

**Replies to initial written questions raised by Finance Committee Members
in examining the Estimates of Expenditure 2007-08**

**Director of Bureau: Secretary for Economic Development and Labour
Session No.: 11**

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

Head: 22 Agriculture, Fisheries and Conservation Department Subhead:

Programme: (2) Nature Conservation and Country Parks

Controlling Officer: Director of Agriculture, Fisheries and Conservation

Director of Bureau: Secretary for Economic Development and Labour

Question:

What is the manpower and total expenditure involved in the management of the Hong Kong Wetland Park by the Agriculture, Fisheries and Conservation Department? Does the Government have any plans to outsource the management work?

Asked by: Hon. CHOY So-yuk

Reply:

The estimated expenditure for the management and operation of the Hong Kong Wetland Park (HKWP) by the Agriculture, Fisheries and Conservation Department (AFCD) is \$43 m in 2007-08. Of the total provision, \$15 m is for staff cost which includes three civil servants (one Forestry Officer, one Senior Field Officer and one Field Officer I) and 78 non-civil service contract staff.

The management and operation of the HKWP requires expertise in various fields such as exhibit and facilities planning and management, marketing, education, and habitat and wildlife management. Before the opening of the HKWP, the AFCD conducted a tender exercise to outsource the park's management and operation, but the tender exercise was unsuccessful. We are collecting marketing and operation data, and plan to review the outsourcing arrangement for the HKWP on the basis of the data collected and its first two years of operational experience.

Signature _____

Name in block letters _____ **MRS STELLA HUNG** _____

Post Title _____ **Director of Agriculture, Fisheries and Conservation** _____

Date _____ **15 March 2007** _____

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)002

Question Serial No.

0084

Head: 22 Agriculture, Fisheries and Conservation Department Subhead:

Programme: (2) Nature Conservation and Country Parks

Controlling Officer: Director of Agriculture, Fisheries and Conservation

Director of Bureau: Secretary for Economic Development and Labour

Question:

How many people have visited the Hong Kong Wetland Park each year since it came into operation?

Asked by: Hon. CHOY So-yuk

Reply:

The Hong Kong Wetland Park received about 1.04 million visitors from its opening in May 2006 to end February 2007.

Signature _____

Name in block letters _____ **MRS STELLA HUNG** _____

Post Title _____ **Director of Agriculture, Fisheries and Conservation** _____

Date _____ **15 March 2007** _____

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)003

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

Question Serial No.

2543

Head: 22 Agriculture, Fisheries and
Conservation Department

Subhead:

Programme: (2) Nature Conservation and Country Parks

Controlling Officer: Director of Agriculture, Fisheries and Conservation

Director of Bureau: Secretary for Economic Development and Labour

Question:

What is the estimated expenditure for the management and operation of Hong Kong Wetland Park in 2007-08? Please provide breakdown figures.

Asked by: Hon. TIEN Pui-chun, James

Reply:

The estimated expenditure of the Hong Kong Wetland Park in 2007-08 is \$43 m. The breakdown is as below:

(a) Staff Cost.....	\$15 m
(b) Repair and Maintenance.....	\$11 m
(c) Cleansing, Security, Charges and Utilities.....	\$9 m
(d) Education, Publicity and Marketing.....	\$5 m
(e) Special Supplies, Replacement of Equipment and General Administration.....	\$3 m
Total	\$43 m

Signature _____

Name in block letters _____

MRS STELLA HUNG

Post Title _____

Director of Agriculture, Fisheries and Conservation

Date _____

15 March 2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)004

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

Question Serial No.

0059

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 improvements that the Department will continue to make to air traffic management during 2007-08, what are the additional software and hardware facilities and the estimated expenditure? What is the expected increase in the runway capacity?

Asked by: Hon. CHAN Kam-lam

Reply:

In 2007-08, the Civil Aviation Department (CAD) will continue to make improvements to air traffic management with a view to increasing the runway capacity. With regard to the software and hardware facilities, CAD will enhance the handling capacity of the existing air traffic control facilities, such as radar display system, communication facilities, recording system and aeronautical information supporting systems. The estimated expenditure for improving the facilities in 2007-08 is \$8.4 m. When completed, the improvement work will help enhance the aircraft handling capability of CAD in the coming few years. However, since the runway capacity is also affected by other factors including air routes in the Pearl River Delta region, flight procedures and co-ordination with the adjacent area control centres, it is difficult at this stage to simply quantify the final effect of the improvement work on the runway capacity.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

**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:

Regarding the rationalisation and optimisation of the airspace design of the Pearl River Delta region, will the Government carry out any consultancy studies? As for co-ordination with neighbouring Area Control Centres, does the Civil Aviation Department need to rationalise or optimise its systems or other facilities? What are the respective estimates of expenditure for consultancy studies and system co-ordination?

Asked by: Hon. CHAN Kam-lam

Reply:

The General Administration of Civil Aviation of China, the Hong Kong Civil Aviation Department (CAD) and the Macao Civil Aviation Authority established a tripartite working group in February 2004 to improve the use of airspace and the co-ordination of air traffic management in the Pearl River Delta (PRD) region, including optimisation of regional airspace design; standardisation of interface and protocols of air traffic control (ATC) systems; and establishment of additional air routes for civil aviation with a view to meeting the forecast air traffic growth in the PRD region up to 2020. As this mechanism has been operating satisfactorily, the Administration has no plan to conduct a separate consultancy study on the design of PRD airspace at this stage.

CAD is planning to replace the existing ATC system to cope with the anticipated air traffic growth and to enhance the interoperability with the adjacent area control centres. The estimated cost of the new ATC system, which will be housed in the proposed CAD Headquarters Building on the Airport Island, is \$1.565b. Subject to the approval of the Finance Committee, it is anticipated that the project will be completed by end 2012.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

**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:

It is anticipated that in 2007, the total number of flights handled in Hong Kong will increase to over 310 000 flights as compared to 2006. The Administration advises that the runway capacity will be enhanced through air traffic control measures. In this connection, will the Administration advise this Council whether the current capacity of the runways is capable of meeting the air traffic demand in 2007-08 as well as in the coming 3 to 5 years; and whether a target has been set for the enhancement of runway capacity? If yes, what is the target number and the expenditure involved?

Asked by: Hon. TAM Heung-man

Reply:

To meet the forecast increase in air traffic demand, the Civil Aviation Department (CAD) will continue to implement various measures to enhance its air traffic handling capability. The enhancement measures include improving air traffic control (ATC) facilities, employing additional air traffic controllers, streamlining ATC procedures and adopting new ATC technology, and continuing the co-ordination work with the civil aviation authorities of the Mainland and Macao to optimise and rationalise the Pearl River Delta (PRD) airspace and flight procedures. Besides, CAD will work closely with the aviation industry and the Airport Authority to improve the airport infrastructure and runway utilisation with a view to further increasing the runway capacity of the airport. However, since the runway capacity is also affected by other factors including flight paths in the PRD region, flight procedures and co-ordination with the adjacent area control centres, it is difficult at this stage to quantify simplistically the final effect of the improvement measures on the runway capacity.

The estimated expenditure for enhancing CAD's ATC facilities in 2007-08 is \$8.4 million, while that for employing additional staff is \$3.1 million.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

**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:

Given the growing number of flights that Hong Kong handles, when does the Administration expect the runway and air traffic control systems of the Hong Kong International Airport will reach their capacity?

Asked by: Hon. TAM Heung-man

Reply:

The capacity of our runways and the air traffic control (ATC) system is affected by various factors, including capacity of the ATC facilities, manpower resources and airspace design in the Pearl River Delta (PRD) region. To cope with the growing traffic demand, the Civil Aviation Department (CAD) is planning to replace the existing ATC system, which will be housed in the new CAD Headquarters Building on the Airport Island, by end 2012. In the meantime, CAD will improve the existing ATC facilities, employ additional air traffic controllers, streamline the ATC procedures and adopt new ATC technology, as well as co-ordinate the use of airspace and management of air traffic in the PRD region with the civil aviation authorities of the Mainland and Macao. CAD will also work closely with the aviation industry and the Airport Authority to improve the airport infrastructure and runway utilisation.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)008

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

Question Serial No.

0142

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:

The Administration will conduct a review on helicopter services under the work plan for 2007-08. Will it cover the suggestions made by many people in the community to enhance cross-boundary helicopter services? If yes, what is the timetable for this initiative?

Asked by: Hon. TAM Heung-man

Reply:

In reviewing the demand for helicopter services, the Civil Aviation Department (CAD) will take into account suggestions from the community and liaise closely with the industry. With regard to cross-boundary helicopter services, the tender exercise for the expansion of the existing cross-boundary heliport at the Macau Ferry Terminal has been completed. The expansion works are expected to commence in mid 2007 for completion in mid 2009. In order to meet the longer term demand for cross-boundary helicopter services, the Administration has reserved a site within the Kai Tak Development for another cross-boundary heliport.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)009

Question Serial No.

0143

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:

Regarding the implementation of aircraft noise abatement programme, please advise the details and anticipated effectiveness of the programme.

Asked by: Hon. TAM Heung-man

Reply:

In 2007-08, the Civil Aviation Department will continue to implement the noise abatement programme through design of flight paths, landing and take-off procedures, and prohibition of aircraft which cannot meet international standards, to avoid flights over the densely populated regions as far as possible, including reducing the number of aircraft overflying residential areas during night time, thereby reducing the nuisance caused by aircraft noise.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

**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:

The approvals of authorised examiners/approved persons significantly increased from 179 in 2005 to 319 in 2006. But the revised target from 2007 is only 240, still quite a difference from the actual number in 2006. Please advise:

- 1) What are the numbers of first-timers and repeaters for the assessment respectively?
- 2) How much manpower and provision were added to cope with the sudden increase of candidates in 2006?
- 3) What criteria are based on in setting the new target of 240 in 2007? Is this target sufficient to meet the actual demand? How much additional manpower and resource will be required?

Asked by: Hon. KWONG Chi-kin

Reply:

- 1) Most of the approvals issued to authorised examiners/approved persons are valid for 3 years. In 2006, the Civil Aviation Department (CAD) issued 126 approvals to first-timers and 193 approvals to renewal cases upon expiry of the validity period. In 2006, no applicant failed the requisite examination and was required to retake it.
- 2) In 2006, the increased workload relating to the approvals of authorised examiners/approved persons was absorbed by the existing staff of CAD through short-term reshuffling of duties and redeployment of resources. No additional staff or resources were involved.
- 3) The surge of applications in 2006 was primarily due to the introduction of new aircraft types by local airlines and the commencement of operation by a new airline. Since it is anticipated that there will be less new aircraft types to be introduced by local airlines, the number of applications for first approval is expected to return to about 80 cases in 2007. Based on the number of approvals in 2004, it is estimated that there will be about 160 renewal applications in 2007. Therefore, a target of 240 is set for 2007. CAD will continue to cope with the work through deployment of existing resources. No additional staff or resources would be involved.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

**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:

Under Matters Requiring Special Attention in 2007-08, the Civil Aviation Department will recruit air traffic controllers. Please advise:

- 1) What is the existing number of air traffic controllers? What is the expenditure involved in 2006-07? What is the scope of their main duties?
- 2) What are the number of air traffic controllers to be recruited in 2007-08, the reasons for recruitment and their operations? How much additional provisions will be required?

Asked by: Hon. KWONG Chi-kin

Reply:

- 1) There are 222 air traffic control officers in Civil Aviation Department (CAD) and the estimated salary provisions for 2006-07 are \$140 m.

Their main duties are:

- a) providing air traffic control (ATC), flight information and alerting services for flights operating within the Hong Kong Flight Information Region (FIR);
 - b) establishing flight procedures for aircraft arriving and departing Hong Kong as well as transiting the Hong Kong FIR; and
 - c) providing specialised in-house training for air traffic control officers in accordance with international standards to enable them to acquire recognised qualifications.
- 2) CAD will recruit 20 Student Air Traffic Control Officers in 2007-08. After training, they will fill the vacancies arising from natural wastage and meet the demand arising from the forecast air traffic growth. The estimated salary cost for new recruits in 2007-08 is \$2.3 m.

Signature _____

Name in block letters _____ NORMAN LO _____

Post Title _____ Director-General of Civil Aviation _____

Date _____ 15.3.2007 _____

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)012

Question Serial No.

0458

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:

For the completion of the electronic engineering projects on time and within budget, the actual target achieved was only 97.9% in 2006. This is mainly attributable to the longer time required to complete the tender procedures for two projects. Please advise:

- 1) What are the two projects for which the tender procedures have not been completed? Why is longer time required to complete the tender procedures? How much longer will it take to complete the procedures? How much additional resources will be required to cope with the additional workload? Are the estimated manpower and expenditure for 2007-08 sufficient to meet the requirement?
- 2) Will the relevant workload increase in 2007 as a result of not completing the said tender procedures in 2006-07? The target set for 2007 is only similar to the actual workload in 2006. What are the reasons for that?

Asked by: Hon. KWONG Chi-kin

Reply:

- 1) The two projects are : -
 - (a) provision of the Arrival Metering and Sequencing Trial System(s); and
 - (b) expansion of the Surface Movement Guidance and Control System (SMGCS) for expanding the surveillance zone of the existing system to cover the whole airport.

For project (a), since it was necessary to conduct negotiations with the potential suppliers on the Terms and Conditions of Contract, the duration of the tender procedures has been extended. It is expected that the tender procedures would be completed in May 2007.

For project (b), given the complexity of the system which employs the latest technology, more time was required for detailed clarifications with the tenderer on

the tender proposal. The project was completed in January 2007.

The Civil Aviation Department (CAD) has deployed existing resources to absorb the extra work arising from the extended duration of the above two projects. The estimated manpower and provision for 2007-08 are sufficient to meet the requirement.

- 2) Project (b) was completed in January 2007, and CAD has sufficient provision to cover the increased workload arising from the extended duration of Project (a) in 2007-08. Accordingly, the target set for 2007 will not be affected.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

**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:

Under Matters Requiring Special Attention in 2007-08, the Department will review the policy on the avoidance of drug and alcohol abuse in personnel holding aviation safety-sensitive posts. Please advise :

- a) Will the review involve any special expenses? If yes, what are the expenses?
- b) What are the reasons for conducting the review? Is it because the problem of drug and alcohol abuse in personnel holding aviation safety-sensitive posts is getting worse in recent years? Please provide the relevant data for the past three years.
- c) What is the preliminary approach to the review of the policy?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

- a) In order to support the review, the Civil Aviation Department (CAD) has established an Alcohol and Drugs Working Group (ADWG). Its membership includes medical assessors appointed by CAD and representatives of pilot associations and airlines. The review is undertaken by existing staff of CAD and no additional expenditure is involved.
- 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. To ensure compliance with the requirements, the review was initiated in 2005 primarily to formulate the procedures for conducting alcohol and drugs screening and to monitor their subsequent implementation.

No report of drug or alcohol abuse by personnel holding aviation safety-sensitive

posts has been received by CAD in the past three years.

- c) At this stage, ADWG is studying the introduction of procedures for conducting alcohol and drugs screening, and the publication of guidance materials for avoiding drug and alcohol abuse.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)014

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

Question Serial No.

0785

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:

In 2007-08, the Government will monitor aircraft noise and flight tracks, and implement the noise abatement programme. Please inform this Committee of the details and the expenditure so incurred.

Asked by: Hon. CHAN Wai-yip, Albert

Reply:

In 2007-08, the Civil Aviation Department (CAD) will continue to monitor aircraft noise and flight routes round the clock through the Aircraft Noise and Flight Track Monitoring System. The System comprises 16 noise monitors installed near the landing and take-off paths at 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 cannot meet international standards to minimise the nuisance caused by aircraft noise.

Aircraft noise and flight track monitoring is undertaken by 5 officers in the Air Services Division, with an estimated annual staff cost of about \$2 m. The recurrent repair and maintenance cost of the noise and flight track monitoring system is estimated to be about \$1.3 m per year.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)015

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

Question Serial No.

0786

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:

In 2007-08, the Administration will recruit and provide quality training to air traffic control staff to meet the anticipated air traffic services demand. Please inform this Committee of the number of officers to be recruited and the expenditure involved.

Asked by: Hon. CHAN Wai Yip, Albert

Reply:

In 2007-08, Civil Aviation Department will recruit 20 Student Air Traffic Control Officers. The estimated salary cost involved is about \$2.3 m.

Signature _____

Name in block letters _____ NORMAN LO

Post Title _____ Director-General of Civil Aviation

Date _____ 15.3.2007

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

Head: 28 Civil Aviation Department Subhead:

Programme:

Controlling Officer: Director-General of Civil Aviation

Director of Bureau: Secretary for Economic Development and Labour

Question:

There will be an estimated 20 directorate posts as at 31 March 2007, rising to 22 directorate posts as at 31 March 2008. What are the duties of the two additional posts and the expenditure involved? Will such duties overlap with those of the existing directorate posts?

Asked by: Hon. KWONG Chi-kin

Reply:

One of the two proposed additional directorate posts is a supernumerary post of Assistant Director-General of Civil Aviation (ADGCA) at D2 level to head a project team which will oversee the procurement and commissioning of the replacement air traffic control (ATC) system and the building of the new Civil Aviation Department (CAD) headquarters on the Airport Island. The other is a permanent post of Chief Air Traffic Control Officer (CATCO) at D1 level to head the Air Traffic Management Standards Office under the Flight Standards and Airworthiness Division (FSAD), which performs regulatory functions overseeing the air traffic management operations in Hong Kong. The total salary cost of the two proposed posts, in terms of notional annual mid-point salary value, is \$2.5 m.

Replacement of the ATC system and development of a new departmental headquarters is a brand new project. For the proposed CATCO post, its work is currently undertaken by another CATCO, through internal redevelopment on a temporary basis. Upon the creation of the proposed permanent post in FSAD, the existing CATCO will resume his normal duties in another Division. The duties of both proposed posts will not overlap with those of the existing directorate posts in CAD.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)017

Question Serial No.

