

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

Controlling officer: the Permanent Secretary for the Environment / Director of Environmental Protection will account for expenditure under this Head.

| | |
|--|-------------------|
| Estimate 2008–09 | \$3,349.4m |
| Establishment ceiling 2008–09 (notional annual mid-point salary value) representing an estimated 1 587 non-directorate posts as at 31 March 2008 rising by ten posts to 1 597 posts as at 31 March 2009 | \$575.0m |
| In addition, there will be an estimated 33 directorate posts as at 31 March 2008 and as at 31 March 2009. | |
| Commitment balance | \$3,483.6m |

Controlling Officer's Report

Programmes

| | |
|--|---|
| Programme (1) Waste | These programmes contribute to Policy Area 23: Environmental Protection, Conservation, Power and Sustainable Development (Secretary for the Environment). |
| Programme (2) Air | |
| Programme (3) Noise | |
| Programme (4) Water | |
| Programme (5) Environmental Assessment and Planning | |
| Programme (6) Nature Conservation | |

Detail

Programme (1): Waste

| | 2006–07 (Actual) | 2007–08 (Original) | 2007–08 (Revised) | 2008–09 (Estimate) |
|----------------------------|---------------------|-----------------------|----------------------|-------------------------------|
| Financial provision (\$m)# | 1,381.4 | 1,399.5 | 1,392.4 (-0.5%) | 1,425.6 (+2.4%) |

(or +1.9% on
2007–08 Original)

For comparison purpose, the figures include relevant provisions for administrative support which have been transferred from the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

Aim

2 The aim is to develop and implement a sustainable waste management strategy for Hong Kong to reduce waste and to safeguard the health and welfare of the community from any adverse environmental effects associated with the improper handling and disposal of waste. This is done through a framework of programmes for the provision of facilities as well as legislative and institutional measures.

Brief Description

3 The Department is the client department for the environmental public works programme and is responsible for preparing plans at strategic and district levels for the provision of facilities to manage all types of waste including municipal, construction, livestock, chemical and clinical wastes, sediments, sewage and water treatment works sludges and other special wastes. The Department enforces relevant legislation to control the illegal disposal of all forms of waste, develops new proposals to meet changing waste management needs and advises on the assessment and remediation of contaminated land. The Department also works with the community to promote and encourage waste reduction and recycling.

4 In 2007, about 5.1 million tonnes of solid waste were disposed of in the three landfills. The landfills are filling up much faster than expected. The Policy Framework for the Management of Municipal Solid Waste (MSW), published in December 2005, sets out a comprehensive strategy for the management of MSW for the ten years from 2005 to 2014. The Department has made good progress in implementing the Policy Framework, and about 987 000 households have joined the source separation of domestic waste programme. In accordance with the “polluter-pays” principle, we plan to introduce producer responsibility schemes for various products. The Product Eco-responsibility Bill was gazetted on 21 December 2007, and would provide the legal basis for implementing producer responsibility schemes in Hong Kong. In light of the broad-based public support, the environmental levy on plastic shopping bags would be the first scheme

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

under the Bill. The feasibility study for the extension of the North East New Territories Landfill was substantially completed in 2007. Further, in 2007, we have successfully promulgated the Risk-based Remediation Goals as new contaminated land standards.

5 The key performance measures in respect of the waste programme are:

Targets

| | Target | 2006 (Actual) | 2007 (Actual) | 2008 (Plan) |
|--|--------|------------------|------------------|----------------|
| operation hours of strategic landfills | 14 234 | 14 260 | 14 259 | 14 274 |
| processing clinical waste disposal permits within nine days (%) | 95 | 100 | 100 | 95 |
| processing marine dumping permits within 18 days (%) | 90 | 96 | 99 | 90 |
| initial response to waste complaints within three days (%) | 95 | 99 | 99 | 98 |

Indicators

| | 2006 (Actual) | 2007 (Actual) | 2008 (Estimate) |
|---|------------------|------------------|--------------------|
| strategic landfills | | | |
| no. of capital works milestone payments | 2 | 2 | 2 |
| tonnage of waste received annually | 5 489 472 | 5 074 120 | 5 100 000 |
| total solid waste disposed of (%) | 100 | 100 | 100 |
| refuse transfer stations | | | |
| tonnage of waste received annually | 2 037 073 | 2 021 049 | 2 020 000 |
| special wastes | | | |
| tonnage of waste treated annually at the Chemical Waste Treatment Centre | 47 200 | 45 300 | 45 300 |
| livestock waste | | | |
| total quantity produced (thousand tonnes) | 242 | 136 | 73 |
| disposed of by environmentally-acceptable means (%) | 93 | 92 | 93 |
| marine dumping permits issued | 96 | 87 | 90 |
| waste import/export permits issued | 4 | 5 | 3 |
| chemical waste trip tickets recorded | 34 738 | 31 536 | 31 500 |
| chemical waste collector licences issued | 4 | 3 | 24 |
| chemical waste disposal licences issued | 9 | 16 | 13 |
| prosecutions for | | | |
| chemical waste control offences | 18 | 20 | 20 |
| livestock waste control offences | 9 | 6 | 3 |
| marine dumping offences | 0 | 0 | 6 |
| waste import/export offences | 49 | 113 | 105 |
| illegal deposit of waste offences | 9 | 19 | 18 |
| complaints handled | 3 375 | 3 228 | 3 200 |
| enquiries handled by the Waste Reduction and Recycling Hotline Service | 4 396 | 7 355 | 7 350 |

