

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

**Director of Bureau: Secretary for Economic Development and Labour
Session No.: 8**

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EDLB(ED)114	2379	LI Wah-ming, Fred	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)115	2380	LI Wah-ming, Fred	145	Posts, Power, Competition Policy and Consumer Protection
EDLB(ED)116	2381	LI Wah-ming, Fred	145	Posts, Power, Competition Policy and Consumer Protection
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EDLB(ED)122	2387	LI Wah-ming, Fred	145	Subvention: Hong Kong Tourism Board
EDLB(ED)123	2388	LI Wah-ming, Fred	145	Subvention: Hong Kong Tourism Board
EDLB(ED)124	2389	LI Wah-ming, Fred	145	Subvention: Hong Kong Tourism Board

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EDLB(ED)128	2393	LI Wah-ming, Fred	145	All
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EDLB(ED)131	2398	MA Lik	145	Subvention: Consumer Council
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**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department Subhead:

Programme: (3) Air Traffic Management

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

With the transfer of the Telecommunications Unit previously under Programme (4) Engineering and Systems to this Programme, 33 posts will be deleted in 2006-07. In this connection:

- (i) Please provide details of the 33 posts to be deleted; and
- (ii) In what ways will the Administration ensure that the efficiency and quality of air traffic management will not be affected by the reduction of posts?

Asked by: Hon. TAM Heung-man

Reply:

- (i) Under Programme (3) Air Traffic Management, 35 posts in the Telecommunications Unit will be deleted, while two Air Traffic Control Officer posts will be added. The net number of posts to be deleted is 33 with breakdown as follows: -

Posts to be deleted

Senior Air Traffic Flight Services Officer	1
Air Traffic Flight Services Officer I	3
Air Traffic Flight Services Officer II/III	12
Aeronautical Communications Supervisor	1
Aeronautical Communications Officer II	12
Student Aeronautical Communications Officer	2
Clerical Officer	1
Assistant Clerical Officer	1
Office Assistant	1
Special Driver	1
Total Deletion	<u>35</u>

Posts to be created

Air Traffic Control Officer II	<u>2</u>
Net Deletion	<u>33</u>

- (ii) The main duties of the Aeronautical Communications Officers and Air Traffic Flight Services Officers were to relay information such as flight instructions and weather data between Air Traffic Controllers and pilots. Since CAD introduced the use of Very High Frequency communications equipment, direct communication between Air Traffic Controller-to-Pilot is now possible, thus obviating the need to relay such messages. The two grades have therefore been included in the Voluntary Retirement Scheme. The deletion of the 35 posts will not affect the efficiency and quality of air traffic management. To cope with increased workload resulting from air traffic growth, two Air Traffic Control Officer II posts will be created in 2006-07.

Signature _____

Name in block letters _____

NORMAN LO

Post Title _____

Director-General of Civil Aviation

Date _____

9.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

It is mentioned under Matters Requiring Special Attention in 2006-07 that preparation has to be made for the International Civil Aviation Organisation's Universal Safety Oversight Audit Programme. Would the Administration advise on:

- (a) the details and implementation schedule of the Programme;
- (b) the details of the preparation work;
- (c) the expenditure and staffing arrangement involved;
- (d) whether any additional expenditure and staff resources is expected;
- (e) the outcomes or effect expected; and
- (f) the number of people that will be affected.

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) International Civil Aviation Organisation (ICAO) established the Universal Safety Oversight Audit Programme (USOAP) in January 2005 to expand the scope of its limited audits adopted previously. Under USOAP, comprehensive on-site audits will be conducted by ICAO on all Contracting States to ensure compliance of their safety oversight systems with international standards regarding operation and airworthiness of aircraft, airport, personnel licensing, etc. It is expected that Hong Kong will be audited in 2007 or 2008.
- (b) To prepare for the forthcoming safety oversight audit, the Civil Aviation Department (CAD) has established a working group to regularly review and update Hong Kong's oversight system to ensure continual compliance with ICAO standards and recommended practices.
- (c) The above preparatory work will be undertaken by CAD's existing staff.
- (d) The task does not involve additional expenditure or staff resources.
- (e) Hong Kong has been complying with all ICAO's safety standards which was fully recognised by ICAO in its limited audits conducted in 2000 and 2004. CAD expects that the forthcoming comprehensive audit will further enhance Hong Kong's overall aviation safety and reinforce our aviation hub status.
- (f) Enhancement of aviation safety will have positive impact on Hong Kong's aviation industry, the passengers and the general public.

Signature _____

Name in block letters _____

NORMAN LO

Post Title _____

Director-General of Civil Aviation

Date _____

9.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Fight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Has the Administration compiled any statistics on the average accident rate over the past three years (i.e. from 2003-04 to 2005-06)? If yes, please provide the relevant figure. How does the figure compare with other developed countries and neighbouring areas?

Asked by: Hon. CHAN Kam-lam

Reply:

According to the Hong Kong Civil Aviation (Investigation of Accidents) Regulations (Cap. 448B), an aircraft accident is an accident or serious incident associated with an aircraft which results in the death or serious injury of any person; damage or structural failure of any aircraft which adversely affects its structural strength, performance or flight characteristics; or missing or complete inaccessibility of the aircraft. The accidents and serious incidents between 2003-04 and 2005-06* are summarised below-

Financial Year	Total Number of Accident or Serious Incident	Total Number of Aircraft Movements at HKIA#
2003-04	2	190 301
2004-05	0	242 420
2005-06*	1	225 867

The rates of accidents or serious incidents were extremely low in the light of the number of aircraft movements at the Hong Kong International Airport.

Separately, in accordance with the Air Navigation (Hong Kong) Order 1995 (Cap. 448C), Hong Kong airlines must report occurrences which involve their aircraft, including occurrences related to airframe systems, aircraft engine and avionics equipment to the Civil Aviation Department (CAD) within 96 hours of such occurrences. Occurrences reported between 2003-04 and 2005-06* are summarised below-

Financial Year	Airframe Systems	Aircraft Engine	Avionics Equipment	Total Number of Occurrences (a)	Total Number of Aircraft Movements at HKIA# (b)	Average Aircraft Occurrence Rate (a / b)
2003-04	130	67	20	217	190 301	0.00114
2004-05	152	71	16	239	242 420	0.00099
2005-06*	97	45	16	158	225 867	0.00070

It is not the usual international practice to publish statistics on aircraft occurrence rates. CAD is therefore not able to conduct any comparison with other countries.

* Only includes figures from April 2005 to January 2006

HKIA: Hong Kong International Airport

Signature _____

Name in block letters _____

NORMAN LO

Post Title _____

Director-General of Civil Aviation

Date _____

9.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Will the Administration conduct a consultancy study to draw up flight safety standards for local air services with reference to the standards of other countries, and will it examine the current aircrew service standards to tie in with the upcoming review on the policy on the avoidance of fatigue in aircrews? What is the estimated expenditure on the consultancy study?

Asked by: Hon. CHAN Kam-lam

Reply:

The Civil Aviation Department (CAD) formulates flight safety requirements for compliance by airlines in accordance with the standards and recommended practices promulgated by the International Civil Aviation Organisation (ICAO). Such requirements are under regular review by CAD, in the light of the latest ICAO standards and recommended practices, as well as the prevailing international practices.

As regards the policy on the avoidance of fatigue in aircrews (flight crew and cabin crew), in 2004-05 CAD engaged the European Committee on Aircrew Scheduling and Safety to conduct a flight time limitation study for ultra-long range flights. The expenditure for the study was EURO € 12,500 (around HK\$116,300). The consultancy study has been completed and is being considered by the Flight Time Limitations Working Group set up by CAD (membership including CAD's medical assessors and representatives of airline pilot associations, flight attendant associations and airlines) for further enhancement of flight safety.

Currently, CAD has no plan to conduct other consultancy studies on flight safety standards.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)005

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0969

Head: 28 Civil Aviation Department

Subhead:

Programme: (3) Air Traffic Management

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

There will be a net deletion of 33 posts in 2006-07. Please advise on the details and the savings achieved.

Asked by: Hon. CHAN Kam-lam

Reply:

- (i) In 2006-07, a total of 35 posts will be deleted while two Air Traffic Control Officer posts will be created. The net number of posts to be deleted is 33 with breakdown as follows:-

<u>Posts to be deleted</u>	<u>No.</u>
Senior Air Traffic Flight Services Officer	1
Air Traffic Flight Services Officer I	3
Air Traffic Flight Services Officer II/III	12
Aeronautical Communications Supervisor	1
Aeronautical Communications Officer II	12
Student Aeronautical Communications Officer	2
Clerical Officer	1
Assistant Clerical Officer	1
Office Assistant	1
Special Driver	1
Total Deletion	<u>35</u>
<u>Less: Posts to be created</u>	
Air Traffic Control Officer II	<u>2</u>
Net Deletion	<u><u>33</u></u>

The above net deletion of posts will bring an annual savings of \$6.44 m. As the 35 posts will only be deleted by the end of 2006-07, the savings have not been reflected in the estimate of 2006-07.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0970

Head: 28 Civil Aviation Department

Subhead:

Programme: (3) Air Traffic Management

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

There will be a need to recruit additional air traffic control staff in 2006-07 to cope with the air traffic growth in the Pearl River Delta region. What is the anticipated rate of growth in air traffic services demand in the next three years? What is the estimated number of additional staff to be recruited each year to cope with the situation? What is the expenditure incurred each year?

Asked by: Hon. CHAN Kam-lam

Reply:

It is anticipated that air traffic will grow by 6.5% annually for the next three years. To support air traffic growth, the Civil Aviation Department (CAD) will recruit 20 Student Air Traffic Control Officers in 2006-07. The estimated staff cost is \$5.84 m. In the coming years, CAD will closely monitor traffic growth and the vacancy situation of the controller posts, with a view to determining the need for further recruitment.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

9.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (3) Air Traffic Management

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

With the growing aircraft movements at the Hong Kong International Airport and the year on year increase in the number of flights operated to and from the airport, could the existing air traffic control staff meet the current and future demands? What is the existing wastage rate of air traffic control staff?

Asked by: Hon. WONG Ting-kwong

Reply:

To support the air traffic growth, Civil Aviation Department (CAD) will recruit 20 Student Air Traffic Control Officers in 2006-07. Furthermore, CAD will continue to upgrade the air traffic control system and enhance air traffic control and flight procedures to cope with the anticipated growth in air traffic. The wastage rate of air traffic control staff in 2005 was 4.3%.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0975

Head: 28 Civil Aviation Department

Subhead:

Programme: (3) Air Traffic Management

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the co-ordination with adjacent air traffic control authorities to improve the air traffic management, is the air traffic in the region being inco-ordinated in some respects? There are reports saying that the Mainland China is about to grant fifth freedom rights to Hong Kong. Has the Department conducted an assessment of the impact of such a move on the air traffic in Hong Kong? If yes, please provide us with the details and the provision for the work.

Asked by: Hon. WONG Ting-kwong

Reply:

Civil Aviation Department (CAD) has been maintaining close co-ordination with adjacent air traffic control authorities. In 2006-07, CAD will liaise closely with the General Administration of Civil Aviation of China and the Macao Civil Aviation Authority to formulate long-term plans and implementation measures to improve the efficiency of air traffic management in the Pearl River Delta region. Specifically, CAD will work with its Mainland and Macao counterparts to identify the optimal design of air routes, flight procedures and interfacing among the three authorities.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)009

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1090

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding Matters Requiring Special Attention in 2006-07, what will be the estimated expenditure for preparing for the International Civil Aviation Organization's Universal Safety Oversight Audit Programme?

Asked by: Hon. YOUNG Howard

Reply:

The preparatory work for the International Civil Aviation Organisation's Universal Safety Oversight Audit Programme will be undertaken by existing staff of the Civil Aviation Department. The task does not require additional expenditure or staffing.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)010

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1091

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2006-07, the Department will continue to host the Steering Committee Meeting of the International Civil Aviation Organization Cooperative Development of Operational Safety and Continuing Airworthiness Programme – South East Asia. Please provide the breakdown of the estimated expenditure for the relevant work.

Asked by: Hon. YOUNG Howard

Reply:

The breakdown of the expenditure for hosting the Steering Committee Meeting of the International Civil Aviation Organization Cooperative Development of Operational Safety and Continuing Airworthiness Programme – South East Asia is as follows:

	HK\$
(a) Air passage for speakers	12,000
(b) Meeting logistics and facilities	103,000
Total	<u>115,000</u>

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)011

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1092

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2006-07, the department will continue to formulate measures to improve the reliability of the safety critical and operationally significant air traffic control systems and their associated supporting systems. Please provide details of the concrete plan and the estimated expenditure involved?

Asked by: Hon. YOUNG Howard

Reply:

In 2006-07, the Air Traffic Management Standards Office (ATMSO) under the Flight Standards and Airworthiness Division will critically review the safety management aspect of the operation and maintenance procedures of Hong Kong's air traffic control (ATC) systems against the applicable standards and recommended practices set by the International Civil Aviation Organisation. The review will include in-depth audits on all safety critical and operationally significant ATC systems. These monitoring measures will help enhance the safety and reliability of ATC services.

The above work will be undertaken by three officers in ATMSO, with an annual staff cost of \$2.78 m.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

9.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (2) Airport Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2006-07, the department will continue to monitor the preparatory work at the Hong Kong International Airport for the anticipated operation of the Airbus A380 aircraft in 2006. Please provide details of the preparatory work and the estimated expenditure involved?

Asked by: Hon. YOUNG Howard

Reply:

In anticipation of the planned launch of A380 aircraft in 2006, the necessary preparatory work and modification of hardware facilities at the Hong Kong International Airport (HKIA) will be carried out in three phases:

- (a) Phase I (completion in March 2006) caters for A380 passenger aircraft. The works include widening the taxiway shoulder, relocating the runway-holding positions, extending the jet blast fences, etc.;
- (b) Phase II (completion scheduled for 2008) caters for A380F freighters. It covers primarily modification works in the freighter movement area; and
- (c) Phase III (completion scheduled for 2010) covers some relatively minor upgrading works including a direct taxiing access to the aircraft maintenance area.

The above works are undertaken and funded by the Airport Authority Hong Kong (AAHK). Besides, ramp handling companies are also formulating internal operational procedures and introducing necessary facilities such as heavy-load tractors and high-level catering trucks.

The Civil Aviation Department is responsible for monitoring the progress of the above works undertaken by AAHK, ensuring that HKIA facilities comply with the relevant standards set by the International Civil Aviation Organisation, and ensuring that AAHK has reviewed and amended its emergency procedures to cater for A380 aircraft operations. The additional workload is absorbed by the existing 15 officers of CAD's Airport Standards Division who oversee airport operations.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1094

Head: 28 Civil Aviation Department

Subhead:

Programme: (3) Air Traffic Management

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2006-07, the department will continue to co-ordinate with adjacent air traffic control authorities to improve the air traffic management to support air traffic growth in the Pearl River Delta region. What are the details and the estimated resources involved?

Asked by: Hon. YOUNG Howard

Reply:

In 2006-07, the Civil Aviation Department (CAD) will liaise closely with the General Administration of Civil Aviation of China and the Macao Civil Aviation Authority to formulate long-term plans and implementation measures to improve the efficiency of air traffic management in the Pearl River Delta region. Specifically, CAD will work with its Mainland and Macao counterparts to identify the optimal design of air routes, flight procedures and interfacing among the three authorities. Whilst the coordinating work is absorbed by the existing staff of CAD's Air Traffic Management Division, CAD will allocate an additional \$1m in 2006-07 to engage overseas expertise to assist in this exercise.

Signature

Name in block letters

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Date

NORMAN LO

Director-General of Civil Aviation

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)014

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1095

Head: 28 Civil Aviation Department

Subhead:

Programme: (5) Air Services

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2006-07, it is stated that the department will continue to prepare for the introduction of a scheme to require airlines to make advance payments to air accident victims. How much provision has been allocated for the scheme and what are the details?

Asked by: Hon. YOUNG Howard

Reply:

The Civil Aviation Department (CAD) will prepare subsidiary legislation to require airlines to make advance payment to air accident victims. The preparatory work is undertaken by CAD's existing staff and does not require any additional expenditure or staffing.

Signature

Name in block letters

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NORMAN LO

Director-General of Civil Aviation

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)015

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1096

Head: 28 Civil Aviation Department

Subhead:

Programme: (5) Air Services

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2006-07, the department will continue to monitor aircraft noise and flights tracks, and implement the noise abatement programme. What are the details? How much expenditure and manpower will be involved?

Asked by: Hon. YOUNG Howard

Reply:

During 2006-07, the Civil Aviation Department (CAD) will continue to monitor aircraft noise and flight tracks round the clock through the noise and flight track monitoring system. The system consists of 16 fixed noise monitors installed in the vicinity of the landing and take-off paths of the Hong Kong International Airport. CAD will also continue to implement the noise abatement programme (through design of flight paths, landing and take-off procedures, and prohibition of aircraft which have a high noise level) to minimise as much as possible nuisance caused by aircraft noise.

Aircraft noise and flight track monitoring is undertaken by five officers in the Air Services Division, with an estimated annual staff cost of \$2 m. The recurrent repair and maintenance cost of the noise and flight track monitoring system is estimated to be \$1.2 m per year.

Signature

Name in block letters

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NORMAN LO

Director-General of Civil Aviation

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)016

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1097

Head: 28 Civil Aviation Department

Subhead:

Programme: (5) Air Services

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2006-07, the department will continue to review the demand for helicopter services and take forward necessary statutory procedures for the development of heliports. How much resources will be allocated to develop helicopter services and what are the plans? When will it be completed?

Asked by: Hon. YOUNG Howard

Reply:

To facilitate the development of cross-boundary helicopter services, the Civil Aviation Department (CAD) is taking forward the project to expand the existing cross-boundary heliport at the Macau Ferry Terminal through an open tender exercise. The work involved will be absorbed by CAD's existing staff. We expect to invite tenders later this year.

As regards the development of a domestic heliport, the Civil Engineering and Development Department will commission a consultancy study in 2006-07 on the technical feasibility of developing a Government helipad at the site near the Hong Kong Convention and Exhibition Centre for the shared use of Government and commercial helicopter operations. CAD will assist in the study by providing input from the aviation regulatory angle. The additional work will be absorbed by CAD's existing staff.

Signature

Name in block letters

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NORMAN LO

Director-General of Civil Aviation

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)017

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1487

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

What are the specific work details for flight operations inspections (number of flights)? In 2004, the number of inspections increased to 191 due to the inauguration of new airlines routes and new aircraft types; what are the numbers of new airlines routes and new aircraft types inaugurated? Is there any additional staff engaged for the service? How much additional provision is made? Why is it that the number of inspections was reduced to 152? How will the additional staff in 2004 be deployed?

Asked by: Hon. KWONG Chi-kin

Reply:

In 2004, a local airline launched non-stop ultra-long range passenger services between Hong Kong and New York, whereas another airline launched new passenger services between Hong Kong and Tokyo. In the same year, Hong Kong airlines also introduced new Airbus A300 freighters and Boeing B747-200 freighters. The number of flight operation inspections had therefore increased to 191. The increased workload was undertaken by existing staff without additional expenditure or staffing. With the satisfactory operation of these new freighters and flight services introduced in 2004, the number of flight operation inspections in 2005 was reduced to 152.

Signature

Name in block letters

Post Title

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NORMAN LO

Director-General of Civil Aviation

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)018

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1488

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Targets for inspection of overseas maintenance facilities and inspection of local maintenance organizations are based on the workload of the Civil Aviation Department in 2005 for handling applications for new aircraft types registration. Will the department employ extra manpower to cope with the additional workload? If yes, what will be the expenses incurred?

Asked by: Hon. KWONG Chi-kin

Reply:

The number of inspections conducted on local maintenance organisations and overseas maintenance facilities in 2005 (81 times) was higher than that in 2004 (63 times). This had substantially increased the workload. It is expected that the workload in this respect in 2006 would be comparable to 2005. Furthermore, the continued expansion of Hong Kong's aviation industry (e.g. the establishment of new airline, introduction of new aircraft types, and expansion of fleets) would create additional workload. To cope with this, the Civil Aviation Department plans to create one Senior Operations Officer post and one Operations Officer post in 2006-07. The additional expenditure will be around \$1.5 m.

Signature

Name in block letters

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NORMAN LO

Director-General of Civil Aviation

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)019

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1489

Head: 28 Civil Aviation Department

Subhead:

Programme: (2) Airport Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

The number of building plans/development proposals and lighting proposals submitted for assessment of compliance with airport height restrictions and other aviation safety requirements increased from 242 in 2004 to 334 in 2005 and is anticipated to further increase to 400 in 2006. Please advise:

- (a) While the estimate attributed the increase to more building plans and development proposals submitted by developers, what is the reason for the rising number of submissions?
- (b) How many additional staff will be required to cope with the increasing workload? What will be the expenses incurred? When will the increasing trend of case assessment slow down?

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) The increase in the number of building plans and development proposals submitted to the Civil Aviation Department for assessment in recent years is mainly due to the increase in the number of property development projects.
- (b) The increased workload is absorbed by existing staff without incurring additional expenditure. It is expected that the number of submissions will change in step with development in the real estate industry.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (2) Airport Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding Matters Requiring Special Attention in 2006-07 on preparatory work at the Hong Kong International Airport for the anticipated operation of the Airbus A380 aircraft in 2006, what is the preparatory work specifically? Which departments are going to be involved in making preparations? How many staff will have to take up additional work? How many hardware facilities in the airport have to be converted for the preparations?

Asked by: Hon. KWONG Chi-kin

Reply:

(a) In anticipation of the planned launch of A380 aircraft in 2006, the necessary preparatory work and modification of hardware facilities at the Hong Kong International Airport (HKIA) will be carried out in three phases:

- (i) Phase I (completion in March 2006) caters for A380 passenger aircraft. The works include widening the taxiway shoulder, relocating the runway-holding positions, extending the jet blast fences, etc.;
- (ii) Phase II (completion scheduled in 2008) caters for A380F freighters. It covers primarily modification works in the freighter movement area; and
- (iii) Phase III (completion scheduled in 2010) covers some relatively minor upgrading works including a direct taxiing access to the aircraft maintenance area.

The above works are undertaken and funded by the Airport Authority Hong Kong (AAHK). Besides, ramp handling companies are also formulating internal operational procedures and introducing necessary facilities such as heavy-load tractors and high-level catering trucks.

(b) Government departments involved in the preparatory work include:

- (i) Civil Aviation Department (CAD) — which monitor the progress of the above works undertaken by AAHK, ensure that HKIA facilities comply with the relevant standards set by the International Civil Aviation Organisation (ICAO), and ensure that AAHK has reviewed and amended its emergency procedures to cater for A380 aircraft operations; and
- (ii) Fire Services Department — which have upgraded their fire-fighting vehicles to comply with the rescue and fire-fighting capability requirements for A380 set by ICAO.

(b) The additional workload set out in paragraph (b)(i) above is absorbed by the existing 15 officers of CAD's Airport Standards Division who oversee airport operations.

Signature

Name in block letters

NORMAN LO

Post Title

Director-General of Civil Aviation

Date

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)021

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1491

Head: 28 Civil Aviation Department

Subhead:

Programme: (2) Airport Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding Matters Requiring Special Attention in 2006-07 on preparatory work at the Hong Kong International Airport for the anticipated operation of the Airbus A380 aircraft in 2006, please advise:

- (a) if the departments concerned have to deploy extra manpower; and
- (b) the estimated expenditure involved; and if additional provision has to be made for the preparation work.

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) & (b) The modification works to facilities at the Hong Kong International Airport (HKIA) to support A380 aircraft operations are undertaken by the Airport Authority Hong Kong (AAHK). The Civil Aviation Department (CAD) is responsible for monitoring the progress of the works undertaken by AAHK, ensuring that HKIA facilities comply with the relevant standards set by the International Civil Aviation Organisation (ICAO), and ensuring that AAHK has reviewed and amended its emergency procedures to cater for A380 aircraft operations. The additional workload is absorbed by the existing 15 officers of CAD's Airport Standards Division who oversee airport operations.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)022

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1492

Head: 28 Civil Aviation Department

Subhead:

Programme: (3) Air Traffic Management

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding Matters Requiring Special Attention in 2006-07 on recruiting and providing quality training to air traffic control staff to meet the anticipated air traffic services demand, please advise:

- (a) in the recruitment and training programmes, how many staff and of what ranks are expected to be recruited, what is the additional expenditure involved, what are the specific training programmes; and
- (b) what is the expected rate of growth of air traffic services demand; is the number to be recruited linked to the growth of the air traffic services demand; has due consideration been given to the surplus staff resulted from the slow down of the demand?

