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

Estimate 2018–19 ..... **$915.8m**

Establishment ceiling 2018–19 (notional annual mid-point salary value) representing an estimated 436 non-directorate posts as at 31 March 2018 rising by 64 posts to 500 posts as at 31 March 2019..... **$328.2m**

In addition, there will be an estimated 15 directorate posts as at 31 March 2018 and as at 31 March 2019.

Controlling Officer's Report

Programmes

Programme (1) Energy Supply; Electrical, Gas and Nuclear Safety	This programme contributes to Policy Area 9: Internal Security (Secretary for Security) and Policy Area 23: Environmental Protection, Conservation, Power and Sustainable Development (Secretary for the Environment).
Programme (2) Mechanical Installations Safety	This programme contributes to Policy Area 5: Travel and Tourism (Secretary for Commerce and Economic Development), Policy Area 18: Recreation, Culture, Amenities and Entertainment Licensing (Secretary for Home Affairs), Policy Area 21: Land and Waterborne Transport (Secretary for Transport and Housing) and Policy Area 22: Buildings, Lands, Planning, Heritage Conservation, Greening and Landscape (Secretary for Development).
Programme (3) Energy Efficiency and Conservation, and Alternative Energy	This programme contributes to Policy Area 23: Environmental Protection, Conservation, Power and Sustainable Development (Secretary for the Environment).
Programme (4) Centralised Services and Special Support	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Development).

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

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	**2018–19 (Estimate)**
Financial provision ($m)	146.8	145.8	150.4 (+3.2%)	**160.1** (+6.4%) (or +9.8% on 2017–18 Original)

Aim

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

Brief Description

3 For the regulatory functions, the Department is responsible for the administration and enforcement of the Electricity Ordinance (Cap. 406) (EO), the Gas Safety Ordinance (Cap. 51) (GSO) and the Oil (Conservation and Control) Ordinance (Cap. 264). The work includes:

Gas safety

- administration and enforcement of the GSO, including registration of gas supply companies, installers and contractors; monitoring gas distributors and contractors; and approval and inspection of gas appliances, tubing and installations including those in maintenance workshops for liquefied petroleum gas (LPG) vehicles;
- 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 LPG vehicles and approval of fuel tank of LPG vehicles;
- approval and monitoring of the operation of LPG filling stations;
- investigation of gas incidents;
- initiating prosecution and taking disciplinary actions;
- promotion of gas safety;

Electrical safety

- administration and enforcement of the EO, 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;

Monitoring of electricity utilities (Scheme of Control Agreements)

- annual auditing review of technical performance of electricity utilities;
- assessment of development plans submitted regularly by electricity utilities;
- provision of technical advice relating to monitoring of electricity utilities;

Oil and gas supply

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

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 key performance measures are:

Targets

	Target	2016 (Actual)	2017 (Actual)	**2018 (Plan)**
Gas safety				
registration of installers within 12 working days (%)	100	100	100	**100**
registration of contractors within 38 working days (%)	100	100	100	**100**
approval for construction of notifiable gas installations (NGIs) within 30 working days (%)	100	100	100	**100**
approval for use of NGIs within 12 working days (%)	100	100	100	**100**
approval for use of equipment/materials within 26 working days (%)	100	100	100	**100**