0788

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:

Provision for 2007-08 is \$10.1 million higher than the revised estimate for 2006-07. This is mainly due to the creation of nine posts in 2007-08 and recruitment of temporary staff. Please advise:

What are the detailed uses of the \$10.1 million for the creation of nine posts and recruitment of temporary staff? What is the respective amount of expenditure involved? How many posts are responsible for handling the air traffic control management work and how many of them are for handling the preparatory work for the replacement of the air traffic control systems? What is the contract period for the temporary staff concerned?

Asked by: Hon. KWONG Chi-kin

Reply:

The 9 new posts to be created are 2 Air Traffic Control Officers I (ATCO I) and 7 Air Traffic Control Officers II (ATCO II). The salary cost of these 9 posts, in terms of notional annual mid-point salary value, is \$6.8 m. The 6 temporary staff to be recruited comprise 3 Operations Officers, 2 Air Traffic Flight Services Officers and 1 Aeronautical Communications Officer. The salary provisions for these temporary staff are \$2.9 m and their employment contracts generally last for 2 years. Of the new posts to be created in 2007-08, 1 ATCO I and 1 ATCO II will be responsible for air traffic control (ATC) duties, whilst the remaining 7 ATCO posts together with the 6 temporary staff will be deployed to handle the preparatory work for the replacement of the ATC system and the establishment of a new ATC Centre.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)018

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

Question Serial No.

1013

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 2007-08, the Department will monitor closely the operational safety and airworthiness of aircraft registered in Hong Kong. What will be the expenses incurred?

Asked by: Hon. YOUNG Howard

Reply:

Being the safety regulator of aviation activities in Hong Kong, the Civil Aviation Department ensures the airworthiness of aircraft registered in Hong Kong and maintains the flight safety standards of Hong Kong airlines. The estimated expenditure, mainly staff costs, for 2007-08 is about \$59 m.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

**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 2007-08, the department will monitor airfield enhancement works at the Hong Kong International Airport to ensure that new facilities meet aerodrome licensing standards. What are the details of the works and the estimated expenditure?

Asked by: Hon. YOUNG Howard

Reply:

The major enhancement works to be conducted at the Hong Kong International Airport during 2007-08 are as follows:

- (a) construction of 10 additional parking stands for freighter aircraft and an additional taxiway for access to these stands;
- (b) upgrading of 11 temporary parking stands and their access taxiways for long-term parking;
- (c) planning and design of an additional small passenger terminal at the North Apron remote stands;
- (d) extension of a taxiway at the Maintenance Apron to provide direct access from the maintenance hangars to the remote maintenance parking stands;
- (e) scheduled preventive maintenance works to resurface the South Runway; and
- (f) construction of two additional exit taxiways from the South Runway to the freighter aircraft taxiway to reduce runway occupancy time of these aircraft.

The above works will be funded by the Airport Authority Hong Kong. The necessary resources for monitoring the above works by the Civil Aviation Department are primarily staff cost and related operating expenses, which have been included in the overall provisions under Head 28 Civil Aviation Department Programme (2) and cannot be itemised.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)020

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

Question Serial No.

2042

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:

In 2007-08, will the Administration need to recruit additional staff and increase training resources to implement the International Civil Aviation Organization's latest standards on carriage of dangerous goods by air and to monitor industry compliance? If yes, what are the details?

Asked by: Hon. WONG Ting-kwong

Reply:

The International Civil Aviation Organisation (ICAO) reviews the standards for air transport of dangerous goods biennially, and the new standards would be applied to Hong Kong through amendments to the relevant local legislation. The Dangerous Goods Office under the Airport Standards Division of the Civil Aviation Department is responsible for overseeing the compliance of the relevant legislation by the industry. As the standards are reviewed biennially, the amount of changes made on a single occasion would usually be limited. In 2007-08, the workload arising from the review will be coped with by the existing manpower of the Dangerous Goods Office, and will not entail additional training requirements.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

**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 number of aircraft movements has increased from 280 426 in 2006-07 to the estimated 313 000 in 2007-08. What was the basis used by the Administration for projecting the increase? In addition, CAD indicates, as it did last year, that it will recruit air traffic control staff to meet the anticipated air traffic services demand. How many staff were recruited in 2006-07? For the 9 air traffic control staff expected to be recruited in 2007-08, how many will be part-time staff and how many full-time? What are the detailed main responsibilities of the temporary staff?

Asked by: Hon. WONG Ting-kwong

Reply:

The forecast increase is made by the Civil Aviation Department (CAD) with reference to the air traffic demand forecasts by the Airport Authority Hong Kong, and international organisations such as the International Air Transport Association, as well as other relevant data. In 2006-07, CAD recruited 14 Student Air Traffic Control Officers (SATCO). In 2007-08, another 20 SATCOs will be recruited to, upon completion of training, fill the vacancies arising from natural wastage and meet the demand arising from the forecast air traffic growth.

In 2007-08, CAD will create 9 permanent new Air Traffic Control Officer posts. Among them, 2 posts will be responsible for air traffic control (ATC) duties and the remaining 7 posts will be deployed to handle the preparatory work for the replacement of the ATC system and the establishment of a new ATC Centre. As regards the 6 temporary staff to be recruited, namely 3 Operations Officers, 2 Air Traffic Flight Services Officers, and 1 Aeronautical Communications Officer, they will assist in the above-mentioned preparatory work for the replacement of the ATC system and the establishment of a new ATC Centre.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

**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 Civil Aviation Department liaises with civil aviation authorities of the Mainland and Macao to review and evaluate air traffic control and flight procedures for airports in the Pearl River Delta region; and maintains close liaison with neighbouring Area Control Centres to review the organisation of airspace and air routes structure in an effort to enhance the safe and efficient provision of air traffic services. What is the progress of the above work?

Asked by: Hon. WONG Ting-kwong

Reply:

The General Administration of Civil Aviation of China, the Hong Kong Civil Aviation Department (CAD) and the Macao Civil Aviation Authority established a tripartite working group in February 2004 to improve the use of airspace and the co-ordination of air traffic management in the Pearl River Delta (PRD) region, including optimisation of regional airspace design; standardisation of interface and protocols of air traffic control systems; and establishment of additional air routes for civil aviation, with a view to meeting the forecast air traffic growth in the region. For instance, through the efforts of the tripartite working group, an additional handover point and a corresponding air route between the Guangzhou and the Hong Kong Flight Information Regions were established in December 2006 to cater for flights overflying Hong Kong and landing in Guangzhou. These have eased the burden on the original handover point and air route for flights to and from northern China.

The tripartite mechanism has been operating satisfactorily. We will continue to make use of this platform to discuss and co-ordinate with the Mainland and Macao aviation authorities to rationalise and optimise the use of airspace in the PRD region.

Signature _____

Name in block letters NORMAN LO

Post Title Director-General of Civil Aviation

Date 15.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)023

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

Question Serial No.

2448

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:

It was unveiled earlier that the volume of fuel supplied by a fuel dispenser at a fuel station was over-recorded by more than 5% against the actual volume. After the incident, the Customs has stepped up its spot checks on all fuel dispensers installed at fuel stations throughout the territory. Has the Customs increased its estimated provision for strengthening spot checks on the weighing and measuring equipment at fuel stations in 2007-08? If so, what are the resources and manpower involved?

Asked by: Hon. LI Wah-ming, Fred

Reply:

Following the incident in question, the Customs and Excise Department (C&ED) has increased spot checks on fuel dispensers at fuel stations throughout the territory. The exercise revealed no significant discrepancies in the supply of fuel by fuel stations. In 2007-08, C&ED will continue to conduct spot checks on fuel dispensers to ensure compliance with the law to protect consumers' interests. In so doing, C&ED will redeploy resources from within the department without increasing overall manpower and resources.

Signature _____

Name in block letters **TIMOTHY H M TONG**

Post Title Commissioner of Customs and Excise

Date 16.3.2007

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

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:

With regard to the enforcement of the Weights and Measures Ordinance, among the 600 spot checks conducted in 2006, there were 12 seizure cases. Did the Customs initiate prosecution in those cases? If so, what was the number of cases? Besides, what was the number of cases investigated upon receiving complaints in 2006? Did the Customs initiate prosecution in those cases? If so, what was the number of cases?

Asked by: Hon. LAU Kin-yee, Miriam

Reply:

The 600 spot checks conducted in 2006 were random checks conducted by the Customs and Excise Department on its own initiative. Of them, 2 required follow-up investigations, but no seizures were made and no prosecutions were initiated. Separately, acting on complaints, 392 investigations were completed in 2006, resulting in the prosecution of 33 cases, of which 12 involved seizures.

Signature _____

Name in block letters TIMOTHY H M TONG

Post Title Commissioner of Customs and Excise

Date 16.3.2007

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

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:

Please provide the following information regarding the design of Lung Mei Beach at Tai Po:

- (a) Did the government consult the related organisations and the local residents? If yes, please give a detailed account of the consultation.
- (b) What is the manpower and how much expenses are involved?
- (c) When will the construction works commence and what is the programme?

Asked by: Hon. LI Kwok-ying

Reply:

- (a) We have been reporting regularly to the Recreation, Sports and Cultural Affairs Committee of Tai Po District Council about the progress of the project and have invited and examined comments from the committee members in the past 15 months. We have also carried out consultations with green groups and fisherman representatives.
- (b) The design work is carried out by existing staff resources of the Department. There is no breakdown on the expenditure involved for this particular project. The estimated construction cost of the project is \$73.5 million.
- (c) Construction works are scheduled to commence in end 2008 for completion in end 2010.

Signature _____

Name in block letters _____ Adrian NG

Post Title Director of Civil Engineering and Development (Acting)

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)026

Question Serial No.

1530

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 2007 estimate for expenditure on works under construction is \$324.7 million, which is \$420.3 million less than the 2006 actual expenditure of \$745 million, with variance of 56%. Why is there such a substantial decrease?

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

The 2007 estimate for expenditure on works under construction in this programme is reduced because the infrastructure works associated with Hong Kong Disneyland and Penny's Bay development have been substantially completed. The 2007 estimate of \$324.7 million mainly covers the following items:

- (a) Penny's Bay Reclamation stage 2; and
- (b) Construction of the salt water supply system for Penny's Bay.

Signature _____

Name in block letters _____ Adrian NG

Post Title Director of Civil Engineering and Development (Acting)

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)027

Question Serial No.

1531

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 the estimate for 2007 under this programme, the indicator for “expenditure on marine facilities and port construction works” is \$90.4 million, which is \$15.4 million less than the actual expenditure of \$105.8 million in 2006, representing a reduction of 14.6%. What are the reasons for the reduction?

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

The decrease in the estimated expenditure on marine facilities and port construction works in 2007 as compared to the actual expenditure in 2006 is mainly due to the completion of the re-construction of the public piers at Sha Tau Kok, Wong Shek and Ko Lau Wan, as well as the completion of construction of the public pier at Stanley and the improvement works to the public pier at Tung Ping Chau in 2006.

Signature _____

Name in block letters _____ Adrian NG

Post Title _____ Director of Civil Engineering and Development (Acting)

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)028

Question Serial No.

2185

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 development of new cruise terminal facilities in Kai Tak is important for Hong Kong to capture the growth of cruise industry in the Asia Pacific Region, and to sustain its development as a regional cruise hub. Please inform this Committee the latest progress of engineering review works for the Kai Tak development.

Asked by : Hon. SHEK Lai-him, Abraham

Reply :

The consultancy for the engineering review for the Kai Tak development commenced in January 2007. The consultant is currently carrying out engineering studies and site investigation works to confirm the technical feasibility of the development. The consultant is also carrying out preparatory work for the cruise terminal development at Kai Tak, with a view to inviting land tender for the new cruise terminal facilities in the fourth quarter of 2007.

Signature _____

Name in block letters _____ Adrian NG

Post Title _____ Director of Civil Engineering and Development (Acting)

Date _____ 16.3.2007

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

Head: 42 Electrical and Mechanical Services Subhead:
Department

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:

With reference to the indicator on “gas accidents investigated”, the estimated figure for 2007 is 360, which has a marked difference with the actual figure of 471 in 2006. What is the reason for this difference?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The estimated figure of 360 for “gas incidents investigated” for 2007 is a projection based on past statistics. The figure in 2006 was 471, which is much higher than figures in previous years. The main reason for the increase was a surge in the number of gas-leakage incidents reported by the public, following a major gas incident at Ngau Tau Kok in April 2006. However, many reported incidents were found to be unrelated to town gas nor liquefied petroleum gas. For those incidents that were fuel gas-related, most of them were of minor nature which required only simple rectification work by the gas supply companies.

To enhance gas safety, the Electrical and Mechanical Services Department has worked with the gas supply companies to implement a series of measures, including safety promotion, increased frequency of routine inspections, and enhanced asset management strategies.

Signature _____

Name in block letters _____ **HO KWONG WAI**

Post Title _____ **Director of Electrical and Mechanical Services**

Date _____ **16.3.2007**

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)030

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

Question Serial No.

1037

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 the Economic Development and Labour

Question:

In 2007-08, the Electrical and Mechanical Services Department will provide expert and technical advice on the liquefied natural gas receiving terminal proposed by CLP Power Hong Kong Limited and Castle Peak Power Company Limited. In respect of the relevant work, what are the respective actual expenditure in 2006-07 and estimated expenditure in 2007-08?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The expert and technical advice provided by Electrical and Mechanical Services Department (EMSD) mainly involves gas safety and risk assessment of the liquefied natural gas (LNG) supply infrastructure. EMSD has deployed existing resources to provide the necessary support in 2006-07, and will continue to deploy existing resources for the work in 2007-08. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure related to the LNG receiving terminal matters.

Signature _____

Name in block letters _____ **HO KWONG WAI** _____

Post Title _____ **Director of Electrical and Mechanical Services** _____

Date _____ **16.3.2007** _____

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

Head: 42 Electrical and Mechanical Services Subhead:
Department

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 matters requiring special attention in 2007-08, it is mentioned that the Electrical and Mechanical Services Department will provide expert and technical advice on the liquefied natural gas receiving terminal proposed by CLP Power Hong Kong Limited and Castle Peak Power Company Limited.

- (1) What are the details of the expert and technical advice? Is it related to the Environmental Impact Assessment? What are the resources involved?
- (2) Have opinions of the public and non-governmental organizations been collected at the same time? What are the resources related to the collection of public opinions?

Asked by: Hon. KWONG Chi-kin

Reply:

- (1) The expert and technical advice to be provided by the Electrical and Mechanical Services Department (EMSD) would mainly involve gas safety and risk assessment of the liquefied natural gas supply infrastructure. Risk assessment is part of the relevant Environmental Impact Assessment. EMSD will deploy existing resources to provide the necessary support. No additional resources are required.
- (2) Risk assessment is part of the relevant Environmental Impact Assessment. In accordance with the relevant legislation, the Government has already conducted a public consultation under the statutory environmental impact assessment process, and collected public views on risks associated with the proposal concerned. EMSD does not require additional resources for the related work.

Signature _____

Name in block letters _____

HO KWONG WAI

Post Title _____

Director of Electrical and Mechanical Services

Date _____

16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)032

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

Question Serial No.

1539

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 the Economic Development and Labour

Question:

In 2007-08, the Electrical and Mechanical Services Department will provide expert and technical advice on the liquefied natural gas terminal proposed by CLP Power Hong Kong Limited and Castle Peak Power Company Limited. Please inform this Committee of the details of the relevant work and the expenditure involved.

Asked by: Hon. CHAN Wai-yip, Albert

Reply:

In 2007-08, the expert and technical advice to be provided by Electrical and Mechanical Services Department (EMSD) would mainly involve gas safety and risk assessment of the liquefied natural gas (LNG) supply infrastructure. EMSD will deploy existing resources for the work. No additional resources are required.

Signature _____

Name in block letters HO KWONG WAI

Post Title Director of Electrical and Mechanical Services

Date 16.3.2007

**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:

Under the "Matters Requiring Special Attention in 2007-08", the Administration will monitor the accelerated replacement programme of town gas medium- pressure ductile iron underground pipes having service life exceeding 20 years. What are the details of work required? What are the manpower arrangement and estimated expenditure? What is the estimated advancement in the completion of work?

Asked by: Hon. WONG Kwok-hing

Reply:

Ductile iron gas pipes can normally be used for 50 years. The accelerated replacement programme targets to bring forward the replacement of those town gas underground medium-pressure ductile iron (MP DI) pipes with service life exceeding 20 years. Under the plan, a total length of 150 km of underground MP DI pipes will be replaced with polyethylene (PE) pipes. The advantages of PE pipes are that they are corrosion free and have better properties against both static and dynamic impact loadings. The possibility of gas leakage can therefore be reduced.

To ensure compliance with the replacement programme, Electrical and Mechanical Services Department will closely monitor the gas supply company's planning and replacement work at site. An existing sub-division responsible for regulatory duties in ensuring the safe production, transmission and distribution as well as use of town gas will also monitor the necessary liaison, site inspections and quality audit works of the replacement plan. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemize the expenditure related to monitoring the accelerated replacement programme.

Originally, the underground pipes are to be replaced when necessary. With this accelerated replacement programme in place, the replacement of the 150 km underground MP DI pipes is expected to be completed by the middle of 2008.

Signature _____

Name in block letters _____

HO KWONG WAI

Post Title _____

Director of Electrical and Mechanical Services

Date _____

16.3.2007

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

Head: 100 Marine Department

Subhead:

Programme: (4) Services to Ships

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

Please provide the following figures in the past three years: the annual expenditure for the Sea-going Training Incentive Scheme; the number of cadets trained; and the number of cadets that have joined the shipping industry. What is the manpower demand in the market? What is the estimated expenditure for the Scheme in 2007-08 and how many cadets will be trained?