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) In 2006-07, the Civil Aviation Department (CAD) will recruit 20 Student Air Traffic Control Officers (SATCO). The estimated annual staff cost is \$5.84 m. The training of a SATCO includes aviation theory, various simulators, flying and on-the-job training; and examinations at various stages of the training programme to obtain professional qualifications.
- (b) It is anticipated that air traffic will grow by about 6.5% annually. When considering the number of recruits, CAD has taken into account air traffic control workload and the vacancy situation so as to ensure that the recruitment can meet service needs whilst not creating any staff surplus.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (4) Engineering and Systems

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding Matters Requiring Special Attention in 2006-07 which mentioned conducting a comprehensive review on the air traffic control facilities and identify improvement measures to support long-term aviation development, please advise:

- (a) the specific long-term development; and provide data, other than the continuous growth of flights, indicating that there can be long-term development for Hong Kong's aviation in other aspects; and
- (b) details of the comprehensive review and the improvement measures, staff and operations to be affected, and the expenditure involved in taking forward the improvement measures.

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) Apart from the continuous growth in flight movements, the long-term development of Hong Kong's aviation sector includes –
 - (1) the Government will continue to pro-actively implement our progressive liberalisation policy in air services by concluding more new air services agreements and expanding existing traffic arrangements. We will continue to expand our aviation network by increasing the frequencies of flights and number of destinations;
 - (2) at the Hong Kong International Airport, the Airport Authority Hong Kong will invest \$8.1 billion to develop the Sky Plaza, Sky Pier II, and a satellite concourse; enhance passenger terminal capacity; construct additional freighter stands; and enhance the runways and taxiways. The private sector will also invest \$2.9 billion to expand the air freight and express cargo terminals and aircraft maintenance facility. These investments will ensure that airport facilities can support future demand;
 - (3) the airline industry is also expanding through the establishment of new airline, introduction of new aircraft types and expansion of fleets; and
 - (4) in terms of aviation technology, the trend would be moving towards digitisation of aeronautical data and development of information technology systems that enable the exchange of live operational data among aircraft, airports, air traffic control centres and airlines.
- (b) To support the long-term development of Hong Kong's aviation sector, the Civil Aviation Department (CAD) will conduct review on the air traffic control facilities to assess their compatibility with the above development trend. CAD will also identify improvement measures such as upgrading or replacement of the existing air traffic control system; implementation of satellite-based Communications, Navigation, Surveillance/Air Traffic Management System; introduction of more information technology application systems, etc., with a view to enhancing the operational efficiency and safety of air traffic control. The review and improvement measures will cover the work of Electronics Engineers and Air Traffic Controllers. The detailed improvement measures and the expenditure involved will be addressed in the review.

Signature

Name in block letters

NORMAN LO

Post Title

Director-General of Civil Aviation

Date

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)024

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1494

Head: 28 Civil Aviation Department

Subhead:

Programme: (4) Engineering & Systems

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the organisation of the "necessary activities" for the continued provision of electronic and telecommunications services when these services are no longer provided under a central contract expiring on 30 September 2006, please provide details on the "necessary activities".

Asked by: Hon. KWONG Chi-kin

Reply:

To prepare for the expiry of the contract for electronic and telecommunication services on 30 September 2006, the Civil Aviation Department (CAD) is in the process of inviting bids for the new contract through open tender, for the continued maintenance and repair of the air traffic control systems. CAD will also coordinate the transfer of documents, operational arrangements and staff training, etc. to facilitate the smooth transition between the existing and the new service providers to ensure a seamless provision of repair and maintenance services for the air traffic control systems.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)025

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1495

Head: 28 Civil Aviation Department

Subhead:

Programme: (4) Engineering and Systems

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the organisation of the necessary activities for the continued provision of electronic and telecommunications services when these services are no longer provided under a central contract expiring on 30 September 2006, with only about six months to go before the expiry of the contract, did the "necessary activities" start? When will the new contract commence and how long will it last? What is the expenditure involved.

Asked by: Hon. KWONG Chi-kin

Reply:

Civil Aviation Department is in the process of inviting bids for the new electronic and telecommunications services contract through open tender. The new contract is expected to come into effect on 1 October 2006 for a period of 10 years. The estimated annual expenditure is around \$130 m.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)026

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1496

Head: 28 Civil Aviation Department

Subhead:

Programme: (4) Engineering and Systems

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

The Department will plan, implement and enhance information technology systems and establish the information security policy in line with the e-Government objective in 2006-07. In this respect, please provide the following information:

- (a) the approach and specific details of the work concerned and the designed staffing arrangements for the systems;
- (b) the expenditure involved in the enhancement of the systems, the manpower required and the schedule for the whole plan; and
- (c) the expected efficiency gains, the cost-effectiveness to be achieved and the people to be benefited upon the enhancement of the systems.

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) In 2006-07, in line with the e-Government objective, Civil Aviation Department (CAD) will study the development, status of advancement, budget, installation time-frame, cost effectiveness and the like of the information technology (IT) systems in Hong Kong and overseas. CAD will then map out the development plan of its IT systems, including their functionalities, specifications, standards and data security requirements. A Senior Electronics Engineer and a Computer System Manager will be the key staff of this enhancement programme, to be assisted by Assistant IT Officers and IT Assistants.
- (b) The work will be absorbed by the existing staff in the Engineering and Systems Division. The cost of hardware and software enhancement is estimated to be \$3 m. The enhancement programme is a continuous task and there is no pre-set timeframe. However, CAD will install and enhance the IT systems in the shortest possible time.
- (c) After the enhancements, it is expected that information and data can be displayed more rapidly and systematically, thus improving the efficiency of system users by 10%-15%. Cost-effectiveness of the project will include enhanced staff productivity to cope with increased workload and improved efficiency and reliability of data exchange among systems. The aviation industry will benefit from the improved efficiency of CAD.

Signature

Name in block letters

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Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (3) Air Traffic Management

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

The provision for 2006-07 is \$15 m (5.4%) higher than that for 2005-06. This is mainly due to the effect of the transfer of the Telecommunications Unit to this programme. However, there will be a net deletion of 33 posts at the same time.

- (a) What are the areas of work for the 33 posts deleted and the reasons for their deletion? While provision has to be increased to cope with the work of the Telecommunications Unit, why manpower has to be cut?
- (b) Under matters requiring special attention, it is stated that the Department will recruit air traffic control staff. Please provide the reasons and the expenditure involved.

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) With the transfer of the Telecommunications Unit to Programme (3) Air Traffic Management, 35 posts will be deleted while two Air Traffic Control Officer posts will be created. The net number of posts to be deleted under Programme (3) is 33 with breakdown as follows:-

<u>Posts to be deleted</u>	<u>No.</u>
Senior Air Traffic Flight Services Officer	1
Air Traffic Flight Services Officer I	3
Air Traffic Flight Services Officer II/III	12
Aeronautical Communications Supervisor	1
Aeronautical Communications Officer II	12
Student Aeronautical Communications Officer	2
Clerical Officer	1
Assistant Clerical Officer	1
Office Assistant	1
Special Driver	1
Total Deletion	<u>35</u>
<u>Less: Posts to be created</u>	
Air Traffic Control Officer II	<u>2</u>
Net Deletion	<u>33</u>

The main duties of the Air Traffic Flight Services Officers and Aeronautical Communications Officers were to relay information such as flight instructions and weather data between Air Traffic Controllers and Pilots. Since the Civil Aviation Department (CAD) introduced the use of Very High Frequency communications equipment, direct communication between Air Traffic Controllers and Pilots is now possible, thus obviating the need to relay such messages. The two grades have therefore been included under the Voluntary Retirement Scheme.

There is an increase in provision under Programme (3) because after the deletion of 33 posts, there would still be 86 staff of the Telecommunications Unit transferred from Programme (4) to Programme (3). The provision under Programme (4) has correspondingly been reduced.

(b)

In 2006-07, CAD will recruit 20 Student Air Traffic Control Officers to cope with increased workload arising from air traffic growth. The estimated staff cost is \$5.84 m.

Signature _____

Name in block letters

NORMAN LO

Post Title

Director-General of Civil Aviation

Date

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)028

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1545

Head: 28 Civil Aviation Department

Subhead:

Programme: (5) Air Services

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

It is noted that the problem of aircraft noise is getting worse in recent years, with incidence of aircraft noise above 75 decibel ever increasing. Please provide, in tabulated form, the revised estimate and actual expenditure on monitoring aircraft noise for 2004 and 2005, and the estimate for 2006.

Asked by: Hon. CHAN Wai-yip, Albert

Reply:

The revised estimate and actual expenditure for 2004-05, the approved estimate and revised estimate for 2005-06, and the estimate for 2006-07, on aircraft noise and flight track monitoring are:

	<u>2004-05</u>		<u>2005-06</u>		<u>2006-07</u>
	Revised Estimate (\$m)	Actual Expenditure (\$m)	Approved Estimate (\$m)	Revised Estimate (\$m)	Estimate (\$m)
Manpower	1.67	1.98	1.91	1.91	1.96
System maintenance	1.22	1.57	1.21	2.24 (Note)	1.24
Total	2.89	3.55	3.12	4.15	3.20

Note: The amount includes a one-off expenditure of \$1 m for system enhancement.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)029

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1662

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

In 2005, there were 179 approvals of authorised examiners/approved persons, which exceeded the target of 120. The increase was due to additional number of approvals relating to new aircraft types and the re-issue of approvals due to change of the name of a company.

- (a) Please explain in detail the relationship between the increase and those two reasons.
- (b) Was the additional workload tackled by other staff? Please provide information on the staffing arrangements and the extra expenditure incurred.
- (c) Why is it that the target planned for 2006-07 maintains at the 2004 level?

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) The surge in the number of approvals of authorised examiners / approved persons in 2005 was primarily due to the following reasons:
 - (1) as a result of the introduction of new aircraft types by Hong Kong airlines (such as Embraer 170, Gulfstream G450 and Bombardier CRJ700), CAD had to approve examiners who are authorised to examine pilots of these aircraft types (authorised examiners) and organisations which can perform maintenance on these aircraft types (approved persons); and
 - (2) CAD had to review the qualification of authorised examiners as a result of the change of company names of one Hong Kong airline and one flying training organisation.
- (b) The additional workload was absorbed by CAD's existing staff without incurring additional expenditure.
- (c) The situation of 2005 was rather exceptional. It is expected that the number of approvals of authorised examiners / approved persons in 2006 would be back to the normal level of 2004.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)030

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No

1663

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

On aircraft maintenance licence examinations (number of examination papers processed), the number jumped to 6 344 in 2005, much higher than the number of papers processed in 2004, i.e. 2 498. The increase was due to higher than expected number of maintenance personnel taking the examinations and the increase in the number of candidates retaking the examinations.

- (a) Among the 6 344 papers, how many were taken by first-timers and how many by re-takers?
- (b) The figure in 2005 was nearly thrice that in 2004. Did the Department deploy additional staff to cope? If yes, please provide details and the provision involved.

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) In 2005, there were a total of 448 new candidates taking the aircraft maintenance licence (AML) examination and 102 candidates resitting the examination.
- (b) The processing of AML examination papers was absorbed by existing staff of the Civil Aviation Department. There were no additional staff resources involved.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

In "Matters Requiring Special Attention in 2006-07", there is an item on "review the policy on the avoidance of fatigue in aircrews". Please provide the following information:

- (a) What are the criteria for identifying fatigue in aircrews? Based on these criteria, how many cases of fatigue in aircrews were found in Hong Kong in 2005 and what are the related ratios?
- (b) What will be covered in the above-mentioned review? What will be the expenditure required for the review?
- (c) Which categories of aircrews will be mostly benefited?

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) Under the Air Navigation (Hong Kong) Order 1995 (Cap. 448C), a person shall not act as a member of the flight crew of an aircraft registered in Hong Kong if at the beginning of the flight the aggregate of all his previous flight times:
 - (1) exceeds 100 hours during the period of 28 consecutive days expiring at the end of the day on which the flight begins; or
 - (2) exceeds 900 hours during the period of 12 months expiring at the end of the previous month.In addition, the Civil Aviation Department (CAD) has also established detailed guidelines requiring Hong Kong airlines to establish flight time limitations (FTL) schemes for their crew members (including flight crew and cabin crew). The FTL schemes should ensure that crew members are adequately rested so as to enable them to perform their duties effectively. Airlines are required to file with CAD reports of fatigue incidents. There were no reports of fatigue received by CAD in 2005.
- (b) CAD has established an FTL working group (membership including CAD's medical assessors and representatives of airline pilot associations, flight attendant associations and airlines) to review the policy on the avoidance of fatigue in crew members. In 2004-05, CAD engaged the European Committee on Aircrew Scheduling and Safety to conduct an FTL study for ultra-long range flights. The expenditure for the study was about \$ 116,300. The consultancy study has been completed and its recommendations are being reviewed by the working group.
- (c) The review covers Hong Kong airlines' crew members (including flight crew and cabin crew).

Signature

Name in block letters

NORMAN LO

Post Title

Director-General of Civil Aviation

Date

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

In "Matters Requiring Special Attention in 2006-07", there is an item on "review the policy on the avoidance of drug and alcohol abuse in personnel holding aviation-sensitive posts".

- (a) Please provide a breakdown of drug abuse cases and alcohol abuse cases found in personnel holding aviation-sensitive posts in 2005. How many of these cases have led to problems in work performance? How many staff are responsible for follow-up actions of these cases? What is the expenditure required?
- (b) Please provide details of the current policy on this issue. Has any review been conducted to assess the effectiveness of the current policy? If yes, please give an account of the main points and the areas for improvement.

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) No reports of drug or alcohol abuse by personnel holding aviation safety-sensitive posts were received in 2005.
- (b) According to Annex 1 to the Convention on International Civil Aviation, holders of licences (including flight crews and air traffic controllers) shall not exercise the privileges of their licences while under the influence of any psychoactive substance (including alcohol and psychostimulants) which might render them unable to safely and properly exercise their privileges. Furthermore, in accordance with the Air Navigation (Hong Kong) Order 1995 (Cap. 448C), a person shall not, when acting as a member of the crew of any aircraft, be under the influence of drink or a drug to such an extent as to impair his capacity so to act.

Civil Aviation Department (CAD) established an Alcohol and Drugs Working Group (ADWG) (membership including CAD's medical assessors and representatives of airline pilot association and airlines) to review the policy on the avoidance of drug and alcohol abuse by personnel holding aviation safety-sensitive posts. ADWG is currently studying the introduction of procedures for conducting alcohol and drugs screening and the publication of guidance materials to avoid drug and alcohol abuse.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2006-07, the Department will host the Steering Committee Meeting of the ICAO Cooperative Development of Operational Safety and Continuing Airworthiness Programme – South East Asia.

- (a) What will be the agenda for the meeting? What will be the major discussion topics? What results are expected to be achieved? What types of and how many service targets will be benefited? Will Hong Kong host this annual meeting every year?
- (b) What will be the staffing arrangements for the Meeting, such as the work areas and division of labour. For the expenditure involved, please provide a breakdown.

Asked by: Hon. KWONG Chi-kin

Reply:

- (a) The Steering Committee Meeting of the International Civil Aviation Organisation (ICAO) Cooperative Development of Operational Safety and Continuing Airworthiness Programme – South East Asia (COSCAP) hosted by the Civil Aviation Department (CAD) had been advanced to February 2006. Matters discussed at the meeting included the benefits of COSCAP, updates on ICAO's Universal Safety Oversight Audit Programme, language proficiency requirements of pilots and air traffic controllers, etc. The purpose of COSCAP is to assist civil aviation administrations in the South East Asian region in their implementation of the latest ICAO standards and recommended practices. This would enhance aviation safety across the region in the interest of the aviation industry, passengers and the general public. Members of the Programme take turn to host the meeting every year. The next Steering Committee Meeting will be held in Indonesia.
- (b) The organizing of the meeting in February 2006 was undertaken by CAD's existing staff. The breakdown of the expenditure is as follows:

	\$
1. Air passage for speakers	12,000
2. Meeting logistics and facilities	<u>103,000</u>
Total	<u>115,000</u>

Signature

Name in block letters

NORMAN LO

Post Title

Director-General of Civil Aviation

Date

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)034

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1892

Head: 28 Civil Aviation Department

Subhead:

Programme: (1) Flight Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

Why does the number of inspections of operations and maintenance services at Hong Kong airlines outstations planned for 2006 decrease by 18 as compared to 2005?

Asked by: Hon. LEONG Kah-kit, Alan

Reply:

The surge in the number of inspections (up to 56 nos.) of operations and maintenance services at Hong Kong airlines' outstations in 2005 was primarily due to an increase in the number of new destinations operated by Hong Kong airlines (such as Atlanta, Dallas, Jinan, Kunming, Riyadh and Sanya). It is estimated that the number of inspections of destinations operated by Hong Kong airlines will be 38 in 2006. But this is an estimate only. The Civil Aviation Department will adjust its operation in line with airlines' actual needs if necessary.

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)035

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2072

Head: 28 Civil Aviation Department

Subhead: 000 Operational expenses

Programme:

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

What are the details of the 31 permanent posts to be deleted in 2006-07, and the amount of expenditure saved?

Asked by: Hon. LEUNG Yiu-chung

Reply:

In 2006-07, 35 posts in the Civil Aviation Department will be deleted while four posts will be created. The net number of posts to be deleted is 31 with breakdown as follows:

<u>Posts to be deleted</u>	<u>No.</u>
<u>Programme (3)</u>	
Senior Air Traffic Flight Services Officer	1
Air Traffic Flight Services Officer I	3
Air Traffic Flight Services Officer II/III	12
Aeronautical Communications Supervisor	1
Aeronautical Communications Officer II	12
Student Aeronautical Communications Officer	2
Clerical Officer	1
Assistant Clerical Officer	1
Clerical Assistant	1
Special Driver	1
Total Deletion	<u>35</u>
<u>Posts to be created</u>	
<u>Programme (1)</u>	
Senior Operations Officer	1
Operations Officer	1
<u>Programme (3)</u>	
Air Traffic Control Officer II	2
Total Creation	<u>4</u>
Net Deletion	<u>31</u>

The above net deletion of posts will bring an annual savings of \$4.94 m. As the 35 posts will only be deleted by the end of 2006-07, the savings have not been reflected in the estimate of 2006-07.

Signature

Name in block letters

NORMAN LO

Post Title

Director-General of Civil Aviation

Date

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)036

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2222

Head: 28 Civil Aviation Department

Subhead: 000 Operational expenses

Programme:

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

With regard to the establishment of the Civil Aviation Department, the number of non-directorate posts will be reduced from 686 to 655 in 2006-07. Please provide a list of the 31 posts to be deleted, stating the respective programmes they come under, their ranks, number and the reasons for deletion.

Asked by: Hon. SIN Chung-kai

Reply:

In 2006-07, 35 posts in the Civil Aviation Department (CAD) will be deleted while four posts will be created. The net number of posts to be deleted is 31 with breakdown as follows:

<u>Posts to be deleted</u>	<u>No.</u>
<u>Programme (3)</u>	
Senior Air Traffic Flight Services Officer	1
Air Traffic Flight Services Officer I	3
Air Traffic Flight Services Officer II/III	12
Aeronautical Communications Supervisor	1
Aeronautical Communications Officer II	12
Student Aeronautical Communications Officer	2
Clerical Officer	1
Assistant Clerical Officer	1
Clerical Assistant	1
Special Driver	1
Total Deletion	<u>35</u>
<u>Posts to be created</u>	
<u>Programme (1)</u>	
Senior Operations Officer	1
Operations Officer	1
<u>Programme (3)</u>	
Air Traffic Control Officer II	2
Total Creation	<u>4</u>
Net Deletion	<u>31</u>

The main duties of the Aeronautical Communications Officers and Air Traffic Flight Services Officers were to relay information such as flight instructions and weather data between Air Traffic Controllers and Pilots. Since CAD introduced the use of Very High Frequency communications equipment, direct communication between Air Traffic Controllers and Pilots is now possible, thus obviating the need to relay such messages. The two grades have therefore been included under the Voluntary Retirement Scheme.

On the other hand, two Air Traffic Control Officer II posts will be created in 2006-07 to cope with increased workload resulting from air traffic growth. One Senior Operations Officer post and one Operations Officer post will also be created to cope with the increased workload arising from the continued expansion of Hong Kong's aviation industry (such as the establishment of new airline, introduction of new aircraft types, and expansion of fleets).

Signature	_____
Name in block letters	NORMAN LO
Post Title	Director-General of Civil Aviation
Date	10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)037

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2251

Head: 28 Civil Aviation Department

Subhead:

Programme: (2) Airport Standards

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

What is the amount of expenditure for monitoring the planned extension programme of the airport runway and aircraft stands? Has the future development trends of the size of aircrafts been considered in the monitoring work?

Asked by: Hon. CHAN Kam-lam

Reply:

The monitoring of airport operation, including the upgrading works to runway or aircraft stands undertaken by the Hong Kong Airport Authority, is being carried out by 15 staff in the Airport Standards Division of the Civil Aviation Department (CAD). No additional expenditure or staffing is required. When overseeing these upgrading projects, CAD has fully taken into account the operational needs of the present largest aircraft in the world (i.e. A380).

Signature

Name in block letters

Post Title

Date

NORMAN LO

Director-General of Civil Aviation

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 28 Civil Aviation Department

Subhead:

Programme: (4) Engineering and Systems

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

- (a) Please provide details on the information technology projects in line with the e-Government objective to be introduced in 2006-07 and the expenditure incurred.
- (b) With regard to the review on the air traffic control facilities, will the Department consider introducing more information technology application systems for air traffic control to promote the application and development of the Intelligent Transport System in aviation?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) In 2006-07, in line with the e-government objective, Civil Aviation Department (CAD) will study the development, status of advancement, budget, installation time-frame, cost effectiveness and the like of the information technology (IT) systems in Hong Kong and overseas. CAD will then map out the development plan of its IT systems, including their functionalities, specifications, standards and data security requirements. The work will be absorbed by the existing staff in the Engineering and Systems Division. The cost of hardware and software enhancement is estimated to be \$3 m.
- (b) As regards air traffic control facilities, CAD has been actively introducing more IT application systems to promote the development and application of the Intelligent Transport System in the aviation sector. Systems introduced include Air Traffic Capacity and Flow Control Display Systems, Air Traffic Services Inter-facility Data Communications Trial System, and Radio-telephony Workload Monitoring System. New systems now being developed include Medium Term Conflict Alert System, Control Tower Display Integration System, etc. When conducting the comprehensive review on the air traffic control facilities to support long-term aviation development, CAD will also actively explore the possibility of introducing more IT application systems.

Signature _____

Name in block letters _____

NORMAN LO

Post Title _____

Director-General of Civil Aviation

Date _____

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)039

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2160

Head: 31 Customs and Excise Department Subhead:

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Economic Development and Labour

Question:

What is the reason for the much smaller number of spot checks in relation to Precious Metals Marking Orders enforcement when compared with other groupings, such as intellectual property rights and consumer goods safety? Why is the estimated number of 2006 lowered while the relevant figures of 2004 and 2005 remain at the same level? Are there any statistics supporting the lowered level?

Asked by: Hon. WONG Kwok-hing

Reply:

It is estimated that larger numbers of spot checks will be conducted for intellectual property rights and consumer goods safety enforcements in view of the wide range of goods concerned. Regarding the enforcement of the Precious Metals Marking Orders, the number of spot checks set for 2006 (70) is our estimate for planning purpose only. The estimate was the same as that for 2004 and 2005. However, we had conducted more checks on retailers selling gold and platinum items in 2004 (82) and 2005 (81) to support the "Individual Visitor Scheme" and to enhance protection of consumers. No major discrepancy had been revealed from the checks so far. In fact, the number of complaints about breaches of the Precious Metals Marking Orders has been on the low side, with only five cases in 2004 and six cases in 2005. The estimate of 70 spot checks is thus continued to be adopted for 2006. Nevertheless, we will conduct more spot checks if such a need arises.

Signature

Name in block letters

Post Title

Date

TIMOTHY H M TONG

Commissioner of Customs and Excise

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)040

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0965

Head: 33 Civil Engineering and Development Department Subhead:

Programme : (2) Port and Marine Facilities

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

In 2006 estimate, the expenditure on marine facilities and port construction works is \$102 m. When compared with the estimated expenditure of \$158 m in 2005 estimate, there is a reduction of \$56 m or by 30%. Please explain why.

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

The reduction in the 2006 estimate for expenditure on marine facilities and port construction works is mainly due to the completion of the sheltered boat anchorage at Tai O in 2005.