	Target	2016 (Actual)	2017 (Actual)	**2018 (Plan)**
scheduling and inspection of LPG road tankers and cylinder wagons within 18 working days (%)	100	100	100	**100**
investigation of reports of illegal installations within ten working days (%)	100	100	100	**100**
response to complaints of excessive storage of LPG within two working days (%)	100	100	100	**100**
enlistment of competent persons for LPG installations/gasholders within 25 working days (%)	100	100	100	**100**
LPG vehicle safety				
enlistment of competent persons for maintenance of fuel systems within 25 working days (%)	100	100	100	**100**
approval for use of LPG fuel tanks in vehicles within 26 working days (%)	100	100	100	**100**
approval for construction of filling stations within 30 working days (%)	100	100	100	**100**
approval for use of filling stations within 12 working days (%)	100	100	100	**100**
Electrical safety				
registration of electrical workers/ contractors/competent persons within 13 working days (%)	99	99	99	**99**
registration of recognised certification bodies and manufacturers within 17 working days (%)	100	100	100	**100**
endorsement of testing certificate of electrical installations within 13 working days (%)	99	99	99	**99**
investigation of incidents/complaints related to electrical installations/ products within ten working days (%)	100	100	100	**100**
Monitoring of electricity utilities				
conducting an annual technical performance audit on each of the two power companies under the Scheme of Control Agreements within 102 working days (%)	100	100	100	**100**
providing technical input in the financial auditing review of capital expenditure variances within 55 working days (%)	100	100	100	**100**
providing technical advice related to electricity utilities matters within 13 working days (%)	100	100	100	**100**

Nuclear safety

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

Indicators

	2016 (Actual)	2017 (Actual)	**2018 (Estimate)**
Gas safety			
audit inspections to gas supply companies, contractors and distributors	1 360	1 357	**1 400**
NGIs and related inspections	1 159	1 236	**1 200**
follow-up inspections and quality assurance visits	2 199	3 963#	**2 100#**

	2016 (Actual)	2017 (Actual)	**2018 (Estimate)**
applications processed for equipment approval and registration of gas contractors/installers	209	256	**250**
LPG road tankers and cylinder wagons inspected	514	504	**520**
NGIs approved	24	49λ	**27λ**
gas incidents investigated	358	305	**320**
prosecutions/disciplinary actions conducted/improvement notices served	126	111	**110**
competent persons (for LPG installations/gasholders) enlistment applications processed	4	8β	**8β**
enquiries/complaints handled	2 456	2 634	**2 500**
LPG vehicle safety			
competent persons enlistment applications processed	61ρ	40ρ	**35ρ**
LPG fuel tanks in vehicles approved and revalidated	7 543Ψ	4 330Ψ	**3 000Ψ**
inspections of vehicles and filling stations (all before grant of approval)	35	34	**34**
inspections of approved filling stations	245	250	**240**
filling stations approved	1	0	**2α**
enquiries/complaints handled	912	921	**950**
Electrical safety			
site inspections on electrical installations	8 504	8 807	**8 500**
site inspections on electrical products	3 928	3 917	**3 900**
electrical workers/contractors/competent persons registration applications processed (including renewals)	42 077Δ	31 186Δ	**22 600Δ**
recognised certification bodies and manufacturers applications processed	5	4	**5**
periodic testing certificates of electrical installations processed	9 707	10 194	**10 800**
reported electrical incidents investigated	427	378	**420**
reported unsafe electrical installations/products investigated	794	906	**750**
prosecutions/disciplinary actions conducted	754	983@	**980@**
electrical products tested	60	60	**60**
enquiries handled	38 420^	36 716^	**30 000^**
Monitoring of electricity utilities			
technical indicators assessed in the annual auditing review to monitor the technical performance of electricity utilities	62	62	**62**
projects assessed relating to technical input in the financial auditing review of capital expenditure variances	40	40	**40**
enquiries handled	110	110	**110**
Nuclear safety			
technical co-operation or exchanges participated	3	3	**3**
exercises and drills participated	3	3η	**2η**

\# The increase in the number of follow-up inspections and quality assurance visits in 2017 was mainly due to the stepped-up publicity work following the gas incident in a restaurant in July 2017. The inspection level in 2018 is expected to resume normal at a level similar to that of 2016.

λ The increase in the number of NGIs approved in 2017 was mainly due to the change of ownership of a number of NGIs following the business restructuring of a gas supply company. The number of NGIs approved in 2018 is expected to be comparable to that in 2016.

β The increase in the number of applications in 2017 was due to additional applications from staff newly posted to a works department and staff from a design-build-operate contractor of a new gas installation who have to carry out duties requiring such enlistment. The number of applications in 2018 is expected to be comparable to that of 2017.

