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**Replies to supplementary questions raised by Finance Committee Members
in examining the Estimates of Expenditure 2006-07**

Director of Bureau : Secretary for the Environment, Transport and Works

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**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Head: 42 Electrical and Mechanical Services Subhead:
Department

Programme: (3) Energy efficiency and conservation, and alternative energy

Controlling Officer: Director of Electrical and Mechanical Services

Director of Bureau: Secretary for the Environment, Transport and Works

Question:

The Administration undertook to -

- (a) advise which government office and magistracy lawcourt would energy audits be carried out in 2006;
- (b) provide a written response to members' request for publicizing the annual reports on the energy efficiency of government departments.

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

- (a) It has been planned to conduct energy audits on Wu Chung House and Eastern Law Court Building.
- (b) We will examine the feasibility of requiring departments to provide energy efficiency information in their annual environmental reports and will revert in three months.

Signature _____

Name in block letters _____ Roger S.H. LAI

Post Title Director of Electrical and Mechanical Services

Date _____ 17.3.2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-ETWB(E)02

Question Serial No.

SV39

Head : 44 Environmental Protection Subhead (No. & title):
Department

Programme : (2) Air

Controlling Officer : Permanent Secretary for the Environment, Transport and Works (Environment)/
Director of Environmental Protection

Director of Bureau : Secretary for the Environment, Transport and Works

Question : In response to Hon. Miriam LAU, the Administration undertook to provide the outcome of
feasibility studies on the use of biodiesel. (follow-up to reply serial no. ETWB(E)083)

Asked by : Hon. LAU Kin-ye, Miriam

Reply : Biodiesel is a renewable form of fuel produced from vegetables, crops or animal fats. If
ultra-low sulphur diesel is replaced by one with 5% biodiesel (named B5), there will be about
2% reduction in particulates, 3% reduction in carbon monoxide and 5% reduction in
hydrocarbons for an individual vehicle.

When used on vehicles, biodiesel can corrode vehicle components made of natural rubber.
The Government of Japan is conducting a study on the suitability of biodiesel as a motor
vehicle fuel. The Japanese Automobile Manufacturer Association has advised us to consider
the outcome of the study which will be completed in the middle of 2006. As Japan is the
major source of our vehicle supply, we will take into account the findings of the study when
considering whether and how to promote the use of biodiesel.

Signature _____

Name in block letters _____ K. K. Kwok

Post Title Permanent Secretary for the Environment,
Transport and Works (Environment) /
Director of Environmental Protection

Date _____ 18 March 2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-ETWB(E)03

Question Serial No.

S90

Head : 44 Environmental Protection
Department

Subhead (No. & title):
000 Operational Expenses

Programme :

Controlling Officer : Permanent Secretary for the Environment, Transport and Works (Environment)/ Director of Environmental Protection

Director of Bureau : Secretary for the Environment, Transport and Works

Question : In its reply to Serial No. ETWB(E)115, the Administration has only briefly mentioned some programmes and new initiatives that will bring about an increase in expenditure. Would the Administration provide more detailed breakdown in expenditure and work plan as well as details of new programmes?

Asked by : Hon. TAM Heung-man

Reply : Under general departmental expenses, the increase of \$41.3 million in the 2006-07 estimate as compared to the 2005-06 revised estimate is due to the increased requirements for the following items –

| Items | \$ million |
|--|------------|
| (a) Additional provision for implementation of the territory-wide source separation of waste programme | 6.0 |
| (b) Development of the EcoPark | 2.0 |
| (c) Setting up of a dedicated waste recycling website | 3.0 |
| (d) Consultancy studies on plastic bags levy and Producer Responsibility Schemes for waste electronic and electrical equipment | 1.1 |
| (e) Implementation of a gross emitter control programme for petrol and liquefied petroleum gas vehicles | 4.0 |
| (f) Developing regulatory control on volatile organic compounds emissions | 1.8 |
| (g) Study on gas-fueled buses | 5.0 |
| (h) Funds earmarked for studies on air pollution sources and control | 6.0 |
| (i) Additional provision for implementation of the retrofitting programme to address traffic noise of existing roads | 3.0 |
| (j) Setting up of new and improvement to existing Environmental Resource Centres | 4.5 |
| (k) Consultancy studies on knowledge management and human resources management | 1.0 |
| (l) Setting up the Compliance Assistance Centre | 0.4 |
| (m) Other additional requirements under general departmental expenses | 3.5 |
| Total | 41.3 |

The details and the work plans are attached at the Annex.