Asked by: Hon. CHAN Kam-lam

Reply:

Since the inception of the Sea-going Training Incentive Scheme in July 2004, a total of 62 cadets have benefited from the Scheme. The actual expenditure incurred in 2004-05 and 2005-06 was \$0.05 m and \$0.9 m respectively, while for 2006-07 the estimated expenditure is \$1.6 m. Out of these 62 cadets, 31 of them have completed training and joined the shipping industry.

According to the latest manpower survey conducted by the Vocational Training Council, the estimated demand for professionals with sea-going experience is about 40 per year.

For 2007-08, the estimated expenditure for the Scheme is \$1.6 m which will enable 30 cadets to be trained.

Signature _____

Name in block letters _____ **ROGER TUPPER**

Post Title _____ Director of Marine

Date _____ 15.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)035

Question Serial No.

0058

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 2007-08 is \$2.1 million higher than the revised estimate for 2006-07. This is partly due to the additional requirement arising from anticipated increase in contract prices on goods and services. Please provide the contract prices on goods and services for each of the past three years, the anticipated increase in 2007-08, the estimated additional expenditure for the increase in contract prices and the main purpose of the contracts.

Asked by: Hon. CHAN Kam-lam

Reply:

The actual expenditure on goods and services under this programme for 2004-05 and 2005-06 was \$13.5 m and \$15.1 m respectively, whereas the expenditure for 2006-07 is expected to be \$16.4 m. The anticipated increase in the contract prices on goods and services in 2007-08 is about 7.9% over the previous year, representing an additional expenditure of about \$1.3 m. The contracts under this programme are mainly for the provision of cleansing and security services in the public cargo working areas.

Signature _____

Name in block letters _____ **ROGER TUPPER** _____

Post Title _____ Director of Marine _____

Date _____ 15.3.2007 _____

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

Head: 100 Marine Department

Subhead:

Programme: (5) Government Fleet

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 2007-08 that the Administration will continue to outsource marine transport services to reduce the size of the government fleet. Please inform this Committee (i) the target of downsizing the government fleet; (ii) the present size as opposed to the target; (iii) when the target is expected to be achieved; and (iv) the amount of savings to be achieved.

Asked by: Hon. CHAN Kam-lam

Reply:

The outsourcing of marine transport services will be conducted in phases gradually having regard to service needs, cost effectiveness as well as the staffing situation of the Marine Department (MD). According to the present outsourcing plan for marine transport services, the number of vessels operated by the MD is expected to be reduced from 53 at present to 48 by 2010. The resulting savings to be achieved per annum would be about \$1.5 m.

Signature _____

Name in block letters ROGER TUPPER

Post Title Director of Marine

Date 15.3.2007

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

Head: 100 Marine Department

Subhead:

Programme: (2) Port Services

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

The Administration will continue to extend Port State Control inspections to beyond office hours whenever practicable in 2007-08. (i) What are the factors taken into account in the extension of service? (ii) When can this be implemented and what is the estimated additional expenditure involved?

Asked by: Hon. CHAN Kam-lam

Reply:

The purpose of Port State Control inspections is to ensure that ocean-going vessels (OGVs) calling the Hong Kong port would meet the standards of applicable international conventions. Considering that some OGVs may arrange their port calls beyond working hours, Marine Department has carried out inspections beyond working hours since 2003.

Port State Control inspections beyond working hours are conducted by internal redeployment of resources having regard to the manpower situation and the prevailing workload of other work streams. No additional expenditure is thus involved.

Signature _____

Name in block letters _____ **ROGER TUPPER**

Post Title _____ Director of Marine

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)038

Question Serial No.

0653

Head: 100 Marine Department

Subhead: 000 Operational expenses

Programme:

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

Referring to the Civil Service Provident Fund contribution under Personnel Related Expenses, the estimate for 2007-08 is \$646,000, representing a substantial increase over the revised estimate of \$230,000 for 2006-07. What are the reasons?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

The increase in the requirement for Civil Service Provident Fund (CSPF) contribution in 2007-08 is due to the anticipated increase in the number of officers on new agreement terms eligible to join the CSPF Scheme upon their transfer to new permanent terms in 2007-08.

Signature _____

Name in block letters _____ **ROGER TUPPER**

Post Title _____ Director of Marine

Date _____ 15.3.2007

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

Head: 100 Marine Department

Subhead:

Programme: (5) Government Fleet

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the outsourcing of marine transport services that will continue in 2007-08, will the Administration inform this Committee of the following: (1) details of the existing outsourced services and the number of people employed by the contractors; (2) details of the outsourcing plan for 2007-08 and 2008-09; (3) details of the plan on reducing the size of the government fleet; (4) whether the outsourcing will result in staff cut or redeployment and how the existing staff on civil service terms will be affected in terms of day-to-day duties and promotion prospect etc.

Asked by: Hon. KWONG Chi-kin

Reply:

Currently, the Marine Department (MD) has outsourced the services of ten vessels to five contractors for the provision of marine transport services. About 30 staff is employed by the contractors.

The outsourcing of marine transport services will be conducted gradually in phases having regard to service needs, cost effectiveness as well as MD's manpower position. As such, the outsourcing will not result in staff cut or redeployment, nor will it affect the day-to-day duties or promotion prospect of existing staff on civil service terms. According to the present outsourcing plan for marine transport services, the number of vessels operated by the MD is expected to be reduced from 53 at present to 48 by 2010, but there is no pre-set goal for outsourcing by financial years.

Signature _____

Name in block letters ROGER TUPPER

Post Title Director of Marine

Date 16.3.2007

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

Head: 100 Marine Department

Subhead:

Programme: (2) Port Services

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

The target in 2005 and 2006 for performing initial inspection on ocean-going vessels for compliance with international requirements on ship safety and environmental protection could not be met, due to the temporary redeployment of staff to meet the increased number of ships applying to join the Hong Kong Shipping Register. Please inform this Committee:

- 1) What were the increases in the number of ships applying to join the Hong Kong Shipping Register in 2005 and 2006 respectively? How many staff were redeployed in 2005 and 2006 to handle these applications? For how long were they redeployed? Has this incurred any additional expenses? If yes, please give details.
- 2) As the target in 2005 and 2006 could not be met due to the temporary redeployment of staff, what is the basis for the anticipation that the target will be met in 2007?

Asked by: Hon. WONG Kwok-hing

Reply:

The number of ships that applied to join the Hong Kong Shipping Register was 154 in 2005 and 151 in 2006. Two officers were redeployed in 2005 to handle these applications, and one in 2006. Their redeployment was on temporary basis. No additional expenditure was incurred.

To meet the target Port State Control inspection rate in 2007, the Marine Department (MD) has reviewed the workload and taken steps to improve the utilization of existing manpower resources in relevant sections. In addition, MD already launched an open recruitment in March 2007 to fill the vacancy in the Port State Control Section.

Signature _____

Name in block letters _____ **ROGER TUPPER**

Post Title _____ Director of Marine

Date _____ 16.3.2007

**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:

The target in 2006 for inspecting locally licensed and river trade vessels for compliance with marine legislation could not be met, due to the temporary deployment of staff to meet other service needs. Please inform this Committee:

- (1) How many staff were temporarily deployed and for how long? Has this incurred any additional expenses? If yes, please give details.
- (2) Will these other service needs become recurrent needs? How many staff will have to be deployed in 2007 to meet such service needs? Will the target in 2007 be met and what is the basis for such forecast?

Asked by: Hon. WONG Kwok-hing

Reply:

- (1) In 2006, a total of 335 staff members were temporarily redeployed for providing 1 897 hours of other patrol services. As this was arranged through re-deployment of existing resources, no additional expenditure was involved.
- (2) The redeployment for other patrol services is a temporary measure. Whether such services would become recurrent needs would depend on future increase or decline in marine activities. It is expected that demand for additional patrol services will remain in 2007, and the Marine Department (MD) will deploy staff members to take up the patrol services based on actual need. MD would endeavour to meet the target inspection rate in 2007 by further streamlining inspection procedures and using electronic technologies for record verification to enhance efficiency and to reduce the time required for inspection.

Signature _____

Name in block letters ROGER TUPPER

Post Title Director of Marine

Date 16.3.2007

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

Head: 100 Marine Department

Subhead:

Programme: (5) Government Fleet

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

The indicator for new vessel projects in 2007 is estimated to be 14. Will the Administration inform this Committee of the following:

1. Were the indicators for new vessel projects in 2005 and 2006 met? If yes, please specify the purposes of the new vessels and whether they have replaced the old ones.
2. What were the expenses incurred for the new vessel projects in 2005 and 2006 respectively? Please list out the value of each new vessel.
3. Please give details of the new vessel projects in 2007, e.g. their purposes and the vessels they are going to replace.
4. What are the expenses to be incurred for the new vessel projects in 2007? Please list out the value of each new vessel.

Asked by: Hon. KWONG Chi-kin

Reply:

The indicators for new vessel projects as shown in the Controlling Officer's Report represent the number of new vessel projects commissioned or to be commissioned by the Marine Department in the respective calendar year. Details of the 14 projects in 2005, including the expenses incurred, their purposes and whether the projects entail replacement of vessels are set out in Appendix A.

Another 14 projects commissioned in 2006 straddle 2006 and 2007. Details of these projects, including the expenses incurred, their purposes and whether the projects entail replacement of vessels are set out in Appendix B.

The contracts are awarded by projects, rather than by individual vessels.

Signature _____

Name in block letters _____ **ROGER TUPPER**

Post Title _____ Director of Marine

Date _____ 16.3.2007

**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:

In 2007-08, the Marine Department will expedite the legislative work in three areas of pollution prevention work. What is the specific timetable for each of these areas of work?

Asked by: Hon. LAU Kin-ye, Miriam

Reply:

For the purpose of implementing the following international conventions: (i) the Annex VI to MARPOL 73/78 Convention for Prevention of Air Pollution from Ships; (ii) the Revised Annex I to MARPOL 73/78 Convention for Prevention of Pollution by Oil; and (iii) the Revised Annex II to MARPOL 73/78 Convention for Control of Pollution by Noxious Liquid Substance in Bulk, the Marine Department will expedite the legislative work with a view to introducing the proposed legislation for implementing (i) by 2007 and that for (ii) and (iii) by 2008.

Signature _____

Name in block letters _____ **ROGER TUPPER**

Post Title _____ Director of Marine

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)044

Question Serial No.

2554

Head: 100 Marine Department

Subhead:

Programme: (3) Local Services

Controlling Officer: Director of Marine

Director of Bureau: Secretary for Economic Development and Labour

Question:

As the Marine Department will complete a comprehensive review of the management of public cargo working areas in 2007-08, what are the work and specific timetable for the next stage?

Asked by: Hon. LAU Kin-ye, Miriam

Reply:

Before the completion of the Public Cargo Working Areas (PCWA) Management Review, a draft report will be produced, and we aim to consult PCWA operators by the middle of 2007. After the consultations, the report on the way forward for the management of the PCWA will be presented to the Legislative Council Panel on Economic Services in 2008.

Signature _____

Name in block letters _____ **ROGER TUPPER** _____

Post Title _____ Director of Marine _____

Date _____ 16.3.2007 _____

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)045

Question Serial No.

0055

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 estimated provision for the Hong Kong Tourism Board in 2007-08 is reduced by more than \$100 million, which, according to the Administration, is mainly due to the decreased provision for project-based tourism initiatives. In this regard, will the Administration inform this Council of the details of these initiatives? Please also provide the details of the initiatives that will need additional provision and the expenditure required. What is the provision required for new tourism initiatives?

Asked by: Hon. CHAN Kam-lam

Reply:

The provision for the Hong Kong Tourism Board (HKTB) in 2007-08 is \$541.8 m. This is \$124.4 m (18.7%) and \$140.1 m (20.5%) less than the revised estimates for 2006-07 and the actual expenditure for 2005-06 respectively. The increased provision for 2005-06 and 2006-07 was mainly due to the time-limited funding of some \$470 m earmarked in the 2005-06 Budget to further promote tourism. Project-based initiatives launched in this context include the two-year Discover Hong Kong Year global marketing campaign; a series of strategic promotions and programmes targeted at family and business segments including staging of mega events and large scale overseas advertisements; and promotion of the Quality Tourism Services Scheme. Of the entire \$470 m, some \$399 m is expected to be spent in these two years. The remaining balance of some \$70.6 m will form part of HKTB's provision in 2007-08.

In 2007-08, HKTB will make the best possible use of resources available to strengthen its promotional activities. Apart from using its regular subvention to maintain existing services and continue with its promotion work leveraging on the publicity impact created by the Discover Hong Kong Year campaign, HKTB will use the HK\$70.6 m for the following key deliverables -

- (a) Mega Events (\$42.1 m) – To sustain the momentum built up by the Discover Hong Kong Year campaign, attract visitors to visit and re-visit, and stimulate their

spending in Hong Kong, the HKTB will organise the Hong Kong Shopping Festival and the Hong Kong WinterFest in 2007-08. Supported mainly by additional funding in the past, these mega events were well received by visitors and offered a platform for the local trade to generate more business. For example, the number of participating merchant outlets of the Hong Kong Shopping Festival has increased from 6 500 in 2004 to over 8 000 in 2006. They considered that the Festival created a citywide shopping atmosphere during summer by offering numerous special discounts and promotions, and further encouraged spending by visitors and local residents.

- (b) Mainland China Market Development (\$18.5 m) – The HKTB will use the unspent amount to increase the marketing expenditure in the Mainland market. The purpose is to further enhance its promotion and image-building campaign in the Mainland so as to maintain Hong Kong’s leading share of the Mainland outbound tourism market. The HKTB will extend its priority promotion work from 24 to 30 high potential cities. It will also step up promotion in the cities implementing the Individual Visit Scheme as well as secondary cities; and will reinforce publicity for the “Honest and Quality Tours to Hong Kong” amongst Mainland visitors. Besides, the HKTB will collaborate with the tourism industry to develop more quality packages.
- (c) Quality Tourism Services Scheme (\$9.0 m) – The HKTB will continue its endeavours to maintain the coverage of the Scheme in tourism-related industries and step up publicity of the Scheme. It will also enhance the Scheme’s quality assurance through surveillance visits, audit and effective handling of complaints. Different activities, for example, training seminars, will be organised for accredited merchants with a view to enhancing their service standards.
- (d) Cruise Marketing (\$1.0 m) – To leverage on the Government’s announcement of the development of a new cruise terminal, the HKTB will organise seminars for cruise travel agents to promote Hong Kong as a premier “fly-cruise” hub in the Asia Pacific Region and launch co-operative promotion with cruise agents to induce “fly-cruise” arrivals. It will participate actively in and organise public relations activities at overseas cruise trade fora to enable overseas cruise trade to understand more about Hong Kong’s new cruise terminal development plan and the opportunities ahead. It will also provide marketing support to our travel trade.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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:

It is estimated that 12 posts will be created in 2007-08 to address the long-term manpower requirement for implementing tourism projects. What are the ranks and job duties of the posts? What is the expenditure involved?

Asked by: Hon. CHAN Kam-lam

Reply:

The 12 posts to be created in 2007-08 are: 1 Administrative Officer Staff Grade C and 1 Senior Executive Officer to take forward the development of new cruise terminal facilities; 1 Treasury Accountant to strengthen the financial monitoring work in respect of licensed travel agents; 1 Executive Officer I to enhance the support for tourism development work; and 8 posts to replace progressively the existing 8 non-civil-service contract officers with civil servants who are more conversant with the Government machinery and procedures for developing tourism facilities. These 8 posts include 1 Economist, 2 Senior Executive Officers and 5 Executive Officers I to cope with the long-term manpower need for implementing various tourism projects. The actual additional expenditure involved is \$4.3 m in total.

The creation of the above-mentioned Administrative Officer Staff Grade C post on a time-limited basis was approved by the Finance Committee on 9 February 2007.

Signature _____

Name in block letters _____ **EVA CHENG**

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

Date _____ 16.3.2007

**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:

Concerning the training programme on the application of e-logistics for logistics employees co-organized with the Hong Kong Productivity Council, please provide the details of the programme and the expenditure involved. Has the Administration evaluated the effectiveness of the programme? If yes, what are the findings?

Asked by: Hon. LAU Wai-hing, Emily

Reply:

With the support of the H-logistics Project Group under the Hong Kong Logistics Development Council, the Economic Development and Labour Bureau co-organized with the Hong Kong Productivity Council (HKPC) a training programme on e-logistics. The programme budget of \$1.5 m is fully sponsored by the Government, and admission to the programme is free of charge.

The programme runs from August 2006 to March 2007 and comprises 19 workshops, eight demonstration sessions and one forum. The programme focuses on eight technology areas, namely "Customs Clearance", "E-documentation", "Fleet Management", "Warehouse Management", "Radio Frequency Identification", "Freight Forwarding Management", "Customer Relationship Management" and "Wireless Technologies".

Over 1 000 persons have attended the programme. HKPC has surveyed the workshop participants. Over 90% of them considered that the programme has enhanced their understanding of e-logistics and indicated that they would apply more information technologies to logistics operations.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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:

Provision for 2007-08 is \$18.3 million (38.6%) lower than the revised estimate for 2006-07. Please list the names of the items being affected and the amount of provision involved. How does the Administration ensure the quality of the services?

Asked by: Hon. LAU Wai-hing, Emily

Reply:

The provision for 2007-08 under Programme (2) is lower than the revised estimate for 2006-07 by \$18.3 m. This is mainly due to additional provision of \$10 m in 2006-07 for the promotion of port, shipping and logistics services by the Hong Kong Logistics Development Council (LOGSCOUNCIL), the Hong Kong Maritime Industry Council (MIC) and the Hong Kong Port Development Council (PDC). In 2007-08, we will continue to undertake other promotional activities in this area through internal redeployment of existing resources. We will consult the LOGSCOUNCIL, MIC and PDC and their project groups on the detailed implementation of the promotional activities.

