

Head 137 — GOVERNMENT SECRETARIAT: ENVIRONMENT BUREAU

Controlling officer: the Permanent Secretary for the Environment will account for expenditure under this Head.

Estimate 2009–10	\$70.2m
Establishment ceiling 2009–10 (notional annual mid-point salary value) representing an estimated 31 non-directorate posts as at 31 March 2009 rising by one post to 32 posts as at 31 March 2010	\$16.2m
In addition, there will be an estimated six directorate posts as at 31 March 2009 and as at 31 March 2010.	
Commitment balance	\$84.9m

Controlling Officer's Report

Programmes

Programme (1) Director of Bureau's Office	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for the Environment).
Programme (2) Power	These programmes contribute to Policy Area 23: Environmental Protection, Conservation, Power and Sustainable Development (Secretary for the Environment).
Programme (3) Sustainable Development	

Detail

Programme (1): Director of Bureau's Office

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	7.6#	13.6	12.1 (–11.0%)	14.4 (+19.0%)
				(or +5.9% on 2008–09 Original)

For comparison purpose, the figure for 2007–08 includes relevant provisions for director of bureau's office which were under the former Head 159—Government Secretariat: Environment, Transport and Works Bureau (Works Branch) before their transfer to Head 137 due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

Aim

2 The aim is to ensure the smooth operation of the Office of the Secretary for the Environment.

Brief Description

3 The Office of the Secretary for the Environment is responsible for providing support to the Secretary for the Environment in undertaking political work. This includes the support provided by the Under Secretary and the Political Assistant. The office is also responsible for providing administrative support to the Secretary for the Environment in carrying out his duties. The work includes the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions.

Programme (2): Power

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	10.2#	12.2	17.4 (+42.6%)	23.3 (+33.9%)
				(or +91.0% on 2008–09 Original)

For comparison purpose, the figure for 2007–08 includes relevant provisions for power which were under the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) before their transfer to Head 137 due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

Aim

4 The aims are to ensure reliable and efficient energy supply at reasonable prices through the established monitoring arrangements of the operation of the two power companies and the town gas supply company; to enhance electrical and gas safety through the introduction and enforcement of safety standards; to promote competition and transparency in the local fuel market; and to raise public awareness of and achieve energy efficiency and conservation through education, promotion, and implementation of various programmes.

Brief Description

5 The Bureau's main responsibility under this programme is to formulate policies and programmes in relation to energy supply, electrical and gas safety, as well as energy efficiency and conservation.

6 In 2008–09, the Bureau:

- completed a joint development plan review with the respective power companies pursuant to the new Scheme of Control Agreements;
- worked with parties concerned on the conclusion and implementation of the Memorandum of Understanding on Energy Cooperation signed between the HKSAR Government and the National Energy Administration on 28 August 2008;
- implemented new measures to enhance the transparency of auto-fuel prices;
- oversaw the reliability of electricity and gas supply which was maintained by the companies concerned at a level exceeding 99.8 per cent;
- conducted public consultation on the proposed amendments to the Electricity Supply Regulations;
- oversaw enforcement of regulations for domestic electrical and gas appliances to ensure public safety; and
- oversaw the promotion of public awareness of energy efficiency and conservation measures, and the implementation of various programmes and legislation, including the introduction of a mandatory Energy Efficiency Labelling Scheme through the enactment of the Energy Efficiency (Labelling of Products) Ordinance in May 2008, preparation for the legislative proposal on the mandatory implementation of the Building Energy Codes, and continued facilitation and promotion of wider application of renewable energy.

Matters Requiring Special Attention in 2009–10

7 During 2009–10, the Bureau will:

- conduct studies on the long-term market structure for the electricity market;
- continue to ensure that electrical and gas safety requirements are enforced to enhance public safety;
- prepare for the legislative amendments to the Electricity Supply Regulations;
- continue to follow up on the implementation of the Memorandum of Understanding on Energy Cooperation;
- implement the first phase of the mandatory Energy Efficiency Labelling Scheme and propose amendments to the Energy Efficiency (Labelling of Products) Ordinance for rolling out the second phase of the Scheme;
- submit to the Legislative Council the legislative proposals on the mandatory implementation of the Building Energy Codes;
- launch two funding schemes under the Environment and Conservation Fund to partially subsidise building owners to carry out energy-cum-carbon audits and energy efficiency projects;
- commence preparation for the setting up of a District Cooling System in the Kai Tak Development;
- promote environmental protection and energy conservation in government buildings through a target-based performance framework and two energy efficiency demonstration projects; and
- conduct studies on the phasing out of incandescent light bulbs and the issue of energy wastage of external lighting.

