

Head 42 — ELECTRICAL AND MECHANICAL SERVICES DEPARTMENT

Controlling officer: the Director of Electrical and Mechanical Services will account for expenditure under this Head.

Estimate 2006–07	\$289.7m
Establishment ceiling 2006–07 (notional annual mid-point salary value) representing an estimated 314 non-directorate posts as at 31 March 2006 reducing by one post to 313 posts as at 31 March 2007	\$123.8m
In addition, there will be an estimated 12 directorate posts as at 31 March 2006 and as at 31 March 2007.	
Commitment balance	\$10.3m

Controlling Officer's Report

Programmes

Programme (1) Energy supply; electrical, gas and nuclear safety	This programme contributes to Policy Area 4: Posts, Power, Competition Policy and Consumer Protection (Secretary for Economic Development and Labour), Policy Area 7: Public Safety (Secretary for Economic Development and Labour), Policy Area 9: Internal Security (Secretary for Security) and Policy Area 23: Environmental Protection and Conservation (Secretary for the Environment, Transport and Works).
Programme (2) Mechanical installations safety	This programme contributes to Policy Area 18: Recreation, Culture, Amenities and Entertainment Licensing (Secretary for Home Affairs), Policy Area 21: Transport (Secretary for the Environment, Transport and Works) and Policy Area 22: Buildings, Lands and Planning (Secretary for Housing, Planning and Lands).
Programme (3) Energy efficiency and conservation, and alternative energy	This programme contributes to Policy Area 23: Environmental Protection and Conservation (Secretary for the Environment, Transport and Works).
Programme (4) Centralised services and special support	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for the Environment, Transport and Works).

Head 42 does not include expenses attributable to the Electrical and Mechanical Services Trading Fund (EMSTF) established in August 1996, other than EMSTF's share of the common administrative expenses provided by the Electrical and Mechanical Services Department. Such expenses will be reimbursed to Government through General Revenue.

Detail

Programme (1): Energy supply; electrical, gas and nuclear safety

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	102.8	96.8	97.2 (+0.4%)	96.1 (–1.1%)
				(or –0.7% on 2005–06 Original)

Aim

2 The aim is to safeguard public safety through implementation of a set of comprehensive regulatory frameworks and systems on electrical and gas applications and working closely with the community on public education, to monitor the operation and development of the electricity utilities and supply, and to provide professional support and advice on nuclear related matters.

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Brief Description

3 For the regulatory functions, the Department is responsible for the administration and enforcement of the Electricity Ordinance, the Gas Safety Ordinance and the Oil (Conservation and Control) Ordinance. The work includes:

Gas safety

- administration and enforcement of the Gas Safety Ordinance, including registration of gas supply companies, installers and contractors; monitoring gas distributors and contractors; and approval and inspection of gas appliances, tubing and installations;
- risk assessment of potentially hazardous installations relating to gas supply and land use planning aspects;
- assessment, approval and monitoring of natural gas supply projects;
- enlistment of competent persons for maintenance of liquefied petroleum gas (LPG) vehicles and type approval of LPG vehicles' fuel systems;
- approval and monitoring of the operation of LPG filling stations and LPG vehicle maintenance workshops;
- investigation of gas incidents;
- initiating prosecution and taking disciplinary actions;
- promotion of gas safety;

Electrical safety

- administration and enforcement of the Electricity Ordinance, including registration of electrical workers, contractors and competent persons, recognised certification bodies and recognised manufacturers; and inspection of electrical installations and products;
- investigation of electrical incidents;
- initiating prosecution and taking disciplinary actions;
- promotion of electrical safety;

Electricity utility monitoring (Scheme of Control Agreements)

- annual auditing review of technical performance of electricity utilities;
- assessment of electricity utilities' development plans;
- technical advice relating to monitoring of electricity utilities;

Energy supply

- administration and enforcement of the Oil (Conservation and Control) Ordinance;
- compilation of statistics on oil and gas supply from the oil and gas companies;

Nuclear safety

- reviewing and implementing departmental plans in preparedness for nuclear emergencies;
- responding immediately to initial alert, and interpreting and assessing engineering information received;
- planning and participating in exercises and drills in response to nuclear emergencies; and
- giving professional advice on matters relating to nuclear power and associated emergency preparedness.