ρ The increase in the number of applications in 2016 was mainly due to the enhanced promotion of competent person requirements. The number of applications in 2017 resumed to its normal level as the total number of competent persons can generally meet the market need. It is expected that the number of applications will continue to decrease in 2018.

Ψ The LPG taxi incentive scheme was launched in 2000. The number of LPG fuel tanks requiring the third five-yearly revalidation peaked in 2016 and began to decrease from 2017. It will continue to decrease in 2018 after the aforesaid peak.

α The construction of two petrol-cum-LPG filling stations, which started in 2016 and 2017 respectively, will be completed in 2018.

Δ Registered electrical workers/contractors/competent persons are required to have their registration renewed every three years. Due to the uneven distribution of renewal registrations for these persons, a cyclical peak appears once every three years. The number of three-yearly renewal applications of electrical workers/contractors/competent persons showed a cyclical peak in 2016, dropped in 2017, and is expected to further drop in 2018.

@ The increase in the number of prosecutions/disciplinary actions in 2017 was mainly due to the stepping up of enforcement action on building owners who failed to submit periodic testing certificates of electrical installations. It is expected that the number of prosecutions/disciplinary actions in 2018 will be similar to that in 2017.

^ Arising from the peak of the three-yearly renewal registration of electrical workers/contractors/competent persons in 2016, the number of enquiries reached its peak in 2016, dropped in 2017, and is expected to further drop in 2018.

η An inter-departmental exercise was held in late 2017 and there will be no planned inter-departmental exercise in 2018.

Matters Requiring Special Attention in 2018–19

5 During 2018–19, the Department will:

- continue to monitor the operation and maintenance of LPG storage installations,
- continue the stepped-up inspection of vehicle maintenance workshops in relation to LPG vehicles and education for the trades on gas safety measures,
- monitor the development and application of new refrigerants of low global warming potential in the air conditioning and refrigeration market,
- publish the new edition of the Code of Practice on Working near Electricity Supply Lines, and
- continue to provide technical support to the Environment Bureau on matters relating to the future development of the electricity market and the implementation of the post-2018 Scheme of Control Agreements signed with the power companies.

Programme (2): Mechanical Installations Safety

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	**2018–19 (Estimate)**
Financial provision ($m)	128.4	130.6	137.5 (+5.3%)	**151.6** (+10.3%) (or +16.1% on 2017–18 Original)

Aim

6 The aim is to safeguard the public through implementation of a set of comprehensive regulatory frameworks and systems on the safety of lifts, escalators, builders' lifts, tower working platforms, aerial ropeways, amusement rides, railways, tramway, peak tramway and other mechanical installations; and working closely with the community on public education.

Brief Description

7 The Department is responsible for the administration and enforcement of various safety ordinances, including the Lifts and Escalators Ordinance (Cap. 618) (LEO), the Amusement Rides (Safety) Ordinance (Cap. 449), the Aerial Ropeways (Safety) Ordinance (Cap. 211), the Builders' Lifts and Tower Working Platforms (Safety) Ordinance (Cap. 470), certain provisions of the Mass Transit Railway Ordinance (Cap. 556) and the Mass Transit Railway Regulations (Cap. 556A), the Airport Authority (Automated People Mover) (Safety) Regulation (Cap. 483C), the Tramway Ordinance (Cap. 107) and the Peak Tramway (Safety) Regulations (Cap. 265A). The Department is also responsible for the development and implementation of the voluntary registration schemes for vehicle mechanics and vehicle maintenance workshops. For ease of reference, the above activities, 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 and railway safety;
- registration of contractors, engineers, workers, examiners, surveyors and competent persons and inspection of installations;
- approval of design and construction of amusement rides, builders' lifts and tower working platforms, new brands/models of lift and escalator equipment, new railways and major railway modifications;
- preparation of codes of practice;
- investigation of incidents;
- initiating prosecution and taking disciplinary actions;

- implementation of the voluntary registration schemes for vehicle mechanics and vehicle maintenance workshops; and
- provision of expert advice.