Matters Requiring Special Attention in 2008–09

6 During 2008–09, the Department will:

- continue to implement the territory-wide source separation of waste programme;
- further promote waste separation, recovery and recycling by working together with the stakeholders and the community;
- continue with the leasing of lots in the EcoPark in Tuen Mun Area 38;
- implement the producer responsibility scheme covering plastic shopping bags through the Product Eco-responsibility Bill;
- implement a recovery programme for used computer equipment and explore the feasibility of developing a similar programme for other waste electrical and electronic equipment;
- continue to develop long-term plans for large-scale waste treatment facilities to achieve bulk reduction of MSW;
- carry out an environmental impact assessment for developing a sludge treatment facility;
- award the follow-on contract for the Island East Transfer Station to extend its operation;

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

- continue to study the feasibility of extending the operation of the Sha Tin Transfer Station;
- commission a grease trap waste treatment facility at the West Kowloon Transfer Station;
- complete the feasibility study for the extension of South East New Territories Landfill;
- prepare regulations to strengthen control on the collection and disposal of clinical waste; and
- amend the Building (Refuse Storage and Material Recovery Chambers and Refuse Chutes) Regulations to require the provision of refuse storage and material recovery room on every floor of new domestic buildings and the domestic part of new composite buildings to facilitate source separation of waste.

Programme (2): Air

| | 2006–07 (Actual) | 2007–08 (Original) | 2007–08 (Revised) | 2008–09 (Estimate) |
|---------------------------|---------------------|-----------------------|----------------------|------------------------------------|
| Financial provision (\$m) | 243.3 | 966.0 | 432.5 (–55.2%) | 1,506.8 (+248.4%) |
| | | | | (or +56.0% on 2007–08 Original) |

Aim

7 The aim is to achieve and maintain satisfactory air quality through intervention in the planning process and enforcement of the Air Pollution Control Ordinance (APCO), Ozone Layer Protection Ordinance (OLPO) and other statutory requirements.

Brief Description

8 The work carried out by the Department in seeking to achieve and maintain satisfactory air quality includes:

- development of air quality objectives, standards and guidelines;
- enforcement of the requirements of the APCO and OLPO to control air pollution from factories, polluting processes and products, motor vehicles, ozone depleting substances, asbestos and other sources;
- scrutiny of project development proposals and land use plans to ensure that air quality standards and guidelines will be met;
- scrutiny of relevant project development proposals to ensure that the associated safety risks are properly assessed and managed;
- operation of an air quality monitoring network and laboratories to provide the air quality information needed for checking the effectiveness of existing programmes and development of new policies;
- investigations into emerging issues such as indoor and toxic air pollution to provide a basis for formulating new policies;
- provision of air quality information and air pollution index to the public; and
- co-ordination of the efforts in combating climate change by the Administration.

9 On 1 April 2007, two incentive schemes were launched to encourage early replacement of pre-Euro and Euro I diesel commercial vehicles with new ones complying with the Euro IV statutory emission standards as well as to encourage the use of environment-friendly petrol private cars. All pre-Euro diesel vehicles were required to be installed with approved emission reduction devices. A new regulation controlling the maximum contents of volatile organic compounds (VOC) in architectural paints, printing inks and selected consumer products, as well as emissions from the printing process came into effect in phases. For reducing emissions from power stations, the Implementation Framework of the Emission Trading Pilot Scheme for Thermal Power Plants in the Pearl River Delta Region was announced on 30 January 2007. While emission caps had been imposed on all power stations, the emission caps for Castle Peak Power Station were further tightened up in August 2007 upon the renewal of the Specified Process Licence. Under the consensus reached in 2002 with the Guangdong Provincial Government to improve regional air quality, we continued to implement the Pearl River Delta Regional Air Quality Management Plan and operate the air quality monitoring network for the Pearl River Delta. A mid-term review of the Management Plan was completed in December 2007. To review Hong Kong's Air Quality Objectives (AQOs) and develop a long-term air quality management strategy, a comprehensive study was commissioned in June 2007. A concessionary duty was introduced on 1 December 2007 to encourage the early supply of Euro V diesel.