4 The Department met the targets in 2005.

5 The key performance measures are:

Targets

	Target Working Days	2004 (Actual)	2005 (Actual)	2006 (Plan)
<i>Gas safety</i>				
registration of installers.....	13	13	13	13
registration of contractors	45	45	45	45
approval for construction of notifiable gas installations.....	34	34	34	34
approval for use of notifiable gas installations.....	14	14	14	14
approval for use of equipment/materials.....	30	30	30	30

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	Target Working Days	2004 (Actual)	2005 (Actual)	2006 (Plan)
scheduling and inspection of LPG road tankers and cylinder wagons	20	20	20	20
investigation of reports of illegal installations.....	10	10	10	10
response to complaints of excessive storage of LPG.....	2	2	2	2
enlistment of competent persons for LPG installations/gasholders.....	30	30	30	30
<i>LPG vehicle safety</i>				
enlistment of competent persons for maintenance of fuel systems.....	30	30	30	30
approval for use of LPG fuel tanks in vehicles.....	30	30	30	30
approval for construction of filling stations.....	34	34	34	34
maintenance workshops	34	34	34	34
approval for use of filling stations.....	14	14	14	14
maintenance workshops	14	14	14	14
<i>Electrical safety</i>				
registration of electrical workers/contractors/competent persons	14	14	14	14
registration of recognised certification bodies and manufacturers	20	20	20	19
endorsement of testing certificate of electrical installations	14	14	14	14
investigation of incidents/complaints related to electrical installations/products.....	14	14	14	14
<i>Electricity utility monitoring</i>				
conducting an annual technical performance audit on each of the two power companies under the Scheme of Control Agreements.....	120	120	108	120
providing technical input in the financial auditing review of capital expenditure variances of transmission and distribution projects	60	54	45	60
providing technical advice related to electricity utilities matters.....	14	14	14	14
conducting an assessment of the planning/performance of the two power companies' demand side management (DSM) programmes.....	60	45	—#	—#
conducting a site audit to verify the performance of the two power companies in respect of the DSM rebate programmes on heating, ventilating and air-conditioning.....	30	24	—#	—#

Nuclear safety

The target is to ensure the availability of fully-trained and competent officers round the clock to provide an immediate response to an initial alert, and to provide professional advice to the Government on matters relating to nuclear power and nuclear emergencies.

§ The target has been revised from 21 to 20 working days with effect from 2005 to reflect increase in efficiency.

The programmes were completed in 2003–04.

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Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
<i>Gas safety</i>			
audit inspections to gas supply companies, contractors and distributors	1 551	1 510	1 700
notifiable gas installations and related inspections	1 068	1 181	1 100
follow-up inspections and quality assurance visits	1 912	1 906	1 900
applications processed for equipment approval and registration of gas contractors/installers	384	306	350
LPG road tankers and cylinder wagons inspected	607	593	590
notifiable gas installations approved	33	30	30
requests for advice/public enquiries/complaints	3 943	4 029	4 000
gas incidents investigated	481	340	320
prosecutions/improvement notices served	66	58	60
competent persons (for LPG installations/gasholders) enlistment processed	1	5	2
<i>LPG vehicle safety</i>			
competent persons enlistment application processed	72	42	50
LPG fuel tanks in vehicles approved and revalidated	1 972	6 868	9 200^φ
inspections of vehicles, filling stations and maintenance workshops (all before grant of approval)	84	75	50
inspections of approved filling stations	46	50	220
inspections of approved workshops	30	36	35
filling stations approved	4	5	1
maintenance workshops approved	2	7	2
requests for advice/public enquiries/complaints	982	1 462	1 200
<i>Electrical safety</i>			
site inspections on electrical installations	8 789	8 477	8 400
site inspections on electrical products	3 741	3 756	3 800
electrical workers/contractors/competent persons registration applications processed (including renewals)....	33 423 ^μ	28 863	13 200
recognised certification bodies and manufacturers applications processed	3	7	3
periodic testing certificates of electrical installations processed	7 068	6 348	6 400
reported electrical incidents investigated	311	374	320
reported unsafe electrical installations/products investigated ..	604	601	600
prosecutions/disciplinary actions conducted	300	377	360
requests for advice/enquiries	65 496	50 429	50 000
electrical products tested	50	62	60
<i>Electricity utility monitoring</i>			
technical indicators assessed in the annual auditing review to monitor the technical performance of electricity utilities	62	62	62
transmission and distribution projects assessed relating to technical input in the financial auditing review of capital expenditure variances	37	15	40
requests for advice on electricity utilities matters handled	71	94	90
DSM programmes examined in the annual performance/triennial planning assessment	3	—#	—#
DSM rebate programmes on heating, ventilating and air-conditioning verified in site audit	3	—#	—#
<i>Nuclear safety</i>			
technical co-operation or exchanges participated	3	3	3
exercises and drills participated	2	2	2

φ The number of 5-yearly LPG fuel tank revalidations to be processed will peak in 2006.

