

Examination of Estimates of Expenditure 2009-10
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

ENB135

Question Serial No.

1152

Head : 44 Environmental
Protection Department

Subhead (No. & title):

Programme : (2) Air

Controlling Officer : Permanent Secretary for the Environment / Director of Environmental Protection

Director of Bureau : Secretary for the Environment

Question : The revised expenditure of \$613.9 million for 2008-09 represents a decrease of 59.3% on the original estimate of \$1,506.8 million while the estimate of \$1,249.2 million for 2009-10 doubles that for the previous year. Please advise:

- (a) The reasons for the substantial revision of the estimate for 2008-09 and provide a breakdown of the reduction in expenditures; and
- (b) The new items involved with the substantial increase of estimate for 2009-10 and its detailed breakdown.

Asked by : Hon. LAU Sau-shing, Patrick

Reply :

- (a) The revised estimate for 2008-09 is lower than the original estimate mainly because of the reduced cash flow requirement of about \$890 million for the one-off grant to encourage early replacement of pre-Euro and Euro I diesel commercial vehicles with new ones complying with the prevailing statutory emission standard.
- (b) A breakdown of the additional provision for 2009-10 is as follows:
 - (i) \$614 million for the aforementioned one-off grant scheme;
 - (ii) \$9.6 million for the trial of ferry using ultra low sulphur diesel;
 - (iii) \$2.9 million for the creation of 13 new posts for enhancing the work under the Air Programme in 2009-10;
 - (iv) \$2.5 million for the procurement of real-time volatile organic compounds (VOC) measurement equipment and VOC active samples; and
 - (v) \$0.8 million for the procurement of PM2.5 measurement equipment.

Signature _____

Name in block letters _____

ANISSA WONG

Post Title _____

Permanent Secretary for the Environment /
Director of Environmental Protection

Date _____

12 March 2009

Examination of Estimates of Expenditure 2009-10
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

ENB136

Question Serial No.

1153

Head : 44 Environmental Protection
Department

Subhead (No. & title):

Programme : (2) Air

Controlling Officer : Permanent Secretary for the Environment / Director of Environmental Protection

Director of Bureau : Secretary for the Environment

Question : Regarding this Programme, please advise:

- (a) The reasons for the difference of more than 5% as the performance indicator of "the number of days with air pollution index (API) not exceeding 100" decreased from 291 days for 2007 to 272 days for 2008;
- (b) The measures and the breakdown of expenditures in respect of the Administration's plans to enhance "the number of days with API not exceeding 100" for 2009 to 295 days;
- (c) Whether the Administration has set a time schedule to meet the target of "the number of days with API not exceeding 100" for the whole year. If yes, what are the details? If not, what are the reasons?

Asked by : Hon. LAU Sau-shing, Patrick

Reply :

- (a) Among recent years, 2008 had more occurrences of weather conditions conducive to the formation of ozone, a strong oxidant, in the region via a photochemical reaction. The higher level of background ozone in the air aggravated the oxidation of nitrogen monoxide emitted from motor vehicles to nitrogen dioxide, resulting in more incidents of elevated nitrogen dioxide and hence API exceeding 100 at the roadside in the year. Hence, the number of days with API not exceeding 100 in the year dropped to 272 from 291 in 2007.
- (b) The target number of days with API not exceeding 100 for 2009 is the average number of such days over the past three years including 2008. The underlying assumptions are that the weather conditions would be closer to the norm and there would be gradual improvement of air quality due to implementation of emission control measures.

In 2009, the HKSAR Government will take the following air quality improvement measures, which also help meet the emission reduction targets for the Pearl River Delta (PRD) Region by 2010 that the HKSAR Government and the Guangdong Provincial Government have agreed to attain on a best endeavour basis:

- continue to progressively tighten emissions caps on the power stations;
- continue to implement existing measures and develop new ones to reduce vehicle emissions. The major initiatives include incentivizing the early replacement of pre-Euro and Euro I diesel commercial vehicles by new ones, encouraging the use of environment-friendly vehicles, studying the feasibility of introducing a pilot low emission zone scheme targeting at old franchised buses, strengthening the emission control of in-use petrol and liquefied petroleum gas vehicles, developing a specification for biodiesel as motor vehicle fuel, developing a legislative proposal to ban idling vehicles with running engines, etc.;
- regulate the contents of volatile organic compounds in architectural paints, printing inks and selected consumer products in phase; and

- develop a proposal to control emissions from off-road mobile sources and conduct a trial of local ferries using ultra low sulphur diesel.

