

**For discussion
on 26 November 2018**

**Legislative Council
Panel on Economic Development**

**Proposed Retention of One Supernumerary Post of
Administrative Officer Staff Grade B in the
Civil Aviation Department**

PURPOSE

This paper seeks Members' views of the proposed retention of a supernumerary post of Administrative Officer Staff Grade B (AOSGB) (D3), designated Deputy Director-General of Civil Aviation (2) (DDGCA(2)), in the Civil Aviation Department (CAD) for six years from 1 April 2019 up to 31 March 2025 to continue to strengthen the senior management of the CAD for taking forward various major initiatives as well as sustaining the enhancement of overall administrative control and management in the CAD.

BACKGROUND

2. Prior to June 2016, the Director-General of Civil Aviation (DGCA) (D6) was deputised by one Deputy Director-General of Civil Aviation (DDGCA) (D3), who is one of the professional grade members in the CAD. In view of the need to strengthen the capacity of the senior management of the CAD, with the support of this Panel and approval of the Finance Committee (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.

3. Since the creation of the DDGCA(2) post, DDGCA(2) 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

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

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 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 the CAD. The existing organisation chart showing the Department's senior management (including the DDGCA(2) post) and four non-directorate time-limited posts³ to be retained is at **Annex A**.

4. The supernumerary AOSGB post is due to lapse on 1 April 2019. CAD, after review, considered it operationally necessary to extend this supernumerary AOSGB post, for six years from 1 April 2019, to ensure it has the necessary manpower strength at the senior management level to (i) take forward various major initiatives; and (ii) sustain the enhancement of overall administrative control and management in the CAD, as detailed in the ensuing paragraphs.

JUSTIFICATIONS

Enhancement in senior management support

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

² Offices under the 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 System (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's air navigation services providers.

³ Created in 2016 to provide dedicated support to DDGCA(2) for three years until 31 March 2019.

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, the CAD has provided advice and support 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 different levels of students. This is a key milestone in nurturing local and regional talents in the aviation industry.

6. With the strengthened senior management, the CAD has also kick-started a number of major and important initiatives which are essential to the development of the aviation industry. These include the preparation for supporting the AAHK in the implementation of the Three-Runway System (3RS) project which entail a lot of high-level liaison work with AAHK and among relevant bureaux/departments (B/Ds). Under the steer of DDGCA(2), funding support from the 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 grade colleagues, and has been addressing the recruitment and retention difficulties encountered in the 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).

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 the CAD on the teething issues identified since 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>.

7. The CAD has critically reviewed the manpower position of its senior management and the major tasks ahead in the coming years. The Department considers it necessary to retain the supernumerary AOSGB post for six years for providing high-level management, steer and support. Details are set out in the ensuing paragraphs.

Major tasks ahead

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, the 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, the CAD has been working with various stakeholders including AAHK on the necessary preparatory work. With the funding approval by the 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, the CAD is now 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, the CAD will embark on preparatory work on various other fronts, such as developing new air navigation procedures for 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 airfield 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

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.

Recommended Practices and CAD's Aerodrome Licensing requirements. These are complicated, intertwined and meticulous work requiring strategic planning and co-ordination both within CAD and with other stakeholders including various policy B/Ds and AAHK. While the DDGCA(1) will focus on the professional and technical aspects of the 3RS-related projects within CAD, CAD needs the expertise and rich experience of an AOSGB 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 extended 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 3RS operational needs.

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 the CAD to tackle the challenges. The long lead time for training up a professional staff, for instance 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, the CAD has been reviewing and implementing measures to improve the manpower situation of the department's professional grade, 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. We are also seeking the FC's approval for creating two Chief Air Traffic Control Officer (D1) posts, one permanent and one supernumerary, under the ATMD. In the coming few years, more air traffic controllers and other professional grade staff are required to complement the 3RS project.

13. As part of long-term manpower planning, the CAD needs to develop strategies to recruit and retain staff in view of the keen demand for professional staff worldwide given the robust growth of

air traffic and the aviation industry. Measures such as casting a wider net for suitable student air traffic control officer 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 the HKIAA would also be explored to 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, the 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 the 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.

⁶ Under the existing arrangement, the entry criteria for student air traffic control officers (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 criteria.

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

16. Against the background set out above, 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, the 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, the CAD published a report on a consultancy study commissioned on the regulation of UAS and held a three-month public consultation on the directions for regulating UAS. With the consultation exercise having ended in July 2018, the CAD 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, render the task complex and challenging. Moreover, 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 required.

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 this 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, the 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 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, the CAD will embark on further legislative amendment exercises. Most notably, amendments need to be made to the Air Navigation (Hong Kong) Order (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 the CAD, and it is proposed that the supernumerary AOSGB post be retained for six

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

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.

years to cope with the operational needs till the full commissioning of 3RS projects (which targeted for end 2024) until 31 March 2025. The job description of the post is set out at **Annex B**.