8 The key performance measures are:

Targets

	Target	2016 (Actual)	2017 (Actual)	**2018 (Plan)**
processing of applications of new or major modified railway facilities/systems within 25 working days (%)¤	99	99	98ω	**99**
registration of				
lift/escalator contractors within 40 working days (%)	100	100	100	**100**
lift/escalator engineers within 40 working days (%)	100	100	100	**100**
lift/escalator workers within 40 working days (%)	100	100	100	**100**
processing of periodic testing certificates for				
lifts and escalators within 13 working days (%)	100	100	100	**100**
builders' lifts and tower working platforms within 12 working days (%)	100	100	100	**100**
issue of permits to use for				
lifts and escalators within 13 working days (%)	100	100	100	**100**
builders' lifts and tower working platforms within 12 working days (%)	100	100	100	**100**
amusement rides within 13 working days (%)	100	100	100	**100**
approval of design and construction of				
amusement rides (capacity ≦20 persons) within 34 working days (%)	100	100	100	**100**
amusement rides (capacity ≧21 persons) within 48 working days (%)	100	100	100	**100**
builders' lifts and tower working platforms within 34 working days (%)	100	100	100	**100**

¤ Revised description of the previous target "approval of new or major modified railway facilities/systems within 25 working days" as from 2018 to reflect more accurately the actual process carried out in the handling of the applications.

ω The number of applications processed in 2017 increased significantly and exceeded the original estimation by more than 40 per cent, which led to longer processing time spent on some applications.

Indicators

	2016 (Actual)	2017 (Actual)	**2018 (Estimate)**
applications processed			
new brands/models of lift and escalator equipment	372	365	**400**
design and construction of builders' lifts and tower working platforms	33	62Ω	**62Ω**
new or major modified railway facilities/systems	535	771η	**630η**
certificates processed			
lifts and escalators	83 869	85 305	**88 120**
builders' lifts and tower working platforms	156	223∧	**223∧**
amusement rides	302	309	**309**

	2016 (Actual)	2017 (Actual)	**2018 (Estimate)**
inspections			
lifts and escalators	10 171	11 231	**14 000γ**
percentage of existing lifts and escalators (%)	13.7	14.8	**18.4γ**
builders' lifts and tower working platforms	300	302	**300**
amusement rides	1 849	1 851	**1 850**
railway facilities/systems	235	262	**260**
peak tramway	13	13	**13**
tramway	170	170	**170**
aerial ropeways	90	90	**90**
incidents investigated			
lifts and escalators	268	275	**275**
aerial ropeways	3	3	**3**
amusement rides	16	16	**16**
peak tramway	3	2	**3**
tramway	9	9	**9**
railways	112	121	**110**
builders' lifts and tower working platforms, and others	5	4	**4**
incidents/1 000 registered lifts	6.6	7.0	**7.0**
incidents/100 registered escalators	17.7	17.6	**17.6**
enquiries/complaints handled	2 704	2 721	**2 855**

Ω The higher number of applications of design and construction of builders' lifts and tower working platforms processed in 2017 was mainly due to the increased number of new lifts and platforms imported to Hong Kong for replacement of aged lifts and platforms which were beyond economical repair. The number of applications processed in 2018 is expected to remain at the same level in 2017.

η The increase in 2017 was attributed to the significant increase in the number of applications related to existing station facilities as well as new railway projects. It is expected that the number of applications will decrease upon substantial completion of new railway projects in 2018.

∧ The large numbers of certificates issued in 2017 and expected to be issued in 2018 are attributed to a larger number of active construction sites.

γ The target number of inspections for lifts and escalators is set at a higher level in 2018 as more lifts and escalators are to be covered under modernisation projects. This also results in a higher percentage of existing lifts and escalators under inspections.