Signature _____

Name in block letters _____

Post Title _____

Date _____

K. K. Kwok

Permanent Secretary for the Environment,
Transport and Works (Environment) / Director of
Environmental Protection

18 March 2006

Work Plan and Details

| | |
|-----|--|
| (a) | <p><u>Implementation of the territory-wide source separation of waste programme</u></p> <p>The Programme on Source Separation of Domestic Waste is a territory-wide initiative launched in January 2005 to promote waste recovery from domestic sources. Up to mid-February 2006, 241 housing estates (representing 368 000 households and a population of 1 170 000) have signed up to join the programme. Participating estates would place bins, racks or bags on every floor of apartment blocks where possible to make it more convenient for residents to separate waste for recycling. The types of recyclables collected have also been expanded from waste papers, aluminium cans and plastic bottles to any types of recyclable materials. Targets have been set to increase the number of participating estates to 470, 700, 1140 and 1360 by the end of 2006, 2007, 2009 and 2010 respectively. This would enable 80% of the population in Hong Kong to participate in the programme by 2010. EPD will intensify the work to recruit housing estates to join the programme and an additional provision of \$6 million will be required in 2006-07 to set up additional teams to carry out the recruitment work and to provide follow-up technical support to the participating estates in the actual implementation.</p> |
| (b) | <p><u>Development of the EcoPark</u></p> <p>The objective of the EcoPark is to promote the waste recycling and environmental industry to handle local waste diverted from landfills as a result of a comprehensive waste management strategy. A 20-hectare site at Tuen Mun Area 38 has been set aside for the development of a permanent EcoPark for exclusive use by the environmental industry. The EcoPark will be developed in two phases. We are planning to commission Phase I of the EcoPark for occupation by tenants towards the end of 2006, while Phase II is scheduled for commissioning in late 2009. The annual recurrent cost for Phase I of the EcoPark in 2006-07 will be \$2 million. This will increase to \$11 million per annum when both Phase I and Phase II of the EcoPark are fully operational.</p> |
| (c) | <p><u>Setting up of a dedicated waste recycling website</u></p> <p>The EPD website currently provides the public with information about waste generation, reduction and management in Hong Kong. However, the webpage design is not very user-friendly for the users to locate specific information on waste reduction and recycling. With the increasing importance of waste reduction and source separation of waste for recycling, there is a clear and urgent need to develop a dedicated waste recycling website. The planned website will serve as a one-stop shop for the distribution of timely and informative materials to help all sectors of the community to reduce consumption, prevent waste generation, purchase more environmentally friendly products, promote waste exchange, and recover used products and materials for reuse and recycling, etc. The estimated hardware and software development cost is about \$2.4 million. The annual recurrent cost for maintenance of the website is about \$0.6 million.</p> |