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 the CAD for the tasks as mentioned in paragraphs 8 to 22 above. However, the DDGCA(1) (D3), who focuses on supervising the technical and professional operations of the 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 preparation 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 the 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 3 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 will

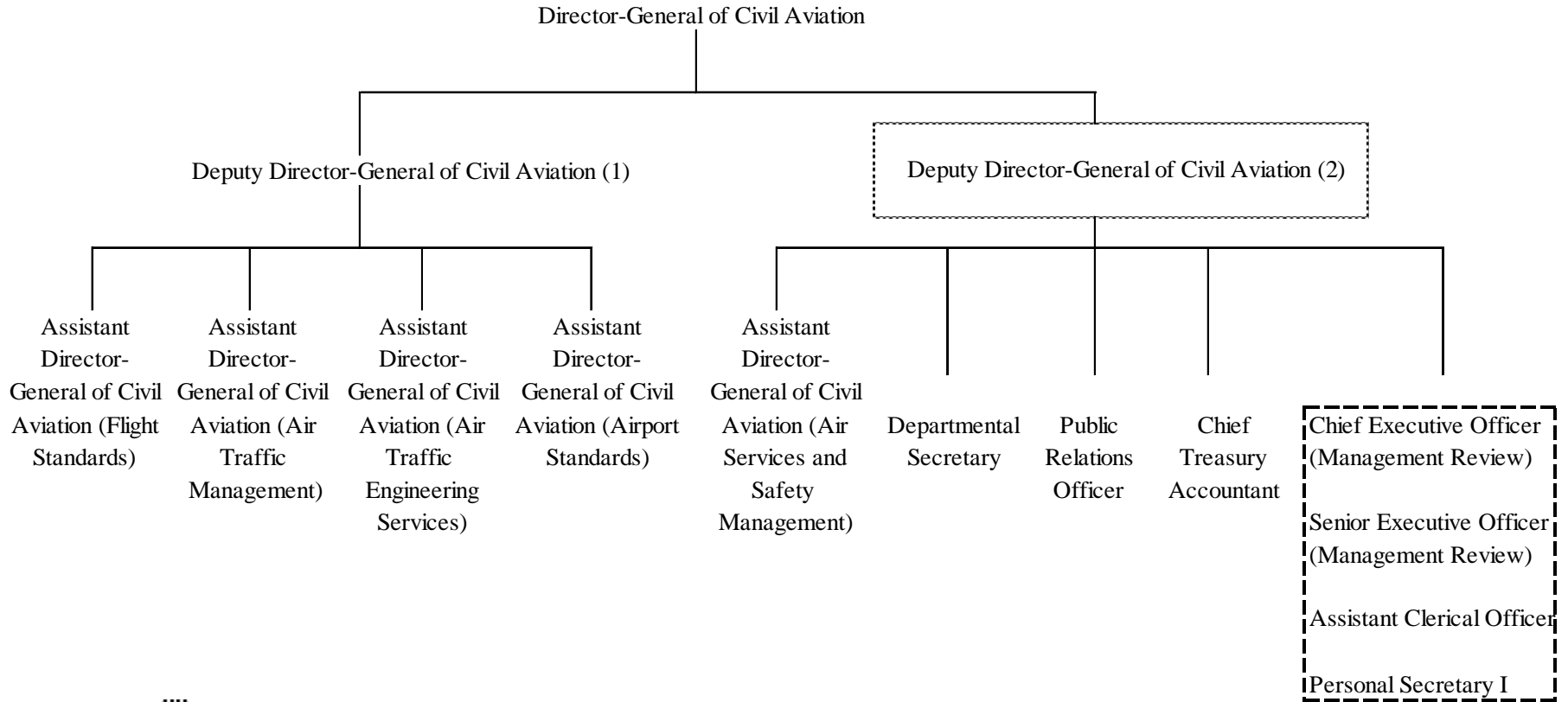
include sufficient provision in the 2019-20 Draft Estimates to meet the costs and will reflect the resources required in the Estimates of subsequent years.

ADVICE SOUGHT

26. Members are invited to give their views on the proposed retention of the supernumerary AOSGB (D3) post in the CAD. Subject to Members' comment, we will seek the necessary funding from the LegCo in accordance with the established procedures as soon as possible.

**Transport and Housing Bureau
Civil Aviation Department
November 2018**

Organisation Chart of Senior Management of Civil Aviation Department



The AOSGB(D3) post proposed to be retained for six years from 2019-20 up to 2024-25.

Non-directorate posts to be retained for six years from 2019-20 up to 2024-25

**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

Main Duties and Responsibilities –

1. To support Director-General of Civil Aviation (DGCA) in supervising the operations of the Air Services and Safety Management Division, the Administration Division and the Finance Division in 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 the CAD, including chairing the Departmental Consultative Committee;
4. To continue to strengthen administrative supervision in the 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; and
8. Any other duties assigned by DGCA.