Matters Requiring Special Attention in 2018–19

9 During 2018–19, the Department will continue to:

- monitor the operation and maintenance of the aerial ropeways of Ngong Ping 360 and Ocean Park, and amusement rides in Hong Kong Disneyland, Ocean Park and other venues;
- promote and administer the voluntary registration schemes for vehicle mechanics and vehicle maintenance workshops, including stepping up inspections of vehicle mechanics and vehicle maintenance workshops under the voluntary registration schemes, as well as to study the feasibility of a mandatory registration system for both vehicle mechanics and vehicle maintenance workshops;
- step up public education and publicity efforts to enhance the safety of lifts and escalators;
- implement the LEO and publicise the requirements to relevant stakeholders; and
- monitor the safety performance of railway service provided by the MTR Corporation Limited.

Programme (3): Energy Efficiency and Conservation, and Alternative Energy

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	**2018–19 (Estimate)**
Financial provision ($m)	120.5	308.9	286.3 (–7.3%)	**512.3** (+78.9%) (or +65.8% on 2017–18 Original)

Aim

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

Brief Description

11 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:

- administration and enforcement of the Energy Efficiency (Labelling of Products) Ordinance (Cap. 598) (EELPO);
- administration and enforcement of the Buildings Energy Efficiency Ordinance (Cap. 610) (BEEO);
- provision of professional support and advice to relevant bureaux and the Energy Advisory Committee on energy efficiency and conservation matters;
- planning for and implementation of district cooling systems;
- preparation and review of codes of practice and technical guidelines;
- development and implementation of energy saving, energy efficiency and conservation programmes and projects;
- research and development on application of innovative energy efficiency 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 the Asia-Pacific Economic Cooperation on energy-related issues.

12 The key performance measures are:

Targets

	Target	2016 (Actual)	2017 (Actual)	**2018 (Plan)**
registration under the voluntary Energy Efficiency Labelling Scheme (EELS) within 17 working days (%)	99	100	100	**99**
processing of product submissions under the mandatory EELS within 17 working days (%)	99	100	100	**99**
approval of applications under the voluntary water-cooled air-conditioning system scheme for the design or operation of the evaporative cooling towers within 17 working days (%)	99	100	100	**99**
registration under the voluntary Energy Efficiency Registration Scheme for Buildings within 17 working days (%)	99	100	100	**99ə**
annual updating of Hong Kong Energy End-use Database (% completed)	100	100	100	**100**
registration of Registered Energy Assessors under the Mandatory Building Energy Code (BEC) Scheme within 40 working days (%)	99§	100	100	**99**

§ The target is revised from 90 to 99 as from 2018.

Indicators

	2016 (Actual)	2017 (Actual)	**2018 (Estimate)**
Mandatory EELS			
product submissions processed	824µ	585	**750µ**
site inspections on prescribed products	625	645	**680**
Voluntary EELS			
energy labels developed	0¶	0¶	**0¶**
energy labels implemented	0¶	0¶	**0¶**
energy labels issued	240	294ϕ	**250ϕ**

	2016 (Actual)	2017 (Actual)	**2018 (Estimate)**
Mandatory BEC Scheme			
sampling inspections for submissions relating to new buildings, major retrofitting works and energy audit	22	23	**22**
sampling inspections of buildings	985	973	**980**
Voluntary Energy Efficiency Registration Scheme for Buildings			
certificate issued	21	19	**20ə**
Energy consumption study			
studies completed	1	1	**1**
energy consumption indicators developed/updated	1	1	**1**
Voluntary water-cooled air-conditioning system scheme			
applications received and processed	59	34δ	**34δ**
installations completed	57	52	**50**
Research and development on the application of innovative energy efficiency technologies			
studies completed	3	3	**3**
Energy efficiency and conservation promotion			
talks delivered/visits organised for organisations/schools	456	446	**450**
enquiries handled	2 669	2 270	**2 200**

ə The scheme was updated and re-launched in January 2018.