Signature

Name in block letters

Post Title

Date

John S V CHAI

Director of Civil Engineering and Development

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)041

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0966

Head: 33 Civil Engineering and Development Department Subhead:

Programme : (2) Port and Marine Facilities

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

In 2006, the estimated cost of maintenance works and maintenance dredging is \$76 m. Compared with the actual expenditure of \$85 m in 2005, it is reduced by \$9 m or 10.5% of reduction. Please explain why there is a substantial reduction in 2006?

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

In 2005, we have carried out major concrete repair works for piers which increased the expenditure on maintenance work. With the completion of these repair works, the maintenance cost will revert to an average level of estimated expenditure in 2006.

Signature

Name in block letters

Post Title

Date

John S V CHAI

Director of Civil Engineering and Development

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)042

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0967

Head: 33 Civil Engineering and Development Department Subhead:

Programme : (1) Tourism and Recreational Development

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

For matters requiring special attention in 2006-07, it is mentioned that construction of the Road P1 advance works at Sunny Bay will commence during 2006-07. Please advise the 2006-07 estimate associated with the works and manpower involved.

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

The design and construction supervision of the Road P1 advance works at Sunny Bay are conducted under a consultancy agreement. The 2006-07 estimate for this project is \$87 m, of which \$79 m, \$7 m and \$1 m are for the construction works, resident site staff and the consultancy agreement respectively. This Department deploys four professional staff to carry out project management.

Signature

Name in block letters

Post Title

Date

John S V CHAI

Director of Civil Engineering and Development

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)043

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0968

Head: 33 Civil Engineering and Development Department Subhead:

Programme: (1) Tourism and Recreational Development

Controlling Officer: Director of Civil Engineering and Development

Director of Bureau: Secretary for Economic Development and Labour

Question:

The 2006 estimate for expenditure on works under construction is \$435 m, which is \$678 m less than the 2005 estimate of \$1,113 m, with variance of 60.9%. Why?

Asked by: Hon. CHAN Wai-yip, Albert

Reply:

The 2006 estimate for expenditure on works under construction in this programme is reduced because the infrastructure works associated with Hong Kong Disneyland (HKD) Phase I were completed in 2005. The 2006 estimate of \$435 m mainly covers the following items:

- (a) Penny's Bay Reclamation stage II;
- (b) Road P1 advance works at Sunny Bay; and
- (c) Final payment for the infrastructure works associated with HKD Phase I.

Signature

Name in block letters

Post Title

Date

JOHN S V CHAI

Director of Civil Engineering and Development

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)044

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0230

Head: 33 Civil Engineering and Development Department Subhead:

Programme : (1) Tourism and Recreational Development

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

For matters requiring special attention in 2006-07, it is mentioned that construction of the Road P1 advance works at Sunny Bay will commence during 2006-07. Please give details of the works and its latest progress.

Asked by : Hon. TO Kun-sun, James

Reply :

The scope of the proposed Road P1 advance works at Sunny Bay mainly includes:

- (a) the reclamation works at Sunny Bay to form about three hectares of land for road construction; and
- (b) the construction of two single two-lane carriageways, each 1.5 km long, to connect North Lantau Highway with Sunny Bay Road.

Design work is now in progress, and the construction work is expected to commence in the third quarter of 2006 and will take about three years to complete.

Signature

Name in block letters

Post Title

Date

JOHN S V CHAI

Director of Civil Engineering and Development

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)045

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2078

Head: 33 Civil Engineering and Development Department Subhead:

Programme : (2) Port and Marine Facilities

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

There is an increase of \$0.3 m in the estimate for 2006-07 due to an increase in operational expenses. Please advise the following :

- (a) the details of the increase in operational expenses; and
- (b) the details of the post to be deleted and the reason for the deletion, and if such deletion is to offset the increase in operational expenses.

Asked by : Hon. WONG Kwok-hing

Reply :

- (a) The slight increase in the estimate for 2006-07 is mainly due to the deployment of more staff resources to undertake additional survey work in light of the increase in marine facilities maintained by the Department.
- (b) As a result of streamlining work processes and procedures, one driver post for general support services can be deleted. Since the deletion of post will be effected at the end of 2006-07, the savings achieved therefore will be minimal for this financial year.

Signature

Name in block letters

Post Title

Date

John S V CHAI

Director of Civil Engineering and Development

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)046

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2081

Head: 33 Civil Engineering and Development Department Subhead:

Programme : (1) Tourism and Recreational Development

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

Provision for 2004-05 is \$52.9 m, and the revised estimate for 2005-06 is reduced to \$36.6 m. What are the reasons for the decrease? In the 2006-07 estimate, there will be decrease in operational expenses and deletion of one post. Please give details of the decrease in operational expenses, and also details of the post to be deleted, the reasons for the deletion and the expenses involved?

Asked by : Hon. WONG Kwok-hing

Reply :

The decrease in the 2005-06 revised estimate as compared with the 2004-05 actual expenditure is mainly due to the full-year effect of the 2005 civil service pay cut and re-deployment of staff resources upon the completion of the infrastructure works for Phase 1 of the Hong Kong Disneyland.

The decrease in the operating expenses in 2006-07 and the deletion of one Personal Secretary II post are also due to the completion of the above-mentioned works. The notional annual mid-point salary value of the said post is \$0.17 m.

Signature

Name in block letters

Post Title

Date

John S V CHAI

Director of Civil Engineering and Development

.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)047

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0973

Head: 42 Electrical and Mechanical Services Department Subhead:

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

Controlling Officer: Director of Electrical and Mechanical Services

Director of Bureau: Secretary for Economic Development and Labour

Question:

The targets for the key performance measures were all met in 2005. Some of them were even exceeded. Will the Administration consider enhancing efficiency and further reducing the number of target working days? If so, what is the estimated expenditure involved?

Asked by: Hon. WONG Ting-kwong

Reply:

The Electrical and Mechanical Services Department (EMSD) reviews every year the targets for all key performance measures to identify areas for further improvement, taking into account such factors as the complexity of the work process, year-on-year workload fluctuations and public expectations for better quality of service.

In this connection, EMSD revised the target for "scheduling and inspection of LPG road tankers and cylinder wagons" from 21 to 20 working days with effect from 2005 to reflect the increase in efficiency. In 2006, EMSD will also revise the target for "registration of recognised certification bodies and manufactures" from 20 to 19 working days. We intend to achieve these improvements through productivity enhancement and envisage that there will be no financial implications as a result.

Signature

Name in block letters

Post Title

Date

Roger S.H. LAI

Director of Electrical and Mechanical Services

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)048

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1042

Head: 42 Electrical and Mechanical Services Department Subhead:

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

Controlling Officer: Director of Electrical and Mechanical Services

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding matters requiring special attention in 2006-07, it is mentioned that the Department will monitor the commissioning of the towngas production facilities for usage of natural gas in Tai Po Gas Production Plant. Please provide details. Has the Department considered the energy consumption in using natural gas in the production of towngas from an energy efficiency perspective? If so, what are the details?

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

In 2006, the Hong Kong and China Gas Company Limited will introduce natural gas as a feedstock in addition to naphtha for production of towngas. To ensure gas safety, the Electrical and Mechanical Services Department (EMSD) will conduct inspections and observe essential tests in the commissioning of towngas production facilities for usage of natural gas in Tai Po Gas Production Plant (the Plant). EMSD will also examine the operation procedures and safety management system of the Plant for the commissioning of the facilities. Upon satisfactory testing and commissioning of the facilities and with adequate safety procedures in place, EMSD will consider approval of the use of towngas production facilities for usage of natural gas in the Plant.

Energy efficiency of using natural gas as a feedstock for towngas production, as compared to supplying it direct as a fuel, depends on a wide range of variables relating to gas production, transmission, distribution and utilisation. Generally speaking, supplying natural gas direct to consumers rather than using it as a feedstock to produce towngas should be marginally more energy efficient. However, distribution of piped natural gas to consumers is different from that of towngas. The towngas appliances currently used by Hong Kong consumers cannot be used for natural gas. Conversion works, including the conversion of the entire gas distribution and transmission network and the modification of the gas appliances currently used by all consumers, would be required if natural gas were to be supplied direct for use by consumers. The use of natural gas to produce towngas would require less modification works and should also allow consumers to obtain benefits from any net savings in fuel costs.

Signature

Name in block letters

Post Title

Date

Roger S.H. LAI

Director of Electrical and Mechanical Services

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 42 Electrical and Mechanical Services Department Subhead:

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

Controlling Officer: Director of Electrical and Mechanical Services

Director of Bureau: Secretary for Economic Development and Labour

Question:

Provision for 2006-07 is \$1.1 m lower than revised estimate of 2005-06, which is mainly due to the deletion of two posts and completion of one non-recurrent project. Please advise the following:

- (a) What are the duties of the posts to be deleted and the reasons for their deletion and how will be the manpower arrangement of the affected Department?
- (b) What is the completed non-recurrent project and how much saving has been made following its completion?

Asked by: Hon. WONG Kwok-hing

Reply:

- (a) The two posts to be deleted in 2006-07 are a Principal Technical Officer (PTO) and a Senior Economist (Sr Economist). The PTO is responsible for vetting applications made under the Electricity Ordinance (Chapter 406), including applications for registration as electrical workers and electrical contractors and applications for endorsement of certificates of periodic testing and inspection of fixed electrical installations. The post is deleted pursuant to the on-going drive for productivity improvement. Following deletion of the post, the duties of the PTO will be shared by other team members through work re-organisation and streamlining of procedures. Relevant services to the public will not be affected.

The Sr Economist post was created to provide dedicated advice on economic aspects of the review of arrangements of the future electricity market after the existing Scheme of Control Agreements (SoA) between the Government and the two power companies expire in 2008. Due to stringent manpower situation, Government Economist (Govt Economist) was unable to provide a dedicated staff member for the post, which remained vacant in 2005-06. Notwithstanding this, Govt Economist continued to provide expert advice to the Economic Development and Labour Bureau (EDLB) and Electrical and Mechanical Services Department (EMSD) on economic issues relating to the electricity market review through their existing manpower resources. Since EDLB plans to create a Sr Economist post in 2006-07 to provide advice on issues pertaining to various policy areas including energy, we consider that the dedicated post of Sr Economist in EMSD can be deleted in 2006-07.

- (b) The non-recurrent project completed in 2005-06 was for engaging consultancy services to provide independent expert advice relating to the monitoring of the technical performance of the two power companies and assessment of their development plans under the SoA. The expenditure incurred in 2005-06 under the project was \$0.8 m. In 2006-07, the Department will seek further expert advice from external consultants using existing resources as and when necessary.

Signature _____

Name in block letters _____

Roger S.H. LAI

Post Title _____

Director of Electrical and Mechanical Services

Date _____

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)050

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2316

Head: 42 Electrical and Mechanical Services Department Subhead:

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

Controlling Officer: Director of Electrical and Mechanical Services

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the study on the introduction of a common carrier system for gas supply, has the Department planned to include the implementation of such a system in its working goals? If not, please give reasons.

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

In 1997, the Electrical and Mechanical Services Department commissioned a preliminary study on the feasibility of introducing a common carrier system in Hong Kong as a means to enhance competition in the local gas market. The study concluded that the pre-requisite for the introduction of a natural gas-based common carrier system in Hong Kong is the availability of reliable, stable, sufficient and reasonably priced natural gas supply to meet public demand. At this stage, uncertainties remain as to whether reliable and stable natural gas supply sources are available to Hong Kong. We will, in conjunction with the Economic Development and Labour Bureau, closely monitor the development of other natural gas supply sources close to Hong Kong and commission detailed studies as appropriate.

Signature

Name in block letters

Post Title

Date

Roger S.H. LAI

Director of Electrical and Mechanical Services

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 100 Marine Department Subhead:

Programme: (1) Infrastructure

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

It is given in the Matters Requiring Special Attention in 2006-07 that the Marine Department will "complete the legislation work to implement Annex VI to MARPOL 73/78 Convention for Prevention of Air Pollution from Ships". In this connection, please set out (i) details of the work concerned; (ii) the expenditure and manpower involved; and (iii) a concrete legislative timetable. (iv) Please also provide the figures in 2005 on the number of complaints against smoke emission by vessels, the number of subsequent verbal warnings given by the Marine Department to vessels' owners and the number of prosecutions and convictions.

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

- (i) To implement Annex VI to MARPOL 73/78 Convention for Prevention of Air Pollution from Ships (the Annex), we propose to make the Merchant Shipping (Prevention of Air Pollution) Regulation and the Merchant Shipping (Prevention and Control of Pollution) (Fees) (Amendment) Regulation. The proposed Regulations will provide for the control of fuel oil quality, shipboard incineration, and ships' emissions of nitrogen oxides, sulphur oxides and ozone depleting substances. The proposed Regulations will empower the Director of Marine to authorize classification societies to conduct survey and certification service as required under the Annex. The proposed Regulations will also set the level of fees for survey and certification services rendered by Government surveyors. The legislative proposal has the support of the Panel on Economic Services of the Legislative Council, and the two pieces of draft subsidiary legislation are under preparation.
- (ii) The Department has not allocated any specific funding for the legislative work and the implementation of the Annex. The additional work will be dealt with by internal redeployment of resources within the Department.
- (iii) The above-mentioned Regulations are scheduled for tabling at the Legislative Council in 2006-07.
- (iv) In 2005, the Department received 11 complaints against emission of black smoke from vessels. One verbal and five written warnings were issued. One prosecution was initiated but subsequently withdrawn due to insufficient evidence.

Signature _____

Name in block letters _____

ROGER TUPPER

Post Title _____

Director of Marine

Date _____

9 March 2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)052

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1160

Head: 100 Marine Department

Subhead:

Programme: (3) Local Services

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

It is given in the Matters Requiring Special Attention in 2006-07 that the Marine Department will carry out a comprehensive review of the management of Public Cargo Working Areas (PCWAs). Please provide the details.

Asked by: Hon. LAU Kin-ye, Miriam

Reply:

We are proceeding with a review of the Public Cargo Working Areas (PCWAs) with a view to devising a long-term strategy on the issue. The review covers the estimated demand for PCWAs, arrangements for berths allocation, the mechanism for determining the reserve prices in tendering exercise, etc.

All relevant factors would be taken into account in the review including the characteristics of PCWA operations, the social need for PCWAs, the economic value, the possible impact of planning projects on PCWAs, the expectations of the users and the views of relevant trade associations.

The review commenced in late 2005 and is expected to complete in early 2007.

Signature

Name in block letters

Post Title

Date

ROGER TUPPER

Director of Marine

9 March 2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)053

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1196

Head: 100 Marine Department

Subhead:

Programme: (2) Port Services

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

As regards the 11 posts to be deleted in 2006-07 under Programme (2), please set out (a) the posts to be deleted, the divisions/sections they are under and their respective numbers; (b) the reason(s) for their deletion and (c) the total savings to be achieved from the deletion, and whether such savings will be re-allocated within the department only.

Asked by: Hon. WONG Kwok-hing

Reply:

(a) and (b)

The following 11 posts will be deleted in 2006-07 under Programme (2) Port Services:

Posts	Number	Divisions/Sections	Reasons for deletion
Artisan	1	Aids to Navigation and Mooring Unit	merger of two work units which results in manpower saving
Survey Officer/ Survey Officer Trainee	1	Hydrographic Office	streamlining of work procedures
Workman II	1	Hydrographic Office	streamlining of work procedures
Workman II	1	Pollution Control Unit	outsourcing of oil pollution clearance service and marine cleansing work
Artisan	6	Pollution Control Unit	outsourcing of oil pollution clearance service and marine cleansing work
Typist	1	Administration Branch	diminishing demand for typing services

(c) The annual savings from the deletion of the 11 posts are \$1.5 m. All the savings will be redeployed within the Marine Department for other purposes.

Signature _____

Name in block letters _____

ROGER TUPPER

Post Title _____

Director of Marine

Date _____

9 March 2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)054

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1968

Head: 100 Marine Department

Subhead:

Programme: (2) Port Services

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

Provision for 2006-07 is \$24.1 m higher than the revised estimate for 2005-06 and it is estimated that 11 posts will be deleted in 2006-07.

- (a) Please give details of the plans and the expenditure involved for the increased provision.
(b) Please specify the duties of the 11 posts to be deleted and the expenditure for each post.

Asked by: Hon. WONG Kwok-hing

Reply:

- (a) The increased provision for 2006-07 is for the following items:
1. \$9.0 m for anticipated increase in contract prices of goods and services for the maintenance of port facilities;
 2. \$3.0 m for additional staff costs and operating expenses for the preparation and manning of a new cross-boundary ferry terminal at Tuen Mun;
 3. \$2.8 m for increase in salaries payment due to staff salary increment, pre-retirement leave and the expected filling of vacant posts; and
 4. \$9.3 m for meeting contingencies and general price increase on other goods and services.
- (b) The main responsibilities and savings of the 11 posts that will be deleted under this Programme are:

Post	Number	Responsibilities	Annual savings (\$ m)
Artisan	1	Repair and install aids to navigation	0.1
Survey Officer/ Survey Officer Trainee	1	Carry out bathymetric, hydrographic and topographical surveys	0.2
Workman II	2	Provide general operational support	0.2
Artisan	6	Provide oil pollution clearance service and perform marine cleansing work	0.9
Typist	1	Provide typing services	0.1
Total	11		1.5

Signature _____

Name in block letters _____

ROGER TUPPER

Post Title _____

Director of Marine

Date _____

10 March 2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 100 Marine Department

Subhead:

Programme: (3) Local Services

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

Provision for 2006-07 is \$2.6 m higher than the revised estimate for 2005-06. This is mainly due to the additional requirement arising from anticipated increase in contract prices on goods and services. It is estimated that 1 post will be deleted in 2006-07.

- (a) Please give a breakdown of expenditure in respect of the additional requirement arising from anticipated increase in contract prices on goods and services.
- (b) Please specify the duties of the post to be deleted for offsetting cost and the amount of savings to be achieved.

Asked by: Hon. WONG Kwok-hing

Reply:

- (a) The additional provision under this Programme is mainly required to meet the anticipated increase of \$1.4 m in contract prices for security services at the Public Cargo Working Areas. The remaining balance is earmarked for meeting general price increase on other goods and services.
- (b) One Clerical Officer post for providing general registry support services will be deleted. The annual savings from the deletion of this post are about \$0.3 m.

Signature

Name in block letters

Post Title

Date

ROGER TUPPER

Director of Marine

10 March 2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)056

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2000

Head: 100 Marine Department

Subhead:

Programme:

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide details of the 33 permanent posts to be deleted in 2006-07 and the savings in expenditure to be achieved.

Asked by: Hon. LEUNG Yiu-chung

Reply:

The following 33 posts will be deleted in 2006-07:

<u>Post</u>	<u>Number</u>	<u>Division/Section</u>	<u>Reason for deletion</u>
Survey Officer/ Survey Officer Trainee	1	Hydrographic Office	Streamlining of work procedures
Workman II	1	Hydrographic Office	Streamlining of work procedures
Typist	1	Administration Branch	Diminishing demand for typing services
Clerical Officer	1	Administration Branch	Re-organisation of General Registry
Workman II	1	Pollution Control Unit	Outsourcing of oil pollution clearance service and marine cleansing work
Artisan	6	Pollution Control Unit	Outsourcing of oil pollution clearance service and marine cleansing work
Artisan	1	Aids to Navigation and Mooring Unit	Merger of two work units which results in manpower saving
Senior Ship Inspector	1	Local Vessels Safety Section	Delegation of survey work of low risk local crafts to authorised surveyors
Assistant Ship Inspector	1	Local Vessels Safety Section	Delegation of survey work of low risk local crafts to authorised surveyors
Assistant Electrical Inspector	1	Maintenance Section	Streamlining of work procedures

Senior Mechanical Inspector	1	Maintenance Section	Streamlining of work procedures
Mechanical Inspector	1	Maintenance Section	Streamlining of work procedures
Works Supervisor I	2	Maintenance Section	Streamlining of work procedures
Senior Artisan	2	Maintenance Section	Streamlining of work procedures
Artisan	5	Maintenance Section	Streamlining of work procedures
Senior Supplies Supervisor	1	Support Services Section	Streamlining of work procedures
Launch Master	6	Fleet Operation Section	Outsourcing of government fleet services
Total	33		

The annual savings from the deletion of the above posts are \$6.9 m.

Signature

Name in block letters

Post Title

Date

ROGER TUPPER

Director of Marine

10 March 2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)057

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0140

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead: 700 General non-recurrent

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

With regard to Item No. 014 "Consultancy on competition issues in other economies", please provide:

- (a) Is the advice provided by the consultant used for assisting the review work of the Competition Policy Review Committee? If not, how will the advice be used?
- (b) Will the advice be made public? If not, what are the reasons?
- (c) What were the procedures and criteria for appointing the consultant?
- (d) What work has so far been completed by the consultant?
- (e) What work is expected to be completed in 2006-07?

Asked by: Hon. TONG Ka-wah

Reply:

- (a) In 2005-06, five experts were invited by the Competition Policy Review Committee (CPRC) to assist in the work of the CPRC. They attended a seminar and advised the CPRC on overseas experience in the formulation and implementation of competition law.
- (b) The CPRC will take into account the advice of the experts in the course of its review. The CPRC is expected to complete the review and submit its report in mid-2006. We will inform the Legislative Council and the public of the CPRC's report.
- (c) The names of the experts were decided by the CPRC, whose members are mostly non-officials. Appointment criteria included the experience and background of the experts concerned, the scope and content of the seminar mentioned in (a) above, and suggestions made by the Government's overseas economic and trade offices.
- (d) The experts completed their work by giving professional advice and engaging in discussion with CPRC members at the seminar held in August 2005.
- (e) Whether further studies are required will depend on the outcome of the review by the CPRC.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)058

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0141

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead: 700 General non-recurrent

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

With regard to Item No. 015 "Enhancing public awareness of the work of the Competition Policy Advisory Group", please provide:

- (a) details on the work for 2005-06; and
- (b) details of the work plan for 2006-07.

Asked by: Hon. TONG Ka-wah

Reply:

- (a) The project under Subhead 700 General non-recurrent Item 015 is for maintaining and updating the Competition Policy Advisory Group (COMPAG) website and for producing publicity materials to promote awareness of competition issues. In 2005-06, we continued to maintain and update the COMPAG website. As part of the initiatives to nurture awareness and promote understanding among students and young people of anti-competitive practices, we also converted an interactive game produced by the Hong Kong Education City into CD-ROMs for distribution to all primary schools in Hong Kong.
- (b) 2006-07, we will continue to update the information on the COMPAG website. We will also work with the Education and Manpower Bureau to evaluate the effectiveness of the various educational initiatives and, in the light of the feedback received, review and improve the relevant programmes.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead: 700 General non-recurrent

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

With regard to Item No. 017 "Consultancy studies for developing the regulatory and market restructuring framework of electricity supply industry in Hong Kong",

- (a) What were the procedures and criteria for selecting the consultant? What are the qualifications of the selected consultant?
- (b) Which parts of the study have so far been completed?
- (c) Which parts are expected to be completed in 2006-07?
- (d) When will the whole study be expected to complete?
- (e) Will the study report be published? If not, what are the reasons?

Asked by: Hon. TONG Ka-wah

Reply:

The formulation of the post-2008 electricity market regulatory framework encompasses a wide range of complex and interrelated economic, technical and regulatory issues. Since 2001-02, we have earmarked \$8.5 m for consultancy studies on the subject. So far, we have commissioned consultancy studies on the practices and experiences in demand forecasts, electricity charges, market operations and regulatory regimes of other electricity markets. We have also conducted opinion surveys with domestic and non-domestic consumers on electricity supply in Hong Kong. Up to February 2006, the total expenditure on these studies and surveys is \$3.75 m. We have been following the Government's Stores and Procurement Regulations when selecting our consultants. All selected consultants possess experience and expertise in relation to the specific subjects under study.

Key results of the completed parts of the consultancy studies have been incorporated into our Stage I and Stage II Consultation Papers on Future Development of the Electricity Market in Hong Kong, and the reference materials published on the website of the Economic Development Branch.

In 2006-07, we shall continue to commission consultancy studies as necessary. We expect that all consultancy studies will be completed by the end of 2008-09.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead: 700 General Non-recurrent

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

For Item 428 "Consultancy on cruise terminal facilities development for Hong Kong", please provide details on:

- (a) the procedures and criteria for the selection of the consultant, the qualifications of the selected consultant;
- (b) the parts of the consultancy that have been completed so far;
- (c) the parts that are expected to be completed in 2006-07;
- (d) the expected date of completion of the entire consultancy; and
- (e) whether the consultancy report will be published. If not, please state the reasons.