In addition, the provision under Subhead 700 General non-recurrent in 2007-08 for this Programme is lower than the revised estimate for 2006-07 by around \$5.1 m. This is mainly because of the scheduled completion of two studies, namely "Study on Hong Kong Port Cargo Forecasts 2005-06" and the "Ecological, Fisheries and Water Quality Impact Assessment Study for the Proposed Port Development at Northwest Lantau". No provision for these items have been budgetted for in 2007-08.

Moreover, about \$3.2 m will be redeployed to Programme (3) Posts, Power, Competition Policy and Consumer Protection in 2007-08 to cater for the additional workload arising from the work on competition policy.

In conclusion, the reduced provision for Programme (2) is the combined results of scheduled completion of time-limited projects and redeployment of resources within the Bureau. This does not have any adverse impact on the respective work areas under this Programme.

Signature

Name in block letters

Post Title

Date

EVA CHENG

Permanent Secretary for
Economic Development and Labour
(Economic Development)

16.3.2007

**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:

In view of the keen competition from the international airports in neighbouring countries and regions, what are the details of the specific programmes expected to be carried out in 2007-08 and the expenditure involved regarding the initiative to continue to work to ensure that air services meet market demands and further develop Hong Kong as an international and regional aviation centre? What long-term measures will the Administration take to facilitate such development?

Asked by: Hon LAU Wai-hing, Emily

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, HKIA's new passenger terminal (Terminal 2, which has been opened for business in phases since February 2007) will be fully opened in mid 2007 to expand the airport's passenger handling capacity by providing additional check-in counters, a multi-modal hub converging air, sea and land transport services, as well as additional restaurants, retail shops and recreational facilities.

In respect of air cargo services, the new Terminal 2 of the Asia Airfreight Terminal (AAT) was officially opened on 8 March 2007 and has more than doubled AAT's total cargo handling capacity to about 1.5 million tonnes per year. Expansion of DHL's express cargo terminal at the HKIA is expected to be completed by end 2007 with a substantial increase in its parcel handling capacity to about 35 000 parcels per hour. Ten cargo aircraft parking stands are expected to be completed by end 2007 to increase the total number of cargo aircraft parking stands to 35. The AA is also working with the industry to build a precious metal depository at the HKIA, expected to be completed in late 2007 or early 2008.

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 fitting out costs for government facilities and staff costs for provision of government services (e.g. customs and immigration clearance) where applicable, there are no resource implications for the Government.

To further expand HKIA's aviation network, the Government will in 2007-08 continue to work with our aviation partners to conclude new air services agreements and to further liberalize our air services regime to provide opportunities for airlines to expand their services promptly in response to market demand. The resources required 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.

To maintain HKIA's position as an international and regional aviation hub over the longer term, the AA is undertaking measures such as constructing a permanent ferry pier for sea-air transit passengers (Sky Pier II) to cater for the increasing number of passengers connecting to and from Pearl River Delta region; upgrading the existing passenger terminal's East Arrival Hall to double the number of transfer desks and security channels to serve the increasing number of transfer passengers; constructing a satellite concourse with bridge-served stands for smaller passenger aircrafts; expanding the capacity of HKIA's baggage handling system; developing a new cargo terminal; and constructing additional taxiways to facilitate aircraft movements after landing.

The Civil Aviation Department (CAD) will also replace the existing air traffic control system, which will be housed in the proposed new CAD Headquarters Building on the Airport Island. The estimated cost of the new system is \$1.565 billion. Subject to the funding approval of the Finance Committee, it is expected that the system will be commissioned by end 2012.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

What progress has been achieved in the consultancy studies for developing the regulatory and market restructuring framework of electricity supply industry in Hong Kong under Item 017 in 2006-07? What plan has been made for the work in 2007-08 and what is the estimated expenditure?

Asked by: Hon. LEUNG Kwok-hung

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 commissioned consultancy studies on demand forecasts, electricity charges, market operations and regulatory regimes, etc. with respect to the practices and experience in other electricity markets. Key results 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". In 2006-07, we completed the Stage II Consultation and key results of the consultation exercise had already been reported to the Legislative Council Members.

We have reserved a provision of about \$4.6 m and shall continue to commission consultancy studies on the regulatory and market restructuring framework for the electricity market as necessary.

Signature _____

Name in block letters _____ **EVA CHENG** _____

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

Date _____ **16.3.2007** _____

**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 many resources will the Hong Kong Tourism Board invest in promoting Hong Kong's tourism in 2007-08? Which countries or regions will the promotional efforts focus on?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The major task of the Hong Kong Tourism Board (HKTB) is to promote Hong Kong globally as Asia's world city and a world class tourist destination. The HKTB's estimate for 2007-08 is \$541.8 m, which includes staff cost, local and overseas promotional expenses and cost of staging mega events, etc. The marketing budget for 2007-08 amounts to about \$342 m.

In 2007-08, the HKTB will continue to conduct a series of travel industry promotions, media and consumer promotions and publicity programmes in the Mainland and overseas. It will also carry out destination marketing initiatives in Hong Kong, including mega events and visitor services, and to implement the Quality Tourism Services Scheme.

In 2007-08, the HKTB will continue to maintain a diversified market portfolio in implementing its promotion strategies. In order to make the best use of resources and achieve cost-effectiveness, the HKTB categorizes 18 major markets (covering over 100 cities) into priority, primary, secondary and new markets in accordance with the results of market analysis. Among the various source markets, the Mainland, South Korea, Taiwan, Japan and the United States are considered priority markets based on their current contribution in the portfolio and strategic importance, while Thailand, the Philippines, Singapore, Australia and the United Kingdom are considered primary markets. The HKTB will formulate suitable marketing strategies to promote Hong Kong as a premier tourist destination in these markets.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

What extra numbers of visitor arrivals and tourism benefits will the Tourism Board expect that the Olympic Equestrian and Paralympic Equestrian Competitions will bring about to Hong Kong in 2008?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

Leveraging on the 2008 Beijing Olympics and the global interest in Mainland China, the Hong Kong Tourism Board (HKTB) will fully exploit the growth in inbound traffic to the Mainland to maximise publicity for Hong Kong. It will also drum up publicity for the staging of the Olympic Equestrian and Paralympic Equestrian Competitions in Hong Kong. Working together with the China National Tourism Administration and travel trade partners, the HKTB will promote Hong Kong's gateway position, and ride on the Olympic year and Hong Kong being the city for the Olympic Equestrian Competitions to develop more multi-destination itineraries featuring the city. The HKTB signed a Memorandum of Understanding with the Beijing Tourism Administration (BTA) in November 2006, and will continue to maintain close contact with the BTA in the run-up to the Olympics and explore joint promotional initiatives.

On overseas promotions, the HKTB has included the Beijing Olympic events and Hong Kong's Olympic Equestrian Competitions in the marketing and promotional work plans of its offices in the long-haul market regions. In particular, the HKTB will encourage more corporations from these regions to hold incentive and corporate events in Hong Kong in 2008, and include the equestrian events in their programmes. Its overseas offices are also liaising with the Olympics authorised travel agents in their respective markets, so as to promote the equestrian events in Hong Kong, as well as visits to the city before and after the Olympic Games.

While it is too early to assess the additional number of visitors and tourism spending that will be generated by the 2008 Olympic and Paralympic Equestrian Events in Hong Kong,

the HKTB will continue to work closely with the Government and travel trade to promote Games-related packages and attract more visitors to Hong Kong.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)053

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

Question Serial No.

0866

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:

What will be the expenditure and staffing arrangements involved for the promotion and studies on the development of natural gas supplies in 2007-08?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

In 2007-08, 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 \$24.6 m. Major items of expenditure include salary and allowances of the staff concerned and relevant departmental expenditure. Resources in connection with the development 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.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)054

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

Question Serial No.

0867

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 expenditure, staffing arrangements and the timetable for the preparation of the new Scheme of Control Agreements for the electricity Market in 2007-08.

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

In 2007-08, 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 \$24.6 m. Major items of expenditure include salary and allowances of the staff concerned and relevant departmental expenditure. Resources required for preparing the post-2008 Scheme of Control Agreements 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 the Agreements.

We are discussing with the two power companies the terms of the new Scheme of Control Agreements. Our target is to finalise the post-2008 regulatory arrangements within 2007.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)055

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

Question Serial No.

0868

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 estimated that 1 post will be created in 2007-08 for handling the energy-related matters. Please provide information on the rank and job descriptions as well as the costs involved.

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The review on the future development of the electricity market involves many new tasks relating to regulatory, technical and economic issues. A directorate officer was seconded from the Electrical and Mechanical Services Department to the Economic Development and Labour Bureau in the past to strengthen the directorate level support in the relevant policy division in handling these new tasks as well as other existing responsibilities such as electrical and gas safety, postal services and weather services. As the secondment arrangement came to an end, we have included in the 2007-08 draft Estimates for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) provision for creating one Administrative Officer Staff Grade C (D2) post to help undertake the preparatory work for the development of the future electricity market and other policy issues mentioned above. We will provide further details when we seek approval from the Finance Committee for the creation of this post. The cost of the proposal, in terms of notional annual mid-point salary, is about \$1.4 m.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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" with a revised estimate of \$2.6 million for 2006-07, please provide its contents and schedule.

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The above consultancy consists of two phases. Phase 1 of the consultancy study, which was completed in 2005-06, identified and provided updates on the market demand and requirements for developing new cruise terminal facilities in Hong Kong. Phase 2 of the study covered different aspects relevant to the development of new cruise terminal facilities in Hong Kong, such as operation, management and maintenance issues. This study was completed in 2006-07.

Signature _____

Name in block letters _____ **EVA CHENG** _____

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

Date _____ 16.3.2007 _____

**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 016 "A Hospitable Hong Kong" Campaign with a revised estimate of \$2.57 million for 2006-07, please give details of its activities and anticipated effects.

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

"A Hospitable Hong Kong" Campaign is implemented by the Tourism Commission. It comprises the Hong Kong Young Ambassador Scheme and other publicity activities for the promotion of a hospitality culture, such as organization of seminars, printing of publicity materials like posters, leaflets and calendars, etc. We will arrange for distribution of publicity materials to inbound visitors at various border control points during the tourism peak seasons.

The Hong Kong Young Ambassador Scheme is open to students aged 16 or above. After training, these student ambassadors are deployed to various major tourist spots and tourism promotion events to assist in introducing Hong Kong to visitors, as well as to promote a hospitality culture among their peers through organization of activities in schools. The training programme of the Hong Kong Young Ambassadors Scheme comprises camping activities, talks and workshops, familiarization visits, group project competitions, etc. In 2006-07, we have appointed a total of over 220 Young Ambassadors.

"A Hospitable Hong Kong" Campaign helps promote a hospitable culture among the people of Hong Kong. It makes our visitors feel at home and plays a very significant role in the sustainable development of Hong Kong's tourism industry.

Signature _____

Name in block letters _____ **EVA CHENG**

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

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)058

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

Question Serial No.

0871

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

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:

For item 018 "Developing and promoting Hong Kong as the preferred international and regional transportation and logistics centre" with a revised estimate of zero expenditure for 2006-07, what are the reasons? Does the Administration have any alternative plan for promoting Hong Kong as a transportation and logistics centre?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

We have included an additional provision of \$10 m under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Subhead 000 Operational expenses for the promotion of port, shipping and logistics services by the Hong Kong Logistics Development Council, the Hong Kong Maritime Industry Council and the Hong Kong Port Development Council. There is therefore no need to deploy the provision included under item 018 for the promotional activities in 2006-07.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

**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:

For 2007-08, please provide details on how the bureau will seek and optimize the efficient use of the airspace in the Pearl River Delta region in partnership with the civil aviation authorities of the Mainland and Macao, and to open up more air routes to and from Mainland. How much resources will be allocated?

Asked by: Hon. YOUNG Howard

Reply:

The Economic Development and Labour Bureau (EDLB) works closely with the Civil Aviation Department (CAD) to optimise the efficient use of the airspace in the Pearl River Delta (PRD) region. In February 2004, a tripartite working group involving the General Administration of Civil Aviation of China, CAD and the Macao Civil Aviation Authority was established to improve the use of airspace and the co-ordination of air traffic management in the region with a view to meeting the forecast air traffic growth in the region. EDLB also takes part in meetings of this working group. Through the efforts of the tripartite working group, an additional handover point and a corresponding air route between the Guangzhou and the Hong Kong Flight Information Regions were established in December 2006 to cater for flights overflying Hong Kong and landing in Guangzhou. These have eased the burden on the original handover point and air route for flights to and from northern China.

The tripartite mechanism has been operating satisfactorily. We will continue to make use of this platform to discuss and co-ordinate with the Mainland and Macao aviation authorities to rationalise and optimise the use of airspace in the PRD region through optimisation of regional airspace design; standardisation of interface and protocols of air traffic control systems; and establishment of additional air routes for civil aviation.

The relevant work will be absorbed by the existing manpower in the EDLB and CAD. No additional expenditure will be involved.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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 mentioned, during 2007-08, the Branch will further improve airport services and enhance the airport's connectivity and competitiveness. Please provide details of the concrete plans and amount of resources allocated?

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, HKIA's new passenger terminal (Terminal 2, which has been opened for business in phases since February 2007) will be fully opened in mid 2007 to expand the airport's passenger handling capacity by providing additional check-in counters, a multi-modal hub converging air, sea and land transport services, as well as additional restaurants, retail shops and recreational facilities.

In respect of air cargo services, the new Terminal 2 of the Asia Airfreight Terminal (AAT) was officially opened on 8 March 2007 and has more than doubled AAT's total cargo handling capacity to about 1.5 million tonnes per year. Expansion of DHL's express cargo terminal at the HKIA is expected to be completed by end 2007 with substantial increase in its parcel handling capacity to about 35 000 parcels per hour. Ten cargo aircraft parking stands are expected to be completed by end 2007 to increase the total number of cargo aircraft parking stands to 35. The AA is also working with the industry to build a precious metal depository at the HKIA, expected to be completed in late 2007 or early 2008.

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 fitting out costs for government facilities and staff costs for provision of government services (e.g. customs and

immigration clearance) where applicable, there are no resource implications for the Government.

To further expand HKIA's aviation network, the Government will in 2007-08 continue to work with our aviation partners to conclude new air services agreements and to further liberalize our air services regime to provide opportunities for airlines to expand their services promptly in response to market demand. The resources required 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 EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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 mentioned, during 2007-08, the Branch will continue to work to ensure that air services meet market demands and further develop Hong Kong as an international and regional aviation centre. Please provide details of the concrete plans and amount of resources allocated?

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, HKIA's new passenger terminal (Terminal 2, which has been opened for business in phases since February 2007) will be fully opened in mid 2007 to expand the airport's passenger handling capacity by providing additional check-in counters, a multi-modal hub converging air, sea and land transport services, as well as additional restaurants, retail shops and recreational facilities.

In respect of air cargo services, the new Terminal 2 of the Asia Airfreight Terminal (AAT) was officially opened on 8 March 2007 and has more than doubled AAT's total cargo handling capacity to about 1.5 million tonnes per year. Expansion of DHL's express cargo terminal at the HKIA is expected to be completed by end 2007 with a substantial increase in its parcel handling capacity to about 35 000 parcels per hour. Ten cargo aircraft parking stands are expected to be completed by end 2007 to increase the total number of cargo aircraft parking stands to 35. The AA is also working with the industry to build a precious metal depository at the HKIA, expected to be completed in late 2007 or early 2008.

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 fitting out costs for government facilities and staff costs for provision of government services (e.g. customs and immigration clearance) where applicable, there are no resource implications for the Government.

To further expand HKIA's aviation network, the Government will in 2007-08 continue to work with our aviation partners to conclude new air services agreements and to further liberalize our air services regime to provide opportunities for airlines to expand their services promptly in response to market demand. The resources required 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 _____ EVA CHENG _____

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

Date _____ 16.3.2007 _____

**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:

As mentioned, in 2007-08, the bureau will work with the trade, the Hong Kong Tourism Board, the Travel Industry Council of Hong Kong, the Consumer Council and the Mainland authorities to further improve service quality of inbound travel agents and enhance protection of consumer rights of Mainland visitors. Please provide details of the concrete plan and amount of resources allocated?

Asked by: Hon. YOUNG Howard

Reply:

To support the Mainland's "Honest and Quality Tourism" policy and initiatives, we will continue to improve the quality of inbound travel service for Mainland visitors and enhance protection of consumer rights of Mainland visitors. To achieve this, the Tourism Commission (TC) coordinates efforts of related organisations, including the Hong Kong Tourism Board (HKTB), the Travel Industry Council of Hong Kong (TIC), and the Consumer Council (CC), through conducting regular meetings and monitoring the work progress. Salient points of the measures to support the "Honest and Quality Tourism" policy are as follows –

- a) The TIC continues to step up its regulatory information exchange with the China National Tourism Administration (CNTA) so as to monitor the quality of service provided to Mainland tour groups visiting Hong Kong. It also enforces vigorously on non-compliance of travel agents, tour guides and shops;
- b) The TC continues to work closely with the CNTA to improve information dissemination with regard to itinerary arrangements by Mainland outbound agents to consumers;
- c) The HKTB, the CC and the China Consumers' Association continue to work together to step up promotion among Mainlanders on consumer rights protection through their networks in the Mainland, and to enhance related publicity and

education at border control points to promote smart consumption and relevant protections; and

- d) The HKTB has launched the “Honest and Quality Hong Kong Tours” in a number of cities under the Individual Visit Scheme (IVS), including Beijing, Shanghai, Guangzhou and Shenzhen. In 2007-08, the HKTB will continue to promote quality tours to more IVS cities.