µ The surge in the number of product submissions in 2016 was due to the increase in the number of submissions of room air conditioners, refrigerating appliances and washing machines arising from the full implementation of new energy efficiency grading standards for the three prescribed products in 2015. An increase in the number of product submissions is expected in 2018 due to the anticipated commencement of the mandatory EELS phase 3 in the same year.

¶ There was no energy label developed and implemented under the voluntary EELS in recent years as the work focus has shifted to expanding the coverage of the mandatory EELS phase 3.

ϕ The surge in the number of voluntary EELS labels in 2017 was due to the increase in the number of submissions of large capacity washing machines and gas appliances. A decrease in the number of energy labels is expected in 2018 as some products under voluntary EELS will be covered by the mandatory EELS phase 3.

δ The decrease in the number of applications received and processed under the voluntary water-cooled air-conditioning system scheme in 2017 was mainly due to reduction in the number of newly constructed non-domestic buildings in 2017, resulting in fewer applications for the Fresh Water Cooling Tower Scheme for new buildings. It is expected that the number of applications in 2018 will be similar to that in 2017.

Matters Requiring Special Attention in 2018–19

13 During 2018–19, the Department will:

- continue to implement the mandatory EELS, and prepare for the implementation of the third phase of the scheme;
- continue to implement the voluntary EELS, and conduct studies on the expansion of the scope to cover more appliances;
- continue to implement the BEEO and the associated codes of practice, and to promote building energy efficiency among stakeholders in the built environment;
- administer the updated voluntary Hong Kong Energy Efficiency Registration Scheme for Buildings to encourage outperforming the BEC requirements through recognition of high building energy efficiency;
- continue the development of the district cooling system at the Kai Tak Development and Tung Chung New Town Extension (East), and conduct feasibility studies on the provision of district cooling systems in new development areas;
- continue research and development works on the application of new energy efficiency technologies;
- continue to promote public awareness of best practices in energy efficiency and conservation as well as renewable energy through publicity and public education programmes;
- provide professional support to encourage the development of renewable energy in the private and public sectors;
- provide technical advice and support to government bureaux and departments on energy saving through organising seminars and experience sharing workshops;

- promote retro-commissioning to the relevant trades and professions;
- continue to promote and provide technical advice relating to the implementation of energy-saving measures in government and public venues; and
- oversee energy saving projects on replacing plant and equipment in government buildings and facilities.

Programme (4): Centralised Services and Special Support

	2016–17 (Actual)	2017–18 (Original)	2017–18 (Revised)	**2018–19 (Estimate)**
Financial provision ($m)	81.3	82.9	84.2 (+1.6%)	**91.8** (+9.0%) (or +10.7% on 2017–18 Original)

Aim

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

Brief Description

15 The Department is responsible for providing common administrative support to EMSTF. The common administrative expenses shared by EMSTF will be reimbursed to the Government.

16 The Department is also responsible for the regulatory control of fresh water cooling towers under the Public Health and Municipal Services Ordinance (Cap. 132).

ANALYSIS OF FINANCIAL PROVISION

Programme	2016–17 (Actual) ($m)	2017–18 (Original) ($m)	2017–18 (Revised) ($m)	**2018–19 (Estimate) ($m)**
(1) Energy Supply; Electrical, Gas and Nuclear Safety	146.8	145.8	150.4	**160.1**
(2) Mechanical Installations Safety	128.4	130.6	137.5	**151.6**
(3) Energy Efficiency and Conservation, and Alternative Energy	120.5	308.9	286.3	**512.3**
(4) Centralised Services and Special Support	81.3	82.9	84.2	**91.8**
	477.0	668.2	658.4	**915.8**
			(–1.5%)	**(+39.1%)**
				(or +37.1% on 2017–18 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2018–19 is $9.7 million (6.4%) higher than the revised estimate for 2017–18. This is mainly due to the creation of ten posts and the increased provision for operating expenses.