| | |
|-----|--|
| (d) | <p><u>Consultancy studies on plastic bags levy and Producer Responsibility Schemes (PRs) for waste electronic and electrical equipment (WEEE)</u></p> <p>The Government aims to introduce the Product Eco-responsibility Bill into the Legislative Council in 2006. The bill will provide a legal framework for the PRs. The EPD is developing the PRs and regulatory measures for plastic bags and WEEE. The purposes of the two studies on plastic bags and WEEE respectively are to support the development and evaluation of PRs for these products. We plan to seek views from the stakeholders on the feasible schemes for regulating plastic bags and WEEE in 2006-07 and to introduce the subsidiary legislation for these products in 2007.</p> <p>The above-mentioned studies will be completed in 2006. The estimated expenditures in 2006-07 for the study on plastic bags and the study on WEEE are \$0.68 million and \$0.46 million respectively.</p> |
| (e) | <p><u>Implementation of a gross emitter control programme for petrol and liquefied petroleum gas (LPG) vehicles</u></p> <p>To further reduce emissions from motor vehicles, we are working on a proposal to adopt remote sensing equipment in Hong Kong for screening out petrol and LPG vehicles emitting excessively for further emission tests by way of a dynamometer. The estimated expenditure in 2006-07 is about \$4 million, which covers trials and setting up of the equipment required for implementing the programme. We intend to put up the proposal for consultation in 2007.</p> |
| (f) | <p><u>Developing regulatory control on volatile organic compounds (VOC) emissions</u></p> <p>To help achieve the 2010 emission reduction target for VOC, we need to explore measures for further reducing the VOC emissions from solvent uses, non-architectural coatings and miscellaneous sources. We will conduct studies on the VOC emissions from these sources, including reactivities, effects on air pollution, international control practices and cost-effectiveness of various control measures with a view to proposing the most appropriate policies and control programmes. The plan is to complete the studies in 2007-08. The estimated expenditure in 2006-07 is \$1.8 million.</p> |
| (g) | <p><u>Study on gas-fueled buses</u></p> <p>To further reduce emission from buses, we will conduct a study on gas-fueled buses to examine in two stages including the feasibility of introducing natural gas (NG) and LPG buses in Hong Kong. The stage 1 study will cover the availability and reliability of gas supply, suitability of gas buses for local operation, maintenance requirements, infrastructural requirements, environmental merits, safety issues and the required regulatory framework. With a budget of \$5 million in 2006-07, the stage 1 study will commence in mid-2006 and will take 16 months to complete. Subject to the outcome of the stage 1 study, the stage 2 study will examine impacts on bus fares, the community's willingness to pay and its cost-effectiveness.</p> |

| | |
|-----|--|
| (h) | <p><u>Funds earmarked for studies on air pollution sources and control</u></p> <p>We are discussing with the Guangdong side on conducting more studies on the sources of air pollution and control measures. Subject to the outcome of the discussions, we plan to start the studies in 2006-07 and \$6 million has been earmarked for such purpose.</p> |
| (i) | <p><u>Implementation of the retrofitting programme to address traffic noise of existing roads</u></p> <p>To address traffic noise impact of existing roads, we have identified 36 road sections for retrofitting with noise barriers in phases and 72 road sections for paving with low noise surfacing material in phases. An additional provision of \$3 million would be for conducting necessary reviews, investigations and studies to support the implementation of the noise retrofitting programme in 2006-07.</p> |
| (j) | <p><u>Setting up of new and improvement to existing Environmental Resource Centres (ERCs)</u></p> <p>To provide the public with easy access to latest environmental information, we plan to set up a new Environmental Education Centre at West Point and a new Mobile ERC in 2006-07 at an estimated cost of \$3.2 million. Another \$0.6 million is required for enhancing the building services facilities at Tsuen Wan ERC while the remaining \$0.7 million is for setting up new interactive exhibits in the ERCs at Fanling and Wan Chai.</p> |
| (k) | <p><u>Consultancy studies on knowledge management (KM) and human resources management (HRM)</u></p> <p>The consultancy study on KM aims to develop a KM strategy and framework to enable EPD to become a knowledge-leveraged department. The study will be completed in June 2006 with a total cost of about \$0.3 million. The consultancy study on HRM aims to develop a web-based HRM System to manage the human resources data, administrative matters and related subjects more effectively. The system will be commissioned for use at the end of 2006 with a total cost of about \$0.7 million.</p> |
| (l) | <p><u>Setting up the Compliance Assistance Centre (CAC)</u></p> <p>The CAC is to provide a dedicated centre where the trade practitioners can gain access to up-to-date information on pollution prevention, trade specific environmental support programmes and professional advice on law compliance under one roof. The CAC will be located at Southorn Centre in Wan Chai. It is targeted for operation in mid-2006 with a cost of about \$0.4 million.</p> |
| (m) | <p><u>Other additional requirements</u></p> <p>These are for anticipated increase in general administration expenses, stores and equipment and provision for in-year minor studies. An estimated additional amount of \$3.5 million is earmarked for the purpose.</p> |