Asked by: Hon. TONG Ka-wah

Reply:

- (a) The selection of the Consultants for "Consultancy on cruise terminal facilities development for Hong Kong" is conducted in accordance with the standard procedures laid down in the Government's Stores and Procurement Regulations. The consultancy study consists of two phases. As Phase 1 of the study aims to identify and provide updates on the market demand and requirements for developing new cruise terminal facilities in Hong Kong, the consultants need to possess expertise in the cruise market. Phase 2 of the study will cover the business, financial and operational aspects of the development of new cruise terminal facilities in Hong Kong. We will need consultants with expertise in these issues.
- (b) Phase 1 of the study was completed.
- (c) Phase 2 of the study on the business, financial and operational aspects of the development of new cruise terminal facilities is being planned and is expected to commence in 2006-07.
- (d) Phase 2 of the study is estimated to be completed in 2006-07.
- (e) The major findings of the Phase 1 of the study were uploaded onto the website of the Tourism Commission in November 2005. The Phase 2 of the study is now under planning, and we will consider the disclosure of its findings as appropriate.

Signature _____

Name in block letters _____

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Post Title _____

Date _____

10.3.2006

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

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead: 700 General Non-recurrent

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

For Item 483 "Launching campaign of major tourism infrastructure projects", please give details of the action plan and breakdown of estimated expenditure for the year 2006-07.

Asked by: Hon. Tong Ka-wah

Reply:

In 2006-07, we plan to use about \$6 m to launch campaigns on major tourism infrastructure projects. The scope covers the following 3 main areas:

(a) Activities to engage the public in the development of tourism projects

We plan to use about \$1.5 m to organize activities throughout the year to enable public participation in the development of our planned tourism projects such as the Lei Yue Mun Waterfront Enhancement Project and development of an open piazza in Tsim Sha Tsui. These may take the form of workshops, seminars, questionnaire surveys, etc. The objective is to enable members of the public to have a better understanding of the projects under planning, facilitate exchange of views among different interest groups, and invite comments and suggestions from parties concerned at different stages of project development.

(b) Study to develop details of tourism projects under planning

As part of our plan to launch the Aberdeen Tourism Project which aims to enhance the attractiveness of Aberdeen as a premier tourist attraction and to complement the Redevelopment Plan of the Ocean Park, we plan to use about \$1.5 m to engage a consultant to conduct a comprehensive study on the Aberdeen Harbour area with a view to coming up with proposals on the hardware, software, local traffic arrangements, etc.

(c) Opening of new tourism facilities and promotion among the local community

We plan to use about \$3 m to organise a series of activities to publicise the opening of our newly completed tourism facilities including Ngong Ping 360, Hong Kong Wetland Park and the beautified Tsim Sha Tsui Promenade. The publicity campaign will include distribution of printed publications, posters and souvenirs, production of TV and radio APIs and organisation of promotional events such as opening ceremonies and exhibitions. The publicity is mainly targeted at the local community to enhance their awareness of the opening of the facilities and understanding of the new attractions.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)062

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0145

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead: 700 General non-recurrent

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

With regard to Item No. 926 "Consultancy study on the local auto-fuel retail market", the Secretary for Economic Development and Labour has pledged to complete the study and publish the study report at the end of 2005. However, the Government has not published the study findings so far.

- (a) Has the whole study been completed? If not, what are the reasons?
- (b) If yes, what are the reasons for not publishing the study findings so far?
- (c) What is the anticipated work plan for following up the study findings in 2006-07?

Asked by: Hon. TONG Ka-wah

Reply:

- (a) & (b) The consultant has yet to complete its work in full, as there are still deliverables outstanding.
- (c) We will inform the Legislative Council and the public of the consultant's findings as soon as the assignment is fully completed, and we will consider taking follow up action as may be required.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)063

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0146

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide the estimated expenditure and details of the work plan for monitoring the development and potential availability of natural gas supplies in 2006-07.

Asked by: Hon. TONG Ka-wah

Reply:

In 2006-07, the estimated expenditure for Programme (3) Posts, Power, Competition Policy and Consumer Protection under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) is \$15.6 m. Major items of expenditure include salary and allowances of staff concerned and relevant departmental expenditure. Resources required for monitoring the development and potential availability of natural gas supplies have been included in this overall allocation. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure related to natural gas matters.

In 2006-07, we will, with the support of the Electrical and Mechanical Services Department, monitor the introduction of natural gas by the Hong Kong Electric Company Limited and Hong Kong and China Gas Company Limited for power generation and town gas production respectively. We will also continue to monitor the natural gas supply to the Black Point Power Station of the CLP Power Hong Kong Limited. Scope of work includes monitoring of the safety standards of the relevant facilities and reliability of supply etc. In addition, we will monitor the development of other natural gas supply sources close to Hong Kong and commission detailed studies as appropriate.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)064

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0147

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide the estimated expenditure and details of the work programme in 2006-07 in respect of formulating the framework of regulatory arrangements for the electricity market after the expiry of the current Scheme of Control Agreements in 2008.

Asked by: Hon. TONG Ka-wah

Reply:

In 2006-07, the estimated expenditure for Programme (3) Posts, Power, Competition Policy and Consumer Protection under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) is \$15.6 m. Major items of expenditure include salary and allowances of staff concerned and relevant departmental expenditure. Resources required for formulating the regulatory framework for the post-2008 electricity market have been included in this overall allocation. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure related to electricity market.

We are conducting the Stage II public consultation on "Future Development of the Electricity Market in Hong Kong". The consultation period will end on 31 March 2006. We shall further review and improve our proposals in the light of the views received, and start discussing the post-2008 regulatory arrangements with the two power companies later this year.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide the estimated expenditure and details of the action plan for the consultancy study on the development of spa and resort facilities in Hong Kong.

Asked by: Hon. TONG Ka-wah

Reply:

The Government commissioned a consultancy study in July 2004 to explore the market demand for spa and resort facilities, and to make recommendations on the provision of such world-class facilities in Hong Kong.

The initial findings of the consultancy study have ascertained the potential for resort developments in Hong Kong. Development of these facilities will tie in with our strategy to broaden the range of tourism products in Hong Kong and develop the high-end tourist market. The consultant also pointed out that in developing such facilities, the environmental implications of these projects must be considered to ensure sustainability.

We have held a workshop on the initial findings of the study in April 2005. Representatives from the relevant industries, green groups and local organizations, etc., attended the workshop. Following the workshop, comments were invited until May 2005. The consultant is consolidating the views received from the workshop and other channels to finalise the consultancy study.

The Government has an open mind on the way forward. The study will facilitate the understanding of parties interested in these developments regarding the opportunities and constraints of spa and resort developments in Hong Kong. As regards the mode of development and the location, ultimately this will depend on market response. The Government will ensure that the standards and requirements for environmental protection and sustainability will be complied with. The study is expected to complete in 2006-07. We will consider carefully the final recommendations of the consultancy report in deciding the way forward. We will upload the final report to the Tourism Commission's website for public information.

A sum of \$1.3 m is reserved to cover the estimated cost of this study.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)066

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0149

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

It is stated in the "Matters Requiring Special Attention in 2006-07" that the Economic Development Branch will continue to "assist the Competition Policy Advisory Group" (COMPAG) in reviewing policies and practices to ascertain the extent to which competition can be enhanced in different sectors". Please provide details of the competition policies and practices reviewed in 2005, the progress and proposals of the review, as well as the estimated expenditure concerned for 2006-07.

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

In 2005-06, the COMPAG authorised the commissioning of an independent consultant to assess the competition situation in the auto-fuel market in Hong Kong, and examine whether the oil companies involved might have engaged in any anti-competitive practices. Accordingly, a consultant was appointed in July 2005 to undertake the study to look into the structure, operating costs and retail pricing, etc. of the local auto-fuel market and make reference to the competition laws in other economies such as the United States, European Union and Australia, and the experience and measures adopted by those economies in tackling anti-competitive behaviour of oil companies. The consultant was also required to make recommendations on whether, and if so, what measures including legislation might be required to ensure fair competition in the auto-fuel market in Hong Kong.

The consultant has yet to complete its work in full. We will inform the Legislative Council and the public of the consultant's findings as soon as the assignment is fully completed.

The expenditure for the study is charged under Subhead 700 General non-recurrent Item 926 "Consultancy study on the local auto-fuel retail market". The estimated cash flow requirement for the study in 2006-07 is \$1.1 m.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the promotion of competition concepts in schools and the integration of competition concepts in the school curriculum with the Education and Manpower Bureau, please provide details and progress of the work, and also the related expenditure and staffing arrangement for 2006-07.

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

To nurture awareness and promote understanding among students and young people of anti-competitive practices, we co-operated with the Education and Manpower Bureau (EMB) in 2005-06 on the following initiatives -

- (a) briefing moral and civic education teachers as well as curriculum development officers of primary schools on the Government's competition policy and competition concepts, and seeking their support in promoting these concepts in schools;
- (b) gathering feedback from teachers of the integrated humanity curriculum for senior secondary students (Form 4 and 5). Teachers generally considered the module on competition concepts within the curriculum useful in enhancing students' awareness and knowledge of anti-competitive practices and the adverse impact such practices might have on society and the economy; and
- (c) converting an interactive game produced by the Hong Kong Education City into CD-ROMs and distributing these to all primary schools in Hong Kong.

In 2006-07, we will work with the EMB to evaluate the effectiveness of the various educational initiatives and, in the light of the feedback received, review and improve the relevant programmes. The staffing expenses required for this have been included in the overall provision for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. Funding for specific educational and publicity initiatives is available under Subhead 700 General non-recurrent Items 014 and 015.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)068

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2076

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

In respect of the maintenance services for 118 km of seawalls, 306 piers and all fairways, anchorages and intertidal sections of major rivers, please set out:

- (a) if there is any plan to increase the number of anchorages, and the details and locations of the additional anchorages; and
- (b) any related measures to enhance the capacity of mid-stream operations, and the details of such enhancement measures.

Asked by: Hon. WONG Kwok-hing

Reply:

- (a) We have no immediate plan to increase the number of anchorages in 2006-07.
- (b) To enhance the mid-stream cargo handling capacity, we established five new anchorages in February 2006, two at Sham Shui Kok of north Lantau Island and three at Kellet Bank in the harbour area. We would closely monitor the situation and consider establishing new mid-stream facilities taking into account the demand of the industry.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

In 2006-07, the Administration will continue to develop initiatives to enhance our port competitiveness. What are the details of these initiatives and the expenditure involved?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

To maintain Hong Kong's position as the leading trading and logistics hub in the light of the rapid development of our neighbouring ports, the Government has consulted the industry on the recommendations of the "Study on Hong Kong Port – Master Plan 2020" (HKP2020) and has taken forward a number of measures to enhance Hong Kong's port competitiveness. Details and progress of these measures are summarised below :

(a) Adjustment to cross-boundary trucking cost

Following our discussion with the Guangdong Provincial authorities, the "four-up-four-down" rule and "one-truck-one-driver" rule were relaxed, and the validity period of licenses for operating cross-boundary trucking business was extended from three to six years. The Guangdong Provincial authorities have also agreed to extend the operating hours at selected inland customs points according to the cargo volume and practical needs of different regions. We hope that the above relaxations will enhance the efficiency of the trucking industry and lower the transportation cost. In 2006-07, we will continue discussions with the Guangdong Provincial authorities to further extend the operating hours of inland customs points at Dongguan. Also, we will conduct a pilot project on on-board trucker information system to further enhance trucking efficiency through advanced technologies such as global positioning system and fleet management system.

(b) Reduction in port fees and charges

We will reduce port fees and charges, and increase the mid-stream cargo handling capacity through establishing five more service anchorages. We will also introduce multiple entry permits for river trade vessels to streamline the application procedure and lower their operating cost with a view to attracting more river and transshipment cargoes to Hong Kong. With these measures, a medium sized vessel calling Hong Kong for two days can save 25% of anchorage charge, whilst a river trade vessel using the multiple entry permits can save up to 50% of the cost on entry permit. The above-mentioned reduction of port fee and anchorage dues, and the

introduction of the multiple entry permits will forego about \$59.2 m revenue, whereas the five additional service anchorages will bring about \$1.2 m revenue. The reduction in anchorage dues was implemented through legislation in February 2006. We would make the necessary legislative amendments to effect the other measures in 2006-07.

(c) Enhancement of port productivity

After consulting the industry and with the support of the Hong Kong Port Development Council, suitable container terminal back-up land adjacent to the Kwai Chung-Tsing Yi container terminals to enhance the capacity of container terminals will be made available by open tender later this year. The first two barging facilities have just been put up for open tender in February 2006, and we expect that the tendering process will be completed by mid-2006.

(d) Improvement in transport infrastructure

To facilitate the flow of goods across the boundary, a new bridge connecting Lok Ma Chau and Huanggang dedicated for goods vehicles has been in operation since January 2005, and the Hong Kong-Shenzhen Western Corridor is scheduled to open in late 2006. The commissioning of the Hong Kong-Shenzhen Corridor will triple our capacity to about 80 000 cross-boundary trucks per day. In addition, the Stonecutters Bridge connecting Container Terminal 9 with other terminals in Kwai Chung will be completed by 2008. The above-mentioned cross-boundary infrastructure projects are undertaken with other concerned bureaux and departments.

(e) Overall infrastructure planning

We have followed the recommendations of the HKP2020 to conduct an ecology study on northwest Lantau to assess its environmental suitability for the development of Container Terminal 10, and a port cargo forecast study to determine the optimal timing for the construction of the terminal. Both studies commenced in late 2005. We will review the port expansion options when more data is available.

(f) Strengthening Hong Kong as the prime logistics information centre

The Digital Trade Transportation Network launched in December 2005 will provide an open, neutral, secure and reasonably priced e-platform to facilitate information flow along the supply chain in an efficient and reliable manner. We will also organise training workshops for employees in the logistics industry to promote the use of information technology and e-logistics.

We believe that the above measures will enhance the efficiency and competitiveness of our port to meet the challenges facing Hong Kong. Except for cross-boundary infrastructure projects which are funded by other concerned bureaux and departments, we will continue to deploy existing resources to pursue these measures.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)070

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0288

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please list out the details of planned improvement works for tourist attractions and facilities in 2006 – 07 and the expenditure involved for these projects. Please also give the details of projects that could not be completed on time in 2005 – 06 and the reasons.

Asked by: Hon. CHAN Kam-lam

Reply:

We will continue to implement the following tourism projects in 2006-07:

Project	Estimated Expenses (\$ m)	Details
Tsim Sha Tsui (TST) Promenade Beautification Project	170.2	The project covers the waterfront promenade stretching from the Hong Kong Cultural Centre to the International Mail Centre. There will be upgrading of hard and soft landscaping, re-provisioned street lighting, open space and facilities for leisure purposes, outdoor activities, performances and alfresco dining. The works have started in August 2004 and will be completed by phases by the end of 2006.
Stanley Waterfront Improvement Project	90.1	The project includes streetscape improvements along the waterfront promenade from Stanley Main Street to Pat Kan Uk, construction of a public pier outside Murray House, extension of the waterfront promenade outside Stanley Main Street, clearance of the squatters surrounding Shui Sin Temple, and improvements to the open space near Pat Kan Uk. The works have started in August 2004 and will be completed by phases by late 2007.

Tourist District Enhancement Programme – The Peak	142.6	With the Victorian theme as the design concept, we will beautify and enhance the open space outside Peak Galleria, the walking trails and the Victoria Peak Garden area. Improvement works include streetscape improvement, street repaving, upgrading of street lighting and furniture, etc. The works have started in October 2005 and will be completed by phases by the end of 2007.
Transport Link in TST East	255.1	We will relocate the public transport interchange (PTI) outside the TST Star Ferry Pier to the Wing On Plaza Garden (WOPG) site in TST East with the WOPG to be reprovisioned on the podium deck above the new PTI. To enhance the linkage between the new PTI, the TST Promenade, the Kowloon-Canton Railway Corporation East TST Station and Middle Road Children's Playground, we will also construct two footbridges across Chatham Road South and Salisbury Road respectively. The works have started in September 2005 and will be completed in 2007.
Subject to approval of funds by the Finance Committee, we will also implement the following project:		
Project	Estimated Expenses (\$ m)	Details
Enhancement of public facilities at Ngong Ping, Lantau	55.4	We propose to upgrade the public piazza in front of Po Lin Monastery at Ngong Ping and provide additional ancillary facilities. Subject to approval of funds, we plan to start the works in 2006 for completion in 2008.
There are no projects that were not completed on time in 2005-06.		

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)071

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0289

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide the specific details of the promotional programme designed for family and business visitors. With regard to the estimated provision of \$96.1 million for 2006-07, please list out the expenditure involved for each item and their anticipated effectiveness.

Asked by: Hon. CHAN Kam-lam

Reply:

To stimulate growth in visitor arrivals and tourism spending, in particular for the family and business segments, the Hong Kong Tourism Board (HKTB) will continue to launch a series of strategic promotion and programmes in 2006-07 to further enhance visitors' experience in Hong Kong. To achieve this objective, the HKTB will leverage on the mega events that are well received by visitors and introduce products and promotional activities targeting the family and business segments, to attract them to extend their stay and stimulate their spendings. For example, during the summer holidays, the HKTB will use the Hong Kong Shopping Festival as a platform to launch entertainment programmes, and shopping and dining promotions for these two market segments. As to the Hong Kong Winterfest at Christmas, the HKTB will design children programmes for the families. The HKTB will also stage a brand new event entitled "Culture and Heritage Celebration" between April and May this year, highlighting the rich heritage and Chinese traditions in Hong Kong. This event suits all ages and has special appeal to the family and business visitors in the long haul markets.

To generate incremental arrivals, the HKTB will step up overseas promotions of the events and collaborate with the trade to offer attractive packages and complementary itineraries targeting these two segments so as to maximise their awareness and attract their visits to Hong Kong.

In 2006-07, the HKTB will launch the above events and tourism products that target the family and business visitor segments, and continue to implement promotion programmes targeting these visitors in 16 key source markets* with high development potential. The estimated budget of the HKTB for these two aspects of work are provided below -

Family Segment –

Estimated expenditure: \$44.1 m

(a) Event programme and promotions: \$31.0 m

(b) Overseas promotions: \$13.1 m

Business Segment (including Young Executives) –

Estimated expenditure: \$52.0 m

(a) Event programme and promotions: \$36.0 m

(b) Overseas promotions: \$16.0 m

On the effectiveness of its promotions, the relevant promotions and advertisements are expected to reach 30 million target audience, with over 600 million hits, and \$600 m worth of publicity value in 2006-07. These mega events will not only enrich visitors' experience, but also help generate positive word-of-mouth publicity and encourage repeated visits to Hong Kong.

* 16 key source markets include the United States of America, Canada, United Kingdom, Germany, France, Australia, the Mainland, Taiwan, Japan, South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia and India.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)072

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0371

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

In 2006-07, the Administration will complete the feasibility study of the Lantau Logistics Park project. Please provide the initial findings with the amount of expenditure to be involved in the implementation of the project.

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

The feasibility study for the Lantau Logistics Park initially establishes the planning and technical feasibility of the project. The feasibility study also covers environmental and traffic impact assessments to fulfil the statutory requirements for the subsequent zoning and reclamation of the site. Initial findings of the feasibility study in these respects indicate that the project should not bring about insurmountable adverse impact on the environment and traffic. As the preliminary design of the engineering works of the project is still underway, we do not have an estimate of the full infrastructure cost for the project yet.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic
Development and Labour Bureau
(Economic Development Branch)

Subhead:

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

The Branch continued with the consultancy study to identify market needs and make recommendations on the development of spa and resort facilities in Hong Kong. What is the actual expenditure on the above study in 2005-06? What are the estimated expenditure for 2006-07 and the implementation programme for the project?

Asked by: Hon. CHAN Wai-yip, Albert

Reply:

The Government commissioned a consultancy study in July 2004 to explore the market demand for spa and resort facilities, and to make recommendations on the provision of such world-class facilities in Hong Kong. We have earmarked a provision of \$1.3 m for the study. The up-to-date expenditure up is about \$0.9 m and the balance is reserved for 2006-07.

The initial findings of the consultancy study have ascertained the potential for resort developments in Hong Kong. Development of these facilities will tie in with our strategy to broaden the range of tourism products in Hong Kong and develop the high-end tourist market. The consultant also pointed out that in developing such facilities, the environmental implications of these projects must be considered to ensure sustainability.

We held a workshop on the initial findings of the study in April 2005. Representatives from the relevant industries, green groups and local organisations, etc., attended the workshop. Following the workshop, comments were invited up until May 2005. The consultant is consolidating the views received from the workshop and other channels to finalise the consultancy study.

The Government has an open mind on the way forward. The study will facilitate the understanding of parties interested in these developments regarding the opportunities and constraints of spa and resort developments in Hong Kong. As regards the mode of development and the location, ultimately this will depend on market response. The Government will ensure that the standards and requirements for environmental protection and sustainability will be complied with. The study is expected to complete in 2006-07. We will carefully consider the final recommendations of the consultancy report in deciding the way forward. We will upload the final report to the Tourism Commission's website for public information.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide the details and the expenditure incurred in the various promotion activities for port and logistics initiatives in 2006-07. What is the financial provision required for each activity?

Asked by: Hon. CHAN Kam-lam

Reply:

To strengthen Hong Kong's position as the international logistics hub in the region, we will implement various initiatives in 2006-07. These include a pilot study on on-board trucker information system to enhance trucking efficiency, seminars and workshops to promote e-logistics awareness and capability of the logistics industry, a user survey-cum-strategic forum to map out the strategy for the future development of Hong Kong's logistics industry and further promotional efforts targeting the Mainland audience.

On promotion activities for port development, we shall continue to organise and participate in various promotion activities to strengthen our position as an international maritime centre. These activities include Education and Careers Expo 2007, sea-going careers talks in secondary schools, seminars on maritime industry and related issues, study trips to the Mainland, and promotion of and participation in international trade conferences and exhibitions.

On the detailed implementation of the above-mentioned initiatives and promotion activities, we shall consult the Hong Kong Logistics Development Council, the Hong Kong Maritime Industry Council and the Hong Kong Port Development Council and their respective project groups. Detailed budget would only be available upon finalisation of the details. However, we would earmark sufficient provision under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (2) relating to Air and Sea Communications and Logistics Development to fund the above initiatives and promotion activities.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic
Development and Labour Bureau
(Economic Development Branch)

Subhead:

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

With regard to overseeing the reliability of electricity and gas supply which was maintained by the companies concerned at a level exceeding 99.8%, according to the Consultation Paper on Future Development of the Electricity Market in Hong Kong - Stage II Consultation, the reliability of electricity supply in Hong Kong is as high as 99.9%,

- (1) will the Administration set a target on the reliability of electricity supply for the power companies; and
- (2) has the Administration assessed the impact on air quality, the power companies' investment on fixed assets, over-production of electricity and electricity fees if the reliability of electricity supply is slightly adjusted downward from 99.9% to say 98%? If so, what are the assessment results? If not, what are the reasons?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

At present, the reliability of electricity supply achieved locally is above 99.99%. This refers to the "Average Service Availability Index", expressed as a percentage of "total customer-hour served" to "total customer-hour demanded". This index reflects the overall reliability of actual electricity supply, but not the planning criteria of the power system. "Total customer-hour served" will be affected by various factors including reserve capacity, quality of the supply network, operation, maintenance, servicing and operating environment of the power system, etc. This index may also vary from year to year, as it is susceptible to external influences such as natural catastrophes or incidents involving human factors, etc. Although adequate reserve capacity is one of the key elements for achieving a high reliability of electricity supply, there is no direct correlation on the relationship between the overall reliability of actual electricity supply and other factors such as air quality, power companies' investment in fixed assets, over-production of electricity (or reserve capacity) and tariff level.

In monitoring the supply reliability of the power companies, we have established a series of power system planning criteria, e.g. "Loss of Load Probability (LOLP)". LOLP is a widely accepted probabilistic planning method to evaluate whether there is sufficient generation capacity to meet the maximum demand on a year-round basis. During the assessment of the power companies' Financial Plans, we will approve the development of their power systems in accordance with the relevant planning criteria to ensure that the systems can meet the demand for electricity without over-investment by the power companies. In addition, during the annual "Auditing Review", we will review with the power companies the supply reliability figure for the past year, and the corresponding target figure for the coming year.

Signature	_____
Name in block letters	MS SANDRA LEE
	Permanent Secretary for Economic Development and Labour
Post Title	(Economic Development)
Date	10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic
Development and Labour Bureau
(Economic Development Branch)

Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2006-07, it is stated that the Hong Kong Tourism Board will enhance visitor experience by expanding the information dissemination platform to mobile phone and developing new information dissemination channel for nine thematic nodal points to be installed at strategic locations along Tsim Sha Tsui Promenade. How much provision will be allocated for these plans and what are the details?