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Programme (3): Sustainable Development

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	21.0#	37.9	27.1 (–28.5%)	32.5 (+19.9%)
				(or –14.2% on 2008–09 Original)

For comparison purpose, the figure for 2007–08 includes relevant provisions for sustainable development which were under Head 142—Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary before their transfer to Head 137 due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

Aim

8 The aim is to promote sustainable development (SD) in Hong Kong.

Brief Description

9 Under this programme, the main responsibilities of the Sustainable Development Division (SDD) of this Bureau are to:

- provide secretariat support to the Council for Sustainable Development (SDC) established to advise the Government on the preparation of an SD strategy for Hong Kong and promote public awareness and understanding of the principles of SD;
- assist the SDC in conducting public engagement process for formulating an SD strategy for Hong Kong;
- implement the SDC's education and publicity programmes;
- oversee the operation of the SD Fund;
- ensure the incorporation of sustainability considerations into the Government's decision-making process through the sustainability assessment (SA) system; and
- promote the understanding and application of the SD principles as well as the SA system among government bureaux and departments.

Matters Requiring Special Attention in 2009–10

10 During 2009–10, the SDD will:

- service the SDC and implement the SDC's public engagement process on fostering a quality and sustainable built environment;
- implement the SDC's education and publicity programmes including the School Outreach Programme, Community Outreach Programme, SD Conference and a wall painting design competition related to sustainable development;
- process applications for the SD Fund and monitor the implementation of the approved projects;
- monitor the implementation of the SA system; and
- provide training programmes for bureaux and departments on the SD principles and the SA system.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2007-08 (Actual) (\$m)	2008-09 (Original) (\$m)	2008-09 (Revised) (\$m)	2009-10 (Estimate) (\$m)
(1) Director of Bureau's Office	7.6	13.6	12.1	14.4
(2) Power	10.2	12.2	17.4	23.3
(3) Sustainable Development.....	21.0	37.9	27.1	32.5
	38.8	63.7	56.6 (-11.1%)	70.2 (+24.0%)
				(or +10.2% on 2008-09 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2009-10 is \$2.3 million (19.0%) higher than the revised estimate for 2008-09. This is mainly due to the full-year provision for the positions of Under Secretary and Political Assistant filled in 2008-09. In addition, one post will be created in 2009-10.

Programme (2)

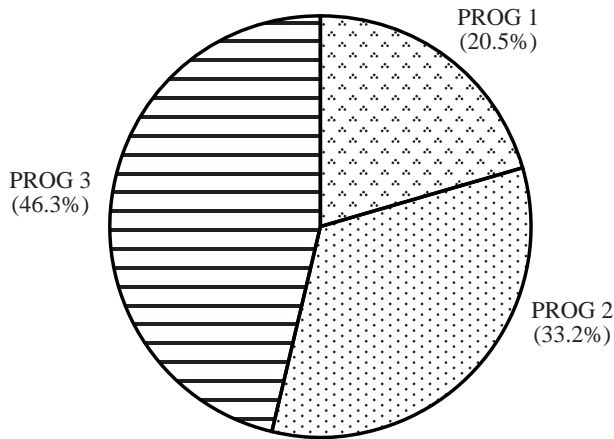
Provision for 2009-10 is \$5.9 million (33.9%) higher than the revised estimate for 2008-09. This is mainly due to additional provision for the consultancy study on the issue of energy wastage of external lighting and increase in cash flow requirement of consultancy studies for developing the regulatory and market restructuring framework of electricity supply industry in Hong Kong.

Programme (3)

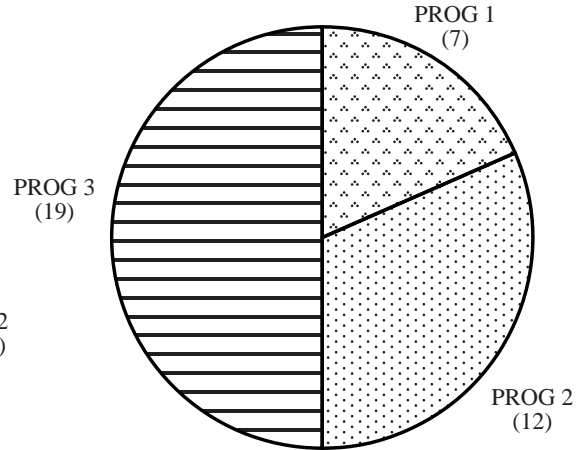
Provision for 2009-10 is \$5.4 million (19.9%) higher than the revised estimate for 2008-09. This is mainly due to the implementation of the Council's public engagement process on fostering a quality and sustainable built environment and the increased cash flow requirement of Sustainable Development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