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

10 The key performance measures in respect of air related activities are:

Targets

| | Target | 2006 (Actual) | 2007 (Actual) | 2008 (Plan) |
|--|---------|------------------|------------------|----------------|
| processing of chimney/furnace applications within 16 days (%)..... | 90 | 97 | 93 | 90 |
| no. of days with air pollution index not exceeding 100..... | 365/366 | 309 | 291 | 300 |
| annual average air pollution index | 50 | 50 | 50 | 50 |

Indicators

| | 2006 (Actual) | 2007 (Actual) | 2008 (Estimate) |
|---|------------------|------------------|--------------------|
| chimney/furnace applications processed..... | 354 | 403 | 400 |
| asbestos abatement plans processed..... | 173 | 183 | 180 |
| specified processes under licence (%) | 95 | 96 | 96 |
| premises and plants inspected..... | 18 834 | 18 797 | 18 800 |
| complaints handled | 6 288 | 6 503 | 6 000 |
| technical advice provided to polluters | 7 433 | 5 195 | 4 700 |
| legal notices issued | 2 398 | 1 601 | 1 500 |
| prosecutions under the APCO and OLPO..... | 149 | 218 | 200 |
| reduction of scheduled ozone depleting substance consumption (tonnage)..... | 5 445 | 5 437 | 5 440 |
| planning advice issued..... | 622 | 586 | 600 |
| smoky vehicle reports processed..... | 12 216 | 12 208 | 12 200 |
| smoky vehicles tested | 12 074 | 11 914 | 11 900 |
| enquiries/complaints on smoky vehicle matters handled | 11 667 | 13 292 | 13 300 |

Matters Requiring Special Attention in 2008–09

11 During 2008–09, the Department will:

- continue to co-ordinate inter-departmental efforts to reduce emissions from vehicles;
- continue to implement the air quality management plan to improve regional air quality and operate the joint air quality monitoring network for the Pearl River Delta Region in collaboration with the Guangdong authorities;
- progressively tighten emissions caps on power stations upon renewal of licences on specified processes;
- introduce legislative amendments to cap the emissions from power plants and facilitate emissions trading by power companies in Hong Kong;
- continue to explore ways to encourage the use of cleaner vehicles and fuels and technologies that can help to reduce air pollution;
- consult the stakeholders on proposed measures to strengthen the control of emissions from petrol and liquefied petroleum gas vehicles including the use of roadside remote sensing equipment and dynamometers for emission testings;
- explore the feasibility of controlling emissions from off-road mobile sources;
- conduct a comprehensive study to review Hong Kong's AQOs with a view to developing a long-term strategy on air quality management;
- enforce the new regulation on the control of the contents of VOC in architectural paints, printing inks and selected consumer products in phases;
- consult the public on a legislative ban on idling vehicles with running engines;
- propose legislative amendment for the mandatory use of ultra-low sulphur diesel in industrial and commercial sectors;
- develop specifications for using biodiesel as motor vehicle fuel;
- study the feasibility of ferry operator using cleaner fuels;
- initiate a study on climate change to assess its impact on Hong Kong with a view to enhancing the existing adaptation and mitigation measures; and
- launch a technical support programme to promote the adoption of cleaner production processes by Hong Kong-owned factories in the Pearl River Delta Region.

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

Programme (3): Noise

| | 2006–07 (Actual) | 2007–08 (Original) | 2007–08 (Revised) | 2008–09 (Estimate) |
|---------------------------|---------------------|-----------------------|----------------------|-----------------------------------|
| Financial provision (\$m) | 88.6 | 93.0 | 94.8 (+1.9%) | 96.1 (+1.4%) |
| | | | | (or +3.3% on 2007–08 Original) |

Aim

12 The aim is to prevent, minimise and resolve environmental noise problems through formulation of noise policy, intervention in the planning process, implementation of noise abatement measures and enforcement of the Noise Control Ordinance (NCO).

Brief Description

13 To achieve this aim, the Department carries out the following main tasks:

- formulation of the environmental noise policy;
- provision of professional input at the planning stage of policy and project development to pre-empt and mitigate noise problems;
- enforcement, in conjunction with the Police, of the provisions of the NCO through four Regional Offices for a better service to the local community; and
- development of practicable proposals to address existing traffic noise problems.

14 In 2007, the Department continued to promote the use of quieter construction equipment, developed the scheme to expand the Designated Areas under the NCO, and continued to implement measures to tackle road traffic noise problems.