Asked by: Hon. YOUNG Howard

Reply:

In 2006-07, the Hong Kong Tourism Board (HKTB) will implement a new service, which will make use of mobile phone technology to enable visitors to obtain useful information about Hong Kong, such as sightseeing, shopping, dining, events and weather, in audio, graphical and textual formats. The estimated provision for this new service in is \$3.3 m.

Also as part of the Tsim Sha Tsui (TST) Promenade Beautification Project, the Tourism Commission will install nine nodal points at different locations along the TST promenade. The design of the nodal points will feature on specific themes such as "Tsim Sha Tsui's attractions", "culture and performing arts", "shopping and dining", etc. These nodal points are touch-screen information kiosks linked to HKTB's website. The HKTB will use about \$0.2 m to develop web content for the interactive kiosks to facilitate visitors to access up-to-date information on various attractions and events in Hong Kong. The information will be available in English, Traditional Chinese and Simplified Chinese.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (3) Posts, Power, Competition Policy and Consumer Protection
(5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

For Subhead 000 Operational expenses, it is expected that there will be a net creation of three permanent posts in 2006-07 including two posts for assessing the financial and engineering aspects of the tourism projects. Please provide information on the ranks, job duties and salaries of the three posts.

Asked by: Hon. YOUNG Howard

Reply:

The three posts are one Senior Engineer, one Senior Treasury Accountant and one Senior Economist.

The Senior Engineer post will be created on a time-limited basis from 2006-07 to 2011-12. The post is required to co-ordinate and oversee the technical and engineering aspects of the development of the new cruise terminal facilities. The annual salary cost in terms of notional annual mid-point salary value is about \$0.9 m.

The permanent Senior Treasury Accountant post will be created to help monitor the financial position of the existing major tourism facilities, and to assess and advise on the financial issues of the tourism projects being planned. The annual salary cost in terms of notional annual mid-point salary value is about \$0.9 m.

The Senior Economist will be created on a time-limited basis from 2006-07 to 2010-11. The post is required to advise from the economic angle on the Government's competition policy, energy, aviation, maritime and logistics policies; and to advise on relevant economic issues. The annual salary cost in terms of notional annual mid-point salary value is about \$0.9 m.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)078

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

Question Serial No.

1101

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead: 700 General Non-recurrent

Programme: (5) Travel and Tourism
(7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding Item 022 "Tourism Development Assistant Training Project", and item 825 "Revamping the website of Hong Kong Tourism Board", there are remaining balances of \$5.393 m and \$6.75 m respectively. Will the bureau inform this Committee the planned uses of the remaining balances?

Asked by: Hon. YOUNG Howard

Reply:

Item 022 "Tourism Development Assistant Training Project"

The Tourism Commission plans to use the remaining balance of about \$5.393 m to continue the Tourism Development Assistant Training Project (the Project) in 2006-07. The Project will be conducted in two phases, each lasting for six months, to provide a total of 194 training places, including 184 Tourism Development Assistants and 10 Supervisors. All of them will be deployed to work at three boundary control points (i.e. Lo Wu, Lok Ma Chau and China Ferry Terminal) to help distribute information leaflets to visitors and facilitate visitors' flow.

Item 825 "Revamping the website of Hong Kong Tourism Board"

The Hong Kong Tourism Board plans to use the remaining balance of \$6.75 m to continue revamping their website in 2006-07. The initiatives include:

- (i) installing mirror websites and other improvement measures in key regional markets to enhance the overall network connection performance and speed;
- (ii) introducing a new content management system to improve the overall attractiveness of the website through user-friendly presentation templates for updating work, and provide user-friendly search functions and flexible navigation structure to help visitors identify the appropriate information;
- (iii) introducing contemporary web portal designs and more multimedia and interactive elements so as to upgrade the portal infrastructure and to enhance content presentation and integration, and hence the overall navigation experience of users. Also, personalised features will be introduced, such as languages, areas of interest and dates of arrival and departure so as to enable the provision of information based on individual preferences and needs. In addition, feedback forms and online surveys will be incorporated to capture visitors' preferences, analyse their behaviour and obtain their comments and suggestions;
- (iv) further enhancing the editorial content, page design, visuals and animations, as well as the applications of the website in order to revamp the web pages and make them more appealing; and
- (v) developing web content for the interactive kiosks at the nine nodal points established by the Tourism Commission along the Tsim Sha Tsui Promenade, which will provide visitors and local residents with user-friendly information about Hong Kong.

Signature

Name in block letters

MS SANDRA LEE

Post Title

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide details and schedules of the plan to expand the scope of the Quality Tourism Services Scheme to cover more tourism-related sectors. How much provision will be allocated for increasing tourist awareness of the Scheme through targeted promotion and publicity in key markets?

Asked by: Hon. YOUNG Howard

Reply:

The Hong Kong Tourism Board (HKTB) launched the Quality Tourism Services Scheme (the Scheme) in 1999 to accredit retail shops and restaurants that meet the stringent standards of service excellence. The number of merchant outlets which joined the Scheme has increased from 5 156 in 2004 to 5 945 by end 2005. To enhance consumer protection of tourists, the HKTB will expand the scope of the Scheme to cover more tourism-related sectors and increase tourist awareness of the Scheme by stepping up targeted promotion and publicity in key markets such as the Mainland and North Asia.

The HKTB is studying the feasibility of extending the Scheme to licensed tourist guesthouses and the grooming service industry. The plan on tourist guesthouses aims to set requirements for the level of service of guesthouses under the Scheme, thereby providing budget-type visitors with a choice of quality accommodation at a lower cost. In respect of the grooming service industry, according to the survey conducted by the HKTB, about 10% of the visitors expressed that they would patronise hair salons when they next visit Hong Kong. Expansion of the Scheme to this industry will help raise its overall service standards.

The HKTB is currently consulting the respective trades and working out the details of a pilot scheme on tourist guesthouses to be launched by end 2006. As for grooming service industry, the HKTB will roll out a feasibility study on extending the Scheme to hair salons and targets to complete it within 2006-07.

As regards overseas promotion of the Scheme, the HKTB will reinforce its promotions and publicity in various key markets, in particular in Japan and Korea, and the high-yield cities in the Mainland China. The HKTB will also increase coverage and frequency of publicity in targeted media to raise visitors' awareness of the Scheme, and develop spending stimulation programmes through collaboration with partners in the tourism-related sectors. The estimated cost of the above overseas promotion for 2006-07 is \$9.2 m.

Signature	_____
Name in block letters	MS SANDRA LEE

	Permanent Secretary for
	Economic Development and Labour
	(Economic Development)
Post Title	_____
Date	10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)080

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1151

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding Programme (3) Posts, Power, Competition Policy and Consumer Protection, please inform: why is the revised estimate 34% higher than the original one in 2005-06?

Asked by: Hon. TIEN Pei-chun, James

Reply:

The increase is mainly due to the conduct of the consultancy study on the local auto-fuel retail market, which was not foreseen when the 2005-06 original estimate was drawn up. The 2005-06 estimated expenditure for this study is \$6.4 m.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)081

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

Question Serial No.

1152

Head: 145 Government Secretariat: Economic
Development and Labour Bureau
(Economic Development Branch)

Subhead:

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Under Programme (5) Travel and Tourism, please inform:

Why is the revised estimate 24.6% higher than the original one in 2005-06?

Asked by: Hon. TIEN Pie-chun, James

Reply:

Programme (5) Travel and Tourism

There is an increase of 24.6% in the revised estimate for 2005-06 under Programme (5) as compared with the original estimate. This is mainly due to the increase in the cash flow requirement for time-limited projects in 2005-06, for example, the extension of the Tourism Development Assistant Training Project and the implementation of the Launching Campaign of Major Tourism Infrastructure Projects.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)082

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1179

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please advise if the government will hold discussion with the Guangdong authorities on measures to further reduce cross-boundary trucking cost in 2006-07? If yes, please provide the details. If not, what are the reasons?

Asked by: Hon. LAU Kin-ye, Miriam

Reply:

Following our discussion with the Guangdong Provincial authorities on cross-boundary trucking cost, the "four-up-four-down" rule and "one-truck-one-driver" rule were relaxed in 2005, and the validity period of licenses for operating cross-boundary trucking business was extended from three to six years. The Guangdong Provincial authorities also agreed to extend operating hours at selected inland customs points according to the cargo volume and practical needs of different regions. We hope that the above relaxations will enhance the efficiency of the trucking industry and lower the transportation cost. In 2006-07, we would continue to discuss with Guangdong Provincial authorities to further extend the operating hours at inland customs points at Dongguan and other measures which are considered by the industry to be effective in lowering the cross-boundary trucking cost. Also, we will carry out a pilot project on on-board trucker information system to further enhance truckers' efficiency through advanced technologies such as global positioning system and fleet management system.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

10.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

It is estimated that the visitor arrivals in Hong Kong for 2006 will have a 16% increase on previous year. Please give the basis for projecting this estimate.

Asked by: Hon. TAM Heung-man

Reply:

The Hong Kong Tourism Board (HKTB) projects that visitor arrivals in 2006 reach 27 million, which represents a 16% increase from 2005. This projection is derived from a scientific and systematic forecasting approach. Based on its marketing expertise, the HKTB has developed a statistical forecasting tool that incorporates an econometric regression model for forecasting arrivals and other key tourism indicators. Using this tool, HKTB has determined a set of base plan forecast, taking into consideration the expected growth brought by the new tourism attractions in Hong Kong, new tourism policies implemented in source markets, the economic conditions of the source markets and the effectiveness of marketing activities that are supported by the regular subvention funding. Based on findings from researches conducted for similar campaigns launched in the past and also surveys to assess the potential and appeal of the new initiatives, the HKTB has estimated the effectiveness of the initiatives supported by the new funding in driving visitor arrivals, extending length of stay and increasing spending.

HKTB remains positive but cautious on the outlook of tourism industry in 2006. While the target for visitor arrivals in 2006 is 27 million, there are uncertain factors in the tourism industry and in the global marketing environment, such as the threat of avian flu which may affects the number of visitors, which may affect the number of visitors. HKTB will closely monitor the changes in the macro environment and has already put in place a flexible promotion plan to respond quickly if needed.

Signature	_____
Name in block letters	<u>MS SANDRA LEE</u>
Post Title	<u>Permanent Secretary for Economic Development and Labour (Economic Development)</u>
Date	<u>11.3.2006</u>

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)084

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1855

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead: 000 Operational expenses
700 General non-recurrent

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

The Hong Kong Tourism Board will need additional provision for project-based tourism initiatives. Please provide details of these new projects and the expenditure required.

Asked by: Hon. TAM Heung-man

Reply:

The increase of 8.3% in the provision for Hong Kong Tourism Board (HKTB) in 2006-07 over the revised estimate for 2005-06 is partly attributable to the additional provision of \$6.8 m required for the continued revamping of the HKTB's website. In addition, in view of the uncertain factors in the tourism industry and the global marketing environment such as the avian flu risks, the HKTB will maintain a high degree of flexibility in its promotional activities and remain responsive to the development of the issues that may affect tourism industry. Taking into account the tentative opening dates of the two major attractions, namely the Hong Kong Wetland Park and the Ngong Ping 360, the HKTB has adjusted its promotional programme and will retain \$24.5 m of the 2005-06 subvention to launch timely promotional programmes in 2006-07 to ensure that there will be enhanced promotional effects upon the opening of the attractions.

Besides, the HKTB has identified \$22 m of savings from promotional programmes already implemented in 2005-06. This will be set aside as contingency for the HKTB to organise any necessary activities to strengthen its global promotion in case Hong Kong is affected by any external factors (such as spread of avian flu to a much wider level) unforeseen at this stage. The savings will be returned to the Government if they are not used at the end.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

On liaising with the Airport Authority to take forward initiatives, which will ensure adequate airport capacity, further improve airport services and enhance the airport's connectivity and competitiveness, please provide the concrete details of these initiatives, manpower and expenditure involved and implementation schedule.

Asked by: Hon. LI Fung-ying

Reply:

The Government and the Airport Authority (AA) will continue to work together to implement various measures to improve the facilities and services of the Hong Kong International Airport (HKIA) so as to enhance its competitiveness. In respect of passenger services, construction of the SkyPlaza is expected to be completed in mid-2006, which will further enhance the airport's passenger handling capacity by providing additional check-in counters, transport interchange facilities and retail shops. Five taxi-in/taxi-out aircraft parking stands for more speedy turnaround of passenger aircrafts will come into operation in April 2006. The AA will also undertake a number of capacity enhancement projects to cope with the expected increase in passenger throughput. These include, for example, reconfiguration of the Passenger Terminal Building to improve passenger flow and increase immigration counters and security channels; capacity enhancement of baggage handling system; construction of SkyPier II; construction of a satellite concourse with bridge-served stands for smaller aircrafts; and widening of taxiways to cater for the operation of large A380 aircrafts at the HKIA. These projects will be completed in phases by 2010.

In respect of cargo services, the AA is constructing ten cargo parking stands and two taxiways to facilitate freighter movements, to be completed in 2006 and 2008 respectively. Construction of Terminal 2 of the Asia Airfreight Terminal (AAT) at the HKIA is in progress, which will increase its cargo handling capacity from 600 000 tonnes to 1 500 000 tonnes in 2006. DHL is also expanding its express cargo facilities at the HKIA, which will increase its processing capacity from 20 000 parcels per hour to 35 000 parcels per hour upon completion in 2007.

The above initiatives are either undertaken and financed by the AA on its own or together with its

business partners under prudent commercial principles; or are business projects undertaken by the companies concerned. Apart from the cost involved to, for example, fit out the additional government accommodation at the SkyPlaza and AAT, and to meet the expanded operation thereat, there are no resource implications for the Government.

In respect of expanding HKIA's aviation network, the Government will in 2006-07 continue to work with our aviation partners to conclude new air services agreements and to further liberalize our air services regime to facilitate airlines to enhance their services promptly in response to market demand and to expand our aviation network. The necessary resources are primarily staff cost and related operating expenses, which have been included in the overall provisions under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (2) relating to air services and cannot be separately itemised. The Government's efforts are complemented by the AA's marketing activities which promote the high quality services and market potential of the HKIA to airlines all over the world. The AA is responsible for financing its own promotional activities and there are no resource implications for the Government.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Subhead:
Development and Labour Bureau
(Economic Development Branch)

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding further enhancement of existing tourism attractions and facilities to be implemented in 2006-07, what are the details of the enhancement items, costs involved, implementation timetable, and expected type and number of jobs created? What are the estimated number of additional visitors and tourism benefits for the projects?

Asked by: Hon. LI Fung-ying

Reply:

We will continue to implement the following tourism projects in 2006-07:

Project	Estimated Expenses (\$m)	Details
Tsim Sha Tsui (TST) Promenade Beautification Project	170.2	The project covers the waterfront promenade stretching from the Hong Kong Cultural Centre to the International Mail Centre. There will be upgrading of hard and soft landscaping, reprovisioned street lighting, open space and facilities for leisure purposes, outdoor activities, performances and alfresco dining. The works have started in August 2004 and will be completed by phases by the end of 2006. The project will create about 185 job vacancies, including 170 for labourers and 15 for professional/ technical staff.
Stanley Waterfront Improvement Project	90.1	The project includes streetscape improvements along the waterfront promenade from Stanley Main Street to Pat Kan Uk, construction of a public pier outside Murray House, extension of the waterfront promenade outside Stanley Main Street, clearance of the squatters surrounding Shui Sin Temple, and improvements to the open space near Pat Kan Uk. The works have started in August 2004 and will be completed by phases by late 2007. The project will create about 105 job vacancies, including 94 for labourers and 11 for professional/ technical staff.

Tourist District Enhancement Programme – The Peak	142.6	With the Victorian theme as the design concept, we will beautify and enhance the open space outside Peak Galleria, the walking trails and the Victoria Peak Garden area. Improvement works include streetscape improvements, street repaving, upgrading of street lighting and furniture etc. The works have started in October 2005 for completion by phases by the end of 2007. The project will create about 125 job vacancies, including 115 for labourers and 10 for professional/ technical staff.
Transport Link in Tsim Sha Tsui East	255.1	We will relocate the public transport interchange (PTI) outside the TST Star Ferry Pier to the Wing On Plaza Garden (WOPG) site in TST East with the WOPG to be reprovisioned on the podium deck above the new PTI. To enhance the linkage between the new PTI, the TST Promenade, the Kowloon-Canton Railway Corporation East TST Station and Middle Road Children’s Playground, we will also construct two footbridges across Chatham Road South and Salisbury Road respectively. The works have started in September 2005 for completion in 2007. The project will create about 335 job vacancies, including 280 for labourers and 55 for professional/ technical staff.

Subject to approval of funds by the Finance Committee, we will also implement the following project:

Project	Estimated Expenses (\$ m)	Details
Enhancement of public facilities at Ngong Ping, Lantau	55.4	We propose to upgrade the public piazza in front of the Po Lin Monastery at Ngong Ping and provide additional ancillary facilities. Subject to approval of funds, we plan to start the works in 2006 for completion in 2008. The project will create about 87 job vacancies, including 73 for labourers and 14 for professional/ technical staff.

The enhancement of the existing tourist spots and facilities aims to increase the attractiveness and appeal of the place, and also to enrich the experience of our visitors. The enhanced tourist attractions will also maintain Hong Kong’s competitive edge in tourism and encourage extended stay by visitors, thereby benefiting the economy of Hong Kong as a whole.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)087

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1910

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

During 2006-07, the Branch will further improve airport services and enhance the airport's connectivity and competitiveness. What are the concrete plans and resources involved?

Asked by: Hon. YOUNG Howard

Reply:

The Government and the Airport Authority (AA) will continue to work together to implement various measures to improve the facilities and services of the Hong Kong International Airport (HKIA) so as to enhance its competitiveness. In respect of passenger services, construction of the SkyPlaza is expected to be completed in mid-2006, which will further enhance the airport's passenger handling capacity by providing additional check-in counters, transport interchange facilities and retail shops. Five taxi-in/taxi-out aircraft parking stands for more speedy turnaround of passenger aircrafts will come into operation in April 2006. The AA will also undertake a number of capacity enhancement projects to cope with the expected increase in passenger throughput. These include, for example, reconfiguration of the Passenger Terminal Building to improve passenger flow and increase immigration counters and security channels; capacity enhancement of baggage handling system; construction of SkyPier II; construction of a satellite concourse with bridge-served stands for smaller aircrafts; and widening of taxiways to cater for the operation of large A380 aircrafts at the HKIA. These projects will be completed in phases by 2010.

In respect of cargo services, the AA is constructing ten cargo parking stands and two taxiways to facilitate freighter movements, to be completed in 2006 and 2008 respectively. Construction of Terminal 2 of the Asia Airfreight Terminal (AAT) at the HKIA is in progress, which will increase its cargo handling capacity from 600 000 tonnes to 1 500 000 tonnes in 2006. DHL is also expanding its express cargo facilities at the HKIA, which will increase its processing capacity from 20 000 parcels per hour to 35 000 parcels per hour upon completion in 2007.

The above initiatives are either undertaken and financed by the AA on its own or together with its business partners under prudent commercial principles; or are business projects undertaken by the

companies concerned. Apart from the cost involved to, for example, fit out the additional government accommodation at the SkyPlaza and AAT, and to meet the expanded operation thereat, there are no resource implications for the Government.

In respect of expanding HKIA's aviation network, the Government will in 2006-07 continue to work with our aviation partners to conclude new air services agreements and to further liberalize our air services regime to facilitate airlines to enhance their services promptly in response to market demand and to expand our aviation network. The necessary resources are primarily staff cost and related operating expenses, which have been included in the overall provisions under Head 145 Government Secretariat : Economic Development and Labour Bureau (Economic Development Branch) Programme (2) relating to air services and cannot be separately itemised. The Government's efforts are complemented by the AA's marketing activities which promote the high quality services and market potential of the HKIA to airlines all over the world. The AA is responsible for financing its own promotional activities and there are no resource implications for the Government.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)088

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

1911

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

What are the details and how much provision will be allocated for the heritage tourism development at the Central Police Station, Victoria Prison and former Central Magistracy?

Asked by: Hon. YOUNG Howard

Reply:

We have conducted public consultation on the Central Police Station, Victoria Prison and former Central Magistracy project in 2005-06 and are now examining carefully the public views received in considering the way forward. The timetable for the tender is not yet available at this stage. We will deploy internal resources to make preparations for the project.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

A provision of \$278.5 m will be allocated for the launching of "2006 Discover Hong Kong Year" that includes a series of worldwide publicity and promotional activities, targeting consumers, the trade and media. Please provide a breakdown of the above activities, specifying the details, time-frame and resources involved.

Asked by: Hon. YOUNG Howard

Reply:

The "2006 Discover Hong Kong Year" Campaign (the Campaign) is a new and special two-year global publicity campaign lasting from 2005-06 to 2006-07. It comprises a series of worldwide publicity and promotional activities targeting consumers, the trade as well as the media. The objective of the Campaign is to establish Hong Kong as a "must-visit" destination and promote a new image of Hong Kong by leveraging on the opening of various tourism projects in 2005 and 2006.

The estimated expenditure allocated for this Campaign is \$278.5 m for two years. The breakdown by nature of promotional activities is as follows:

	2005-06 Revised Estimate	2006-07 Estimate	Total
	(\$ m)		
Trade promotions	11.5	17.0	28.5
Consumer promotions	75.0	106.0	181.0
Publicity & PR	10.0	24.0	34.0
Others	30.0	5.0	35.0
Total	126.5	152.0	278.5

The estimated expenditure above will cover 16 key source markets with high growth potential [including the United States of America (USA), Canada, United Kingdom (UK), Germany, France, Australia, Mainland, Taiwan, Japan, South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia and

India] and emerging markets such as the Netherlands and Russia.

Details of key deliverables are as follows:

- (i) On trade promotion - the Hong Kong Tourism Board (HKTB) brings the Campaign to the international travel trade with the message that 2006 is an excellent time to visit Hong Kong, with a view to urging them to package and promote creative itineraries. Leading the series of trade-related activities was a trade familiarisation visit for leaders of global media and trade organisation held in May 2005. Since then, the HKTB has invited over 150 trade partners from different markets to come to Hong Kong for familiarisation visit programme. The HKTB has also enhanced its presence in major trade shows including the Pacific Asia Travel Mart in September 2005, and participated in new trade shows in emerging markets, such as the Moscow International Travel and Tourism Exhibition in March 2006. It will further reach out to and network with the international travel trade. Leveraging on the opening of the new attractions, namely the Ngong Ping 360 and Hong Kong Wetland Park, the HKTB will organise the “Hong Kong Salutes the World” familiarisation visit programme for about 200 leaders of global media and trade organisations in June 2006 to let them experience the new tourism products.
- (ii) On consumer promotion - the HKTB is promoting the Campaign vigorously to consumers globally, including image-building thematic advertising, roadshows, direct mail and co-op advertising with the travel trade. Taking into account the different lead time required for visitors’ planning of their trips in long and short haul markets, HKTB first rolled out the Campaign in various long-haul markets including USA, UK and Australia in 2005, with TV commercials as well as large-scale consumer promotions such as the one leveraging on the Christmas Lighting Ceremony at Harrods Department Store in London in November 2005. The consumer launch in short-haul markets including SE Asia and the Mainland has been rolled out since December 2005. In 2006-07, the HKTB will continue with the consumer launch in the remaining key short-haul markets, including Japan, Korea and Taiwan. In addition, the HKTB will co-operate with strategic trade partners to launch joint promotions, for example, it will collaborate with Cathay Pacific Airways on a “Hong Kong Getaway” integrated marketing campaign in Japan targeting mainly young female executives.
- (iii) On public relations activities - the major target is the media, including TV stations, radio stations, print media, internet, and travel media. The HKTB plans to invite more than 1 500 media representatives from major markets to visit Hong Kong and produce special features and TV broadcasts on the “2006 Discover Hong Kong Year”. In 2005-06, the HKTB co-operated with national media organisations and corporations in 16 key source markets to produce special features and programmes on Hong Kong’s new attractions and hidden treasures, such as *The Guardian* newspaper in the UK, *NBC* in the USA and *n-TV* in Germany, as well as travel guides for the consumers in Japan, Korea and various Southeast Asian markets. In 2006-07, the HKTB will continue to arrange familiarisation visits for media representatives to enhance their awareness and understanding of the tourism development in Hong Kong, and create national reports and coverage on the “2006 Discover Hong Kong Year”.
- (iv) The HKTB will also collaborate with the retail, dining and travel sectors locally to introduce special privileges and offers during periods of mega events to stimulate visitor spending.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide details and breakdown of estimated expenditures for the series of enhanced mega events, new products and promotional activities to be launched by the Hong Kong Tourism Board with particular appeal to the business, young executives and family visitors.