Resources required for the above coordination work have been included in the overall provisions under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (5) Travel and Tourism. In 2007-08, the estimated expenditure for Programme (5) is \$59.1 m. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure and manpower resources related to the coordination work.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)063

Question Serial No.

1067

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 details of and the estimated expenses incurred by the open land tender for new cruise terminal facilities at Kai Tak in 2007-08. When will the tender process be completed?

Asked by: Hon. YOUNG Howard

Reply:

The site earmarked at the southern end of the former runway in Kai Tak Development will be disposed of through an open land tender for the development of new cruise terminal facilities. The facilities include two alongside berths, supporting facilities essential for cruise operation and commercial area. The successful bidder will form the site as well as design, build, and operate such facilities at his own cost. To meet the needs of the cruise market, our target is to have the first berth of the new cruise terminal commissioned in 2012. We endeavour to adhere to the following timeframe –

Obtain approval of the draft Kai Tak Outline Zoning Plan and invite tenders	Fourth quarter/2007
Close invitation for tenders upon completion of the necessary statutory procedures under relevant Ordinances	First quarter/2008
Tender award	Second quarter/2008

In 2007-08, we will create 1 Administrative Officer Staff Grade C and 1 Senior Executive Officer posts to coordinate and take forward the development of new cruise terminal facilities. The Finance Committee approved the creation of the Administrative Officer Staff Grade C post on a time-limited basis on 9 February 2007. The cost of the 2 posts,

in terms of notional annual mid-point salary value, is about \$2 m.

Other expenses required for the land tender, such as printing of the tender document, advertising, etc., will be covered by Lands Department.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)064

Question Serial No.

1068

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:

According to Analysis of Financial and Staffing Provision under this programme, the provision for 2007-08 is 9.2% higher than the revised estimate for 2006-07 due to the increased provision for creation of 12 posts in 2007-08. Please provide a breakdown of the posts with a specification of those ranks, job duties and salaries.

Asked by: Hon. YOUNG Howard

Reply:

The 12 posts to be created in 2007-08 are: 1 Administrative Officer Staff Grade C and 1 Senior Executive Officer to take forward the development of new cruise terminal facilities; 1 Treasury Accountant to strengthen the financial monitoring work in respect of licensed travel agents; 1 Executive Officer I to enhance the support for tourism development work; and 8 posts to replace progressively the existing 8 non-civil-service contract officers with civil servants who are more conversant with the Government machinery and procedures for developing tourism facilities. These 8 posts include 1 Economist, 2 Senior Executive Officers and 5 Executive Officers I to cope with the long-term manpower need for implementing various tourism projects. The actual additional expenditure involved is \$4.3 m in total.

The salaries of the above-mentioned civil service posts are as follows –

<u>Post</u>	<u>Salary (\$)</u>
Administrative Officer Staff Grade C	110,000 - 116,800
Senior Executive Officer	45,240 - 69,615
Executive Officer I	34,920 - 43,940
Treasury Accountant	30,430 - 69,615
Economist	26,540 - 69,615

The creation of the above-mentioned Administrative Officer Staff Grade C post on a time-limited basis was approved by the Finance Committee on 9 February 2007.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)065

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

Question Serial No.

1069

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

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:

In 2007-08, please provide full details on the introduction of measures to enhance tourist confidence in the Hong Kong market and the expenditure involved?

Asked by: Hon. YOUNG Howard

Reply:

Apart from publishing the monthly CHOICE magazine, the Consumer Council has introduced information services for consumers that can be accessed through the internet, fixed-line and mobile telephones. The Council plans to explore additional platforms for the dissemination of consumer information of interest to tourists. The content will include information on products and services that are popular among Mainland tourists and consumer protection measures enjoyed by tourists when shopping in Hong Kong. In addition, the Council's hotline service will tender pre-shopping advice in Putonghua and English. We will set aside resources from within existing resources for the above initiatives in 2007-08, and will work out the longer term resources requirement in consultation with the Council.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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 2007-08, the Hong Kong Tourism Board will further promote "Honest and Quality Tour to Hong Kong" to more Mainland cities with a view to providing more choices of quality tour services to Mainland visitors. Please provide details of the concrete plan and the resources involved.

Asked by: Hon. YOUNG Howard

Reply:

The Hong Kong Tourism Board (HKTB) has launched the "Honest and Quality Hong Kong Tours" in a number of cities under the Individual Visit Scheme (IVS), including Beijing, Shanghai, Guangzhou and Shenzhen, etc. In 2007-08, the HKTB will promote quality tours to more IVS cities, such as Wuxi, Suzhou and Ningbo, so as to offer Mainland visitors a wider choice of high quality travel services. The HKTB will collaborate with the Mainland travel agents to launch joint promotions and through the agents' sales network, to promote the "Honest and Quality Hong Kong Tours". The HKTB will also co-operate with the media on placement of feature articles. The estimated expenditure on the above initiatives has been absorbed in the HKTB's overall budget for the Mainland and is not itemised separately. The estimate of the Mainland budget for 2007-08 is about \$42.9 m.

In addition to the above initiatives, the HKTB will leverage on the mega events and special periods, such as the Golden Week, to launch tactical promotions on "Honest and Quality Hong Kong Tours", such as shopping discounts. The budget for such promotions comes from the overall marketing budget for the Mainland.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

**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:

Under Matters Requiring Special Attention in 2007-08, the Hong Kong Tourism Board will capitalise the 10th Anniversary of the Establishment of the Hong Kong Special Administration Region to generate interest of visitors to visit Hong Kong. Please provide details of the concrete plan and the estimated expenditures involved.

Asked by: Hon. YOUNG Howard

Reply:

Leveraging on the 10th Anniversary of the Establishment of the Hong Kong Special Administration Region, the Hong Kong Tourism Board (HKTB) will organise a series of promotional activities in the Mainland to attract visitors –

- (a) The Mainland is Hong Kong's largest source market. The HKTB will launch a tactical promotion programme target at the family segment and spanning across 30 high potential Mainland cities. In co-operation with the Mainland media, the HKTB will recruit a considerable number of 10-year-old children from these cities as "little journalists" to visit Hong Kong and report on their experience during the visit. Their report will be published in major children and youth publications in the Mainland, so as to maximise publicity on Hong Kong, and reinforce Hong Kong's appeal to families travelling with children.
- (b) Another initiative under the promotional campaign is the production of a VCD in collaboration with the Mainland educational publishers. Featuring Hong Kong's diverse attractions including its major tourist attractions, the VCD will be used as a teaching aid in Mainland primary schools.
- (c) Since young people is the second largest visitor segment from the Mainland, the HKTB will produce a music video to stimulate their interest in visiting Hong Kong during this special year. The music video will capture the old and new attractions in Hong Kong, and will be broadcast through over 300 Mainland TV stations and portals.

The estimated expenditure for the above 10th Anniversary-themed promotional activities in the Mainland is \$3 m.

In Hong Kong, the HKTB will enhance the Hong Kong Shopping Festival from end-June to end-August and the Best of the Best Culinary Awards in September to tie in with the celebrations of the 10th Anniversary. The HKTB will rally support from the local travel and related industries with a view to enticing visitors' spending and strengthening the festive ambience in major shopping districts, thus reinforcing Hong Kong's core strength in shopping. As for the Best of the Best Culinary Awards, the HKTB will invite international gourmets and chefs, particularly those from the Mainland, to Hong Kong to participate in the event. Complementary programmes to enhance the awareness of Hong Kong's culinary delights will be launched. The local community will also be invited to cast votes for the selection of 'My favourite dish'.

During the mega event periods, the HKTB will launch various tactical promotions in overseas markets, leveraging on the celebrations for the 10th Anniversary. For example, HKTB will launch a publicity campaign on the Hong Kong Shopping Festival in the Mainland. This will form part of its overall marketing budget for overseas promotion of the mega events and will not incur additional expenditure.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

**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 Matters Requiring Special Attention in 2007-08, the Hong Kong Tourism Board will ride on the global focus on the Beijing Olympics for publicity opportunities. Please provide details of the concrete plan and the estimated expenditures involved.

Asked by: Hon. YOUNG Howard

Reply:

Leveraging on the 2008 Beijing Olympics and the global interest in Mainland China, the Hong Kong Tourism Board (HKTB) will fully exploit the growth in inbound traffic to the Mainland to maximise publicity for Hong Kong. It will also drum up publicity for the staging of the Olympic Equestrian and Paralympic Equestrian Competitions in Hong Kong. Working together with the China National Tourism Administration and travel trade partners, the HKTB will promote Hong Kong's gateway position, and ride on the Olympic year and Hong Kong being the city for the Olympic Equestrian Competitions to develop more multi-destination itineraries featuring the city. The HKTB signed a Memorandum of Understanding with the Beijing Tourism Administration (BTA) in November 2006, and will continue to maintain close contact with the BTA in the run-up to the Olympics and explore joint promotional initiatives.

On overseas promotions, the HKTB has included the Beijing Olympic events and Hong Kong's Olympic Equestrian Competitions in the marketing and promotional work plans of its offices in the long-haul market regions. In particular, the HKTB will encourage more corporations from these regions to hold incentive and corporate events in Hong Kong in 2008, and include the equestrian events in their programmes. Its overseas offices are also liaising with the Olympics authorised travel agents in their respective markets, so as to promote the equestrian events in Hong Kong, as well as visits to the city before and after the Olympic Games.

The HKTB will continue to work closely with the Government and travel trade to promote Games-related packages with a view to attracting more visitors to Hong Kong.

In promoting Hong Kong in the Mainland and overseas, the HKTB, apart from publicising Hong Kong's various attractions, also highlights the upcoming major events and activities in town, such as the 2008 Olympic and Paralympic Equestrian Events, in order to further enhance Hong Kong's attractiveness to visitors. Promotion of the Olympic events has been incorporated in the HKTB's overall marketing budget of \$342 m and will not incur additional expenditure.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)069

Question Serial No.

1073

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:

Under Matters Requiring Special Attention in 2007-08, the Hong Kong Tourism Board will continue to enhance productivity through continuous work re-engineering, integration and automation. What are the targets to be achieved? How much resources will be saved?

Asked by: Hon. YOUNG Howard

Reply:

The Hong Kong Tourism Board (HKTB) has been implementing the following initiatives to become more efficient and productive over the past few years -

- Organisation restructuring and reducing headcount from 325 in 2000-01 to 217 in 2007-08 for its Head Office. By downsizing other offices where possible, the opening of 2 offices in the Mainland (Guangzhou and Chengdu) has not resulted in an addition to headcount.
- Decentralising certain administration processes, thereby reducing the number of staff in the office administration team.
- Introducing more automation, standardisation and streamlining of processes, such as the workflow system for handling human resources matters, including leave applications from staff, and for accessing and reviewing marketing management reports, so as to cut down manpower requirements while improving productivity and efficiency.
- Amidst headcount reduction, introducing new expertise such as information-based decision making, quantitative marketing skills, strategic planning and integrated marketing.

The above re-engineering took place over a number of years. The amount thus saved

has been redeployed to meet the resource requirement of the HKTB.

In 2007-08, the HKTB will continue with the above initiatives. As a result of the efficiency enhancement initiatives in the past few years, the HKTB has reduced its ratio of fixed cost to marketing cost from 42:58 in 2000-01 to 38:62 in 2007-08.

Signature _____

Name in block letters _____ EVA CHENG _____

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

Date _____ 16.3.2007 _____

**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 Programme (3), one post will be created in 2007-08 to handle energy-related matters. What are the details?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The review on the future development of the electricity market involves many new tasks relating to regulatory, technical and economic issues. A directorate officer was seconded from the Electrical and Mechanical Services Department to the Economic Development and Labour Bureau in the past to strengthen the directorate level support in the relevant policy division in handling these new tasks as well as other existing responsibilities such as electrical and gas safety, postal services and weather services. As the secondment arrangement came to an end, we have included in the 2007-08 draft Estimates for Head 145 Government Secretariat : Economic Development and Labour Bureau (Economic Development Branch) provision for creating one Administrative Officer Staff Grade C (D2) post to help undertake preparatory work for the development of the future electricity market and other policy issues mentioned above. We will provide further details when we seek approval from the Finance Committee for creation of this post. The cost of the proposal, in terms of notional annual mid-point salary of this post is about \$1.4 m.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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:

The Administration pointed out in the Brief Description of Programme (3) Volume 1A 335 that it oversaw the reliability of electricity and gas supply which was maintained by the companies concerned at a level exceeding 99.8%. What is the basis for requiring the reliability be maintained at a level exceeding 99.8%? In this connection, what are the revised estimate for 2006-07 and the estimate for 2007-08 of the Government?

Asked by: Hon. LI Wah-ming, Fred

Reply:

At present, the reliability of both the electricity and gas supplies achieved locally is above 99.8%. 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/gas supply, but is not the planning criterion for the power/gas system. "Total customer-hour served" will depend on various factors including reserve capacity, quality of the supply network, operation, maintenance, servicing and operating environment of the power/gas system, etc. This index may also vary from year to year, as it is susceptible to external influences such as natural catastrophes or accidents, etc. The reliability of electricity supply of other major cities such as London, Sydney and San Francisco, etc. are in the range of 99.95% to 99.99%, which are comparable to that of Hong Kong.

Under Programme (3) Posts, Power, Competition Policy and Consumer Protection under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch), the revised estimate for 2006-07 and estimate for 2007-08 are \$20.0 m and \$24.6 m respectively. Major items of expenditure include salary and allowances of the staff concerned and relevant departmental expenditure. Resources in connection with overseeing the reliability of electricity and gas supply 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 and gas supply matters.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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:

It is mentioned in the Brief Description of Programme (3) that the Administration is now negotiating with the two power companies over the Scheme of Control Agreement. How much provision has been earmarked in 2007-08 for this purpose? Will the Administration seek advice from external consultants? If so, what will be the expenditure involved? In case an agreement cannot be reached during the negotiation in 2007-08, has the Administration earmarked any provision for such a scenario? If so, what are the details?

Asked by: Hon. LI Wah-ming, Fred

Reply:

In 2007-08, 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 \$24.6 m. Major items of expenditure include salary and allowances of the staff concerned and relevant departmental expenditure. Resources required for preparing the post-2008 Scheme of Control Agreements and handling related matters 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 the Agreements. Since 2001-02, we have commissioned consultancy studies on demand forecasts, electricity charges, market operations and regulatory regimes, etc. with respect to the practices and experience in other electricity markets. We have reserved a provision of \$4.6 m and shall continue to commission consultancy studies on the regulatory and market restructuring framework for the electricity market as necessary.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)073

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

Question Serial No.

1142

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 Brief Description of Programme (3), please provide the estimates for the Competition Policy Advisory Group for 2007-08.

Asked by: Hon. LI Wah-ming, Fred

Reply:

The resources required for the Competition Policy Advisory Group (COMPAG) in 2007-08 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.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)074

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

Question Serial No.

1143

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), please provide a breakdown of the expenditure for the preparatory work for the privatization of Hong Kong Post in 2006-07.

Asked by: Hon. LI Wah-ming, Fred

Reply:

The Government reviews the operation of the Post Office from time to time to ensure the quality of postal services, productivity and the successful operation of the Post Office Trading Fund. Currently, we have no plan to privatize the Post Office.

Signature _____

Name in block letters **EVA CHENG** _____

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

Date 16.3.2007 _____

**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:

It is mentioned in the Brief Description of Programme (5) that the Administration oversaw the implementation of the tourism promotion and marketing campaigns by the Hong Kong Tourism Board in attracting more visitor arrivals, and monitored the cost-effectiveness of these campaigns. Please set out in detail the criteria for assessing cost-effectiveness and the estimated expenditure for 2007-08.

Asked by: Hon. LI Wah-ming, Fred

Reply:

The Government and the Board of the Hong Kong Tourism Board (HKTB) maintain regular monitoring of HKTB's resources deployment in accordance with established monitoring mechanism and statutory requirements to ensure effective use of public resources. The monitoring mechanism includes the requirement of the HKTB's annual financial statement to be audited by an external auditor appointed by the Government; and the submission of the HKTB's annual report to the Government and tabling the same before the Legislative Council. The HKTB also has an established mechanism of financial monitoring and internal audit to ensure the cost-effectiveness of its promotional activities. The HKTB's business plan, budget, marketing programmes, financial procedures and guidelines, and cost-effectiveness of its activities are all vetted and monitored by relevant Committees established under the Board. The HKTB is also requested to submit quarterly reports showing details of the programmes funded by additional one-off provisions from the Government, including the expenditure and the effectiveness of the programmes, to the Government and the Board.

The HKTB has set four major objective Key Performance Indicators (KPIs) to measure the effectiveness of its promotional work and activities, including visitor arrivals, length of stay, satisfaction level and spending of visitors. These four KPIs are monitored through conducting different surveys to ensure that the marketing efforts achieve the desired results. The HKTB has also monitored other indicators for individual events to

assess visitors' satisfaction level, their intention to re-visit Hong Kong, and whether they would recommend Hong Kong to their friends and relatives.

Resources required for the above mentioned monitoring work have been included in the overall provisions under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (5) Travel and Tourism. In 2007-08, the estimated expenditure for Programme (5) is \$59.1 m. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure and manpower resources related to the monitoring work.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)076

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

Question Serial No.

1145

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

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 Programme (6), provision for 2007-08 is \$4.7 million (7.5%) higher than the revised estimate for 2006-07 due to the procurement of an interactive computer system by the Consumer Council. What are the reasons for such procurement?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The Consumer Council's existing computer system has been in use for over 10 years. Installing a new interactive system will enable the Council to offer quicker and better services to the public, and to cope effectively with the increasing workload that it now faces.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)077

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

Question Serial No.

