers. In 2018-19, resources have been secured to create 40 additional non-directorate posts under the ATMD to enhance frontline operational support for the provision of ATC services and the 3RS project. FC's approval was also obtained in December 2018 for creating two Chief Air Traffic Control Officer (D1) posts, one permanent and one supernumerary, under the ATMD. To complement the 3RS project, more air traffic controllers and other professional grades staff will be required.

13. As part of the long-term manpower planning, CAD needs to develop strategies to recruit and retain staff in view of the keen demand for professional staff worldwide as a result of robust growth of air traffic and the aviation industry. Measures such as casting a wider net for suitable student air traffic control officers (SATCOs) through relaxing the Chinese language proficiency requirement⁶ have already been implemented. We will continue to review and explore ways to enhance and/or streamline the recruitment procedures and training programme. Further co-operation with HKIAA would also be explored to

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⁶ Under the existing arrangement, the entry requirements for SATCOs include, inter alia, Level 2 in Chinese Language in Hong Kong Diploma of Secondary Education Examination or Hong Kong Certificate of Education Examination. Having carefully reviewed the operational need of air traffic controllers and the objective of widening the candidate pool, in 2018-19, CAD will recruit a limited number of SATCOs who can speak and write Chinese but do not possess the Chinese language proficiency as set out in the entry requirements.

widen the training exposure of CAD staff, as well as enhancing the capability of HKIAA to provide quality professional training which will benefit the development of HKIAA as a regional and international training hub.

14. In the past two years, under the supervision of DDGCA(2), CAD has strengthened internal control and administrative supervision in the light of the recommendations of the Audit Report and the related Public Accounts Committee (PAC) Reports⁷ on CAD. Corporate governance workshops and corruption prevention workshops have been arranged for CAD officers to maintain their awareness on compliance with rules and regulations. Internal administrative procedures and guidelines have been reviewed to enhance monitoring and internal control where necessary.

15. In the years ahead, there will be a continual need for DDGCA(2) to oversee and sustain the momentum of the strengthened administrative supervision and up-keeping staff awareness on compliance. Corporate governance workshops and anti-corruption workshops will be institutionalised as part of the ongoing training of the Department for new comers and existing officers in a systemic manner. The CAD Project Procedures Handbook which has been updated in response to the Audit's recommendations will be further reviewed to incorporate experience gathered from previous tasks. Review of internal administrative procedures and guidelines will be an ongoing exercise to make improvements on various aspects, including work procedures, procurement strategy and record documentation where appropriate.

16. Against the above background, there is a continual need for DDGCA(2) to lead and steer manpower planning for a steadily expanding Department in order to making the best use of manpower resources in different professional grades to cope with the growth in the aviation industry; as well as to continue to strengthen administrative supervision.

Regulatory regime of UAS

17. Given the rapid development of UAS, CAD has initiated a review of the regulation of UAS with a view to further safeguarding public safety and accommodating the technological development and diversified uses of UAS. In April 2018, CAD published a report on the consultancy study commissioned on the regulation of UAS and held a three-month public consultation on the directions for regulating UAS. With the completion of the consultation exercise

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⁷ Chapters 3 and 4 of the Director of Audits' Report No. 63, and Reports No. 63 and 63A of the PAC refer.

in July 2018, CAD, under the steer of DDGCA(2), is drawing up detailed proposals for an enhanced regulatory regime taking into account the recommendations of the consultancy study and the views gathered during the public consultation. The proposals include setting up a registration system, specifying the training requirement for operating different categories of UAS, providing drone maps and prescribing the insurance requirements, etc.

18. The enhancement of the regulatory regime for UAS is a multi-faceted and complicated task. The fast and diversifying development of UAS in terms of both technologies and applications, as well as the fact that there is no uniform standard on the regulation of UAS internationally, make the task complex and challenging. Formulation of new legislation will also be required. In addition, collaboration and liaison with relevant stakeholders, including other B/Ds, professional associations, UAS manufacturers and LegCo Members etc, are necessary.

19. In view of the complexity of the issues involved, the diverse interests of different stakeholders and the significant impact of the regulatory regime on the future development of UAS operations in Hong Kong, DDGCA(2)'s steer and high-level co-ordination is necessary. CAD's plan is to consult the LegCo ED Panel on the legislative proposal in the second quarter of 2019, and develop a strategic framework of implementation measures for both the short-term (up to 2020) and the medium/long-term (2020 onwards), taking into account the feasibility, priority and resource requirement in respect of the recommended measures as a whole.