Asked by: Hon. YOUNG Howard

Reply:

To stimulate growth in visitor arrivals and tourism spending, in particular for the family and business segments, the Hong Kong Tourism Board (HKTB) will continue to launch a series of strategic promotion and programmes in 2006-07 to further enhance visitors' experience in Hong Kong. To achieve this objective, the HKTB will leverage on the mega events that are well received by visitors and introduce products and promotional activities targeting the family and business segments, with a view to extending their stay and stimulating spending. For example, during the summer holidays, the HKTB will use the Hong Kong Shopping Festival as a platform to launch entertainment programmes, and shopping and dining promotions for these two market segments. As to the "Hong Kong Winterfest" at Christmas, the HKTB will design children programmes for the families. The HKTB will also stage a brand new event entitled "Culture and Heritage Celebration" between April and May 2006, highlighting the rich heritage and Chinese traditions in Hong Kong. This event suits all ages and has special appeal to the family and business visitors in the long haul markets.

To generate incremental arrivals, the HKTB will step up overseas promotions of the events and collaborate with the trade to offer attractive packages and complementary itineraries targeting these two segments so as to maximise their awareness and attract them to visit Hong Kong.

In 2006-07, the HKTB will launch the above events and tourism products that target the family and business visitor segments, and continue to implement promotion programmes targeting these visitors in 16 key source markets* with high development potential. The estimated budget of the HKTB for these two aspects of work are provided below -

Family Segment –

Estimated expenditure: \$44.1 m

- (a) Event programme and promotions: \$31.0 m
- (b) Overseas promotions: \$13.1 m

Business Segment (including young executives) –

Estimated expenditure: \$52.0 m

(a) Event programme and promotions: \$36.0 m

(b) Overseas promotions: \$16.0 m

On the effectiveness of its promotions, the relevant promotions and advertisements are expected to reach 30 million target audiences, with over 600 million hits, and \$600 m worth of publicity value in 2006-07. These mega events will not only enrich visitors' experience, but also help generate positive word-of-mouth publicity and encourage repeated visits to Hong Kong.

** 16 key source markets include the United States of America, Canada, United Kingdom, Germany, France, Australia, Mainland, Taiwan, Japan, South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia and India.*

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic
Development and Labour Bureau
(Economic Development Branch)

Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

In the face of the great challenge to Hong Kong's leading position as an international transportation and logistics hub, the estimate for "Air and Sea Communications and Logistics Development" in 2006-07 represents only 4.5% of the provision for the Economic Development Branch. Does it mean that the Hong Kong Government no longer attach importance to the local logistics industry? If yes, what are the reasons? If no, what policies and specific measures will the Administration adopt to redeem the leading position of the Hong Kong logistics industry and enhance the port's competitiveness?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

The logistics sector is an important economic pillar of Hong Kong; and the Government values its development. To maintain Hong Kong's position as the leading trading and logistics hub in the light of the rapid development of our neighbouring ports, the Government has consulted the industry on the recommendations of the "Study on Hong Kong Port – Master Plan 2020" (HKP2020) and has taken forward a number of measures to enhance Hong Kong's port competitiveness. Details and progress of these measures are summarised below :

- (a) Adjustment to cross-boundary trucking cost – Following our discussion with the Guangdong Provincial authorities, the "four-up-four-down" rule and "one-truck-one-driver" rule were relaxed, and the validity period of licenses for operating cross-boundary trucking business was extended from three to six years. The Guangdong Provincial authorities have also agreed to extend the operating hours at selected inland customs points according to the cargo volume and practical needs of different regions. We hope that the above relaxations will enhance the efficiency of the trucking industry and lower the transportation cost. In 2006-07, we will continue discussions with the Guangdong Provincial authorities to further extend the operating hours of inland customs points at Dongguan. Also, we will conduct a pilot project on on-board trucker information system to further enhance trucking efficiency through advanced technologies such as global positioning system and fleet management system.

- (b) Reduction in port fees and charges – We will reduce port fees and charges, and increase the mid-stream cargo handling capacity through establishing five more service anchorages. We will also introduce multiple entry permits for river trade vessels to streamline the application procedure and lower their operating cost with a view to attracting more river and transshipment cargoes to Hong Kong. With these measures, a medium sized vessel calling Hong Kong for two days can save 25% of anchorage charge, whilst a river trade vessel using the multiple entry permits can save up to 50% of the cost on entry permit. The above-mentioned reduction of port fee and anchorage dues, and the introduction of the multiple entry permits will forego about \$59.2 m revenue, whereas the five additional service anchorages will about \$1.2 m revenue. The reduction in anchorage dues was implemented through legislation in February 2006. We would make the necessary legislative amendments to effect the other measures in 2006-07.
- (c) Enhancement of port productivity – After consulting the industry and with the support of the Hong Kong Port Development Council, suitable container terminal back-up land adjacent to the Kwai Chung-Tsing Yi container terminals to enhance the capacity of container terminals will be made available by open tender later this year. The first two barging facilities have just been put up for open tender in February 2006, and we expect that the tendering process will be completed by mid-2006.
- (d) Improvement in transport infrastructure – To facilitate the flow of goods across the boundary, a new bridge connecting Lok Ma Chau and Huanggang dedicated for goods vehicles has been in operation since January 2005, and the Hong Kong-Shenzhen Western Corridor is scheduled to open in late 2006. The commissioning of the Hong Kong-Shenzhen Corridor will triple our capacity to about 80 000 cross-boundary trucks per day. In addition, the Stonecutters Bridge connecting Container Terminal 9 with other terminals in Kwai Chung will be completed by 2008. The above-mentioned cross-boundary infrastructure projects are undertaken with other concerned bureaux and departments.
- (e) Overall infrastructure planning – We have followed the recommendations of the HKP2020 to conduct an ecology study on northwest Lantau to assess its environmental suitability for the development of Container Terminal 10, and a port cargo forecast study to determine the optimal timing for the construction of the terminal. Both studies commenced in late 2005. We will review the port expansion options when more data is available.
- (f) Strengthening Hong Kong as the prime logistics information centre – The Digital Trade Transportation Network launched in December 2005 will provide an open, neutral, secure and reasonably priced e-platform to facilitate information flow along the supply chain in an efficient and reliable manner. We will also organise training workshops for employees in the logistics industry to promote the use of information technology and e-logistics.

We believe that the above measures will enhance the efficiency and competitiveness of our port to meet the challenges facing Hong Kong. Except for cross-boundary infrastructure projects which are funded by other concerned bureaux and departments, we will continue to deploy existing resources to pursue these measures.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Subhead:
Development and Labour Bureau
(Economic Development Branch)

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the agreed measures to reduce cross-boundary trucking cost between the Government and the Guangdong Provincial authorities and the study to further enhance cross-boundary trucking, please provide the latest progress and the expected outcome. Will the authorities consider enhancing the study? Please provide details.

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

Following our discussion with the Guangdong Provincial authorities on cross-boundary trucking cost, the "four-up-four-down" rule and "one-truck-one-driver" rule were relaxed in 2005, and the validity period of licenses for operating cross-boundary trucking business was extended from three to six years. The Guangdong Provincial authorities have also agreed to extend operating hours at selected inland customs points according to the cargo volume and practical needs of different regions. We will continue discussions with the Guangdong Provincial authorities to further extend the operating hours of inland customs points at Dongguan and other measures which are considered by the industry to be effective in lowering the cross-boundary trucking cost. Also, we will conduct a pilot project on on-board trucker information system to further enhance trucking efficiency through advanced technologies such as global positioning system and fleet management system. We hope that the above relaxations will enhance the efficiency of the trucking industry and lower the transportation cost.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

The provision for 2006-07 is \$2.1 m (4.8%) less than that for 2005-06, which is mainly attributable to the requirement of an additional provision for implementing the promotion activities of port development and logistics services in 2005-06. Does it mean that no additional provision is required for the promotion of port development and logistics services in 2006-07? If yes, what are the reasons ?

Asked by: Hon. WONG Ting-kwong

Reply:

To strengthen Hong Kong's position as the international logistics hub in the region, we will implement various initiatives in 2006-07. These include a pilot study on on-board trucker information system to enhance trucking efficiency, seminars and workshops to promote e-logistics awareness and capability of the logistics industry, a user survey-cum-strategic forum to map out the strategy for the future development of Hong Kong's logistics industry and further promotional efforts targeting the Mainland audience.

On promotion activities for port development, we shall continue to organise and participate in various promotion activities to strengthen our position as an international maritime centre. These activities include the Education and Careers Expo 2007, sea-going careers talks in secondary schools, seminars on maritime industry and related issues, study trips to the Mainland, and promotion of and participation in international trade conferences and exhibitions.

On the detailed implementation of the above-mentioned initiatives and promotion activities, we shall consult the Hong Kong Logistics Development Council, the Hong Kong Maritime Industry Council and the Hong Kong Port Development Council and their respective project groups. Detailed budget would only be available upon finalisation of the details. However, we would earmark sufficient provision under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (2) relating to Air and Sea Communications and Logistics Development to fund the above initiatives and promotion activities.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic
Development and Labour Bureau
(Economic Development Branch)

Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the streamlined submission for cross-boundary trucking clearance and the mainland's relaxation of the "one-truck-one-driver" rule in 2005-06, have their implications on the operation of the industry be assessed? What are the details of the new measures to be proposed by Guangdong and Hong Kong to reduce cross-boundary trucking cost in 2006-07?

Asked by: Hon. WONG Ting-kwong

Reply:

Following our discussion with the Guangdong Provincial authorities on cross-boundary trucking cost, the "four-up-four-down" rule and "one-truck-one-driver" rule were relaxed, and the validity period of licenses for operating cross-boundary trucking business was extended from three to six years. The Guangdong Provincial authorities have also agreed to extend operating hours at selected inland customs points according to the cargo volume and practical needs of different regions. We hope that the above relaxations will enhance the efficiency of the trucking industry and lower the transportation cost. We are now conducting the study on Hong Kong Port Cargo Forecasts which will, among others, assess the impact of the above relaxations on the cost of cross-boundary trucking and the volume of port cargo. In 2006-07, we will continue discussions with the Guangdong Provincial authorities to further extend the operating hours of inland customs points at Dongguan and other measures which are considered by the industry to be effective in lowering the cross-boundary trucking cost. Also, we will conduct a pilot project on on-board trucker information system to further enhance trucking efficiency through advanced technologies such as global positioning system and fleet management system.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)095

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2075

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

What is the expenditure involved for the design of the "Lei Yue Mun Waterfront Enhancement Project"?
What is the anticipated date of completion for the design of this project?

Asked by: Hon. LEONG Kah-kit, Alan

Reply:

The Kwun Tong District Council supports the "Lei Yue Mun Waterfront Enhancement Project" in principle. The scope of works includes the construction of a public landing facility, breakwater and seawall by the Civil Engineering and Development Department, and the construction of a viewing platform and waterfront promenade as well as streetscape enhancement by the Architectural Services Department.

Action is in hand to engage consultants to carry out impact assessments on marine works and design of the viewing platform and waterfront promenade of the project. The estimated cost is about \$2 m for the former and \$4.1 m for the latter. We plan to conduct further consultation in early 2007 upon completion of the preliminary design.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)096

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2183

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

It is mentioned that in 2005-06, the Branch "continued with the collection of public views for reviewing the tender arrangement for the heritage tourism development at the Central Police Station, Victoria Prison and former Central Magistracy (the CPS Compound)", please provide information on details, provision will be allocated in 2006-07 and the latest development.

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

We have conducted public consultation on the CPS Compound project in 2005-06 and are now examining carefully the public views received in considering the way forward. The timetable for the tender is not yet available at this stage. We will deploy internal resources to make preparations for the project.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding Matters Requiring Special Attention in 2006-07 which mentions that the Branch will monitor the smooth operation of the Hong Kong Disneyland, please advise:

- (1) Have any indicators been set to measure whether the Hong Kong Disneyland is operating smoothly? If yes, what are the indicators? If no, what means will the Administration adopt to monitor its operation? What is the projected expenditure for the monitoring work in 2006-07?
- (2) Is the Government satisfied with the operation of the Hong Kong Disneyland? and
- (3) What is the Government's projection of the actual income to be generated by the Hong Kong Disneyland for the next few years? Is there any difference in comparison with the original estimate?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

- (1) While the Hong Kong Disneyland Management Limited (HKDML) is responsible for the day-to-day operation of the theme park, the Board of Hongkong International Theme Park Limited (HKITP) exercises a supervisory role. Besides, the Government has set up a Steering Committee on the Implementation of the Hong Kong Disneyland under the chairmanship of the Financial Secretary which meets regularly to monitor the progress of the project and the operation of the theme park. The Government is also in frequent liaison with HKDML to ensure the smooth operation of the theme park. The expenses for monitoring the Hong Kong Disneyland have been included in the provision under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (5) relating to travel and tourism. As the subject officers are also responsible for other tourism projects, the expenses cannot be separately itemised.
- (2) & (3) Since the opening in September 2005, the Hong Kong Disneyland has made steady progress in terms of park operation and park attendance. The Government will continue to monitor the operation of HKITP. Based on progress to date, the outlook is positive in achieving HKITP's forecast of 5.6 million visitors in the first year.

For an investment of the scale of the Hong Kong Disneyland, it is unrealistic to expect that the project's investment costs would be recovered by revenues generated by initial operation. The Government's decision to invest in the Hong Kong Disneyland project was based on the assessment of the long-term net economic benefits to Hong Kong, at \$148 b over 40 years.

Signature

Name in block letters

MS SANDRA LEE

Post Title

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Subhead:
Development and Labour Bureau
(Economic Development Branch)

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Has the Administration formulated any strategy for promoting tourism in respect of the 2009 East Asian Games? If yes, please provide the details, including when the relevant promotional activities will commence, the estimated provision and staffing arrangement.

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

Riding on the platform of the "2006 Discover Hong Kong Year" campaign, the Hong Kong Tourism Board (HKTB) is stepping up promotion of Hong Kong as a "must-visit" destination in Asia. By making Hong Kong the focus in the international arena, this campaign will help pave the way for generating visitor arrivals when the 2008 Olympic Equestrian Events and the 2009 East Asian Games are held in Hong Kong.

The HKTB is already liaising closely with the organising parties, and has arranged for global distribution of publicity materials highlighting these two events along with other major events in 2008 and 2009. When the detailed arrangements for the Olympics and East Asian Games are available from the organisers, the HKTB will work out the details of the promotional activities, to encourage the overseas special interest tour operators to design new and creative itineraries featuring the events to attract more visitors to Hong Kong. Leveraging on the staging of these two major international sports events in Hong Kong, the HKTB will also drum up other promotional activities with a view to reinforcing Hong Kong's position as "Asia's World City". Details of the resource and manpower requirements will be worked out when more information about the events is available.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Subhead:
Development and Labour Bureau (Economic
Development Branch)

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

The Beijing Olympic Games will be held in 2008 and the Olympic Equestrian Events will be staged in Hong Kong. Has the Administration formulated any strategy for promoting tourism in respect of the 2008 Beijing Olympic Games and the Olympic Equestrian Events in Hong Kong? If yes, please provide the details, including when the relevant promotional activities will commence, the estimated provision and staffing arrangement.

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

Riding on the platform of the "2006 Discover Hong Kong Year" campaign, the Hong Kong Tourism Board (HKTB) is stepping up promotion of Hong Kong as a "must-visit" destination in Asia. By making Hong Kong the focus in the international arena, this campaign will help pave the way for generating visitor arrival when the 2008 Olympic Equestrian Events and the 2009 East Asian Games are held in Hong Kong.

The HKTB is already liaising closely with the organising parties, and has arranged for global distribution of publicity materials highlighting these two events along with other major events in 2008 and 2009. When the detailed arrangements for the Olympics and East Asian Games are available from the organisers, the HKTB will work out the details of the promotional activities to encourage the overseas special interest tour operators to design new and creative itineraries featuring the events to attract more visitors to Hong Kong. Leveraging on the staging of these two major international sports events in Hong Kong, the HKTB will also drum up other promotional activities with a view to reinforcing Hong Kong's position as "Asia's World City". Details of the resource and manpower requirements will be worked out when more information about the events are available.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Under matters requiring special attention in 2006-07, it is stated that the Branch will "explore ways to enhance competition in the auto-fuel retail market in Hong Kong having regard to the outcome of the consultancy study". Will the Administration inform this Committee:

- (a) when the details and outcome of the consultancy study will be published; and
- (b) (i) whether it will consider introducing a competition law for the industry when exploring ways to enhance competition in the auto-fuel market in Hong Kong?
 - (ii) whether it has studied the feasibility of introducing other auto-fuel technologies to reduce its reliance on petroleum products and to improve air quality; if yes, what are the results?
 - (iii) whether the Government will consider introducing other vehicle energy technologies, e.g. using alcohol/petrol mixture or hydrogen as a fuel for vehicles?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

- (a) The consultant has yet to complete its work in full. We will inform the Legislative Council and the public of the consultant's findings as soon as the assignment is fully completed.
- (b) (i) The consultant is required to make recommendations on whether, and if so, what measures including legislation might be required to ensure fair competition in the auto-fuel market in Hong Kong. After the consultant has fully completed its assignment, we will consider taking follow up action as may be required.
- (ii) & (iii) The issue of introducing alternative fuel for automobiles in Hong Kong is beyond the scope of the consultancy study, which focuses on the competition situation of the local auto-fuel retail market.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for Economic
Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Under matters requiring special attention in 2006-07, it is stated that the Branch will "having regard to the outcome of the Stage II public consultation, work out the framework of regulatory arrangements for the electricity market after the expiry of the current Scheme of Control Agreements in 2008". Will the Administration inform this Committee of the expenditure and staffing arrangements involved?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

Resources for formulating the framework of regulatory arrangements for the post-2008 electricity market have been included in the annual provision under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) Posts, Power, Competition Policy and Consumer Protection. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure and manpower related to regulation of the electricity market.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Subhead:
Development and Labour Bureau
(Economic Development Branch)

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

According to the information provided by the Secretary for Economic Development and Labour to the Legislative Council on 22 February 2006, the number of passengers using Hong Kong as a transit centre for travelling by air to and from the Mainland only accounted for about 40% of those who travel between the two places. Please provide details of the specific programmes to boost transition of passengers to travel by air from Hong Kong to the Mainland and vice versa in 2006-07.

Asked by: Hon. SIN Chung-kai

Reply:

The majority of passengers arriving in Hong Kong take Hong Kong as their destination (accounting for about 65% of all arrivals), while the rest are transfer passengers. The primary consideration for passengers in deciding whether to use Hong Kong as a transfer hub for their journeys to and from the Mainland is the connectivity of the Hong Kong International Airport. Hence, the Government will continue to expand and strengthen our aviation network through securing expanded traffic rights from both our aviation partners as well as the relevant authorities in the Mainland. This will enable airlines to increase the frequencies and capacity for flights between Hong Kong and the Mainland and between Hong Kong and the rest of the world, thus providing more choices of flight to transfer passengers and reducing their waiting time during transfer. The Airport Authority will also provide the necessary facilities and arrangements to provide hassle-free transfer for these passenger

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Subhead:
Development and Labour Bureau
(Economic Development Branch)

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Matters requiring special attention in 2006-07 include “monitoring the development and potential availability of natural gas supplies having regard to potential development for the Hong Kong gas market”. In this respect, what are the details of the Administration’s work in 2006-07? What targets are expected to be achieved in this area of work?

Asked by: Hon. LAU Chin-shek

Reply:

In 2006-07, we will, with the support of the Electrical and Mechanical Services Department, monitor the introduction of natural gas by the Hong Kong Electric Company Limited and Hong Kong and China Gas Company Limited for power generation and town gas production respectively. We will also continue to monitor the existing natural gas supply to the Black Point Power Station of the CLP Power Hong Kong Limited. Scope of work includes monitoring of the safety standards of the relevant facilities and reliability of supply etc. In addition, we will closely monitor the development of other natural gas supply sources close to Hong Kong and commission detailed studies as appropriate. Our objective is to ensure that reliable, safe and reasonably priced supply of natural gas is available to meet the energy needs of Hong Kong.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

In respect of "monitoring the operation of the Towngas supply company", what are the resources used in this area, the contents of work and the performance respectively in 2005-06? Will the work in 2006-07 include examining whether to enhance monitoring of the Towngas supply company (such as fees and the level of profits) by way of legislation or agreement?

Asked by: Hon. LAU Chin-shek

Reply:

Resources required for monitoring the operation of the Towngas supply company are included in the overall provision under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) Posts, Power, Competition Policy and Consumer Protection. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure related to the monitoring of the Towngas supply company.

The "Information and Consultation Agreement" (ICA) signed between the Government and The Hong Kong and China Gas Company Limited (HKCG) has served its objective of enhancing transparency in HKCG's tariff setting mechanism, and providing justification thereof, in the event of tariff adjustments. In 2005-06, HKCG did not propose any adjustment to their standard gas charge. Nonetheless, pursuant to the ICA, HKCG continues to provide us annually with their planned capital expenditure and expenses on network repairs and maintenance. We also continue to monitor and review the Fuel Cost Variation Charge/Rebate by HKCG against trend movements in the import prices of the feedstocks. In addition, HKCG publishes a booklet "Towngas Corporate Information" each year providing the public with information relating to the financial, operational, environmental and safety matters in the preceding year.

The current ICA will expire on 2 April 2006. We are now discussing with HKCG with regard to the future arrangements with a view to furthering the objective of ICA. We will brief the Legislative Council on the results at an appropriate time.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead: 700 General non-recurrent

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding Item 015 under Subhead 700 "Enhancing public awareness of the work of the Competition Policy Advisory Group", please advise respectively on the progress of the specific work undertaken so far, the distribution of financial resources and the performance of the work.

Asked by: Hon. LAU Chin-shek

Reply:

The project under Subhead 700 General non-recurrent Item 015 is for maintaining and updating the Competition Policy Advisory Group (COMPAG) website and for producing publicity materials to promote awareness of competition issues. In 2005-06, we spent about \$0.1 m in the maintenance and updating of the COMPAG website, and conversion of an interactive game produced by the Hong Kong Education City into CD-ROMs and distribution of these to all primary schools in Hong Kong. Updating the website enhances public awareness of COMPAG's work, while the CD-ROMs have helped raise the awareness and promote understanding among students and young people of anti-competitive practices.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)106

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2276

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead: 700 General non -recurrent

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding Item 926 under Subhead 700, when is the consultancy study on the local auto-fuel retail market expected to be completed? What is the preliminary outcome of the study so far?

Asked by: Hon. LAU Chin-shek

Reply:

The consultant has yet to complete its work in full. We will inform the Legislative Council and the public of the consultant's findings as soon as the assignment is fully completed.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (6) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

The number of complaints and enquiries received by the Consumer Council in 2005 increased by over 30% as compared with 2004. It is estimated that the number of complaints and enquiries in 2006 will further increase. In this respect, what specific measures so far have been adopted by the Government to cope with the increasing demand for services?

Asked by: Hon. LAU Chin-shek

Reply:

In the light of the increase in the number of consumer complaints and enquiries in recent years, the Consumer Council (CC) has streamlined the procedures for handling complaints and arranged redeployment of staff to enhance efficiency. The CC also continues its efforts to enhance consumer awareness and promote good trade practices to enhance consumer protection.

To enable the CC to cope with the increase in workload and maintain its service quality, we have provisionally earmarked \$1.3 m in 2006-07 for the CC to employ additional staff to handle consumer complaints and enquiries. The Efficiency Unit is now conducting a review of the Council's manpower resources and working procedures. We will determine the allocation to CC for handling complaints and enquiries in the light of the review results.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (6) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

The subvention earmarked for the Consumer Council for 2006-07 is only 1.3% higher than the actual expenditure in 2005-06. Is this sufficient for meeting the growing service demand? If not, will the overall service quality of the Consumer Council be affected by not having a reasonable upward adjustment in its overall subvention?

Asked by: Hon. LAU Chin-shek

Reply:

The Consumer Council (CC) has taken the following measures to cope with the increase in the number of consumer complaints and enquiries in recent years:

- (i) streamlining the procedures for handling complaints to enhance efficiency;
- (ii) re-distribution of work among its staff, including redeploying staff from other units to handle consumer complaints and enquiries;
- (iii) launched an on-line version of the CHOICE Magazine at the beginning of 2004 to enhance consumer awareness;
- (iv) installed in late February 2005 an upgraded interactive telephone answering system, after which most telephone calls have been attended to within one minute; and
- (v) published in March 2005 the "Good Corporate Citizen's Guide" to further promote good trade practices.

We have provisionally earmarked \$1.3 m in 2006-07 for the CC to employ additional staff to handle consumer complaints and enquiries. The Efficiency Unit is now conducting a review of the Council's manpower resources and working procedures. We will determine the allocation to CC for handling complaints and enquiries in the light of the review results. Together with continuous improvements in the CC's current practices and procedures, the CC should be able to maintain service quality.