μ The number of 3-yearly registration renewals processed peaked in 2004–05.

The programmes were completed in 2003–04.

Matters Requiring Special Attention in 2006–07

6 During 2006–07, the Department will:

- consider the application for the use of submarine natural gas pipelines from Shenzhen to Hong Kong Electric Power Generation Plant on Lamma Island and from Shenzhen to Tai Po Gas Production Plant;
- consider the application for the construction and use of natural gas receiving facilities for the Power Generation Plant on Lamma Island;
- monitor the commissioning of the town gas production facilities for usage of natural gas in Tai Po Gas Production Plant;
- provide expert and technical advice on liquefied natural gas terminal site selection exercise by Castle Peak Power Company Limited;
- monitor the implementation of the new code of practice for flexible gas tubing for low pressure applications;
- monitor the implementation of the new code of practice for installation of excess flow valves;
- monitor the implementation of the revised code of practice for LPG cylinder distributors;
- implement the new computer-based “Integrated Gas Safety Enforcement System” (IGSES);
- monitor the further development and operation of LPG filling stations to support LPG fuelled vehicles;
- implement the revised Code of Practice on Working near Electricity Supply Lines;
- collaborate with the trade to train trade workers and initiate publicity/public education programmes on cable colour change for the electrical installations in Hong Kong;
- revise the Guidance Notes for the Electrical Products (Safety) Regulation;
- continue to enhance co-operation with Mainland authorities on safety requirements of electrical and gas products; and
- continue to consider matters relating to the mapping out of the regulatory arrangements for the post-2008 electricity market.

Programme (2): Mechanical installations safety

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	26.5	25.4	25.7 (+1.2%)	27.2 (+5.8%)
				(or +7.1% on 2005–06 Original)

Aim

7 The aim is to safeguard public safety through implementation of a set of comprehensive regulatory frameworks and systems on lifts, escalators, builders’ lifts, tower working platforms, amusement rides, trams and other mechanical installations, and working closely with the community on public education.

Brief Description

8 The Department is responsible for the administration and enforcement of various safety ordinances, including the Lifts and Escalators (Safety) Ordinance, the Amusement Rides (Safety) Ordinance, the Aerial Ropeways (Safety) Ordinance, the Builders’ Lifts and Tower Working Platforms (Safety) Ordinance, and certain provisions of the Tramway Ordinance and the Peak Tramway (Safety) Regulations. For ease of reference, activities relating to all these enactments which are under different policy areas are reported under this programme. The work includes:

- administration and enforcement of the above ordinances and regulations on mechanical safety, including registration of contractors, engineers and competent persons and inspection of installations;
- approval of design and construction of amusement rides, builders’ lifts and tower working platforms, and new brands/models of lift and escalator equipment;
- preparation of codes of practice;
- investigation of incidents;
- provision of expert advice; and
- initiating prosecution and taking disciplinary actions.

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9 The Department met the targets in 2005.

10 The key performance measures are:

Targets

	Target Working Days	2004 (Actual)	2005 (Actual)	2006 (Plan)
registration of				
lift/escalator contractors	45	45	45	45
lift/escalator engineers	45	45	45	45
endorsement of periodic test certificates for				
lifts and escalators	14	14	14	14
builders' lifts and tower working platforms	14	14	14	14
issue of permits to use for				
lifts and escalators	14	14	14	14
builders' lifts and tower working platforms	14	14	14	14
amusement rides	14	14	14	14
approval of design and construction of amusement rides (capacity ≤ 20 persons)	40	40	40	40
amusement rides (capacity ≥ 21 persons)	55	55	55	55
builders' lifts and tower working platforms	40	40	40	40

Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
applications processed¶			
new brands/models of lift and escalator equipment	146	380	300
design and construction of builders' lifts and tower working platforms	13	16	16
certificates processed			
lifts and escalators	60 769	62 494	63 770
builders' lifts and tower working platforms	244	170	180
amusement rides¶	449	443	450
inspections			
lifts and escalators	5 079	5 270	5 000
percentage of existing lifts and escalators	9.8	9.8	9.1
builders' lifts and tower working platforms	270	270	270
amusement rides	2 283	2 420	2 350
peak tramway	14	15	14
tramway	252	244	240
aerial ropeways	24	24	80Δ
incidents investigatedβ			
lifts, escalators and aerial ropeways	290	297	290
amusement rides	20	65α	60
builder's lifts and tower working platforms, tramway, peak tramway and others	19	18	20
incidents/1 000 registered lifts	3.7	4.4	4.4
incidents/100 registered escalators	12.4	13.3	13.3
requests for advice/enquiries/complaints	1 180	1 008	1 180

¶ New indicators as from 2006.

Δ The number of inspections on aerial ropeways will increase in 2006 because more inspections will be required on the new Ngong Ping Skyrail during the testing and commissioning period.

β Division of the indicator into three categories to show incidents investigated for different installations.

α The increase in amusement rides incidents was due to the opening of Hong Kong Disneyland.

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Matters Requiring Special Attention in 2006–07

11 During 2006–07, the Department will:

- monitor the testing, commissioning, initial operation and maintenance of the new Ngong Ping Skyrail;
- process design submissions of the new amusement rides arising from the expansion of Hong Kong Disneyland and redevelopment of Ocean Park;
- issue a code of practice for platform lifts to facilitate access for the disabled;
- develop and launch a voluntary registration scheme for vehicle mechanics; and
- promote safety on mechanical installations.

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

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	36.6	84.9	82.5 (–2.8%)	109.5 (+32.7%)
				(or +29.0% on 2005–06 Original)

Aim

12 The aim is to promote energy efficiency and conservation, and application of alternative energy.

Brief Description

13 The Department is responsible for the development, promotion and implementation of energy efficiency and conservation; and providing professional support to the Government on the use of new and renewable energy. The work includes:

- professional support and advice to relevant bureaux and the Energy Advisory Committee on the development of energy efficiency and conservation programmes and implementation plans;
- preparation of a new legislative proposal for the introduction of a mandatory Energy Efficiency Labelling Scheme;
- preparation of codes of practice and technical guidelines;
- development and implementation of energy saving, energy efficiency and conservation programmes;
- research and development on application of innovative energy efficient technologies;
- establishment and updating of the energy end-use database;
- promotion of public awareness and application of energy efficiency and conservation measures, equipment and systems and the use of renewable energy; and
- liaison with the Mainland, regional and international organisations such as Asia-Pacific Economic Cooperation on energy related issues.

14 In 2005, the Department met its targets.

15 The key performance measures are:

Targets

	Target Working Days	2004 (Actual)	2005 (Actual)	2006 (Plan)
registration under the voluntary Energy Efficiency Labelling Scheme†.....	20	20	20	20
approval of applications under the water-cooled air-conditioning scheme for the design or operation of the evaporative cooling towers‡.....	20	20	20	20
registration under the Energy Efficiency Building Registration Scheme.....	20	20	20	18

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	2004 (Actual) (Cumulative % completed)	2005 (Actual) (Cumulative % completed)	2006 (Plan) (Cumulative % completed)
development of voluntary Energy Efficiency Labelling Scheme			
one for electronic ballast.....	100	—	—
one for computer.....	100	—	—
one for domestic gas instantaneous water heater.....	100	—	—
one for vehicle.....	50	100	—
studying the wider use of renewable energy			
to study the potential applications of renewable energy in HK.....	100	—	—
to implement wind measurement programme by 2005.....	80	100	—
to complete wind measurement study¶.....	—	—	100
studying the life-cycle energy analysis of building construction			
to complete the study.....	100	—	—
to apply the software tool for two pilot projects¶.....	—	—	50
annual updating of Hong Kong Energy End-use Database	100	100	100

‡ Revised description of previous target “registration under the Energy Efficiency Labelling Scheme” to distinguish from the mandatory Labelling Scheme under preparation.

Ψ Revised description of previous target “application under the pilot scheme for evaporative cooling towers”.

¶ New targets as from 2006.

Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
<i>Energy audit</i>			
audit surveys completed	14	2	2
<i>Voluntary Energy Efficiency Labelling Scheme‡</i>			
energy labels developed.....	4	1	1
energy labels implemented	3	—	1
energy labels issued	309	344	300
<i>Energy Efficiency Registration Scheme for buildings</i>			
certificates issued.....	200	650β	200
<i>Energy consumption study@</i>			
studies completed	1	1	1
energy consumption indicators developed/updatedΩ.....	2	1	1
<i>Water-cooled air-conditioning system</i>			
applications received and processed.....	74	74	70
installations registered under the pilot scheme completed	15	17	25
<i>Renewable energy</i>			
studies completed	1	—	—
performance monitoring projects completed	1	—	—
grid-connected renewable installations completed¶.....	2	4	2
<i>Energy efficiency and conservation promotion¶</i>			
talks delivered/visits organised for organisations/schools.....	—	—	125
advice given to the public	—	—	350

‡ Revised description of previous indicator “Energy Efficiency Labelling Scheme” to distinguish from the mandatory Labelling Scheme under preparation.

β The sharp increase in the number of certificates issued in 2005 was due to the completion of a large number of school projects in that year.

@ Revised description of previous indicators by combining “Energy consumption study” and “Energy consumption indicators”.

Ω Revised description of previous indicators by combining “segments/end-uses under investigation” and “segment/end-uses with indicators developed”.

¶ New indicators as from 2006.

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Matters Requiring Special Attention in 2006–07

16 During 2006–07, the Department will:

- continue to promote wider application of the voluntary Energy Efficiency Labelling Scheme which covers 17 types of electrical appliances, gas appliances and vehicle;
- prepare a legislative proposal for the introduction of a mandatory Energy Efficiency Labelling Scheme;
- finalise guidelines on the assessment of life-cycle energy analysis of building construction, and promote the methodology to the industry and other stakeholders for application;
- analyse wind energy data collected from five sites in both rural and urban areas of Hong Kong and encourage the private companies to undertake pilot wind energy projects;
- conduct tests on energy efficiency and conservation technologies;
- promote public awareness and use of energy efficiency and conservation measures and renewable energy;
- promote grid connection of small scale renewable energy system;
- provide technical advice and support to government bureaux and departments on energy savings through helping them to analyse energy consumption and organising experience sharing workshops;
- implement energy saving projects for government departments;
- promote best practices in energy efficiency and conservation in the private sector by organising competitions and experience sharing workshops;
- promote best practices in using energy efficient evaporative cooling towers by organising an experience sharing workshop;
- develop and promote the use of a new code of practice for water-cooled air-conditioning systems;
- conduct energy consumption studies to update the energy consumption benchmarks and energy end-use database for the commercial sector;
- review and update four building energy codes; and
- develop and establish a new comprehensive internet platform to provide information on renewable energy, and energy efficiency and conservation technologies.

Programme (4): Centralised services and special support

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	63.4	60.3	61.1 (+1.3%)	56.9 (–6.9%)
				(or –5.6% on 2005–06 Original)

Aim

17 The aim is to provide efficient and cost-effective centralised services and specialist support to other departments.

Brief Description

18 The Department provides contract management services for simultaneous interpretation systems and co-ordinates the demolition of decommissioned incineration plants.

19 The key performance measures are:

Target

To ensure the provision of adequate technical support for simultaneous interpretation systems. The target in 2005 was met.

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Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
<i>Simultaneous interpretation</i>			
compliance ratio on scheduled simultaneous interpretation meetings	100%	100%	100%
compliance ratio on ad hoc simultaneous interpretation meetings (within eight hours' notice)	100%	100%	100%
<i>Evaporative cooling towers</i>			
inspections	1 750	2 250	—#

The inspection programme of cooling towers was completed in 2005. The Department will continue to develop and manage the database of the cooling towers and to advise the cooling tower owners on proper operation and maintenance.

Matters Requiring Special Attention in 2006–07

20 The Department will decentralise the contract management services for simultaneous interpretation systems by distributing the fund involved to nine user bureaux/departments concerned for procurement of the services themselves after the existing service agreement expires on 30 September 2006.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2004-05 (Actual) (\$m)	2005-06 (Original) (\$m)	2005-06 (Revised) (\$m)	2006-07 (Estimate) (\$m)
(1) Energy supply; electrical, gas and nuclear safety	102.8	96.8	97.2	96.1
(2) Mechanical installations safety	26.5	25.4	25.7	27.2
(3) Energy efficiency and conservation, and alternative energy	36.6	84.9	82.5	109.5
(4) Centralised services and special support	63.4	60.3	61.1	56.9
	229.3	267.4	266.5 (-0.3%)	289.7 (+8.7%)
				(or +8.3% on 2005-06 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2006-07 is \$1.1 million (1.1%) lower than the revised estimate for 2005-06. This is mainly due to the deletion of two posts and completion of one non-recurrent project.