Amendment exercises on aviation related legislation

20. To ensure that the local legislative framework is adequate and effective, and has incorporated the latest standards and requirements of ICAO as appropriate, CAD has been reviewing aviation related legislation. Since 2017, amendments have been made to the Hong Kong Air Navigation (Fees) Regulations (Cap. 448 sub. leg. D) to revise a number of existing fees, the Hong Kong Civil Aviation (Investigation of Accidents) Regulations (Cap. 448 sub. leg. B) to set up an Air Accident Investigation Authority independent from CAD⁸ in compliance with ICAO Standards and Recommended Practices, and the Air Navigation (Hong Kong) Order 1995 (Cap. 448 sub. leg. C) to effect the

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⁸ The Air Accident Investigation Authority was formally set up under the Transport and Housing Bureau on 10 September 2018.

implementation of the latest requirements of ICAO for the safe transport of dangerous goods under Schedule 6 to the Air Navigation (Hong Kong) Order 1995 (Cap. 448 sub. leg. C) and under the Schedule to the Dangerous Goods (Consignment by Air) (Safety) Regulations (Cap. 384 sub. leg. A).

21. In the coming years, CAD will embark on further legislative amendment exercises. Most notably, amendments need to be made to the Air Navigation (Hong Kong) Order 1995 (Cap. 448 sub. leg. C), which is a major civil aviation legislation in Hong Kong for regulating aviation safety and air navigation matters. The objective of the exercise is to bring the legislation up to date with the latest ICAO requirements/international practices and facilitating the development of aviation industry in Hong Kong⁹. The revamp would be a mammoth task given the scope of potential changes required and liaison with different stakeholders including airport operators, airlines, aircraft maintenance, design and manufacturing organisations. Therefore, it is necessary to retain the supernumerary post of AOSGB so that the post incumbent, who possesses strong administrative skills and is experienced in taking forward legislative amendment exercises, could continue to steer the complex legislative process.

22. In view of the above major tasks, there is a continual need to strengthen the senior directorate support in CAD, and it is proposed that the supernumerary AOSGB post be retained for six years to cope with the operational needs till the full commissioning of 3RS project (targeted for end 2024) until 31 March 2025.

Non-directorate support

23. In order to continue supporting DDGCA(2) to effectively steer the tasks above, he/she will continue to be supported by a total of around 120 non-directorate civil servant posts of various grades, of which four existing time-limited non-directorate posts will also be retained for six years.

ALTERNATIVES CONSIDERED

24. We have critically examined the possibility of re-deploying existing staffing resources within CAD for the tasks as mentioned in paragraphs 8 to 22 above. However, DDGCA(1) (D3), who focuses on supervising the technical

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⁹ Examples include, among other things, the deletion of the obsolete requirement on signing the load-sheet documents in duplicate to facilitate electronic submission and relaxing the requirement applicable to a pilot aged 60 to 65 years in the case of operations with more than one pilot for the purpose of public transport to bring it in line with the latest ICAO requirement.

and professional operations of CAD, is already fully occupied with his own schedule of duties, which cover provision of high-level steer for ensuring the airport's compliance with the international safety and security standards, regulation of airlines and their maintenance operations, performance of ATC systems and provision of air traffic services, etc. His workload is also expected to further increase in the years ahead with the implementation of the ICAO's new requirement on air cargo security screening, as well as preparatory work for 3RS project and expansion of air services amid fast-growing air traffic. Meanwhile, an AOSGB is needed, who is rich in the expertise and experience in administrative and resources management, to complement the work of the Department in the coming six years.

FINANCIAL IMPLICATIONS

25. The proposed retention of the supernumerary AOSGB (D3) post in CAD will incur an additional notional annual salary cost at mid-point of \$2,530,800 and the additional full annual average staff cost, including salaries and staff on-cost, is about \$3,641,000. As regards the four time-limited non-directorate posts mentioned in paragraph 23 above, the additional notional annual salary cost at mid-point is \$3,233,820 and the additional full annual average staff cost, including salaries and staff on-cost, is about \$4,878,000. We have earmarked sufficient funding provision to meet the cost of the proposal.