15 The key performance measures in respect of noise related activities are:

Targets

| | Target | 2006 (Actual) | 2007 (Actual) | 2008 (Plan) |
|---|--------|------------------|------------------|------------------------|
| processing of applications for construction noise permits within 18 days (%)..... | 90 | 93 | 94 | 90 |
| processing of applications for noise emission labels for breakers and air compressors within 15 days (%)..... | 90 | 95 | 91 | 90 |

Indicators

| | 2006 (Actual) | 2007 (Actual) | 2008 (Estimate) |
|---|------------------|------------------|----------------------------|
| comments given in planning stage | 1 137 | 1 210 | 1 250 |
| prosecutions under the NCO | 86 | 59 | 60 |
| construction noise permits processed..... | 3 143 | 2 947 | 3 000 |
| noise emission labels issued for breakers and compressors | 532 | 563 | 560 |
| noise abatement notices served | 79 | 85 | 90 |
| complaints handled | 5 738 | 5 589 | 5 600 |

Matters Requiring Special Attention in 2008–09

16 During 2008–09, the Department will:

- continue to tackle noise impact of existing roads through the retrofitting programme;
- continue to promote good practices to prevent or minimise road traffic noise problems at the planning stage; and
- introduce the legislative amendment to expand the Designated Areas under the NCO.

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

Programme (4): Water

| | 2006–07 (Actual) | 2007–08 (Original) | 2007–08 (Revised) | 2008–09 (Estimate) |
|---------------------------|---------------------|-----------------------|----------------------|-----------------------------------|
| Financial provision (\$m) | 211.4 | 217.5 | 228.0 (+4.8%) | 234.4 (+2.8%) |
| | | | | (or +7.8% on 2007–08 Original) |

Aim

17 The aim is to ensure that the quality of Hong Kong's marine and fresh water meets the various conservation goals, and that plans are formulated and implemented to ensure that Hong Kong's sewerage systems can operate safely and effectively both now and with further urban developments in future.

Brief Description

18 The Department seeks to ensure Water Quality Objectives (WQOs) are attained and maintained by enforcing relevant legislation; by ensuring the provision of an adequate sewage infrastructure; by assessing the possible impact of strategic and local developments on water quality and requiring this to be taken into account in development plans; and by proposing revisions to legislative arrangements aimed at preventing water pollution. Water and sediment quality is monitored extensively, and special investigations are conducted to provide the basis for policy development and preventive planning.

19 The Department continues to pursue the phased implementation of Stage 2 of the Harbour Area Treatment Scheme (HATS) with the aim of completing Stage 2A by 2014, and advancing the provision of disinfection of the existing sewage discharge at Stonecutters Island to 2009. In 2007, the Department put forward proposals to review the Sewage Services Charging Scheme in accordance with the "polluter-pays" principle. A ten-year increment scheme for the sewage charge was endorsed by the legislature, marking the community's support for the initiatives to further improve the water environment. Measures to facilitate the reassessment process under the Trade Effluent Surcharge (TES) scheme were also put in place. The Department implemented the second phase of the toxic substances monitoring programme in 2007, focusing on measuring the levels of trace toxic substances in the marine environment. In addition, the Department has commenced the phased implementation of the HKSAR Implementation Plan (HKSARIP) to fulfill requirements of the Stockholm Convention on Persistent Organic Pollutants (POPs), and promulgated the Hazardous Chemicals Control Ordinance (No. 19 of 2007) in July 2007 with a view to commencing operation of the Ordinance in 2008.

20 The sewerage master plans for Central and East Kowloon, Tuen Mun, Tsing Yi, the Outlying Islands, Hong Kong Island, North District and Tolo Harbour areas have been reviewed and proposals for sewerage upgrading works are being pursued on a priority basis. In the light of development changes in the past decade and new proposals, the Department has commissioned a study to review the sewerage master plans for Tsuen Wan and West Kowloon in 2007.

21 The key performance measures in respect of the water programme are:

Targets

| | Target | 2006 (Actual) | 2007 (Actual) | 2008 (Plan) |
|---|--------|------------------|------------------|------------------------|
| inspection of major discharges in every Water Control Zone at least four times a year (%) | 100 | 100 | 98 | 100 |
| provision of weekly beach water quality grading to the public during bathing season (%) | 100 | 100 | 100 | 100 |
| initial response to water pollution complaints within three days (%)..... | 95 | 99 | 99 | 99 |

Indicators

| | 2006 (Actual) | 2007 (Actual) | 2008 (Estimate) |
|--|------------------|------------------|----------------------------|
| compliance with WQOs for marine waters (%) | 86 | 80 | 83 |
| inland water sampling points | 82 | 82 | 82 |
| no. of the sampling points classified as (%) | | | |
| excellent | 50 | 51 | 51 |
| good | 30 | 29 | 29 |
| fair | 6 | 6 | 6 |
| bad | 11 | 11 | 11 |
| very bad | 3 | 3 | 3 |

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

| | 2006 (Actual) | 2007 (Actual) | 2008 (Estimate) |
|---|------------------|------------------|--------------------|
| compliance with WQOs for inland waters (%) | 85 | 85 | 85 |
| enforcement of the Water Pollution Control Ordinance | | | |
| licences granted | 1 362 | 1 418 | 1 400 |
| licences renewed | 1 774 | 2 045 | 2 200 |
| prosecutions for water pollution control offences | 21 | 24 | 22 |
| detailed investigations and inspections | 18 742 | 16 682 | 17 000 |
| complaints handled | 1 939 | 1 838 | 1 900 |
| drainage plans vetted (under the Buildings Ordinance) | 191 | 140 | 135 |
| responses to planning cases | 920 | 890 | 890 |