1146

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

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:

According to the Indicators under Programme (6), the Consumer Council will heighten awareness of consumers on their rights and responsibilities through the publication of CHOICE magazine. Please specify the monthly income and expenditure for the publication of the magazine in 2006-07.

Asked by: Hon. LI Wah-ming, Fred

Reply:

Since the distributors of CHOICE magazine do not necessarily settle accounts with the Consumer Council on a monthly basis, the annual figures reflect the financial situation of the magazine more effectively. From April 2006 to February 2007 (11 months), the total revenue was about \$2.0 m and the cost of printing and distributing the publication was about \$1.6 m.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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 Targets under Programme (6), the Consumer Council was not able to achieve targets for handling complaints and enquiries in 2005. What measures will the Council take to ensure that it will meet the targets for those numbers in 2007? Will additional provisions be incurred? If yes, what are the details?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The number of complaints received in 2005-06 increased sharply when compared to 2004-05, from 28 693 to 37 689 (a rise of 31%). The number of consumer enquiries also increased from 121 426 in 2004-05 to 173,174 in 2005-06 (a rise of 43%). Despite a re-engineering exercise conducted in 2004-05 to improve the complaints handling service through redeployment and restructuring of procedures, the Council was still unable to reach some of its targets on complaints and enquiries handling. Subsequently, after a review conducted by the Efficiency Unit, additional funding has been earmarked for the Council to help it cope with the extra workload more efficiently.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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 target of handling consumer complaints under Programme (6), starting from 2007, the Consumer Council has re-defined the date of receipt of complaints as the time when complainants have provided all the necessary information for processing, rather than the time when the complaints are first received. What are the reasons for making the change?

Asked by: Hon. LI Wah-ming, Fred

Reply:

In November 2005, the Economic Development and Labour Bureau commissioned the Efficiency Unit (EU) to conduct a review of the complaint and enquiry handling operations of the Consumer Council, in order to identify better ways to handle the increasing number of complaints. One of the recommendations of EU was that the Council should ensure consistency in its policy and practices, including defining the "Date of Complaint" as the date when all necessary documents had been submitted, so that a complaint could be processed.

The Council agreed that the definition proposed by EU would provide a more accurate measure of the time taken in handling complaints. The Council further agreed that to facilitate more efficient progress tracking of complaint cases and fair measurement of staff performance, two items of data, namely "Date of first contact" and "Date of receiving full proof" should be recorded in the Council's database. It should be noted that, in many cases, Council staff cannot start the mediation process in respect of a complaint until they have received the necessary evidence (e.g., purchase receipts). Using the time when complainants have provided all necessary information for processing, rather than the time when the complaints are first received, as the statistical basis for computing the Council's response time is thus more appropriate.

Signature _____

Name in block letters **EVA CHENG** _____

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

Date 16.3.2007 _____

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)080

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

Question Serial No.

1149

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:

Under Matters Requiring Special Attention in 2007-08 of Programme (6), it is stated that the Consumer Council will train teachers on consumer protection issues with support from the Education and Manpower Bureau, including providing web-based teaching courses for 100 teachers per year and developing educational resource materials. Please give a breakdown of the related expenditure in 2007-08.

Asked by: Hon. LI Wah-ming, Fred

Reply:

In 2007-08, the Consumer Council obtained a grant of about \$0.3 m from the Education and Manpower Bureau (EMB) to produce a Teaching Resource Kit as well as about \$0.3 m to design and host a web-based teacher training course for 2 years. Through web-based information, seminars and work projects, the course aims to enhance the awareness of teachers on consumer protection issues. EMB has also requested that the Council host a series of training workshops for teachers in 2007-08 with an additional project grant of about \$0.2 m.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)081

Question Serial No.

1150

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:

As regards Programme (7), the Hong Kong Tourism Board's estimate for 2007-08 is 26.7% lower than the original estimate for 2006-07. What are the reasons for this?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The provision for the Hong Kong Tourism Board (HKTB) in 2007-08 is \$541.8 m. This is \$197.5 m (26.7%) lower than the original estimate for 2006-07 and \$140.1 m (20.5%) lower than the actual expenditure for 2005-06. The increased provision for 2005-06 and 2006-07 was mainly due to the time-limited funding of some \$470 m earmarked in the 2005-06 Budget to further promote tourism. Project-based initiatives launched in this context include the two-year Discover Hong Kong Year global marketing campaign; a series of strategic promotions and programmes targeted at family and business segments, including staging of mega events and large scale overseas advertisements; and promotion of the Quality Tourism Services Scheme. Of the amount, some \$399.4 m is expected to be spent in 2005-06 and 2006-07. The remaining balance of \$70.6 m will be carried forward for use in 2007-08.

Signature _____

Name in block letters _____ **EVA CHENG**

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

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)082

**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: (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 2007-08? If so, what are the percentage and the reasons for that?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The Hong Kong Tourism Board has not reviewed its staff salary for 2007-08. Any proposed adjustment to salaries has to be scrutinised and approved by its Board and its Staff and Finance Committee comprising members of the Board.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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 give the number of overseas duty visits performed by the Directorate Grade A staff of the Hong Kong Tourism Board (HKTB) in 2006-07 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 2006-07, the total expenses on business travel by Band A staff of the Hong Kong Tourism Board (HKTB) amounted to \$470,000 (actual expenditure as at end December 2006). The major expenditure items are hotel accommodation (\$75,783), air travel (\$330,106) and hotel accommodation plus air-passage package (\$6,000). 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	11 (Mainland	Ranged from 2 to 5 days	- Participated in major trade shows, such as China	\$171,617

			<p>by the Government of HKSAR.</p> <ul style="list-style-type: none"> - Conducted meetings to discuss cooperation initiatives with trade partners outside Hong Kong, such as China National Tourism Administration and World Tourism Organization. - Hosted press conferences / briefings and attended interviews of media outside Hong Kong to introduce the latest developments of Hong Kong's tourism industry. - Represented Hong Kong at meetings of international tourism organisations, such as Pacific Asia Travel Association Annual Conference. 	
General Managers	12 (Mainland & Macao: 4 trips; Overseas: 8 trips)	Ranged from 1 to 8 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 promotional activities. - Participated in major trade shows together with the local tourism trade partners so as to reinforce the promotion of Hong Kong as a tourist destination. - Attended meetings with agencies in various source markets. 	\$298,377 (major items are \$50,810 for hotel accommodation and \$206,963 for air travel)
Total				\$469,994

Guidelines approved by the HKTB have to be complied with in making business travel arrangements of the HKTB staff, including the travel class and hotel accommodation entitlements. According to the guidelines, business travel by the Executive Director has to be approved by Chairman of the Board. 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 hotel accommodation, the HKTB staff members usually choose to stay in hotels specified by the event organisers and are required under the above guidelines to stay in a standard room. Otherwise, staff members have to select a modest hotel that is close to the working venue, convenient, safe and of reasonable cost.

Signature _____

Name in block letters _____ EVA CHENG _____

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

Date _____ 16.3.2007 _____

**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 list out the 2006-07 actual expenditure and 2007-08 estimates for each tourism promotion activity undertaken by the Hong Kong Tourism Board.

Asked by: Hon. LI Wah-ming, Fred

Reply:

The breakdown of the revised estimates and estimated expenditure on the promotional activities undertaken by the Hong Kong Tourism Board (HKTB) in 2006-07 and 2007-08 respectively is as follows:

	2006-07 Revised Estimate (\$ m)	2007-08 Estimate (\$ m)
Trade Promotions	71.00	45.17
Consumer Promotions	160.71	101.81
Public Relations Activities	48.57	31.12
Others (Strategic planning and market studies)	20.99	18.48
Mega event programmes and promotions	57.93	58.01
Overseas promotions - Others	44.28	23.82
Quality Tourism Services Scheme	16.70	9.00
Others	54.26	54.97
Grand Total	474.44	342.38

Signature _____

Name in block letters **EVA CHENG**

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

Regarding Programme (7), would the Hong Kong Tourism Board provide a breakdown of the names, types and quantity of publicity and promotion materials published in 2006-07 and 2007-08 respectively? What are the respective percentages of the materials that have been distributed and that of those remain undistributed? What are the expenditures involved in terms of actual expenditure and estimated expenditure in 2006-07 and 2007-08?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The Hong Kong Tourism Board (HKTB) produces a wide range of literature and materials to provide the travel trade and consumers with information about Hong Kong's diverse attractions and activities, as well as events and projects implemented by the HKTB and other parties. These are classified under the following categories:

Nature	Descriptions	Examples
General	<ul style="list-style-type: none">• Contains general information about Hong Kong, including the city's attractions and activities, and regular programmes organised by the HKTB.• Distributed to visitors year-round.• Segment specific and special interest guide books.	<ul style="list-style-type: none">• Visitor's Kit• Leisure Guide for Business Visitors• Hong Kong Family Fun Guide• Cultural Kaleidoscope programme leaflet

Nature	Descriptions	Examples
Special projects	<ul style="list-style-type: none"> • Guidebooks, promotional leaflets and retail display on mega events organised by the HKTB • Leaflets on other special projects and promotions. 	<ul style="list-style-type: none"> • Best of the Best Culinary Guide • Hong Kong Mobile Host leaflet • Nature Kaleidoscope leaflets
Quality Tourism Services (QTS) Scheme	<ul style="list-style-type: none"> • Information about the Scheme and directory of accredited merchants • Promotional leaflets and display items for the Scheme 	<ul style="list-style-type: none"> • QTS Directory – Shops • QTS consumer leaflets • QTS Scheme Booklet & Application Form

The above materials are distributed at the HKTB Visitor Information and Services Centres, and through travel trade partners, such as hotels and attraction operators, to in-town visitors. As for overseas markets, they are distributed through the HKTB worldwide offices and travel trade partners, as well as during trade and consumer promotions, such as roadshows. Publications that are still valid and relevant are carried forward for use in the following financial year.

The breakdown of the number of materials printed, distributed and in stock with the HKTB and the revised estimates in 2006-07 is as follows:

	Printed Materials Qty	Total Cost (\$ m)	Distributed (% of published qty)	Qty of materials in stock (% of published qty)	Value of materials in stock (\$ m) (% of total cost)
General	6,379,665	12.79	5,882,130 (92.2%)	497,535 (7.8%)	0.82 (6.43%)
Special projects	10,783,707	16.30	10,186,790 (94.46%)	596,917 (5.54%)	0.63 (3.87%)
QTS Scheme	808,449	1.68	553,514 (68.47%)	254,935 (31.53%)	0.19 (11.40%)
Total	17,971,821	30.77	16,622,434 (92.49%)	1,349,387 (7.51%)	1.64 (5.35%)

The breakdown of the estimated expenditure on printed materials in 2007-08 is as follows:

	Qty	Cost (\$ m)
General	5,126,252	7.98
Special projects	4,585,046	7.76
QTS Scheme	840,545	0.33
Total	10,551,843	16.07

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

Regarding the Brief Description of Programme (7), would the Hong Kong Tourism Board give a breakdown of the actual expenditures and estimated expenditures in 2006-07 and 2007-08 respectively on putting advertisements in multi-media platforms such as television, newspapers, magazines and Internet in Hong Kong, Mainland and other places in the world to promote Hong Kong tourism? What measures have been put in place to monitor the expenditures involved?

Asked by: Hon. LI Wah-ming

Reply:

In marketing Hong Kong as a premier tourist destination worldwide, the Hong Kong Tourism Board (HKTB) uses both print and electronic media, as well as the Internet and such other media as outdoor display for its marketing promotions in both Hong Kong and overseas markets. Overseas advertisements only form part of the integrated marketing campaigns launched by the HKTB. Other promotions include consumer roadshows and events, as well as tactical collaboration with the travel trade to promote travel packages and offers. As for advertising in Hong Kong, it is designed to raise the community's awareness of various events and activities and encourage them to promote these to their friends and relatives overseas, as well as entice in-town visitors to participate in the events.

The revised estimate and budget for print, electronic, online and other medium advertising implemented by the HKTB in Hong Kong, Mainland and overseas markets in 2006-07 and 2007-08 are about \$146.8 m and about \$86.9 m respectively. Details are as follows –

	2006-07 Revised Estimate (\$ m)	2007-08 Estimate (\$ m)
Hong Kong	14.1	8.9
Mainland	30.0	21.5
Overseas markets (excluding Mainland)	102.7	56.5
Total	146.8	86.9

In monitoring the expenditure in the above promotions, the HKTB has put in place financial procedures and guidelines, such as through open tendering procedures in identifying advertising company. Such procedures and guidelines also require key promotion activities should be selected and approved by the Marketing and Business Development Committee formed by members of the HKTB. The independent Internal Audit will also audit the promotion activities to ensure that the financial procedures and guidelines have been adhered to and the activities achieved cost effectiveness. As regards the monitoring of effectiveness of the promotion activities, the HKTB monitors the media coverage and viewership/readership of the advertisements to see if they meet the expected targets; and conducts market surveys on a regular basis to gauge visitors' opinions on Hong Kong as a premier travel destination, after they have watched/read the advertisements.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

Regarding the Brief Description of Programme (7), please give a breakdown of the respective actual expenditures and estimated expenditures for the efforts to promote "Honest and Quality Tour to Hong Kong" to Mainland cities in 2006-07 and 2007-08.

Asked by: Hon. LI Wah-ming, Fred

Reply:

The Hong Kong Tourism Board (HKTB) has launched the "Honest and Quality Hong Kong Tours" in a number of cities under the Individual Visit Scheme (IVS), including Beijing, Shanghai, Guangzhou and Shenzhen, etc. In 2007-08, the HKTB will promote quality tours to more IVS cities, such as Wuxi, Suzhou and Ningbo, so as to offer Mainland visitors a wider choice of high quality travel services. The HKTB will collaborate with the Mainland travel agents to launch joint promotions and through the agents' sales network, to promote the "Honest and Quality Hong Kong Tours". The HKTB will also co-operate with the media on placement of feature articles. The HKTB has included such promotion in its overall Mainland promotion strategy. The expenditure on the above initiatives has therefore been absorbed in the HKTB's overall budget for the Mainland and is not itemised separately. The revised estimate of the Mainland budget for 2006-07 is about \$44.8 m and the estimate for 2007-08 is about \$42.9 m.

In addition to the above initiatives, the HKTB will leverage on the mega events and special periods, such as the Golden Week, to launch tactical promotions on "Honest and Quality Hong Kong Tours", such as shopping discounts. The budget for such promotions comes from the overall marketing budget for the Mainland.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)088

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

Question Serial No.

1157

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
- (6) Subvention: Consumer Council
- (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 Administration will create one post to provide administrative services to all programmes of work in 2007-08. What are the details?

Asked by: Hon. Li Wah-ming, Fred

Reply:

There will be a net creation of one Executive Officer post in 2007-08 to strengthen administrative support to all divisions of the Economic Development Branch, including financial management, resources deployment, human resources management, internal and external co-ordination work, and general office support, etc.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)089

Question Serial No.

1158

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:

In respect of Item 825 "Revamping the website of Hong Kong Tourism Board" under Operating Account Subhead 700, what are the details of the Administration's monitoring of the 2006-07 expenditure?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The website of the Hong Kong Tourism Board (HKTB) is rich in content with detailed information, together with graphics/pictures and special features, to attract surfing by visitors. The website was launched in 1997. To cope with market development and needs, the website has evolved into 18 versions for different countries supporting 12 languages. With the very high usage of 12 million page-view per month, HKTB needs to strengthen its online marketing efforts and improve its service provided to visitors.

Since the HKTB commenced its work on the improvement of its website in 2005-06, the Tourism Commission (TC) has been working and liaising closely with the HKTB on the content development and progress of the project with a view to ensuring its smooth implementation. In respect of monitoring the relevant expenditure items of the website improvement project, TC examines the supporting documents submitted by the HKTB against the items to ensure that the expenses incurred are within the ambit and in line with the progress of the website improvement project before reimbursement is made.

Signature _____

Name in block letters **EVA CHENG** _____

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

Date 16.3.2007 _____

**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:

How many consultancy studies have been and will be conducted by the Hong Kong Tourism Board in 2006-07 and 2007-08 respectively? Please give details of the progress and time schedule, as well as the amount of the expenditure of each of these studies.

Asked by: Hon. LI Wah-ming, Fred

Reply:

Details of the consultancy study conducted by the Hong Kong Tourism Board (HKTB) in 2006-07 are as follows -

Name of consultants (if available)	Description	Consultancy fees (\$)	Progress on consultancy studies (planning/ in progress / completed)
Mercer Investment Consulting Ltd	Consultancy on investment portfolio strategy for the HKTB's reserve	355,000	In progress

In 2002-03, the HKTB conducted a comprehensive staff compensation and benefits study. It is necessary to conduct an updated review from time to time to ensure that the recommendations and data in the study are still relevant. In 2007-08, the HKTB plans to conduct such a review. The estimated cost is \$1 m and will be absorbed from within existing provisions. HKTB has not yet appointed consultants.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

**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:

It is mentioned in the Matters Requiring Special Attention in 2007-08 that Administration will further improve service quality of inbound travel agents and enhance protection of consumer rights of Mainland visitors. What are the specific measures and the expenditure involved?