Programme (2)

Provision for 2006-07 is \$1.5 million (5.8%) higher than the revised estimate for 2005-06. This is mainly due to the net increase of two posts for the implementation of the vehicle mechanics registration scheme and the Disney team, partly offset by completion of one non-recurrent project.

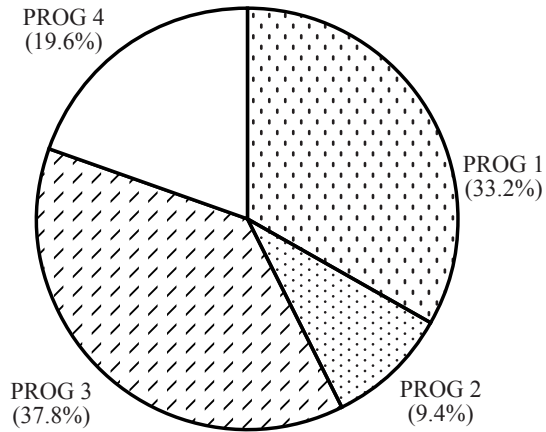
Programme (3)

Provision for 2006-07 is \$27.0 million (32.7%) higher than the revised estimate for 2005-06. This is mainly due to increased provision in capital account for procurement of energy saving equipment for various government departments and organisations, increased operating expenses and cash flow requirements for non-recurrent projects.

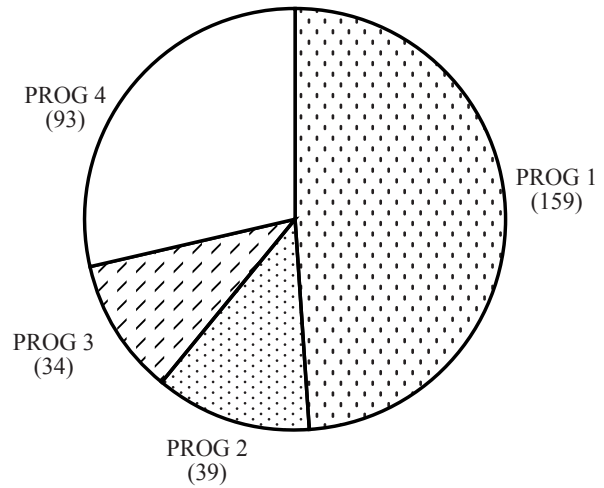
Programme (4)

Provision for 2006-07 is \$4.2 million (6.9%) lower than the revised estimate for 2005-06. This is mainly due to the distribution of fund to nine user bureaux/departments for procurement of operation and maintenance services for simultaneous interpretation systems themselves with effect from 1 October 2006, deletion of one post and completion of one non-recurrent project.

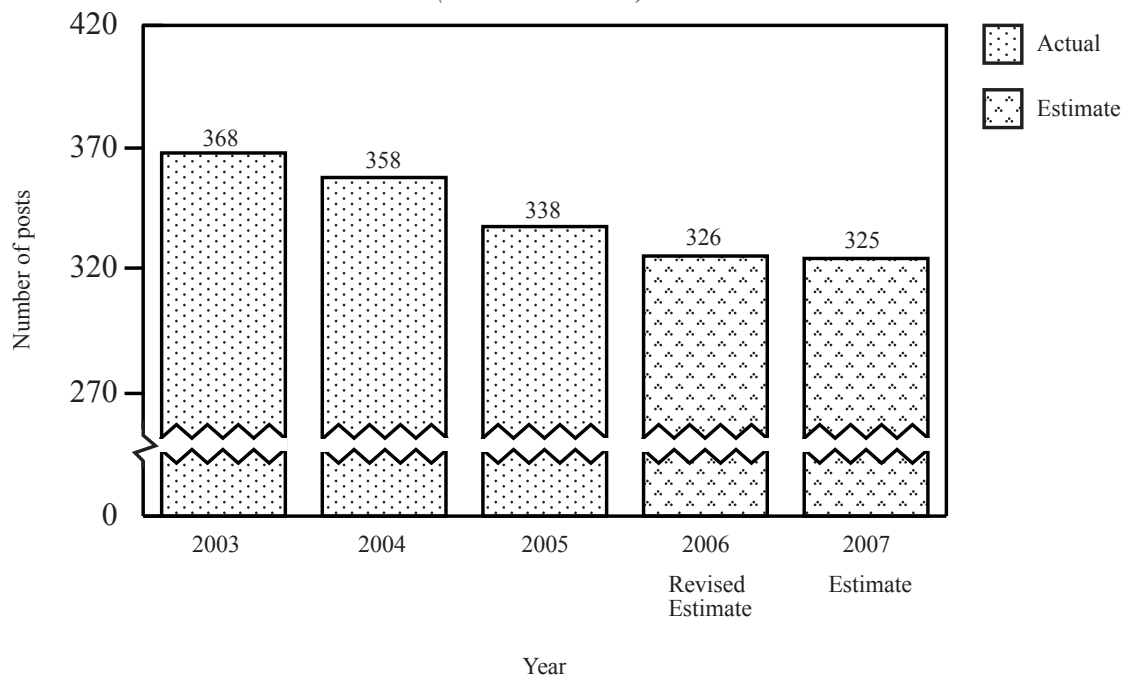
*Allocation of provision
to programmes
(2006-07)*