Signature _____

Name in block letters _____

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Post Title _____

Date _____

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic
Development and Labour Bureau
(Economic Development Branch)

Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

In respect of expanding the information dissemination platform to mobile phone and installing thematic nodal points:

- (a) what are details of the project? What major kinds of information will be disseminated?
- (b) what will be the expenditure involved?

Asked by: Hon. SIN Chung-kai

Reply:

In 2006-07, the Hong Kong Tourism Board (HKTB) will implement a new service, which will make use of the mobile phone technology to allow visitors to obtain useful information about Hong Kong, such as sightseeing, shopping, dining, events and weather, in audio, graphical and textual formats. The estimated provision for this new service is about \$3.3 m.

Also as part of the Tsim Sha Tsui (TST) Promenade Beautification Project, the Tourism Commission will install nine nodal points at different locations along the TST promenade. The design of the nodal points will feature specific themes such as "Tsim Sha Tsui's attractions", "culture and performing arts", and "shopping and dining", etc. These nodal points are touch-screen information kiosks linked to HKTB's website. The HKTB will use about \$0.2 m to develop web content for the interactive kiosks to facilitate visitors to access up-to-date information on various attractions and events in Hong Kong. The information will be available in English, Traditional Chinese and Simplified Chinese.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

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

Head: 145 Government Secretariat: Economic Subhead:
Development and Labour Bureau
(Economic Development Branch)

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Will the Administration consider to:

- (a) reviewing the subvention mode for the Hong Kong Tourism Board (HKTB), for instance, by making reference to the subvention modes for the Trade Development Council and the Securities and Futures Commission, namely by funding the Board's expenditure with tax income from tourism; and
- (b) reviewing the current operation of HKTB and motivating it to develop tourism services capable of generating additional income to alleviate the issue of using public funds for the development of individual industry?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) According to the Hong Kong Tourism Board Ordinance (the Ordinance), the major functions of the HKTB are to promote Hong Kong globally, attract more visitors to Hong Kong and increase the contribution of tourism industry to Hong Kong's economy. The major income of HKTB comes from the Government subvention while the income of the Hong Kong Trade Development Council and the Securities and Futures Commission mainly comes from the levy and service charges paid by the related industries. Since the responsibilities and business nature of the HKTB and the two organisations are not the same, it is not appropriate to make comparisons. In addition, tourism development facilitates the growth of a considerable number of economic sectors and brings benefits to them, for example, travel agents, retail, entertainment, catering, hotels and transport, etc. It is therefore difficult to define from which sectors a levy should be charged for the purpose of funding the HKTB.
- (b) The HKTB is a statutory organisation established by the Ordinance. Its statutory functions, operation, funding arrangement and estimates etc. have to meet the requirements of the Ordinance. Since the HKTB is responsible for promoting Hong Kong globally, the clientele of such promotion and marketing activities are mainly the media, the travel trade and consumers overseas. It is difficult to collect fees from them for such activities. As a wide spectrum of those local tourism-related industries benefit from such promotional activities either directly or indirectly, it is also difficult to define which industries should pay for the services.

As regards the development of tourism services, where there are clear service targets for its services, the HKTB will collect fees for such services to achieve cost recovery. The mode of operation of the Quality Tourism Services Scheme (the Scheme) implemented by the HKTB falls into this category where a fee is charged from the participating merchants of the Scheme to recover the cost of conducting the assessment and year-round monitoring work by a professional consultant. Apart from the retail and catering industries currently covered by the Scheme, the HKTB is exploring the feasibility of extending the Scheme to other tourism-related industries based on the same mode of operation.

Signature

Name in block letters

MS SANDRA LEE

Post Title

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

How does the Administrative determine the subsidy to the Hong Kong Tourism Board in order to strike a balance between the development of tourism and the requirements of other social services, such as expenditures on education and social welfare?

Asked by: Hon. SIN Chung-kai

Reply:

In allocating the resources, the Government will mainly take into account the overall fiscal position, existing level of provisions, and proposed new or improved services. When determining the amount of subvention to be granted to individual subvented organisations, individual policy bureau will take into account its policy priorities. For the Hong Kong Tourism Board (HKTB), the Government will also consider the HKTB's proposed business plan and its effectiveness as well as the need of the overall development of tourism. According to the Hong Kong Tourism Board Ordinance, the HKTB shall submit to the Government an annual business plan of its proposed activities and estimates of its income and expenditure.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide details on the initiatives to enhance our port competitiveness in 2006-07 and the expenditure incurred. In particular, please provide details on the initiatives to enhance the competitiveness of our terminal handling charge.

Asked by: Hon. SIN Chung-kai

Reply:

To maintain Hong Kong's position as the leading trading and logistics hub in the light of the rapid development of our neighbouring ports, the Government has consulted the industry on the recommendations of the "Study on Hong Kong Port – Master Plan 2020" (HKP2020) and has taken forward a number of measures to enhance Hong Kong's port competitiveness. Details and progress of these measures are summarised below :

- (a) Terminal handling charge (THC) – We coordinated meetings with the representatives of Transpacific Stabilization Agreement, and the relevant trade associations and parties in January and September last year to reflect the concerns of Hong Kong shippers on THC. We will continue to facilitate dialogues among relevant parties to encourage them to discuss the issues which concern them in order to enhance the transparency of THC and its charging mechanism.
- (b) Adjustment to cross-boundary trucking cost – Following our discussion with the Guangdong Provincial authorities, the "four-up-four-down" rule and "one-truck-one-driver" rule were relaxed, and the validity period of licenses for operating cross-boundary trucking business was extended from three to six years. The Guangdong Provincial authorities have also agreed to extend the operating hours at selected inland customs points according to the cargo volume and practical needs of different regions. We hope that the above relaxations will enhance the efficiency of the trucking industry and lower the transportation cost. In 2006-07, we will continue discussions with the Guangdong Provincial authorities to further extend the operating hours of inland customs points at Dongguan. Also, we will conduct a pilot project on on-board trucker information system to further enhance trucking efficiency through advanced technologies such as global positioning system and fleet management system.

- (c) Reduction in port fees and charges – We will reduce port fees and charges, and increase the mid-stream cargo handling capacity through establishing five more service anchorages. We will also introduce multiple entry permits for river trade vessels to streamline the application procedure and lower their operating cost with a view to attracting more river and transshipment cargoes to Hong Kong. With these measures, a medium sized vessel calling Hong Kong for two days can save 25% of anchorage charge, whilst a river trade vessel using the multiple entry permits can save up to 50% of the cost on entry permit. The above-mentioned reduction of port fee and anchorage dues, and the introduction of the multiple entry permits will forego about \$59.2 m revenue, whereas the five additional service anchorages will bring about \$1.2 m revenue. The reduction in anchorage dues was implemented through legislation in February 2006. We would make the necessary legislative amendments to effect the other measures in 2006-07.
- (d) Enhancement of port productivity – After consulting the industry and with the support of the Hong Kong Port Development Council, suitable container terminal back-up land adjacent to the Kwai Chung-Tsing Yi container terminals to enhance the capacity of container terminals will be made available by open tender later this year. The first two barging facilities have just been put up for open tender in February 2006, and we expect that the tendering process will be completed by mid-2006.
- (e) Improvement in transport infrastructure – To facilitate the flow of goods across the boundary, a new bridge connecting Lok Ma Chau and Huanggang dedicated for goods vehicles has been in operation since January 2005, and the Hong Kong-Shenzhen Western Corridor is scheduled to open in late 2006. The commissioning of the Hong Kong-Shenzhen Corridor will triple our capacity to about 80 000 cross-boundary trucks per day. In addition, the Stonecutters Bridge connecting Container Terminal 9 with other terminals in Kwai Chung will be completed by 2008. The above-mentioned cross-boundary infrastructure projects are undertaken with other concerned bureaux and departments.
- (f) Overall infrastructure planning – We have followed the recommendations of the HKP2020 to conduct an ecology study on northwest Lantau to assess its environmental suitability for the development of Container Terminal 10, and a port cargo forecast study to determine the optimal timing for the construction of the terminal. Both studies commenced in late 2005. We will review the port expansion options when more data is available.
- (g) Strengthening Hong Kong as the prime logistics information centre – The Digital Trade Transportation Network launched in December 2005 will provide an open, neutral, secure and reasonably priced e-platform to facilitate information flow along the supply chain in an efficient and reliable manner. We will also organise training workshops for employees in the logistics industry to promote the use of information technology and e-logistics.

We believe that the above measures will enhance the efficiency and competitiveness of our port to meet the challenges facing Hong Kong. Except for cross-boundary infrastructure projects which are funded by other concerned bureaux and departments, we will continue to deploy existing resources to pursue these measures.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

As regards Programme (2), how will the Administration enhance the port competitiveness of Hong Kong? Has the Administration reserved any fund to promote and develop favourable initiatives in this regard?

Asked by: Hon. LI Wah-ming, Fred

Reply:

To maintain Hong Kong's position as the leading trading and logistics hub in the light of the rapid development of our neighbouring ports, the Government has consulted the industry on the recommendations of the "Study on Hong Kong Port – Master Plan 2020" (HKP2020) and has taken forward a number of measures to enhance Hong Kong's port competitiveness. Details and progress of these measures are summarised below :

- (a) Adjustment to cross-boundary trucking cost – Following our discussion with the Guangdong Provincial authorities, the "four-up-four-down" rule and "one-truck-one-driver" rule were relaxed, and the validity period of licenses for operating cross-boundary trucking business was extended from three to six years. The Guangdong Provincial authorities have also agreed to extend the operating hours at selected inland customs points according to the cargo volume and practical needs of different regions. We hope that the above relaxations will enhance the efficiency of the trucking industry and lower the transportation cost. In 2006-07, we will continue discussions with the Guangdong Provincial authorities to further extend the operating hours of inland customs points at Dongguan. Also, we will conduct a pilot project on on-board trucker information system to further enhance trucking efficiency through advanced technologies such as global positioning system and fleet management system.
- (b) Reduction in port fees and charges – We will reduce port fees and charges, and increase the mid-stream cargo handling capacity through establishing five more service anchorages. We will also introduce multiple entry permits for river trade vessels to streamline the application procedure and lower their operating cost with a view to attracting more river and transshipment cargoes to Hong Kong. With these measures, a medium sized vessel calling Hong Kong for two days can save 25% of anchorage charge, whilst a river trade vessel using the multiple entry permits can

save up to 50% of the cost on entry permit. The above-mentioned reduction of port fee and anchorage dues, and the introduction of the multiple entry permits will forego about \$59.2 m revenue, whereas the five additional service anchorages will bring about \$1.2 m revenue. The reduction in anchorage dues was implemented through legislation in February 2006. We would make the necessary legislative amendments to effect the other measures in 2006-07.

- (c) Enhancement of port productivity – After consulting the industry and with the support of the Hong Kong Port Development Council, suitable container terminal back-up land adjacent to the Kwai Chung-Tsing Yi container terminals to enhance the capacity of container terminals will be made available by open tender later this year. The first two barging facilities have just been put up for open tender in February 2006, and we expect that the tendering process will be completed by mid-2006.
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- (f) Strengthening Hong Kong as the prime logistics information centre – The Digital Trade Transportation Network launched in December 2005 will provide an open, neutral, secure and reasonably priced e-platform to facilitate information flow along the supply chain in an efficient and reliable manner. We will also organise training workshops for employees in the logistics industry to promote the use of information technology and e-logistics.

We believe that the above measures will enhance the efficiency and competitiveness of our port to meet the challenges facing Hong Kong. Except for cross-boundary infrastructure projects which are funded by other concerned bureaux and departments, we will continue to deploy existing resources to pursue these measures.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

As regards Programme (3), it is stated in paragraph 10 under the heading of Brief Description that the Branch oversaw the reliability of electricity and gas supply which was maintained by the companies concerned at a level exceeding 99.8%. Does this level of reliability meet the requirements set by the Branch? Are there any objective criteria in this regard?

Asked by: Hon. LI Wah-ming, Fred

Reply:

At present, the reliability of both the electricity and gas supplies achieved locally is above 99.99%. As regards electricity supply, our supply reliability is comparable to those of other major cities, e.g. London, Sydney and San Francisco, which are in the range of 99.95% to 99.99%. This refers to the "Average Service Availability Index", expressed as a percentage of "total customer-hour served" to "total customer-hour demanded". This index reflects the overall reliability of actual electricity supply, but not the planning criteria of the power system. "Total customer-hour served" will be affected by various factors including reserve capacity, quality of the supply network, operation, maintenance, servicing and operating environment of the power system etc. This index may also vary from year to year, as it is susceptible to external influences such as natural catastrophes or incidents involving human factors etc.

In monitoring the supply reliability of the power companies, we have established a series of power system planning criteria, e.g. Loss of Load Probability (LOLP)". LOLP is a widely accepted probabilistic planning method to evaluate whether there is sufficient generation capacity to meet the maximum demand on a year-round basis. During the assessment of the power companies' Financial Plans, we will approve the development of their power systems in accordance with the relevant planning criteria to ensure that the systems can meet the demand for electricity without over-investment by the power companies. In addition, during the annual "Auditing Review", we will review with the power companies the supply reliability figure for the past year and the corresponding target figure for the coming year.

The reliability of gas supply is calculated on a similar basis as the "Average Service Availability Index". However, the production and transmission of gas is different from those of electricity. Since gas stored in the distribution system under pressure serves as a natural buffer for supply, any minor mal-function of the system components will not cause immediate supply interruption. The key to maintaining reliability of gas supply is to prevent damages to supply lines and gas leakages, which is also the key factor to ensure gas safety. Under the Gas Safety Ordinance, there are legal provisions for the compliance of stipulated safety requirements in respect of gas installations and for the protection of gas supply lines against damages. The Electrical and Mechanical Services Department will continue to enforce these statutory requirements to ensure that both the safety and reliability of gas supply.

Signature

Name in block letters

MS SANDRA LEE

Post Title

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date

11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)115

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2380

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead: 000 Operational expenses
700 General non-recurrent

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding paragraph 10 under Programme (3), will the Administration provide us with the 2006-07 budget for the Competition Policy Advisory Group?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The resources required for the Competition Policy Advisory Group (COMPAG) in 2006-07 have been included in the provision for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and cannot be separately itemised. Details of the funding earmarked for specific purposes such as consultancy studies and publicity are funded under Subhead 700 General non-recurrent Items 014, 015 and 926 respectively–

- (a) Item 014 is for engaging consultants to conduct specific studies or produce educational materials to nurture awareness and promote understanding among students and young people of anti-competitive practices. The estimated expenditure in 2007-08 is about \$0.1 m.
- (b) Item 015 is for maintaining and updating the COMPAG website, and for producing publicity materials to promote awareness of competition issues. The estimated expenditure in 2006-07 is about \$40,000.
- (c) Item 926 is for the consultancy study on the local auto-fuel retail market. The estimated expenditure in 2006-07 is about \$1.1 m.

Signature _____

Name in block letters _____

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Post Title _____

Date _____

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead: 000 Operational expenses
700 General non-recurrent

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

As regards paragraph 10 under Programme (3), the Bureau worked with the Education and Manpower Bureau to promote competition concepts in schools and integrate competition concepts in the school curriculum. Please list the details and the expenditure involved.

Asked by: Hon. LI Wah-ming, Fred

Reply:

To nurture awareness and promote understanding among students and young people of anti-competitive practices, we co-operated with the Education and Manpower Bureau in 2005-06 on the following initiatives -

- (a) briefing moral and civic education teachers as well as curriculum development officers of primary schools on the Government's competition policy and competition concepts, and seeking their support in promoting these concepts in schools;
- (b) gathering feedback from teachers of the integrated humanity curriculum for senior secondary students (Form 4 and 5). Teachers generally considered the module on competition concepts within the curriculum useful in enhancing students' awareness and knowledge of anti-competitive practices and the adverse impact such practices might have on society and the economy; and
- (c) converting an interactive game produced by the Hong Kong Education City into CD-ROMs for distribution to all primary schools in Hong Kong.

The staffing expenses required for the above were included in the provision for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (3) relating to competition policy and could not be separately itemised. The cost of about \$80,000 for producing CD-ROMs for distribution to all primary schools was funded under Subhead 700 General non-recurrent Item 015 "Enhancing public awareness of the work of the Competition Policy Advisory Committee".

Signature _____

Name in block letters _____

MS SANDRA LEE

Permanent Secretary for Economic
Development and Labour
(Economic Development)

Post Title _____

Date _____

11.3.2006

<u>Programme (3): Posts, Power, Competition Policy and Consumer Protection</u>				
Arculli and Associates	Study on the competition situation in the local auto-fuel retail market	On a time cost basis subject to a cap of 7.5 m	Underway	The consultant has yet to complete its work in full. We will inform the public and the Legislative Council of the consultant's findings as soon as the assignment is fully completed.
Individual experts in competition law and policy	Seminar on Competition Law and Policy	0.1	Completed	The experts completed their work by giving professional advice and engaging in discussion with members of the Competition Policy Review Committee at the seminar held in August 2005.
London Economics International LLC	Overseas practices and experiences in economic regulation of the electricity market	0.5	Completed	August 2005 to January 2006
U.S. Power Consult	Overseas practices and experiences in regulation of the electricity supply network	0.6	Completed	September 2005 to January 2006
Energy Research Institute under the National Development & Reform Commission	China Electricity Market	0.3	Completed	September to November 2005

Programme (7): Subvention: Hong Kong Tourism Board

In 2005-06, no consultancy study has been conducted under this programme.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic
Development and Labour Bureau
(Economic Development Branch)

Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Under Programme (7), the Administration has increased the subvention to the Hong Kong Tourism Board by up to 8.3% in the estimates for 2006-07. What are the reasons? Please provide the details of the new initiatives, including their purposes, natures, timeframes as well as a breakdown of their expenditures?

Asked by: Hon. LI, Wah-ming, Fred

Reply:

The increase of 8.3% in the provision for Hong Kong Tourism Board (HKTB) in 2006-07 over the revised estimate for 2005-06 is partly attributable to the additional provision of \$6.8 m required for the continued revamping of the HKTB's website. In addition, in view of the uncertain factors in the tourism industry and the global marketing environment such as avian flu risk, the HKTB will maintain a high degree of flexibility in its promotional activities and remain responsive to the development of the issues that may affect tourism industry. Taking into account the tentative opening dates of the two major attractions, namely the Hong Kong Wetland Park and the Ngong Ping 360, the HKTB has adjusted its promotional programme and will retain \$24.5 m of the 2005-06 subvention to launch timely promotional programmes in 2006-07 to ensure that there will be enhanced promotional effects upon the opening of the attractions.

Besides, the HKTB has identified \$22 m of savings from promotional programmes already implemented in 2005-06. This will be set aside as contingency for the HKTB to organise any necessary activities to strengthen its global promotion in case Hong Kong is affected by any external factors (such as spread of avian flu to a much wider level) unforeseen at this stage. The savings will be returned to the Government if they are not used at the end.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)120

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2385

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

As regards Programme (7), will there be an increase in the average salary of the Band A staff of the Hong Kong Tourism Board in 2006-07? If so, what are the percentage and the reasons for that?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The Hong Kong Tourism Board (HKTB) has not reviewed its staff salary for 2006-07. Any proposed adjustment to the salary will have to be scrutinized and approved by the Staff and Finance Committee and the Board. The Chairman and members of the Staff and Finance Committee are all members of the Board of the HKTB. The Board comprises 20 members representing a wide spectrum of interests from the tourism and other related sectors. The Commissioner for Tourism is also a member of the Board who also takes part in the work of all the Committees.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)121

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2386

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

As regards Programme (7), please give the number of overseas duty visits performed by the Band A staff of the Hong Kong Tourism Board (HKTB) in 2005-06 with a breakdown by the purpose, time and nature of the visits. Please also list the total expenditure of each overseas duty visit, specifying the seat class of transportation and the room type of accommodation together with the expenditure involved.

Asked by: Hon. LI Wah-ming, Fred

Reply:

In 2005-06, the total expenses on business travel by HKTB Band A staff amounted to \$540,568, of which \$91,745 was spent on hotel accommodation and \$407,273 on air travel. The breakdown on the number of business trips, their nature and expenditure is as follows:

Staff	No. of trips	Duration	Purposes/Nature	Expenses involved
Executive Director	18 (Mainland: 9 trips; Overseas: 9 trips)	Ranged from one to six days (depending on the destination and the itinerary of the business trip)	- Participated in major trade shows overseas together with the local travel trade partners so as to reinforce the promotion of Hong Kong as a tourist destination. - Participated in overseas promotions co-ordinated by the Hong Kong SAR Government, especially the tourism roadshows and "Hong Kong Week" promotions. - Conducted meetings to discuss with overseas trade partners co-operative initiatives.	\$329,084 (including \$57,663 for hotel accommodation and \$249,702 for air travel)

			<ul style="list-style-type: none"> - Hosted press conferences / briefings and attended interviews of overseas media to introduce the latest developments of Hong Kong's tourism industry. - Represented Hong Kong at meetings of international tourism organisations. - Officiated at the launch ceremony of 2006 Discover Hong Kong Year campaign in major markets. 	
General Managers	10 (Mainland: 2 trips; Overseas: 8 trips)	Ranged from one to eight days (depending on the destination and the itinerary of the business trip)	<ul style="list-style-type: none"> - Travelled to different source markets to take part in tourism initiatives under their respective portfolio, such as trade marketing and market survey. - Conducted business meetings with staff of the HKTB worldwide offices. - Conducted meetings to discuss with marketing agencies in various overseas markets to evaluate the promotional strategies. 	\$211,484 (including \$34,082 for hotel accommodation and \$157,571 for air travel)
Total				\$540,568

Business travel arrangements of the HKTB staff, including the travel class and hotel accommodation entitlements, has to comply with internal guidelines. Both the Executive Director and General Managers are entitled to travel on business class by air and first class by train or ferry. In selecting the hotel accommodation, the HKTB staff usually choose to stay in the hotels specified by the event organisers and are required under the guidelines to stay in a standard room. Otherwise, the staff have to select a modest hotel that is close to the working venue, convenient, safe and of reasonable cost.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

As regards Programme (7), please provide the actual expenditure and estimated expenditure for each of the promotional activities organised by the Hong Kong Tourism Board for the years 2005-06 and 2006-07.

Asked by: Hon. LI Wah-ming, Fred

Reply:

In 2005-06 and 2006-07, \$440 m has been earmarked for the Hong Kong Tourism Board to launch :

(a) "2006 Discover Hong Kong Year" Campaign:

It aims to establish Hong Kong as a "must-visit" destination and promote a new image of Hong Kong by leveraging on the opening of various tourism projects in 2005 and 2006; and

(b) Family & Business Travellers Targeted Promotional Activities:

A series of strategic promotions and programmes targeting the family and business segments will be launched to attract them to visit Hong Kong, lengthen their stay and stimulate spending.

The breakdown of the actual and estimated expenditure by the nature of the above promotional activities in 2005-06 and 2006-07 is as follows:

	2005-06 revised estimate (\$ m)	2006-07 estimate (\$ m)	Total (\$ m)
<i>"2006 Discover Hong Kong Year"</i>	<i>126.5</i>	<i>152.0</i>	<i>278.5</i>
Trade Promotions	11.5	17.0	28.5
Consumer Promotions	75.0	106.0	181.0
Publicity & PR	10.0	24.0	34.0
Others	30.0	5.0	35.0
<i>Family & Business Travellers Targetted Promotional Activities</i>	<i>65.3</i>	<i>96.1</i>	<i>161.4</i>
Event programmes and promotions	40.7	67.0	107.7
Overseas promotions	24.6	29.1	53.7
Total	191.8	248.1	439.9

The estimated expenditure mentioned above will cover 16 key source markets with high growth potential (including the United States of America, Canada, United Kingdom, Germany, France, Australia, Mainland, Taiwan, Japan, South Korea, Singapore, Malaysia, Thailand, the Philippines, Indonesia and India) and emerging markets such as the Netherlands and Russia.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)123

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2388

Head: 145 Government Secretariat: Economic Subhead:
Development and Labour Bureau
(Economic Development Branch)

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

It is stated in paragraph 29 under Programme (7) that the Hong Kong Tourism Board will retain \$24.5 m of the 2005-06 subvention to be used in 2006-07 to carry out enhanced promotional programmes. What are the purposes and details of the programmes?

Asked by: Hon. LI Wah-ming, Fred

Reply:

To tie in with the tentative opening dates of the two major new attractions, namely Hong Kong Wetland Park and Ngong Ping 360, the Hong Kong Tourism Board (HKTB) has adjusted its promotional programme and will retain \$24.5 m of the 2005-06 subvention to launch timely promotional programmes in 2006-07 to ensure that there will be enhanced promotional efforts upon the opening of the attractions.