The measures are part and parcel of Programme (2) Air. Resources required for 2009-10 will be covered by provision under the Programme.

- (c) It is our goal to achieve an API reading of below 100 for the entire year. To this end, we have been working together with the Guangdong Provincial Government to reduce the emissions in the whole PRD Region. To further improve air quality, we are now reviewing the Hong Kong Air Quality Objectives (AQOs), taking account of the Air Quality Guidelines of the World Health Organisation and practices of other advanced countries. Apart from recommending a new set of AQOs, the review will recommend a package of emission reduction measures to achieve the new AQOs.

Signature _____

Name in block letters ANISSA WONG

Post Title Permanent Secretary for the Environment /
Director of Environmental Protection

Date 17 March 2009

Examination of Estimates of Expenditure 2009-10
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INITIAL WRITTEN QUESTION**

Reply Serial No.

ENB137

Question Serial No.

2702

Head : 44 Environmental
Protection Department

Subhead (No. & title):

Programme : (6) Nature Conservation

Controlling Officer : Permanent Secretary for the Environment / Director of Environmental Protection

Director of Bureau : Secretary for the Environment

Question : According to the Administration, the increase to \$7.1 million in the revised estimate for 2008-09 (an increase of 24.6%) was due to the required provision for the consultancy study on green procurement. Please give a breakdown of the content and findings of the study and the provision involved.

Asked by : Hon. LAU Sau-shing, Patrick

Reply :

In August 2008, the Environmental Protection Department reserved \$1 million to commission a consultancy study to update the existing green specifications, and develop new specifications for more items commonly procured by the Administration with a view to expanding the scope of green procurement. These items include paper products and cleaning products, computer equipment, telecommunication products, electrical appliances and furniture.

The study will be completed by mid-2009. The Administration will make reference to the findings of the study and procure more environmental-friendly items with the updated green specifications.

Signature _____

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ANISSA WONG

Post Title _____

Permanent Secretary for the Environment /
Director of Environmental Protection

Date _____

16 March 2009

Examination of Estimates of Expenditure 2009-10
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Reply Serial No.

ENB182

Question Serial No.

1154

Head : 137 Government Secretariat: Subhead (No. & title):
Environment Bureau

Programme : (3) Sustainable Development

Controlling Officer : Permanent Secretary for the Environment

Director of Bureau : Secretary for the Environment

Question : The revised estimate for 2008-09 is lower than the original estimate by as much as 28.5 %. Please state the reasons in detail.

Asked by : Hon. LAU Sau-shing, Patrick

Reply :

The revised estimate in 2008-09 is 28.5% less than the original estimate mainly due to the following reasons -

- (a) The Council for Sustainable Development (SDC) had needed more time in considering and deciding on the subject of its next engagement process. With due deliberation, the SDC has decided that the new engagement process, on fostering a quality and sustainable built environment, would be launched in mid 2009. The decrease in the revised estimate against the original estimate reflects that most of the expenditure on implementing the engagement process will be incurred in 2009-10.
- (b) Payment of grants under the Sustainable Development Fund is made on reimbursement basis subject to submission of expenditure claims by Fund recipients. In 2008-09, the expenditure claims submitted by Fund recipients are less than the projected cash flow.

Signature _____

Name in block letters _____

ANISSA WONG

Post Title _____

Permanent Secretary for the Environment

Date _____

12 March 2009

Examination of Estimates of Expenditure 2009-10
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Reply Serial No.

ENB183

Question Serial No.

1155

Head : 137 Government Secretariat: Subhead (No. & title):
 Environment Bureau

Programme : (3) Sustainable Development

Controlling Officer : Permanent Secretary for the Environment

Director of Bureau : Secretary for the Environment

Question : The estimate for the Programme (3) Sustainable Development (SD) for 2009-10 will be increased by \$5.4 million (19.9 %) mainly for the implementation of the Council for Sustainable Development (SDC)'s public engagement process on fostering a quality and sustainable built environment and the increased cash flow requirement of the SD Fund. Please give a breakdown of the relevant expenditures by items.