*Staff by programme
(as at 31 March 2007)*



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



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Sub-head (Code)		Actual expenditure 2004-05	Approved estimate 2005-06	Revised estimate 2005-06	Estimate 2006-07
		\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses	218,978	210,018	210,018	213,211
	Total, Recurrent.....	218,978	210,018	210,018	213,211
Non-Recurrent					
700	General non-recurrent.....	10,302	6,888	5,938	4,685
	Total, Non-Recurrent.....	10,302	6,888	5,938	4,685
	Total, Operating Account.....	229,280	216,906	215,956	217,896
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote)	—	50,500	50,500	71,800
	Total, Plant, Equipment and Works	—	50,500	50,500	71,800
	Total, Capital Account	—	50,500	50,500	71,800
Total Expenditure					
		229,280	267,406	266,456	289,696

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Details of Expenditure by Subhead

The estimate of the amount required in 2006–07 for the salaries and expenses of the Electrical and Mechanical Services Department is \$289,696,000. This represents an increase of \$23,240,000 over the revised estimate for 2005–06 and of \$60,416,000 over actual expenditure in 2004–05.

Operating Account

Recurrent

2 Provision of \$213,211,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Electrical and Mechanical Services Department.

3 The establishment as at 31 March 2006 will be 326 permanent posts. It is expected that there will be a deletion of one permanent post in 2006–07. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2006–07, but the notional annual mid-point salary value of all such posts must not exceed \$123,835,000.

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

	2004–05 (Actual) (\$'000)	2005–06 (Original) (\$'000)	2005–06 (Revised) (\$'000)	2006–07 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	169,554	162,964	162,251	164,636
- Allowances	2,014	2,200	2,200	2,200
- Job-related allowances	108	120	110	110
Personnel Related Expenses				
- Mandatory Provident Fund contribution	230	220	230	230
Departmental Expenses				
- Technical Services Agreement	8,864	9,475	9,000	6,366
- General departmental expenses	38,208	35,039	36,227	39,669
	<u>218,978</u>	<u>210,018</u>	<u>210,018</u>	<u>213,211</u>

Capital Account

Plant, Equipment and Works

5 Provision of \$71,800,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$21,300,000 (42.2%) over the revised estimate for 2005–06. This is mainly due to the increased requirement for procurement of minor plant and equipment for implementation of energy saving and renewable energy projects.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2005	Revised estimated expenditure for 2005-06	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	702	Territory-wide implementation study for water-cooled air-conditioning systems in Hong Kong	13,600	11,865	1,287	448
	703	Implementation study for a district cooling system at South East Kowloon Development	11,000	6,570	50	4,380
	704	Study on potential applications of renewable energy in Hong Kong	16,500	15,457	710	333
	705	Implementation study for water-cooled air-conditioning systems in Wanchai and Causeway Bay Districts.....	9,000	4,703	1,000	3,297
	708	Training programme to core staff for the Electricity Market Reform.....	1,000	761	35	204
	721	Study for the development of guidelines on the assessment of Life-cycle Energy Cost of Building Construction	7,000	4,644	750	1,606
		Total	58,100	44,000	3,832	10,268