PUBLIC CONSULTATION

26. We consulted the LegCo ED Panel on 26 November 2018 on the proposed retention of the AOSGB (D3) post. Members generally supported the proposal but considered that given the workload brought/to be brought about by, among others, air traffic growth, the Administration should consider creating a permanent instead of a supernumerary AOSGB post. In view of the increasing operational complexity given the ever-rising traffic growth and the planned commissioning of a 3RS, there may be a need to consider creating an additional permanent DDGCA post in CAD in the longer run. For prudence's sake, we propose retaining the supernumerary AOSGB post for six years to cope with more pressing operational needs till the full commissioning of the 3RS project (targeted for end 2024) until 31 March 2025, and reviewing the situation in due course in order to ascertain how best to meet the Department's needs in the long run.

/ESTABLISHMENT

ESTABLISHMENT CHANGES

27. The establishment changes of CAD for the past two years are as follows –

Establishment (Note)	Number of posts			
	Existing (As at 1 December 2018)	As at 1 April 2018	As at 1 April 2017	As at 1 April 2016
A	21+(1) [#]	21+(1)	21+(1)	21
B	362	348	335	331
C	413	400	380	378
Total	796+(1)	769+(1)	736+(1)	730

Note:

A – ranks in the directorate pay scale or equivalent

B – non-directorate ranks, the maximum pay point of which is above MPS Point 33 or equivalent

C – non-directorate ranks, the maximum pay point of which is at or below MPS Point 33 or equivalent

() – number of supernumerary directorate post

– as at 1 December 2018, there was no unfilled directorate post in CAD

CIVIL SERVICE BUREAU COMMENTS

28. The Civil Service Bureau supports the proposed retention of a supernumerary AOSGB (D3) post in CAD to strengthen the senior management of the Department. The grading and ranking of the post are considered appropriate having regard to the level and scope of responsibilities.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

29. As the directorate post is proposed to be retained on a supernumerary basis, its retention, if approved by FC, will be reported to the Standing Committee on Directorate Salaries and Conditions of Service in accordance with the agreed procedure.

**Job Description for the Post of
Deputy Director-General of Civil Aviation (1)**

Post title : Deputy Director-General of Civil Aviation (1)

Rank : Deputy Director-General of Civil Aviation (D3)

Responsible to : Director-General of Civil Aviation (DGCA)

Main Duties and Responsibilities –

1. To support DGCA in supervising the operations of the Flight Standards and Airworthiness Division, the Air Traffic Management Division, the Air Traffic Engineering Services Division and the Airport Standards Division of the Civil Aviation Department (CAD).
2. To vet and make recommendations on project proposals, permissions and exemptions, air operators' certificates, airport licence review reports and departmental publications on civil aviation regulatory and safety matters for DGCA's consideration.
3. To chair the Project Steering Committee of CAD's Three-Runway System-related Project in order to keep a close view on the project progress and provide the necessary high-level steer on the professional and technical aspects.
4. To oversee schedule co-ordination matters for the Hong Kong International Airport, including chairing Scheduling Advisory Committee Meetings.
5. To represent CAD to participate in various international meetings, forums and conference organised by the International Civil Aviation Organization, the International Air Transport Association and other international and regional organisations in relation to civil aviation matters.
6. Any other duties assigned by DGCA.