Programme (2)

Provision for 2018–19 is $14.1 million (10.3%) higher than the revised estimate for 2017–18. This is mainly due to the creation of 32 posts, partly offset by the reduced provision for operating expenses.

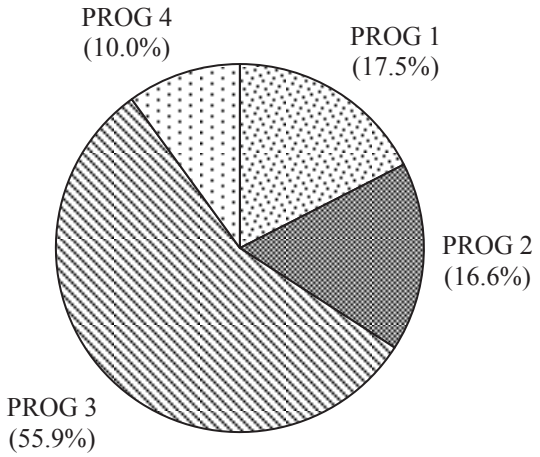
Programme (3)

Provision for 2018–19 is $226.0 million (78.9%) higher than the revised estimate for 2017–18. This is mainly due to the increased provision for energy saving projects in government buildings, recurrent consequence of the development of the district cooling system at the Kai Tak Development, promoting energy efficiency and conservation, and the creation of 18 posts.

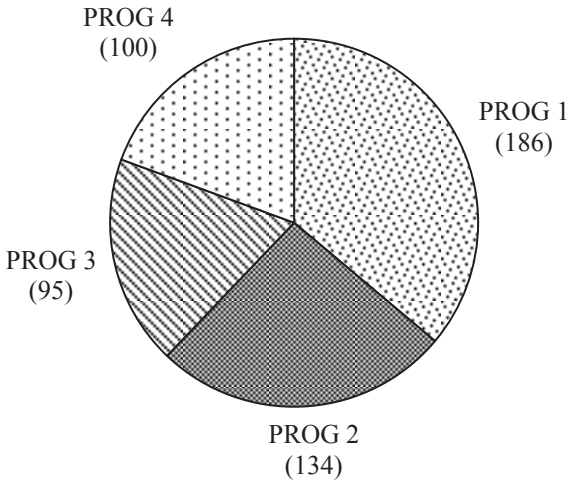
Programme (4)

Provision for 2018–19 is $7.6 million (9.0%) higher than the revised estimate for 2017–18. This is mainly due to the net increase of four posts and the increased provision for filling of vacancies, partly offset by the reduced provision for other operating expenses.

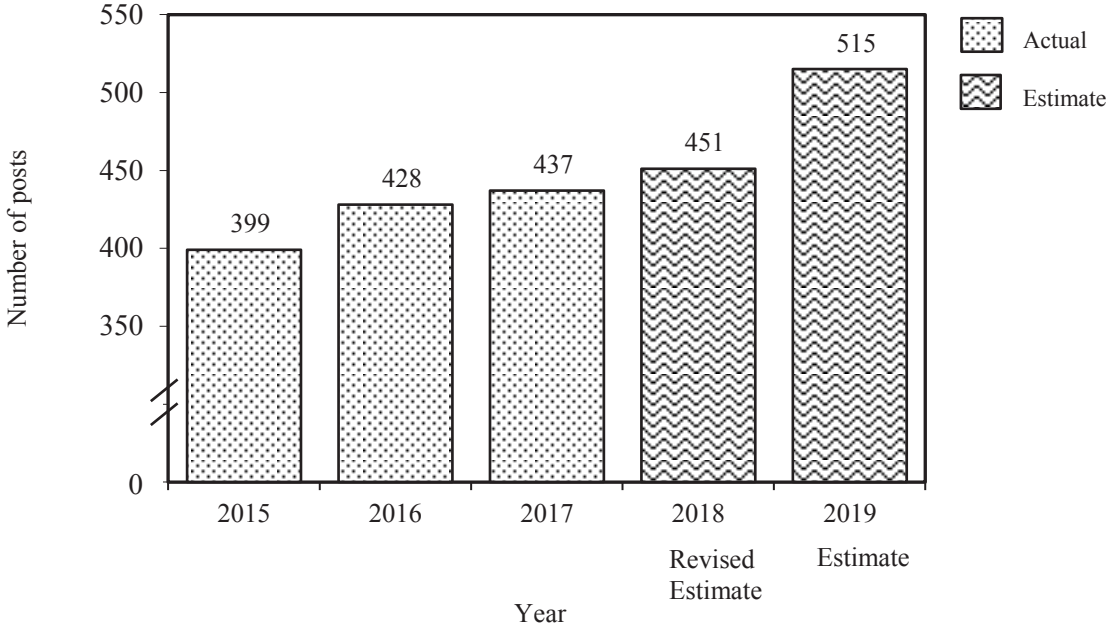
Allocation of provision to programmes (2018-19)