Asked by : Hon. LAU Sau-shing, Patrick

Reply :

The estimate for the Programme (3) SD in 2009-10 is \$5.4 million (19.9%) higher than the revised estimate for 2008-09. This is mainly due to the implementation of the SDC's public engagement process on fostering a quality and sustainable built environment and the increased cash flow requirement of the SD Fund.

Regarding the implementation of the SDC's engagement process, the SDC had needed more time in considering and deciding on the subject of its next engagement process. With due deliberation, the SDC has decided that the new engagement process, on fostering a quality and sustainable built environment, would be launched in mid 2009. As such, most of the expenditure on implementing the engagement process will be incurred in 2009-10. This accounts for about \$2.9 million of the difference of \$5.4 million above mentioned. An increase of another \$2.5 million is attributable to the SD Fund basing on the latest projected cash flow requirements of on-going and new projects.

Signature _____

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ANISSA WONG

Post Title _____

Permanent Secretary for the Environment

Date _____

13 March 2009

Examination of Estimates of Expenditure 2009-10
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Reply Serial No.

ENB184

Question Serial No.

1156

Head : 137 Government Secretariat: Subhead (No. & title):
 Environment Bureau

Programme : (3) Sustainable Development

Controlling Officer : Permanent Secretary for the Environment

Director of Bureau : Secretary for the Environment

Question : The estimated provision for 2009-2010 is lower than the estimate for 2008-2009 by 14.2%. What are the reasons? Please state in detail what plans and measures the Bureau will take, under the circumstances, to ensure an effective promotion of sustainable development in Hong Kong.

Asked by : Hon. LAU Sau-shing, Patrick

Reply :

Of the 14.2% decrease of the estimated provision for 2009-2010 against the original estimate for 2008-2009, part of it is attributable to having a reduced funding for updating the habitat mapping data in the 2009-2010 financial year. The exercise is a biennial one whereby habitat mapping data for the computer aided sustainability evaluation tool will be updated to maintain the validity of the sustainability assessment system.

The difference is also partly due to the latest projected cash flow requirements for on-going and new projects under the Sustainable Development (SD) Fund. The revised cash flow projection for the SD Fund would not affect the number of projects to be approved for granting the SD Fund. The SD Fund has sufficient resources for granting new projects that could meet the SD Fund's objectives in promoting the concept of sustainable development to the community.

We would continue to monitor the situation closely to make sure that sufficient resources are available for an effective promotion of sustainable development in Hong Kong.

Signature _____

Name in block letters _____

ANISSA WONG

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Permanent Secretary for the Environment

Date _____

12 March 2009

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Reply Serial No.

ENB185

Question Serial No.

2699

Head : 137 Government Secretariat: Subhead (No. & title):
Environment Bureau

Programme : (2) Power

Controlling Officer : Permanent Secretary for the Environment

Director of Bureau : Secretary for the Environment

Question : The provision for Environment Bureau under this Programme in 2009 – 2010 will increase by \$5.9 million (33.9%). This is mainly due to additional provision for the consultancy study on the issue of energy wastage of external lighting and increase in cash flow requirement of consultancy studies for developing the regulatory and market restructuring framework of electricity supply industry in Hong Kong. Please provide the following information:

- (a) Details and results of the consultancy studies and a breakdown of the provision involved.
- (b) Detailed breakdowns and information of other expenditures under this Programme.

Asked by : Hon. LAU Sau-shing, Patrick

Reply :

- (a) The Environment Bureau has engaged a consultant to conduct studies on the long-term market structure for the electricity market, which commenced in end January 2009. The consultancy study will cost around \$2.8 million. The engaged consultant will look into options of a new market mechanism and the associated regulatory framework for the post-2018 market, with due regard to the unique situation of Hong Kong. It is expected that the consultancy study will be completed by the end of 2009.

The consultancy studies on the issue of energy wastage of external lighting will cover issues including overseas practices in guiding and regulating external lighting and survey on the impacts of external lighting in Hong Kong. We are in the process of engaging consultants for the studies. It is estimated that the studies will cost about \$4 million and will be completed by the end of 2009.

- (b) Breakdown on other expenditures under programme (2): Power is set out below:

Item	\$ million
Personal emoluments and personnel related expenses	11.3
Other operating expenses (including general administration expenses, information technology support services and provision for other minor studies)	5.2
Total	16.5

Signature _____

Name in block letters _____ **ANISSA WONG**

Post Title _____ Permanent Secretary for the Environment

Date _____ 18 March 2009