On trade promotion, the HKTB will ride on the opening of these two new attractions to organise the "Hong Kong Salutes the World" familiarisation visit programme in mid-2006 for around 200 travel industry leaders and some 100 media around the world to experience the new tourism products. On consumer promotion, apart from launching various advertising programmes, the HKTB will feature the new attractions along with other tourism assets in consumer roadshows. As regards media publicity, the HKTB will co-operate with national media organisations and corporations in key source markets to produce special features and programmes on Hong Kong's new attractions and hidden treasures.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)124

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2389

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

It is mentioned in paragraph 29 under Programme (7) that the Administration will install nine thematic nodal points at strategic locations along the Tsim Sha Tsui Promenade. Please explain in detail the objectives of setting up such nodal points, the information to be provided and the costs to be incurred for each nodal point.

Asked by: Hon. LI Wah-ming , Fred

Reply:

As part of the Tsim Sha Tsui (TST) Promenade Beautification Project, thematic nodal points will be installed at nine different locations along the TST promenade. The objective is to facilitate visitors to access up-to-date information on various attractions and events in Hong Kong. The design of nodal points is featured on specific themes such as "TST's attractions", "culture and performing arts", "shopping and dining", etc. These nodal points are touch-screen information kiosks attached to a pole installed with colour LED panels featuring a specific theme to attract visitors. The estimated total cost for the nodal points which include construction, installation and hardware is about \$9 m and has been included under the overall provision for the TST Promenade Beautification Project. Regarding the software, these nodal points will be linked to the website of Hong Kong Tourism Board (HKTB). HKTB will use \$0.7 m to develop and update web content for the interactive kiosks. The information will be available in English, Traditional Chinese and Simplified Chinese.

Signature

Name in block letters

MS SANDRA LEE

Post Title

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Concerning Programme (7), in view of the accusation of improper user of public money against the Hong Kong Tourism Board (HKTb) earlier on, how does the Administration monitor the cost-effectiveness of every expenditure item of the HKTb?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The HKTb has in place an established mechanism in its day-to-day management and financial monitoring to ensure the cost-effectiveness of its promotional activities. The HKTb is required to conduct independent audit and comply with internal audit control. Its annual financial statement is audited by an external auditor appointed by the Government. The work plan, budget, progress and effectiveness of its programmes, financial procedures and guidelines are all vetted and monitored by the Board of the HKTb and its four Committees including the Audit Committee, Staff and Finance Committee, Marketing and Business Development Committee, and Product and Event Committee. The Chairman and members of these Committees are all members of the Board. The Board comprises 20 members representing a wide spectrum of interests from the tourism and other related sectors. The Government has appointed the Commissioner for Tourism as a member of the Board who also takes part in all Committees to scrutinise the work of the HKTb.

The HKTb's Annual Business Plan and Budget are required to be vetted and endorsed by the Marketing and Business Development Committee and the Staff and Finance Committee respectively before submitting to the Board for approval. The HKTb is also required to submit an Annual Business Plan and the Budget to the Government.

Before implementing individual campaigns, launching mega events or new products, the HKTb is required to submit the concept of the activities, detailed plans, implementation plans and the budget etc. to the respective Committees as appropriate. These Committees will vet and endorse individual project items and monitor the effectiveness of the campaigns, events and products. The HKTb has to report regularly to the Board and respective Committees its progress of work. The Audit Committee will also instruct the Internal Auditor to sample check the operation of individual project items to ensure its compliance with the

required procedures. Upon completion of the year's work, the HKTB has to prepare an Annual Report and account that has to be audited by the external auditor appointed by the Government, and then submit to the Audit Committee and the Board for approval. The HKTB also has to submit the Annual Report and the audited account to the Government, and the Government will table the respective documents to the Legislative Council in accordance with the HKTB Ordinance.

Apart from the above monitoring mechanism, the Government has other measures to monitor the HKTB's spending of additional funding in 2005-06 and 2006-07. The Government has requested the HKTB to maintain separate accounts for managing and auditing the additional funding, and to submit a separate audited account and financial report to the Government. The HKTB is also required to submit quarterly reports during the period to update the Government on the latest position of how the HKTB uses the funds. This reporting mechanism will continue in 2006-07.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)126

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2391

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead: 000 Operational expenses
700 General non-recurrent

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding Subhead 700 General non-recurrent expenditure, the approved commitment for revamping the website of the Hong Kong Tourism Board (HKTB) is \$9.5 m. Please specify how this expenditure will be spent on different items. Has this project gone through any public tender process? How will the Administration monitor the expenditure to achieve cost-effectiveness? Lastly, please make a comparison of the approved commitment between this project and similar projects from other wholly funded public organisations.

Asked by: Hon. LI Wah-ming, Fred

Reply:

The allocation of \$9.5 m is for upgrading the hardware, software and information infrastructure of the HKTB website (DiscoverHongKong.com) in 2005-06 and 2006-07. The purpose and breakdown of the expenditure items are as follows:

- (1) installing mirror websites and implement other improvement measures in key regional markets to enhance the overall network connection performance and speed (estimated expenditure of \$1.8 m);
- (2) introducing a new content management system to improve the overall attractiveness of the website through user-friendly presentation templates for updating work, and providing user-friendly search functions and flexible navigation structure to help visitors identify the appropriate information (estimated expenditure of \$2.2 m);
- (3) introducing contemporary web portal designs and more multimedia and interactive elements so as to upgrade the portal infrastructure, and enhance content presentation and integration, and hence the overall navigation experience of users. Also, personalised features such as languages, areas of interest and dates of arrival and departure will be introduced so as to enable the provision of information based on individual preferences and needs. In addition, feedback forms and online surveys will be incorporated to capture visitors' preferences, analyse their behaviour and obtain their comments and suggestions (estimated expenditure is \$1.7 m);
- (4) further enhancing the editorial content, page design, visuals and animations, as well as the applications of the website in order to revamp the web pages and make them more appealing

(estimated expenditure of \$2.0 m);

- (5) developing web content for the interactive kiosks at the nine nodal points established by the Tourism Commission along the Tsim Sha Tsui promenade, which will provide visitors and local residents with user-friendly information about Hong Kong (estimated expenditure of \$0.7 m); and
- (6) employing contract staff of the project team (estimated expenditure of \$1.1 m).

All relevant contracts for the website revamp project (the Project) will be awarded through the HKTB's established tender procedures reviewed by the ICAC, which set out clearly the different requirements on tendering for different levels of procurement value and the respective approving authorities. The tender procedures were reviewed by the Staff and Finance Committee and approved by the Board of the HKTB in 2005. As the Project progresses, relevant tender exercises have been conducted to carry out the tasks above. Procuring services through tenders is one of the means to ensure cost-effectiveness of resources. For all procurement, the HKTB has to comply with the tender procedures mentioned above.

After the completion of the Project, the HKTB will submit a financial report to the Administration to seek reimbursement for the expenditure items of the Project. We will examine the report against the set objectives and breakdown and cash flow of expenditure items before reimbursement to ensure cost-effectiveness of the Project.

The HKTB website is rich in information and content, with graphics and special features that aim at attracting visitors' surfing. It was first developed in 1997 and in order to cope with market developments and needs, the website has evolved into 18 versions for different countries supporting 12 languages. The website now has over 5 000 pages and an average of 7.3 million page-view per month. There is a pressing need for improvement as the existing system and structure responds relatively slowly to large volume of web service requests. The revamped website will strengthen the HKTB's online marketing efforts, thereby attracting more visitors to visit Hong Kong. As the coverage, target audience, size and functions of the website of the HKTB are different from websites of other wholly funded public organisations, it is not appropriate to make a direct comparison of the current revamp exercise proposed by the HKTB with those of other organisations.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)127

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2392

Head: 145 Government Secretariat: Economic
Development and Labour Bureau
(Economic Development Branch)

Subhead:

Programme:

- (1) Director of Bureau's Office
- (2) Air and Sea Communications and Logistics Development
- (3) Posts, Power, Competition Policy and Consumer Protection
- (4) Public Safety
- (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Under Subhead 000, the provision for allowances in personal emoluments in the revised estimate of 2005-06 increases substantially as compared with that in the original estimate of 2005-06, but will drop sharply in the estimate of 2006-07. Please explain.

Asked by: Hon. LI Wah-ming, Fred

Reply:

Of the provision for allowances under Subhead 000, about 90% is provided for acting appointments. The amount of acting allowances payable was estimated on the basis of the number and ranking of acting officers in the year. As there was an increase in the number of acting officers during 2005-06, and their rankings were also different from originally estimated, the amount of allowances for the 2005-06 revised estimate is higher. The total salaries for officers comprise salaries and allowances. Therefore, while the 2005-06 revised estimates for allowances is higher than the original estimate, there is a corresponding decrease in the revised estimate for salaries. In 2005-06, the original estimate for salaries and allowances combined is \$78.0 m, while the revised estimate is \$78.1 m. The difference is less than 0.2%.

In 2006-07, we expect a decrease in the number of acting officers. Hence the estimate for allowances is lower. Again, the estimates for salaries and allowances combined remain more or less the same in both 2005-06 and 2006-07.

Signature	_____
Name in block letters	MS SANDRA LEE
Post Title	Permanent Secretary for Economic Development and Labour (Economic Development)
Date	11.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)129

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2396

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please advise the establishment of staff required for monitoring the operation of the Hong Kong Disneyland, details of their work and the related expenditure for 2006-07.

Asked by: Hon. MA Lik

Reply:

While the Hong Kong Disneyland Management Limited (HKDML) is responsible for the day-to-day operation of the theme park, the Board of Hongkong International Theme Parks Limited (HKITP) exercises a supervisory role. Besides, the Government has set up a Steering Committee on the Implementation of the Hong Kong Disneyland under the chairmanship of the Financial Secretary which meets regularly to monitor the progress of the project and the operation of the theme park. The Government is also in frequent liaison with HKDML to ensure the smooth operation of the theme park. In respect of the Economic Development and Labour Bureau, the staffing expenses required for monitoring Hong Kong Disneyland have been included in the overall provision for Programme (5) Travel and Tourism under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch). As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure related to the monitoring of the operation of the Hong Kong Disneyland.

Signature

Name in block letters

Post Title

Date

MS SANDRA LEE

Permanent Secretary for
Economic Development and Labour
(Economic Development)

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead:

Programme: (6) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the 42 product tests conducted by the Consumer Council every year which is one of the indicators of Programme (6), please list out the product names, the quantity, the time required for completion, the manpower required (including internal and external staff) and the expenditure for buying and conducting the 84 tests in the last two years. In addition, how were the products used in the tests eventually disposed of?

Asked by: Hon. MA Lik

Reply:

Products tested by the Consumer Council (CC) in 2004 and 2005 are listed in the Annex. Approximately 800 models of products were tested each year in 2004 and 2005. Testing time varies from product to product, and depends on the number of test models and items, as well as whether the test is conducted locally or abroad. The duration of tests ranges from three weeks to six months.

In terms of manpower, eight research officers in the CC are responsible for arranging product tests, regularly assisted by two clerical officers. Each testing project is commissioned to an independent testing laboratory to undertake the required test, and is overseen by one research officer. In 2004-05, about \$2.8 m was spent on purchasing samples, commissioning testing laboratories as well as conducting market and opinion surveys. In 2005-06, the estimated expenditure for the same purposes is about \$2.5 m.

Regarding tested samples, those which have resale value would be forwarded to the Government Logistics Department for sale by auction. Samples without resale value, such as food products which have expired or perished, or electrical products that have been damaged during destructive testing, would be discarded.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 145 Government Secretariat: Economic Development and Labour Bureau
(Economic Development Branch) Subhead:

Programme: (6) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

What are the criteria the Consumer Council adopted in selecting a product for testing? Will it consider not using the number of the tests as an indicator of work? If no, what are the reasons? Will it reduce the product tests (especially concerning some popular electronic digital products)?

Asked by: Hon. MA Lik

Reply:

The choice of test products is based primarily on the concerns of consumers, which are gathered by the Consumer Council (CC) through different channels, such as consumer enquiries and complaints, and media reports. Particular attention is paid to incidents involving product safety.

Given rapid changes in consumer products, the CC considers it necessary to maintain a regular programme of product testing to keep consumers abreast of new product features, in particular in relation to safety. In this respect, the number of product tests each year is a useful indicator of the CC's work. However, the actual number of tests to be conducted and the products to be tested would ultimately be determined by the concerns of consumers.

Electronic products are often tested primarily because of the rapid innovation and their popularity among consumers. Electronic products not only are among the major items purchased by tourists in Hong Kong, but also a popular search item among readers of the online CHOICE Magazine. The CC will continue to review the scope and content of product tests in the light of the concerns of consumers, and sees no need to deliberately reduce the number of tests on electronic products.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

11.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 168 Hong Kong Observatory

Subhead:

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question:

In respect of the efforts of the Department to “continue to enrich the contents of the Observatory’s website in response to the evolving needs of the public” and to “continue to develop the new generation of numerical weather prediction model” under the Matters Requiring Special Attention, some citizens have commented that since the “Computer Model forecast weather maps” on the website is far from accurate and the performance of such forecast model is no match for those adopted by the European Centre for Medium-range Weather Forecasts and Japan Meteorological Agency. Even the HK Observatory itself would not use output from the Computer Model to predict weather.

- (i) Please provide data that demonstrate the accuracy of the Computer Model forecast weather maps;
- (ii) The Observatory states on its website that the Computer Model forecast weather maps are entirely and directly generated from its computer model and the results may be different from the weather forecasts issued by the Observatory. That being the case, what is the point of issuing forecast by way of the Computer Model forecast weather maps?
- (iii) Has the Observatory reviewed the effectiveness of the Computer Model and considered issuing the forecast weather maps it actually adopts?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

- (i) A measure adopted by the World Meteorological Organization for assessing the performance of computer numerical weather prediction (NWP) models is the forecast error in geopotential heights (unit in metres) at the 500 hPa pressure level (at an altitude of around 5 kilometres). For the Observatory’s NWP model, the 24-hour forecast error in this measure in 2004 was 14.9 metres. The corresponding figures for the European Centre for Medium-range Weather Forecasts and the Japan Meteorological Agency were 13.2 metres and 15.2 metres respectively. The levels of performance are comparable.
- (ii) The Observatory uses “Computer Model Forecast Weather Maps” as the basis of weather forecasting, and applies the experience of forecasters to formulate forecasts that take into account local circumstances. “Computer Model Forecast Weather Maps” disseminated on the web facilitate interested members of the public to understand better the weather pattern affecting Hong Kong and neighbouring regions. It also provides specialised users, such as the aviation sector and aviation sport enthusiasts, with a more comprehensive set of reference information. In 2005, the “Computer

Model Forecast Weather Maps” webpage entertained on average some 120 000 page views per month, indicating a demand by the public for this service.

- (iii) The Observatory reviews the performance of its computer model every year. In daily operations, temperature and precipitation trend forecasts generated by the model provide important guidance for the forecasters. The products of the NWP model developed by the Observatory are already made available on the web. The products of models generated by other centres cannot be posted onto the Observatory website owing to intellectual property protection.

Signature	_____
Name in block letters	MR LAM CHIU YING
Post Title	Director of the Hong Kong Observatory
Date	9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)134

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0291

Head: 168 Hong Kong Observatory

Subhead:

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question:

The number of companies and organizations subscribing to special weather and warning services is estimated to increase from 68 in 2005 to 70 by 2006, yet the total revenue from the above subscribers is expected to remain unchanged. What are the reasons?

Asked by: Hon. CHAN Kam-lam

Reply:

The amount of the above-mentioned revenue is not necessarily proportional to the number of subscribers, as the actual charge on each subscriber depends on the content of the service and the related arrangement. We expect that the total revenue from customers in 2006 would be slightly lower than that in 2005. As the estimates present figures rounded to the nearest \$0.1 m and the difference in revenue between 2006 and 2005 is expected to be less than \$0.05 m, this slight difference cannot be reflected in the estimates.

Signature

Name in block letters

Post Title

Date

MR LAM CHIU YING

Director of the Hong Kong Observatory

9.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 168 Hong Kong Observatory

Subhead:

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question:

What was the Hong Kong Observatory's expenditure on the replacement of weather monitoring equipment in 2005? Did the Administration develop any benchmarks for evaluating the performance of such equipment? If yes, what were the evaluation results? The percentage of accurate public forecasts as verified by objective means for 2006 is estimated to be lower than that in 2005. What are the reasons for that?

Asked by: Hon. CHAN Kam-lam

Reply:

The Observatory's expenditure on the replacement of weather monitoring and forecasting equipment in 2005-06 was about \$3.1 m. It is for the replacement of the existing meteorological information processing, visualization, compilation and dissemination system which is expected to be completed in the middle of 2006. The system helps forecasters to analyze the weather and to issue various types of forecasts and warnings. The existing system has a reliability of 99.5% or above, and handles 160 types of bulletins. The new system is required to have the same reliability and the capability for handling more types of bulletins to meet future additional demands.

The complexity and changeability of the weather vary from year to year. The more complex and changeable the weather, the greater the difficulty in forecasting accurately, and accordingly the lower the accuracy as assessed by objective means. In setting the target for 2006, the Observatory has considered not only the forecast accuracy of 2005 but also the forecast accuracy over an extended period of time.

Signature

Name in block letters

Post Title

Date

MR LAM CHIU YING

Director of the Hong Kong Observatory

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)136

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0312

Head: 168 Hong Kong Observatory

Subhead:

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the issue of weather information and weather forecasts, will the Observatory consider introducing the "Weather Comfort Index" with the existing resources? The Index is calculated on the basis of the basic data of weather forecasts with reference to the correlation between conditions like temperature and humidity and the thermal equilibrium of human body. Take the Weather Comfort Index used by Taiwan as an example. The Index is subdivided into six ranges, namely, "Very Cold" for the index range of 10 and below, "Cold" for the index range of 11 to 15, "Slightly Cold" for the index range of 16 to 19, "Comfortable" for the index range of 20 to 26, "Hot" for the index range of 27 to 30 and "Danger of Heatstroke" for the index range of 31 and above. If the answer is no, what are the reasons?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The Observatory already provides cold and very hot weather warnings to advise the public to avoid adverse health effects under extreme temperatures. The Observatory is also studying the long-term change of heat stress in Hong Kong. Weather factors such as temperature, relative humidity and wind speed are considered in the study. Depending on the study results, the Observatory will consider devising an index for cold and hot weather appropriate for Hong Kong climate, and issuing information on the index to the public. The nature of the index should be similar to the "Weather Comfort Index" mentioned in the question.

Signature

Name in block letters

Post Title

Date

MR LAM CHIU YING

Director of the Hong Kong Observatory

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)137

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0313

Head: 168 Hong Kong Observatory

Subhead:

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question:

Concerning the issue of weather information and forecasts, has the Observatory considered extending the existing 7-day weather forecast to 10 days or longer? If yes, what are the details and the resources involved? If not, why not?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

Limited by the current state of science and technology, the accuracy of weather forecasts beyond seven days is not good enough to serve as a reliable reference. Therefore, the Observatory currently has no plan to provide weather forecasts beyond seven days.

Signature

Name in block letters

Post Title

Date

MR LAM CHIU YING

Director of the Hong Kong Observatory

9.3.2006

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Head: 168 Hong Kong Observatory

Subhead:

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question:

- (i) Please specify in detail the computing method of the percentage of accurate public forecasts as verified by objective means in the "Targets" column; and
- (ii) Does the Observatory analyse the accuracy of individual items (such as temperature and relative humidity) in the forecasts? If yes, can such information be released so that the public can know the accuracy of various weather information in the forecasts; if no, what are the reasons?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

- (i) In conducting objective verification of weather forecasts, the Observatory computes the deviations of the forecasts of individual elements, namely, wind strength, state of sky, precipitation, air temperature and visibility, from the actual weather condition and accordingly assign a mark for each element. The relative weights of the elements are season-dependent, reflecting the characteristics of each individual season. For example, precipitation carries more weight in summer and air temperature in winter. The details are given in the Observatory's Technical Note (Local) No. 70 which has been uploaded onto the Observatory's website.
- (ii) The Observatory conducts objective verification for individual weather elements and will make available the relevant results to the public if necessary.

Signature

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MR LAM CHIU YING

Director of the Hong Kong Observatory

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)139

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

0315

Head: 168 Hong Kong Observatory

Subhead:

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question :

- (i) In the "Matters Requiring Special Attention in 2006-07" section, it is stated that the Department will "continue to enrich the contents of the Observatory's website in response to the evolving needs of the public". At present, only one type of infra-red satellites image is available on the Observatory's website. Will the Observatory consider providing other types of images, such as Visible Image, Enhanced Infra-red Image and Water Vapour Image etc., to make the satellite imagery more watchable and help the public to have a better understanding of the atmospheric conditions?
- (ii) Besides, there is a time gap between the capturing and uploading of the real-time weather satellite imagery onto the website. Is there any plan to narrow the gap? If yes, please give the details and the resources involved. If no, please explain.

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

- (i) The Observatory has planned to add to its website visible satellite images later this year.
- (ii) The Observatory has been allocated \$35.4 m to replace its satellite reception system. The new system will speed up the processing of satellite image data and shorten the time between the reception of data and the uploading of images onto the Observatory's website.

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Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)140

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2303

Head: 168 Hong Kong Observatory

Subhead:

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question :

- (a) Is there any plan to make use of communication technologies such as short message services (SMS) and 3G to disseminate weather information, for instance warnings on hazardous weather, to the public?
- (b) If yes, please provide details on the plan and the expenditure incurred. If not, please state the reasons.

Asked by: Hon. SIN Chung-kai

Reply:

(a) & (b)

A mobile phone SMS weather warning service, developed jointly by the Observatory and the Hong Kong Wireless Development Centre, was launched in March this year for a one-year trial period. If the results are satisfactory, the SMS weather warning service will continue. Members of the public can register with the appointed service provider for this service via the Internet or through mobile phone short messages. The new service requires no additional expenditure on the part of the Observatory.

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MR LAM CHIU YING

Director of the Hong Kong Observatory

9.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)141

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2322

Head: 703 Buildings Subhead: 3393RO
Improvement to Stanley
waterfront

Programme:

Controlling Officer: Director of Architectural Services

Director of Bureau: Secretary for Economic Development and Labour

Question:

In respect of the improvement works under the subhead, will the Administration advise on :

- (a) the progress of the works and the percentage of completion in 2005-06;
- (b) the details of the progress of the works and the estimated expenditure in 2006-07; and
- (c) the anticipated date of completion for the works.

Asked by: Hon. CHAN Yuen-han

Reply:

- (a) The Stanley Waterfront Improvement Project commenced in September 2004 and is being carried out in phases. Works implemented in 2005-06 include the piling of the public pier, re-alignment of the seawall of the boardwalk, enhancement of the open space near Shui Sin Temple and outside Pat Kan Uk, and the first phase beautification of the promenade. By the end of 2005-06, 23% of the project works will be completed.
- (b) Enhancement of the open space near Shui Sin Temple and outside Pat Kan Uk, and the first phase beautification of the promenade will be completed in 2006-07. The second phase beautification of the promenade will commence in 2006-07. The estimated expenditure of the Stanley Waterfront Improvement Project for 2006-07 is \$28.4 m.
- (c) The Stanley Waterfront Improvement Project is targeted for full completion by end 2007.

Signature

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C. H. YUE

Director of Architectural Services

10.3.2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

EDLB(ED)142

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Question Serial No.

2406

Head: 703 Buildings

Subhead: 3313RO
International Wetland Park and visitor
centre in Tin Shui Wai – phase 2 works

Programme:

Controlling Officer: Director of Architectural Services

Director of Bureau: Secretary for Economic Development and Labour

Question:

What is the progress of the following works? How will the allocation for 2006-07 be used? What is the scheduled completion date for the works? Is it different from the one provided when the works were approved?

3313RO “International Wetland Park and visitor centre in Tin Shui Wai – phase 2 works”

Asked by: Hon. Chan Wai-yip, Albert

Reply:

The provision in 2006-07 for item 3313RO is to cover mainly the expenses for the works for theme exhibitions, furniture and equipment items and finalisation of the accounts for the building works contract. The works for the building and external facilities under this project were completed in January 2005. The only remaining works are the works for theme exhibitions which will be completed in March 2006. The overall project programme has been delayed for five months as compared to the original target completion date of October 2005 when funding was approved by the Finance Committee. It is mainly due to inclement weather and a longer than expected period to award the works contract for theme exhibitions.

Signature

Name in block letters

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Date

C. H. YUE

Director of Architectural Services

10.3.2006