Matters Requiring Special Attention in 2008–09

22 During 2008–09, the Department will:

- continue to operate the demonstration plant and distribution system for reclaimed water use in the North District until the end of 2008 as part of the Government’s Total Water Management Programme;
- continue to co-operate with the Guangdong authorities on cross-boundary water quality management issues;
- continue to implement, in phases, the action items identified in the HKSARIP to manage POPs as required by the Stockholm Convention;
- commence operation of the Hazardous Chemicals Control Ordinance;
- put forward proposals to revise the TES rates under the TES scheme on the basis of the results of the effluent surveys and in accordance with the “polluter-pays” principle so that the funding responsibility in respect of the operating costs of the provision of sewage services is equitably shared among the trades and the public; and
- commence a study on the co-use of the HATS Stage 2B site in preparation for the provision of biological sewage treatment.

Programme (5): Environmental Assessment and Planning

| | 2006–07 (Actual) | 2007–08 (Original) | 2007–08 (Revised) | 2008–09 (Estimate) |
|---------------------------|---------------------|-----------------------|----------------------|-----------------------------------|
| Financial provision (\$m) | 76.8 | 76.8 | 79.3 (+3.3%) | 80.8 (+1.9%) |
| | | | | (or +5.2% on 2007–08 Original) |

Aim

23 The aim is to pre-empt environmental problems associated with projects, plans, policies and strategies by assessing their environmental implications and ensuring that effective preventive and mitigatory measures are implemented where potential problems are identified.

Brief Description

24 The Department seeks to prevent environmental problems through reviewing the environmental findings of projects, planning proposals and development strategies which may have significant environmental implications. It oversees strategic environmental assessment and environmental impact assessment (EIA) studies, and processes EIA Ordinance applications to ensure that the environmental impacts of designated projects are properly assessed and that measures to control them to acceptable levels are properly implemented.

25 The key performance measures in respect of environmental assessment and planning are:

Indicators

| | 2006 (Actual) | 2007 (Actual) | 2008 (Estimate) |
|--|------------------|------------------|--------------------|
| plans reviewed and technical environmental advice given (on outline zoning plans, layout plans, etc.) | 98 | 106 | 100 |
| miscellaneous district planning or housing proposals reviewed and technical environmental advice given (on housing proposals, applications under section 16 of the Town Planning Ordinance) | 1 023 | 879 | 880 |
| major planning studies and strategic planning studies | 56 | 45 | 45 |
| applications processed under the EIA Ordinance | 101 | 128 | 110 |

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

| | 2006 (Actual) | 2007 (Actual) | 2008 (Estimate) |
|---|------------------|------------------|--------------------|
| major projects undergoing environmental monitoring and audit..... | 111 | 120 | 115 |
| environmental impact assessments with technical advice provided..... | 72 | 70 | 70 |
| cases where environmental implications paragraphs in funding and policy proposals vetted..... | 222 | 287 | 240 |

Matters Requiring Special Attention in 2008–09

26 During 2008–09, the Department will:

- continue to pre-empt environmental problems through processing EIA Ordinance applications and enforcement of the permit conditions;
- continue to promote the incorporation of environmental considerations into major policies and strategies at the earliest possible stage;
- continue to promote environmental good practices in planning and design of new developments; and
- enhance professional exchange with the Mainland authorities on environmental assessment and planning.

Programme (6): Nature Conservation

| | 2006–07 (Actual) | 2007–08 (Original) | 2007–08 (Revised) | 2008–09 (Estimate) |
|---------------------------|---------------------|-----------------------|----------------------|----------------------------------|
| Financial provision (\$m) | 7.0 | 5.7 | 5.7 (—) | 5.7 (—) |
| | | | | (or same as 2007–08 Original) |

Aim

27 The aim is to regulate, protect and manage natural resources that are important for the conservation of biological diversity of Hong Kong in a sustainable manner, taking into account social and economic considerations, for the benefit and enjoyment of the present and future generations of the community.

Brief Description

28 The Department's main responsibilities under this programme are to formulate policies and to co-ordinate and oversee the implementation of programmes on nature conservation.

29 Under the new nature conservation policy:

- there is a policy statement with clear vision and policy objectives;
- a scoring system has been adopted for assessing the relative ecological importance of sites and 12 priority sites for enhanced conservation have been identified;
- pilot projects on management agreements with landowners are being implemented and the implementation details of the pilot scheme for public-private partnership are being further examined;
- existing nature conservation measures will continue and be enhanced; and
- conservation education and publicity will be enhanced.