Asked by: Hon. SIN Chung-kai

Reply:

To support the Mainland's "Honest and Quality Tourism" policy and initiatives, we will continue to improve the quality of inbound travel service for Mainland visitors and enhance protection of consumer rights of Mainland visitors. To achieve this, the Tourism Commission (TC) coordinates efforts of related organisations, including the Hong Kong Tourism Board (HKTB), the Travel Industry Council of Hong Kong (TIC), and the Consumer Council (CC), through conducting regular meetings and monitoring the work progress. Salient points of the measures to support the "Honest and Quality Tourism" policy are as follows –

- (a) The TIC continues to step up its regulatory information exchange with the China National Tourism Administration (CNTA) so as to monitor the quality of service provided to Mainland tour groups visiting Hong Kong. It also enforces vigorously on non-compliance of travel agents, tour guides and shops;
- (b) The TC continues to work closely with the CNTA to improve information dissemination with regard to itinerary arrangements by Mainland outbound agents to consumers;
- (c) The HKTB, the CC and the China Consumers' Association continue to work together to step up promotion among Mainlanders on consumer rights protection through their networks in the Mainland, and to enhance related publicity and education at border

control points to promote smart consumption and relevant protections; and

- (d) The HKTB has launched the “Honest and Quality Hong Kong Tours” in a number of cities under the Individual Visit Scheme (IVS), including Beijing, Shanghai, Guangzhou and Shenzhen. In 2007-08, the HKTB will continue to promote quality tours to more IVS cities.

Resources required for the above coordination work have been included in the overall provisions under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (5) Travel and Tourism. In 2007-08, the estimated expenditure for Programme (5) is \$59.1 m. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure and manpower resources related to the coordination work.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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 was stated in the 2005-06 budget speech that an additional provision of \$470 million would be allocated to the Hong Kong Tourism Board for the implementation of the "Discover Hong Kong Year" in 2005-06 and 2006-07. Please provide, using the table below, the actual expenditure for activities of the "Discover Hong Kong Year" organised in the past two years. Please give reasons if the actual figures are lower than the estimated figures.

Asked by: Hon. SIN Chung-kai

Reply:

Leveraging on the opening of various major tourism facilities in 2005 and 2006, an additional funding of \$470 m was allocated to the Hong Kong Tourism Board (HKTB) to launch a global marketing campaign and strategic promotions so as to showcase a new image of Hong Kong and promote the city as a "must-visit" destination.

Under the original estimate (as shown in the 2005-06 Budget), \$276 m out of the \$470 m would be used to launch a global marketing campaign named "2006 Discover Hong Kong Year", and \$164 m for a series of promotions targeting the business and family visitors, leveraging on mega events and new tourism products to attract them to visit and spend in Hong Kong. The HKTB would deploy the remaining \$30 m to enhance its Quality Tourism Services Scheme.

The actual expenditure for 2005-06 and revised estimate for 2006-07 for the Discover Hong Kong Year campaign are tabulated as follows –

	2005-06		2006-07	
	Estimate (\$ m)	Actual (\$ m)	Original Estimate (\$ m)	Revised Estimate (\$ m)
I. Trade Promotions				
1. Trade Launch of the “2006 Discover Hong Kong Year” campaign	6.20	5.97	4.60	3.30
2. Trade Familiarisation Visits	4.20	0.59	3.40	5.84
3. Business Development (to promote the business of meetings, conventions, exhibitions and incentive travel to Hong Kong)	5.20	6.36	5.00	4.76
II. Consumer Promotions				
1. 2006 Discover Hong Kong Year Consumer Launch	2.40	1.60	0	0.80
2. 2006 Discover Hong Kong Year global consumer promotions	59.30	45.16	44.40	45.96
3. Enhance the community’s awareness of 2006 Discover Hong Kong Year and hospitality culture through the local media, such as television and radio	0.90	2.74	0.40	0.06
4. Improve the layout of border control points to strengthen meet-and-greet services for the visitors	4.60	4.49	1.80	3.23
5. Publicity and promotions in 24 high potential cities in Mainland China to reach out to the target visitors	19.00	14.18	13.00	10.52
6. Promotions targeting the female segment	10.00	9.00	0	0
7. Event themed around Mid-Autumn Festival	0	0	28.10	18.30
III. Promotions and Public Relations Activities				
1. National Promotion campaign	7.00	4.57	12.30	9.52
2. Overseas media co-op travel guide	3.70	1.54	0	2.97
3. Community Education/Discovery Programme	0	0.96	0	0
Others				
1. Lions Clubs International Convention	33.60	25.85	0	0
2. WTO Ministerial Conference	1.10	1.13	0	0
3. Market studies	2.80	2.64	2.90	2.78
Grand Total	160.00	126.78	115.90	108.04

The total of the original estimates for 2005-06 and 2006-07 was \$275.9 m but the actual expenditure for 2005-06 and the revised estimate for 2006-07 amounted to \$234.8 m. The amount used was less than the original estimate as a result of adjustments in the above promotional programmes due to external factors, e.g. the deferred opening of tourism attractions, lower-than-expected cost of organising the activities, additional sponsorships from the trade, etc. In 2007, HKTB will continue with its promotion work leveraging on the publicity impact created by the Discover Hong Kong Year campaign.

Signature _____

Name in block letters _____ EVA CHENG _____

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

Date _____ 16.3.2007 _____

**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 provision for the Hong Kong Tourism Board (HKTB) for 2007-08 is significantly lower than the revised estimate for 2006-07 by \$124.4 million (18.7%). This is mainly due to the decreased provision for project-based tourism initiatives and reduced cash flow requirement for a time-limited project. Will the Government inform this Committee:

1. of the details of the tourism initiatives for which the provision has been decreased and their expenditure?
2. will the overseas publicity of HKTB be affected by the significant decrease in provision, and thus result in less visitor arrivals?

Asked by: Hon. FANG Kang, Vincent

Reply:

The provision for the Hong Kong Tourism Board (HKTB) in 2007-08 is \$541.8 m. This is \$124.4 m (18.7%) and \$140.1 m (20.5%) lower than the revised estimate for 2006-07 and the actual expenditure for 2005-06 respectively. The increased provision for 2005-06 and 2006-07 was mainly due to the time-limited funding of some \$470 m earmarked in the 2005-06 Budget to further promote tourism. Project-based initiatives launched in this context included the two-year Discover Hong Kong Year global marketing campaign; a series of strategic promotions and programmes targeted at family and business segments including staging of mega events and large scale overseas advertisements; and promotion of the Quality Tourism Services Scheme. Of the amount, some \$399.4 m is expected to be spent in 2005-06 and 2006-07. The remaining balance of some \$70.6 m will form part of HKTB's provision in 2007-08.

In 2007-08, HKTB will make the best possible use of resources available to strengthen its promotional activities. Apart from using its regular subvention to maintain existing services and continue with its promotion work leveraging on the publicity impact created by the Discover Hong Kong Year campaign, HKTB will use the additional funding of some \$70.6 m for the following key deliverables -

- (a) Mega Events (\$42.1 m) – To sustain the momentum built up by the Discover Hong Kong Year campaign, attract visitors to visit and re-visit, and stimulate their spending in Hong

Kong, the HKTB will organise the Hong Kong Shopping Festival and the Hong Kong WinterFest in 2007-08. Supported mainly by additional funding in the past, these mega events were well received by visitors and offered a platform for local travel trade to generate more business. For example, the number of participating merchant outlets of the Hong Kong Shopping Festival has increased from 6 500 in 2004 to over 8 000 in 2006. Participating retailers concurred that the Festival created a citywide shopping atmosphere during summer, which offers numerous special discounts and promotions, and further encouraged spending by visitors and local residents.

- (b) Mainland Market Development (\$18.5 m) – The HKTB will use the unspent amount to increase the marketing expenditure in the Mainland market. The purpose is to further enhance its promotion and image-building campaign in the Mainland so as to maintain Hong Kong’s leading share of the Mainland outbound tourism market. The HKTB will extend its priority promotion work from 24 to 30 high potential cities. It will also step up promotion in the cities implementing the Individual Visit Scheme as well as secondary cities; and will reinforce publicity for the “Honest and Quality Tours to Hong Kong” amongst Mainland visitors. Besides, the HKTB will collaborate with the tourism industry to develop more quality packages.
- (c) Quality Tourism Services Scheme (\$9 m) – The HKTB will continue its endeavours to maintain the coverage of the Scheme in tourism-related industries and step up the publicity of the Scheme. It will also enhance the Scheme’s quality assurance through surveillance visits, audit and effective handling of complaints. Different activities, for example, training seminars, will be organised for accredited merchants with a view to enhancing their service standards.
- (d) Cruise Marketing (\$1 m) – To leverage on the Government’s announcement of the development of a new cruise terminal, the HKTB will organise seminars for cruise travel agents to promote Hong Kong as a premier fly-cruise hub in the Asia Pacific Region and launch co-operative promotion with cruise agents to induce fly-cruise arrivals. It will participate actively in and organise public relations activities at overseas cruise trade fora to enable overseas cruise trade to understand more about Hong Kong’s new cruise terminal development plan and the opportunities ahead. It will also provide marketing support to our travel trade.

The time-limited funding for 2005-06 and 2006-07 was to allow the HKTB to leverage on the commissioning of a series of tourism infrastructural facilities to launch a two-year global promotion campaign. That campaign has long term impact, and the HKTB will ride on the impact created to continue with its promotion work in a cost-effective way in 2007-08. The HKTB projects that visitor arrivals in 2007 will reach 26.4 million, which represents a 4.6% increase from 2006. The growth rate is in line with the 4.5% forecast on global growth by the World Tourism Organization.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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 the Matters Requiring Special Attention in 2007-08, it is stated that the Administration will capitalize on the 10th Anniversary of the Establishment of the Hong Kong Special Administrative Region to generate interest, particularly among Mainlanders, to visit Hong Kong. What are the details of the specific plans? How much resources will be involved? How much tourism revenue will be generated for Hong Kong?

Asked by: Hon. FANG Kang, Vincent

Reply:

Leveraging on the 10th Anniversary of the Establishment of the HKSAR, the Hong Kong Tourism Board (HKTb) will organise a series of promotional activities in the Mainland to attract visitors –

- (a) The Mainland is Hong Kong's largest source market. The HKTb will launch a tactical promotion programme targeted at the family segment and spanning across 30 high potential Mainland cities. In co-operation with the Mainland media, the HKTb will recruit a considerable number of 10-year-old children from these cities as "little journalists" to visit Hong Kong and report on their experience during the visit. Their report will be published in major children and youth publications in the Mainland, so as to maximise publicity on Hong Kong, and reinforce Hong Kong's appeal to families travelling with children.
- (b) Another initiative under the promotional campaign is the production of a VCD in collaboration with the Mainland educational publishers. Featuring Hong Kong's diverse attractions including its major tourist attractions, the VCD will be used as a teaching aid in Mainland primary schools.
- (c) Since young people is the second largest visitor segment from the Mainland, the HKTb will produce a music video to stimulate their interest in visiting Hong Kong

during this special year. The music video will capture the old and new attractions in Hong Kong, and will be broadcast through over 300 Mainland TV stations and portals.

The estimated expenditure for the above 10th Anniversary-themed promotional activities in the Mainland is \$3 m.

In Hong Kong, the HKTB will enhance the Hong Kong Shopping Festival from end-June to end-August and the Best of the Best Culinary Awards in September to tie in with the celebrations of the 10th Anniversary. The HKTB will rally support from the local travel and related industries with a view to enticing visitors' spending and strengthening the festive ambience in major shopping districts, thus reinforcing Hong Kong's core strength in shopping. As for the Best of the Best Culinary Awards, the HKTB will invite international gourmets and chefs, particularly those from the Mainland, to Hong Kong to participate in the event. Complementary programmes to enhance the awareness of Hong Kong's culinary delights will be launched. The local community will also be invited to cast votes for the selection of 'My favourite dish'.

During the mega event periods, the HKTB will launch various tactical promotions in overseas markets, leveraging on the celebrations for the 10th Anniversary. For example, HKTB will launch a publicity campaign on the Hong Kong Shopping Festival in the Mainland. This will form part of its overall marketing budget for overseas promotion of the mega events and will not incur additional expenditure.

Signature _____

Name in block letters _____ EVA CHENG _____

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

Date _____ 16.3.2007 _____

**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:

It is stated under Matters Requiring Special Attention in 2007-08 that the Branch will continue to seek to rationalise and optimise the efficient use of the airspace in the Pearl River Delta region in partnership with the civil aviation authorities of the Mainland and Macao, and to open up more air routes to and from the Mainland. When are new air routes expected to be opened? Please provide details. What is the expenditure involved?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

The General Administration of Civil Aviation of China, the Hong Kong Civil Aviation Department (CAD) and the Macao Civil Aviation Authority established a tripartite working group in February 2004 to improve the use of airspace and the co-ordination of air traffic management in the Pearl River Delta (PRD) region with a view to meeting the forecast air traffic growth in the region. Through the efforts of the tripartite working group, an additional handover point and a corresponding air route between the Guangzhou and the Hong Kong Flight Information Regions were established in December 2006 to cater for flights overflying Hong Kong and landing in Guangzhou. These have eased the burden on the original handover point and air route for flights to and from northern China.

The tripartite mechanism has been operating satisfactorily. We will continue to make use of this platform to discuss and co-ordinate with the Mainland and Macao aviation authorities to rationalise and optimise the use of airspace in the PRD region through optimisation of regional airspace design; standardisation of interface and protocols of air traffic control systems; and establishment of additional air routes for civil aviation. The specific timing of the further opening of new air routes is closely related to progress in above areas.

The work relating to the opening up of new air routes will be absorbed by the existing manpower in CAD, and no additional expenditure will be involved.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

What is the expansion programme for the Individual Visit Scheme (IVS) in 2007-08? What supporting measures will the Administration take? What are the details of major promotional activities to attract IVS travelers?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

The Individual Visit Scheme (IVS) was introduced in July 2003 in 4 cities in Guangdong. In three years, the Scheme has been expanded to 49 Mainland cities and eligible Mainland residents total about 260 million. Eleven of these cities joined the Scheme in 2006-07. The IVS policy and the schedule of expansion of the Scheme are under the prerogative of the Central People's Government (CPG). We welcome the expansion of the Scheme by the CPG to include more Mainland cities and will continue to communicate and work closely with the relevant Mainland authorities on its implementation.

In 2007-08, the Hong Kong Tourism Board (HKTb) will continue to promote the IVS to drive first-time and repeated visits. For the new IVS cities, the HKTb will launch promotional activities on the dissemination of tourism information to enhance Mainland visitors' knowledge of the IVS. The HKTb will also step up publicity for Hong Kong and the Scheme through advertising, public relations activities of the media and the travel trade, as well as roadshows targeted at consumers. Updated tourism information will be disseminated through respective Public Security Bureaux to Mainland residents who apply for IVS endorsements. For the more mature IVS cities, the HKTb will strengthen co-operation with the travel trade and new attractions in Hong Kong to develop itineraries tailor-made for IVS visitors and provide various offers, e.g. shopping discounts. Targeting at the family segment, the HKTb will also promote mega events, e.g. the Hong Kong Shopping Festival and the Hong Kong WinterFest, to attract more free independent travelers to come to Hong Kong via IVS and induce consumption.

In addition, the HKTB will promote the Quality Tourism Services Scheme in IVS cities and arrange with respective Public Security Bureaux to disseminate information to visitors applying for IVS endorsements to educate them on consumer rights and protection in Hong Kong for an enjoyable shopping experience.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

**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 the Hong Kong Tourism Board mentioned that they would focus their marketing activities on the family and business visitor segments in 2007-08, what are the details of the idea? How many business visitors to Hong Kong are expected in 2007? What is the rate of increase? What are the details of new tourism, facilities in the pipeline? How will they attract business and family visitors to Hong Kong?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

In 2007-08, the Hong Kong Tourism Board (HKTB) will continue to focus on the high-yield business and family visitor segments. For the business visitor segment, the HKTB will continue to promote Hong Kong as the premier destination for meetings, incentives, conventions and exhibitions (MICE). Detailed measures are as follows –

- (a) to continue to bid for key exhibitions and conventions for these to be held in Hong Kong;
- (b) to provide support to organisers, attract more visitors to come to Hong Kong to attend these activities and enhance participants' experience in Hong Kong;
- (c) to leverage on the 10th anniversary of the establishment of the Hong Kong Special Administrative Region and the 2008 Olympic and Paralympic Equestrian Events in Hong Kong and to encourage corporations to hold events in Hong Kong in 2007 and 2008;
- (d) to conduct familiarisation programmes for senior corporate management to enable them to experience Hong Kong's strengths as a MICE destination;
- (e) to collaborate with tourism trade partners, including airlines and hotels, to introduce special packages and offers to stimulate extended stay and increased spending by business travelers, and encourage the latter to bring along companions to participate in leisure activities during their stay;

- (f) to make use of the networks and databases of tourism trade associations and tourism magazines, as well as trade partners' membership programmes, to market and raise visitors' awareness of Hong Kong's diverse range of business-cum-leisure activities; and
- (g) to leverage on the increased attendance at fairs and exhibitions in the Mainland, the HKTB will co-operate with trade partners and event organisers to encourage visitors to extend their trips for sight-seeing in Hong Kong.

As for the family visitor segment, the HKTB will continue to collaborate with Hong Kong's new and existing attractions to develop and offer a series of "edutainment" products and activities. In 2007-08, the HKTB will organise a series of mega events, such as Hong Kong Shopping Festival and Hong Kong WinterFest, to attract family visitors to visit Hong Kong during the summer school holidays or the festive winter season. During the event periods, the HKTB will not only introduce attractive programmes and packages, but also step up promotions of these events in various long-haul and short-haul markets with special focus on the family segment. Leveraging on the 10th anniversary of the establishment of the Hong Kong Special Administrative Region, the HKTB will organise a special promotion and image campaign in the Mainland to enhance Hong Kong's image as a family destination. The HKTB will also continue to work with the Mainland education bureaux, youth centres and children media to launch strategic promotions targeting family visitors with focus on children.

Under the two-year Discover Hong Kong Year global marketing campaign, the marketing campaign that targetted convention and exhibition organisers have contributed to the growth in the number of arrivals attending conventions and exhibitions. In 2006 the number has increased by about 30% when compared with that of 2004. It is expected that the growth would sustain in 2007. However, the HKTB does not have forecast on visitor arrivals of this particular visitor segment.