Staff by programme (as at 31 March 2019)



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



Sub-head (Code)		Actual expenditure 2016–17	Approved estimate 2017–18	Revised estimate 2017–18	**Estimate 2018–19**
		$'000	$'000	$'000	**$'000**
	Operating Account				
	Recurrent				
000	Operational expenses	439,228	483,267	473,536	**555,583**
	Total, Recurrent	439,228	483,267	473,536	**555,583**
	Total, Operating Account	439,228	483,267	473,536	**555,583**
	Capital Account				
	Plant, Equipment and Works				
661	Minor plant, vehicles and equipment (block vote)	37,804	34,899	34,899	**35,171**
696	Energy saving projects in government buildings (block vote)	—	150,000	150,000	**325,017**
	Total, Plant, Equipment and Works	37,804	184,899	184,899	**360,188**
	Total, Capital Account	37,804	184,899	184,899	**360,188**
	Total Expenditure	477,032	668,166	658,435	**915,771**

Details of Expenditure by Subhead

The estimate of the amount required in 2018–19 for the salaries and expenses of the Electrical and Mechanical Services Department is $915,771,000. This represents an increase of $257,336,000 over the revised estimate for 2017–18 and $438,739,000 over the actual expenditure in 2016–17.

Operating Account

Recurrent

2 Provision of $555,583,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Electrical and Mechanical Services Department. The increase of $82,047,000 (17.3%) over the revised estimate for 2017–18 is mainly due to the net increase of 64 posts in 2018–19, increased provision for filling of vacancies and recurrent consequence of the development of the district cooling system at the Kai Tak Development, partly offset by the reduced provision for other operating expenses.

3 The establishment as at 31 March 2018 will be 451 permanent posts. It is expected that there will be a net increase of 64 permanent posts in 2018–19. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2018–19, but the notional annual mid-point salary value of all such posts must not exceed $328,244,000.

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

	2016–17 (Actual) ($'000)	2017–18 (Original) ($'000)	2017–18 (Revised) ($'000)	**2018–19 (Estimate) ($'000)**
Personal Emoluments				
- Salaries	310,314	336,031	327,272	**391,748**
- Allowances	3,621	3,875	4,263	**4,432**
- Job-related allowances	—	1	1	**1**
Personnel Related Expenses				
- Mandatory Provident Fund contribution	530	411	650	**444**
- Civil Service Provident Fund contribution	10,390	12,228	13,570	**16,648**
Departmental Expenses				
- General departmental expenses	114,373	130,721	127,780	**142,310**
	439,228	483,267	473,536	**555,583**

Capital Account

Plant, Equipment and Works

5 Provision of $325,017,000 under *Subhead 696 Energy saving projects in government buildings (block vote)* is for acquisition and replacement of plant and equipment for government buildings for the purpose of energy saving, up to a limit of $10 million for each project. The increase of $175,017,000 (116.7%) over the revised estimate for 2017–18 is mainly due to the increased requirement for projects.