Matters Requiring Special Attention in 2008–09

30 During 2008–09, the Department will:

- oversee the implementation of the new nature conservation policy, in particular the pilot scheme for public-private partnership and management agreement projects;
- prepare amendments to the Schedule to the Protection of Endangered Species of Animals and Plants Ordinance to reflect the changes in the Appendices to the Convention on International Trade in Endangered Species of Wild Fauna and Flora; and
- oversee the designation of the Lantau North (Extension) Country Park.

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

ANALYSIS OF FINANCIAL PROVISION

| Programme | 2006-07 (Actual) (\$m) | 2007-08 (Original) (\$m) | 2007-08 (Revised) (\$m) | 2008-09 (Estimate) (\$m) |
|--|------------------------------|--------------------------------|-------------------------------|------------------------------------|
| (1) Waste..... | 1,381.4 | 1,399.5 | 1,392.4 | 1,425.6 |
| (2) Air | 243.3 | 966.0 | 432.5 | 1,506.8 |
| (3) Noise | 88.6 | 93.0 | 94.8 | 96.1 |
| (4) Water..... | 211.4 | 217.5 | 228.0 | 234.4 |
| (5) Environmental Assessment and Planning | 76.8 | 76.8 | 79.3 | 80.8 |
| (6) Nature Conservation..... | 7.0 | 5.7 | 5.7 | 5.7 |
| | 2,008.5 | 2,758.5 | 2,232.7 (-19.1%) | 3,349.4 (+50.0%) |
| | | | | (or +21.4% on 2007-08 Original) |

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2008-09 is \$33.2 million (2.4%) higher than the revised estimate for 2007-08. This is mainly due to the salary increments for staff, increased provision for operation of waste facilities and the EcoPark. In addition, there will be a net increase of three posts in 2008-09.

Programme (2)

Provision for 2008-09 is \$1,074.3 million (248.4%) higher than the revised estimate for 2007-08. This is mainly due to the increased cash flow requirement 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 and programme for promoting cleaner production in the Pearl River Delta Region. In addition, there will be a net increase of seven posts in 2008-09.

Programme (3)

Provision for 2008-09 is \$1.3 million (1.4%) higher than the revised estimate for 2007-08. This is mainly due to the increased operating expenses.

Programme (4)

Provision for 2008-09 is \$6.4 million (2.8%) higher than the revised estimate for 2007-08. This is mainly due to the salary increments for staff and additional provision for the consultancy study on WQOs, partly offset by reduced cash flow requirement for other non-recurrent items.

Programme (5)

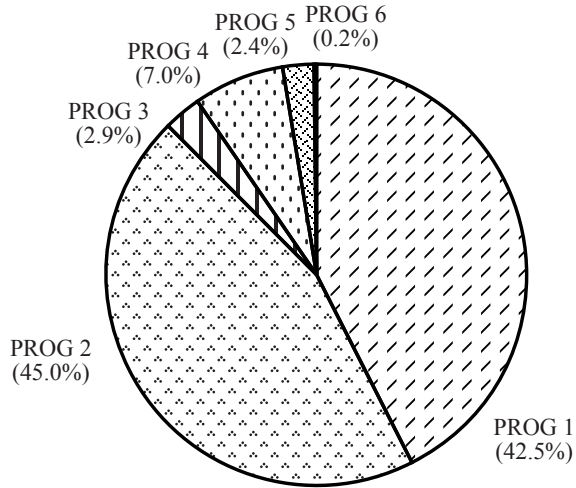
Provision for 2008-09 is \$1.5 million (1.9%) higher than the revised estimate for 2007-08. This is mainly due to increased operating expenses.

Programme (6)

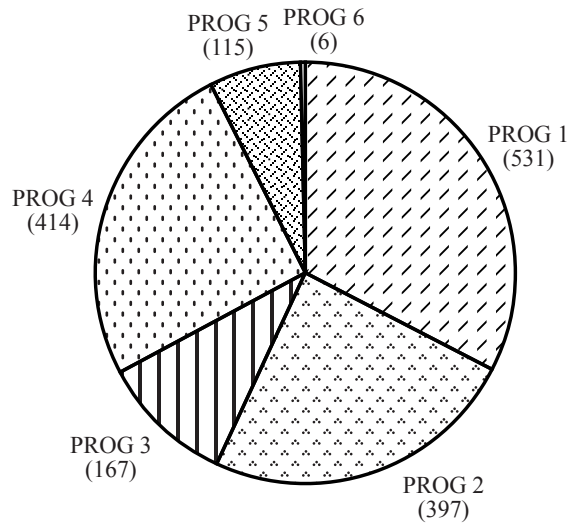
Provision for 2008-09 is the same as the revised estimate for 2007-08.