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

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

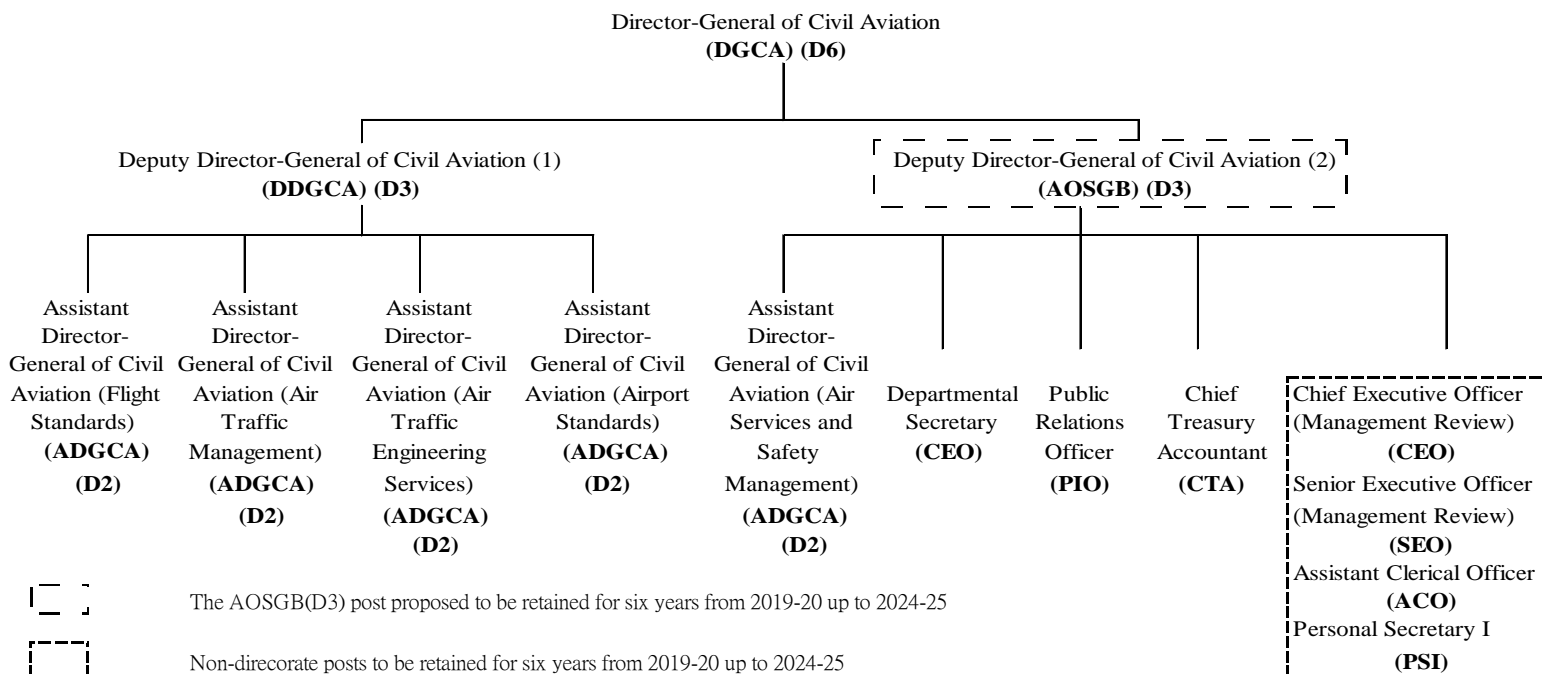
Rank : Administrative Officer Staff Grade B (D3)

Responsible to : Director-General of Civil Aviation (DGCA)

Main Duties and Responsibilities –

1. To support DGCA in supervising the operations of the Air Services and Safety Management Division, the Administration Division and the Finance Division of the Civil Aviation Department (CAD).
2. To provide steer and guidance on the formulation of regulatory regime for unmanned aircraft systems.
3. To oversee the manpower planning and staff development matters of CAD, including chairing the Departmental Consultative Committee.
4. To continue to strengthen administrative supervision in CAD by steering departmental effort in sustaining staff awareness on compliance with rules and regulations through training, reviewing administrative procedures and strengthening internal control where necessary.
5. To map out a co-ordinated and strategic approach in taking forward the amendment exercises of aviation related legislation.
6. To be a member of the Project Steering Committee of CAD's Three-Runway System-related Project, to oversee and steer the project from the perspective of governance, compliance and financial control, and to maintain close liaison with stakeholders including the Legislative Council (LegCo) and the media on the project.
7. To maintain close contact with the LegCo and other outside parties to explain CAD's policies and operations as appropriate.
8. Any other duties assigned by DGCA.

Organisation Chart of Senior Management of Civil Aviation Department



Legend

ACO - Assistant Clerical Officer
 ADGCA - Assistant Director-General of Civil Aviation
 AOSGB - Administrative Officer Staff Grade B
 CEO - Chief Executive Officer
 CTA - Chief Treasury Accountant

DDGCA - Deputy Director-General of Civil Aviation
 DGCA - Director-General of Civil Aviation
 PIO - Principal Information Officer
 PSI - Personal Secretary I
 SEO - Senior Executive Officer