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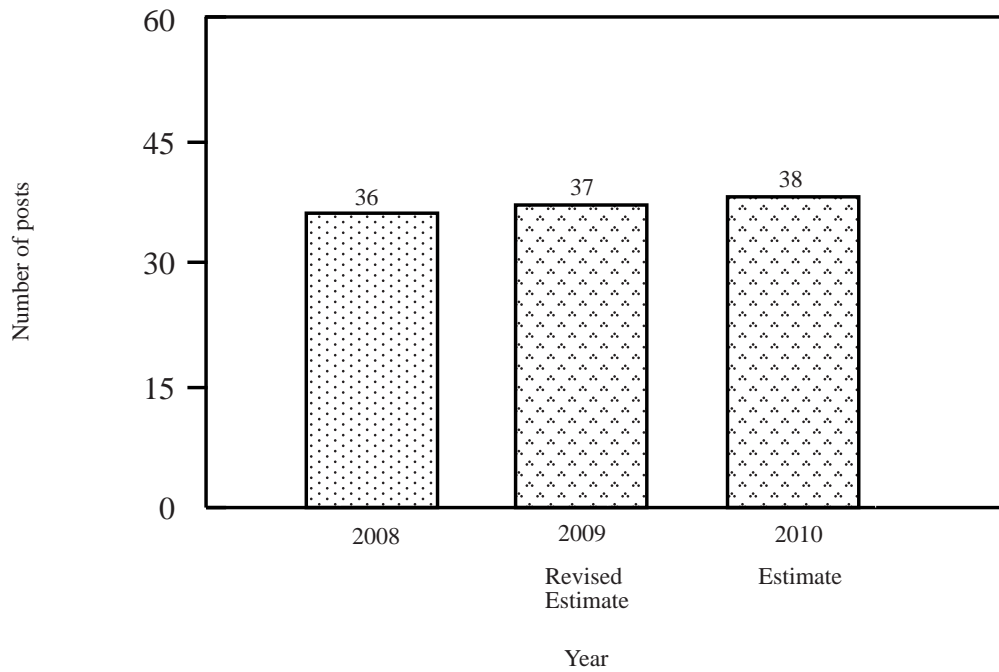
*Allocation of provision
to programmes
(2009-10)*



*Staff by programme
(as at 31 March 2010)*



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



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Sub-head (Code)	Actual expenditure 2007-08@	Approved estimate 2008-09	Revised estimate 2008-09	Estimate 2009-10	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	24,359	53,131	50,488	58,215
	Total, Recurrent	24,359	53,131	50,488	58,215
Non-Recurrent					
700	General non-recurrent	4,093	10,600	6,100	12,031
	Total, Non-Recurrent	4,093	10,600	6,100	12,031
	Total, Operating Account	28,452	63,731	56,588	70,246
	Total Expenditure	28,452	63,731	56,588	70,246

@ The Environment Bureau was established on 1 July 2007 upon the re-organisation of the Government Secretariat. The actual expenditure for 2007-08 represents the provision required for the nine months from 1 July 2007 to 31 March 2008.

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Details of Expenditure by Subhead

The Environment Bureau was established on 1 July 2007 upon the re-organisation of the Government Secretariat. The estimate of the amount required in 2009–10 for the salaries and expenses of the Environment Bureau is \$70,246,000. This represents an increase of \$13,658,000 over the revised estimate for 2008–09, and of \$41,794,000 over actual expenditure in 2007–08, which is a nine-month provision for the period from 1 July 2007 to 31 March 2008.

Operating Account

Recurrent

2 Provision of \$58,215,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Environment Bureau. The increase of \$7,727,000 (15.3%) over the revised estimate for 2008–09 is mainly due to additional provision for the consultancy study on the issue of energy wastage of external lighting and the implementation of the Council's public engagement process on fostering a quality and sustainable built environment.

3 The establishment as at 31 March 2009 will be 37 permanent posts. It is expected that there will be an increase of one permanent post in 2009–10. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2009–10, but the notional annual mid-point salary value of all such posts must not exceed \$16,219,000.

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

	2007–08 (Actual) (\$'000)	2008–09 (Original) (\$'000)	2008–09 (Revised) (\$'000)	2009–10 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	17,631	26,382	25,300	27,300
- Allowances	773	900	1,467	740
- Job-related allowances	1	3	2	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution	7	48	12	12
- Civil Service Provident Fund contribution	68	94	103	99
Departmental Expenses				
- General departmental expenses	5,879	25,704	23,604	30,062
	24,359	53,131	50,488	58,215

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2008	Revised estimated expenditure for 2008–09	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	017	Consultancy studies for developing the regulatory and market restructuring framework of electricity supply industry in Hong Kong.....	8,500	3,869	600	4,031
	052	Sustainable Development Fund.....	100,000	13,613	5,500	80,887
		Total	<u>108,500</u>	<u>17,482</u>	<u>6,100</u>	<u>84,918</u>