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

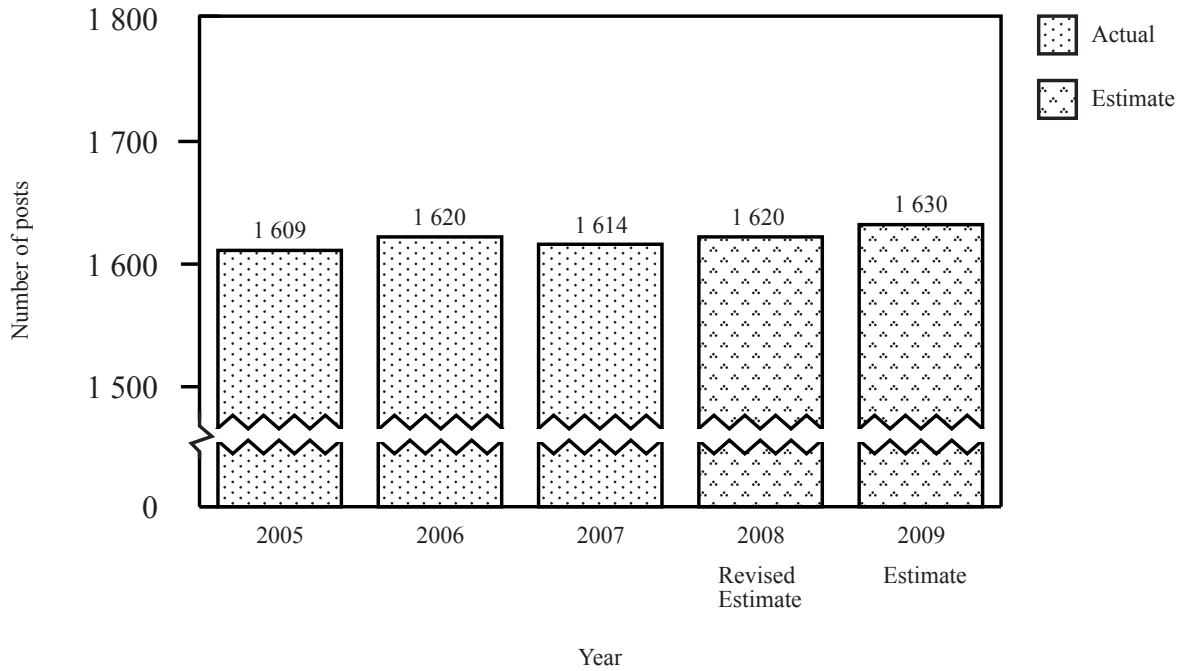
Allocation of provision to programmes (2008-09)



Staff by programme (as at 31 March 2009)



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



Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

| Sub-head (Code) | | Actual expenditure 2006-07 | Approved estimate 2007-08 | Revised estimate 2007-08 | Estimate 2008-09 |
|----------------------------|---|----------------------------------|---------------------------------|--------------------------------|--------------------------------|
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating Account | | | | | |
| Recurrent | | | | | |
| 000 | Operational expenses | 917,051 | 965,943 | 985,201 | 1,012,324 |
| 297 | Fees for operation of waste facilities | 1,077,140 | 1,077,763 | 1,073,000 | 1,098,500 |
| | Total, Recurrent..... | <u>1,994,191</u> | <u>2,043,706</u> | <u>2,058,201</u> | <u>2,110,824</u> |
| Non-Recurrent | | | | | |
| 700 | General non-recurrent | 8,438 | 706,907 | 1,161,619# | 1,237,798 |
| | Total, Non-Recurrent..... | <u>8,438</u> | <u>706,907</u> | <u>1,161,619</u> | <u>1,237,798</u> |
| | Total, Operating Account | <u>2,002,629</u> | <u>2,750,613</u> | <u>3,219,820</u> | <u>3,348,622</u> |
| Capital Account | | | | | |
| Plant, Equipment and Works | | | | | |
| 661 | Minor plant, vehicles and equipment (block vote) | 5,915 | 7,244 | 12,844 | 820 |
| | Total, Plant, Equipment and Works..... | <u>5,915</u> | <u>7,244</u> | <u>12,844</u> | <u>820</u> |
| | Total, Capital Account..... | <u>5,915</u> | <u>7,244</u> | <u>12,844</u> | <u>820</u> |
| | Total Expenditure | <u><u>2,008,544</u></u> | <u><u>2,757,857</u></u> | <u><u>3,232,664</u></u> | <u><u>3,349,442</u></u> |

The provision includes the capital injection of \$1,000,000,000 into the Environment and Conservation Fund approved by the Finance Committee on 11 January 2008.

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2008–09 for the salaries and expenses of Environmental Protection Department is \$3,349,442,000. This represents an increase of \$116,778,000 over the revised estimate for 2007–08 and of \$1,340,898,000 over actual expenditure in 2006–07.

Operating Account

Recurrent

2 Provision of \$1,012,324,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Environmental Protection Department.

3 The establishment as at 31 March 2008 will be 1 620 permanent posts. It is expected that there will be a net increase of ten permanent posts in 2008–09. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2008–09, but the notional annual mid-point salary value of all such posts must not exceed \$574,969,000.

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

| | 2006–07 (Actual) (\$'000) | 2007–08 (Original) (\$'000) | 2007–08 (Revised) (\$'000) | 2008–09 (Estimate) (\$'000) |
|---|---------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Personal Emoluments | | | | |
| - Salaries | 724,073 | 744,000 | 765,000 | 783,000 |
| - Allowances | 10,909 | 9,270 | 11,065 | 9,663 |
| - Job-related allowances | 424 | 491 | 512 | 512 |
| Personnel Related Expenses | | | | |
| - Mandatory Provident Fund contribution | 835 | 761 | 651 | 612 |
| - Civil Service Provident Fund contribution | 100 | 1,630 | 1,881 | 4,017 |
| Departmental Expenses | | | | |
| - Specialist supplies and equipment | 9,053 | 9,000 | 7,824 | 8,000 |
| - General departmental expenses | 171,657 | 200,791 | 198,268 | 206,520 |
| | 917,051 | 965,943 | 985,201 | 1,012,324 |

5 Provision of \$1,098,500,000 under *Subhead 297 Fees for operation of waste facilities* is for contract payments for the operation of waste facilities including the Chemical Waste Treatment Centre, refuse transfer stations, landfills and for administering the charging schemes therefor.

Capital Account

Plant, Equipment and Works

6 Provision of \$820,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$12,024,000 (93.6%) against the revised estimate for 2007–08. This is mainly due to the decreased requirement for new equipment.

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

Commitments

| Sub-head (Code) | Item (Code) | Ambit | Approved commitment | Accumulated expenditure to 31.3.2007 | Revised estimated expenditure for 2007–08 | Balance |
|---------------------------------|----------------|--|------------------------|--|--|-----------|
| | | | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Operating Account</i> | | | | | | |
| 700 | | <i>General non-recurrent</i> | | | | |
| | 435 | One-off grant to assist owners of pre-Euro diesel heavy vehicles of long idling operational mode to retrofit their vehicles with emission reduction devices..... | 70,000 | 34,180 | 120 | 35,700 |
| | 559 | Development of a Pearl River Estuary Model for water quality management | 5,100 | 1,386 | 2,630 | 1,084 |
| | 564 | Study to evaluate the adverse impact of environmental noise on public health in Hong Kong..... | 3,500 | 553 | 42 | 2,905 |
| | 565 | Study to evaluate the environmental implications on traffic management measures..... | 1,500 | 798 | 200 | 502 |
| | 566 | Review the eligibility of road sections for retrofitting barriers..... | 3,000 | 1,063 | 947 | 990 |
| | 568 | One-off grant to assist owners of pre-Euro diesel heavy vehicles to retrofit their vehicles with particulate removal devices..... | 600,000 | 314,087 | 1,230 | 284,683 |
| | 569 | “Community green network programme” to educate the public on the environment and government’s environmental initiatives | 9,950 | 6,786 | 1,480 | 1,684 |
| | 868 | Programme for Promoting Cleaner Production in the Pearl River Delta Region@ | 93,060 | — | 320 | 92,740 |
| | 884 | 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 | 3,176,000 | — | 150,000 | 3,026,000 |
| | 974 | Review of the Air Quality Objectives and Development of a Long Term Air Quality Strategy for Hong Kong - Feasibility Study..... | 8,700 | — | 2,200 | 6,500 |
| | 979 | Consultancy Study on Development of Standard Protocols for Chronic Whole Effluent Toxicity Test for Effluent Characterisation and Impact Assessment..... | 4,950 | — | 750 | 4,200 |
| | 980 | Study of Volatile Organic Compounds and Photochemical Ozone Pollution in the Pearl River Delta Region - Feasibility Study..... | 9,701 | — | 1,000 | 8,701 |

Head 44 — ENVIRONMENTAL PROTECTION DEPARTMENT

Commitments—Cont'd.

| Sub-head (Code) | Item (Code) | Ambit | Approved commitment | Accumulated expenditure to 31.3.2007 | Revised estimated expenditure for 2007–08 | Balance |
|---|----------------|--|------------------------|--|--|------------------|
| | | | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Operating Account—Cont'd.</i> | | | | | | |
| 700 | | <i>General non-recurrent—Cont'd.</i> | | | | |
| | 981 | Study of Major Industrial Air Pollution Sources in the Pearl River Delta Region - Feasibility Study..... | 9,830 | — | 700 | 9,130 |
| | 997 | Consultancy Study on Climate Change.. | 8,800 | — | — | 8,800 |
| | | Total | <u>4,004,091</u> | <u>358,853</u> | <u>161,619</u> | <u>3,483,619</u> |

@ Commitment approved by the Finance Committee on 11 January 2008.