With regard to major tourism infrastructure, "Ocean" and "Animal Encounter" will continue to be the key themes of the Redevelopment Project of the Ocean Park. Featuring more than 70 distinctive attractions for visitors, the redeveloped park will become one of the major tourism attractions appealing to family visitors. The Ocean Park Redevelopment Project consists of a standalone proposal to develop 3 hotels targeting at both business and family visitors. The Ocean Park is conducting detailed studies on the proposal.

In addition, our planned projects under the "Tourism District Enhancement Programme", such as the Aberdeen Tourism Project, enhancement of Lei Yue Mun waterfront, development of a piazza in Tsim Sha Tsui, etc., will also focus on attracting business and family visitors in both the hardware and software design. We are collecting views from the tourism trade on these projects.

Signature _____

Name in block letters **EVA CHENG** _____

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

Date 16.3.2007 _____

**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 2007-08 is substantially lower than that for 2006-07 by \$18.3 million, amounting to a 38.6% decrease. Please list out the work and development projects which will be affected by the reduction in provision and give details of how they are affected. What measures will the Administration take to minimise the above impacts, and to ensure that related services will not be affected?

Asked by: Hon. LI Fung-ying

Reply:

The provision for 2007-08 under Programme (2) is lower than the revised estimate for 2006-07 by \$18.3 m. This is mainly due to additional provision of \$10 m in 2006-07 for the promotion of port, shipping and logistics services by the Hong Kong Logistics Development Council (LOGSCOUNCIL), the Hong Kong Maritime Industry Council (MIC) and the Hong Kong Port Development Council (PDC). In 2007-08, we will continue to undertake other promotional activities in this area through internal redeployment of existing resources. We will consult the LOGSCOUNCIL, MIC and PDC and their project groups on the detailed implementation of the promotional activities.

In addition, the provision under Subhead 700 General non-recurrent in 2007-08 for this Programme is lower than the revised estimate for 2006-07 by around \$5.1 m. This is mainly because of the scheduled completion of two studies in 2006-07, namely "Study on Hong Kong Port Cargo Forecasts 2005-06" and the "Ecological, Fisheries and Water Quality Impact Assessment Study for the Proposed Port Development at Northwest Lantau". No provision for these items have been budgetted for in 2007-08.

Moreover, about \$3.2 m will be redeployed to Programme (3) Posts, Power, Competition Policy and Consumer Protection in 2007-08 to cater for the additional workload arising from the work on competition policy.

In conclusion, the reduced provision for Programme (2) in 2007-08 is the combined results of scheduled completion of time-limited projects and redeployment of resources within the Bureau. This does not have any adverse impact on the respective work areas under this Programme.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

**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:

What are the details of the Administration's work and the related expenditure for the promotion of "fair competition" in 2006-07? What are the details of the relevant work and the estimated expenditure involved in 2007-08?

Asked by: Hon. LEUNG Yiu-chung

Reply:

- (a) In 2006-07, we continued to maintain and update the Competition Policy Advisory Group (COMPAG) website in order to provide timely information to the public on its work. We have also worked with the Education and Manpower Bureau to evaluate the effectiveness of COMPAG's educational initiatives and to continue our efforts to raise students' awareness and understanding of competition related concepts.

In November 2006, we launched a public consultation exercise on the way forward for Hong Kong's competition policy. It cost about \$0.6 m.

- (b) In 2007-08, we will continue to update the information on the COMPAG website and consider how we might further strengthen students' understanding of competition issues. In addition we will take steps to enhance our competition policy framework as appropriate, pending the outcome of the public consultation exercise.

An additional \$3.2 m has been redeployed from Programme (2) to this Programme to cater for the potential additional workload, such as in-depth research into best practices elsewhere in this area and the reference that they may provide to Hong Kong.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

In 2006-07, the Consumer Council has stepped up educational programmes for senior citizens and new migrants to heighten their awareness of possible malpractices in particular trades in Hong Kong. In this regard, what are the details of the work concerned and the expenditure involved? Please also provide the details of the work in this area and the estimated expenditure for 2007-08.

Asked by: Hon. LEUNG Yiu-chung

Reply:

In 2006-07, the Consumer Council conducted 190 consumer education programmes. Of these programmes, 69 and 11 were for the elderly and new migrants respectively. The programmes were mainly educational talks aimed at fostering the awareness and knowledge of consumers with regard to their rights and responsibilities as well as common malpractices and traps. For new migrants in particular, the programmes aimed to familiarize them with the differences between Hong Kong and the Mainland in trade practices. These programmes were usually organized jointly with social and community services organizations.

In 2007-08, similar programmes are planned for the elderly. For new migrants, a new quarterly education talk will be organized as part of their familiarization programme in addition to the existing ongoing programmes.

All these programmes form part of the daily operations of the Consumer Education Division of the Consumer Council, which are funded under the overall estimated subvention to the Council.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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 details of the work and the expenditure involved in the Consumer Council's handling of complaints about the contracts of telecommunication and pay television services as well as the services of tutorial centres in 2006-07? Is there any plan to step up education on consumer rights in procuring these services in 2007-08? If yes, what are the details of the work concerned and the estimated expenditure?

Asked by: Hon. LEUNG Yiu-chung

Reply:

In 2006-07, complaints relating to telecommunication services continued to top the list of consumer complaints. A large number of these complaints were related to disputes over telecommunication contracts, prices and service quality. Apart from helping to resolve such complaints, Council staff frequently meet telecommunication service providers to discuss consumer issues and make suggestions on improving service quality. With the aim of speeding up the mediation process, the Consumer Council is working with the Office of the Telecommunications Authority (OFTA) on a trial project on consumer complaint arbitration.

The Consumer Council and OFTA, with the support of the telecommunications industry, have developed a consumer education programme on the purchase of fixed-line telecommunications services including Pay TV. The programme is intended to educate consumers on the importance of making informed choices through understanding the contract terms and conditions for telecommunications services, comparing different options in the market and equipping themselves with relevant information. The education programme includes: (1) short TV and radio announcements broadcast by all TV and radio stations; (2) radio programmes to be broadcast on each of Metro Radio's three channels; (3) posters to be displayed at all MTR stations; and (4) seminars for social workers and the elderly. With a view to further enhancing consumer protection, the Council will also review existing measures to protect consumer rights, including ways to

improve the relevant legislation to combat misleading and undesirable sales practices.

Complaints against the services of private tutorial centres account for only a small percentage of the total number of complaints. In 2007-08, apart from covering the subject of tutorial centres through on-going education programmes in schools, the Consumer Council will produce a new teaching resource kit for secondary school teachers, one of the topics of which will be the promotional tactics of these tutorial centres. The production cost for the kit will be about \$0.3 m and this will be funded by the Education and Manpower Bureau. The kit is scheduled to be distributed freely to all secondary schools by the end of May 2007.

Resources required for complaint handling or consumer education have been included in the overall provisions under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (6) Subvention: Consumer Council. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure and manpower resources related to handling of complaints or consumer education.

Signature _____

Name in block letters _____ EVA CHENG _____

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

Date _____ 16.3.2007 _____

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)102

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

Question Serial No.

1453

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:

During 2007-08, the Administration will work out the way forward of the Lantau Logistics Park (LLP) project, having regard to the development of the necessary connecting infrastructure and the cargo flow from the Mainland, particularly the western part of the Pearl River Delta Region. Please inform the Committee of the development of the Lantau Logistics Park project and the expenditure involved.

Asked by: Hon. CHAN Wai-yip, Albert

Reply:

To take forward the Lantau Logistics Park project, the Civil Engineering and Development Department commissioned a detailed feasibility study in 2005. The feasibility study includes environmental and traffic impact assessments to fulfil the statutory requirements for the subsequent zoning and reclamation of the site. The feasibility study, which costs around \$10 m, is expected to be completed by the first half of 2007.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)103

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

Question Serial No.

1454

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:

During 2007-08, the Administration will monitor closely the progress of "the Ecological, Fisheries and Water Quality Impact Assessment Study for the proposed port development at Northwest Lantau". Please inform this Committee of the latest progress of the assessment and the expenditure involved.

Asked by: Hon. CHAN Wai-yip, Albert

Reply:

"The Ecological, Fisheries and Water Quality Impact Assessment Study for the Proposed Port Development at Northwest Lantau" started in end 2005 and will be completed by the first half of this year. The estimated consultancy fee of the study is about \$5 m.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)104

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

Question Serial No.

1455

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

Subhead: 000 Operational
expenses

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 2006-07, the Administration conducted a financial review pursuant to the Scheme of Control Agreement with a power company. Please advise this Committee of the name of that company, the details of the financial review and the expenditure involved.

Asked by: Hon. CHAN Wai-yip, Albert

Reply:

We are reviewing, in conjunction with the Environmental Protection Department and the Electrical and Mechanical Services Department, the new Financial Plan submitted by CLP Power Hong Kong Limited and Castle Peak Power Company Limited (CLP), including the construction of a proposed liquefied natural gas receiving terminal in Hong Kong. To ensure that the public can continue to enjoy reliable and safe electricity supply at reasonable prices, we will consider all relevant factors in examining the Financial Plan, including the supply situation of the Yacheng gas field, the forecast of future electricity demand, environmental requirements, estimated expenditure and tariff impact. The review process is still on-going and the Government has not taken any decision on the Financial Plan.

Resources required for reviewing the Financial Plan of CLP have been included in the overall provisions 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 resources related to the review of CLP's Financial Plan.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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 2007-08, the Administration will work out the regulatory arrangements for the electricity market after the expiry of the current Scheme of Control Agreements in 2008 having regard to the outcome of the two rounds of public consultation. Please advise this Committee of the details of the measures and the expenditure involved.

Asked by: Hon. CHAN Wai-yip, Albert

Reply:

We completed two rounds of public consultation last year to seek views on the "Future Development of the Electricity Market in Hong Kong". In the light of comments received, the Government is discussing with the two power companies the terms of the new Scheme of Control Agreements with an aim to mapping out a scheme that will best serve the overall interest of Hong Kong. This includes reducing the permitted rate of return of the power companies, encouraging them to reduce emissions of pollutants, and ensuring stable and reliable supply of electricity.

In 2007-08, 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 \$24.6 m. Major items of expenditure include salary and allowances of the 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.

Signature _____

Name in block letters **EVA CHENG** _____

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

Date 16.3.2007 _____

**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:

One of the major tasks in 2007-08 is to discuss with the Mainland authorities on issues related to mainlanders travelling to Hong Kong. What are the details of the work plan and estimated expenditure in this regard?

Asked by: Hon. TAM Heung-man

Reply:

In 2006, the Mainland was the most important source market for Hong Kong since over half of the Hong Kong visitor arrivals were from the Mainland. In 2007, we will strive to maintain the steady growth of Mainland arrivals. Apart from the continuous efforts in stepping up promotion and publicity targeted at Mainland visitors by the Hong Kong Tourism Board (HKTB), the Tourism Commission (TC) will continue its coordination work.

To ensure the smooth implementation of the Individual Visit Scheme (IVS) and to facilitate visitor flow during golden weeks, the TC will continue the necessary coordination work through an interdepartmental working group. Also, to support the Mainland's "Honest and Quality Tourism" policy and initiatives, the TC coordinates efforts of related organisations, including the HKTB, the Travel Industry Council of Hong Kong (TIC), and the Consumer Council (CC), through conducting regular meetings and monitoring the work progress, with a view to upgrading Hong Kong's service quality for Mainland visitors. Salient points of the measures to support the "Honest and Quality Tourism" policy are as follows –

- a) The TIC continues to step up its regulatory information exchange with the China National Tourism Administration (CNTA) so as to monitor the quality of service provided to Mainland tour groups visiting Hong Kong. It also enforces vigorously on non-compliance of travel agents, tour guides and shops;
- b) The TC continues to work closely with the CNTA to improve information dissemination with regard to itinerary arrangements by Mainland outbound agents

to consumers;

- c) The HKTB, the CC and the China Consumers' Association continue to work together to step up promotion among Mainlanders on consumer rights protection through their networks in the Mainland, and to enhance related publicity and education at border control points to promote smart consumption and relevant protections; and
- d) The HKTB has launched the "Honest and Quality Hong Kong Tours" in a number of cities under the IVS, including Beijing, Shanghai, Guangzhou and Shenzhen. In 2007-08, the HKTB will continue to promote quality tours to more IVS cities.

Resources required for the above coordination work have been included in the overall provisions under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (5) Travel and Tourism. In 2007-08, the estimated expenditure for Programme (5) is \$59.1 m. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure and manpower resources related to the coordination work.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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 “2006 Discover Hong Kong Year” publicity campaign did not provide a significant boost to Hong Kong’s tourism. Neither visitor arrivals nor tourism expenditure has been substantially higher than that of 2005. Has the Administration conducted any review to assess the cost-effectiveness of the provision for the Hong Kong Tourism Board? If yes, what is the result of such review?

Asked by: Hon. TAM Heung-man

Reply:

Leveraging on the opening of a number of new tourism attractions in 2005 and 2006, the Hong Kong Tourism Board (HKTB) launched the two-year “Discover Hong Kong Year” (DHKY) global marketing campaign and a series of strategic promotions and programmes targeted at the family and business segments.

The effectiveness of these promotional activities can be shown by the fact that steady increase of visitor arrivals to Hong Kong is maintained despite keen competition from other tourism destinations in the past two years. In 2006, total visitor arrivals exceeded 25 million, representing 8.1% growth as compared with 2005. Recent years also witnessed promising growth in a number of areas in the tourism industry as follows:

- Total expenditure associated to inbound tourism for 2005 and 2006 amounted to \$223 b, exceeding HKTB’s original estimate by \$10 b, and a clear demonstration of the continued contribution of our tourism industry to the economy of Hong Kong.
- One of the HKTB’s promotion strategies in the past two years was to develop the consumption visitor segment and stimulate their spending in Hong Kong. During the period, the per capita expenditure by same-day in-bound visitors increased significantly by about 45% from \$689 in 2004 to \$1,000 in 2006.
- Another promotion strategy was to further develop the three segments of family, business and young executive visitors as key target segments. Catering for their

needs, new tourism products and mega events were launched to stimulate their interest in visiting Hong Kong. As compared with 2004, the number of family visitors has grown by about 13% and the number of visitors under 16 has increased by about 30% in 2006. The number of visitor arrivals attending conventions and exhibitions has also increased by about 30% when compared with 2004.

The Government and the Board of HKTB maintain regular monitoring of HKTB's resources deployment in accordance with established monitoring mechanism and statutory requirements to ensure effective use of public resources. The monitoring mechanism includes the requirement of the HKTB's annual financial statement to be audited by an external auditor appointed by the Government; and the submission of the HKTB's annual report to the Government and tabling the same before the Legislative Council. The HKTB also has an established mechanism of financial monitoring and internal audit to ensure the cost-effectiveness of its promotional activities. The HKTB's business plan, budget, marketing programmes, financial procedures and guidelines, and cost-effectiveness of its activities are all vetted and monitored by relevant Committees established under the Board. The HKTB is also requested to submit quarterly reports showing details of the programmes funded by additional one-off provision from the Government, including the expenditure and the effectiveness of the programmes, to the Government and the Board.

The HKTB has set four major objective Key Performance Indicators (KPIs) to measure the effectiveness of its promotional work and activities, including visitor arrivals, length of stay, satisfaction level and spending of visitors. These four KPIs are monitored through conducting different surveys to ensure that the marketing efforts achieve the desired results. In 2006, the number of visitor arrivals increased by 8.1% as compared with the previous year. There was a slight increase on per capita expenditure by overnight visitors, while both length of stay and satisfaction level are maintained at previous levels. The HKTB has also monitored other indicators for individual events to assess visitors' satisfaction level. The performance of individual events are in general satisfactory. For example, survey results revealed that for the International Chinese New Year Night Parade and the Hong Kong Shopping Festival held in 2006, 93% and 94% respectively of the visitors indicated that they would re-visit Hong Kong, and 100% and 93% respectively of the visitors indicated that they would recommend Hong Kong to their friends and relatives. The rates are higher than the respective figures in 2005.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

Apart from the indicators listed, has the Government conducted any review to assess the Hong Kong Tourism Board's efficiency in resource management? If yes, what is the result of such review?

Asked by: Hon. TAM Heung-man

Reply:

The Government and the Board of HKTB maintain regular monitoring of HKTB's resources deployment in accordance with established monitoring mechanism and statutory requirements to ensure effective use of public resources. The monitoring mechanism includes the requirement of the HKTB's annual financial statement to be audited by an external auditor appointed by the Government; and the submission of the HKTB's annual report to the Government and tabling the same before the Legislative Council. The HKTB also has an established mechanism of financial monitoring and internal audit to ensure the cost-effectiveness of its promotional activities. The HKTB's business plan, budget, marketing programmes, financial procedures and guidelines, and cost-effectiveness of its activities are all vetted and monitored by relevant Committees established under the Board. The HKTB is also requested to submit quarterly reports showing details of the programmes funded by additional one-off provisions from the Government, including the expenditure and the effectiveness of the programmes, to the Government and the Board.

The HKTB has set four major objective Key Performance Indicators (KPIs) to measure the effectiveness of its promotional work and activities, including visitor arrivals, length of stay, satisfaction level and spending of visitors. These four KPIs are monitored through conducting different surveys to ensure that the marketing efforts achieve the desired results. In 2006, the number of visitor arrivals increased by 8.1% as compared with the previous year. There was a slight increase on per capita expenditure, while both length of stay and satisfaction level are maintained at previous levels. The HKTB has also monitored other indicators for individual events to assess visitors' satisfaction

level. The performance of individual events are in general satisfactory. For example, survey results revealed that for the “International Chinese New Year Night Parade” and the “Hong Kong Shopping Festival” held in 2006, 93% and 94% respectively of the visitors indicated that they would re-visit Hong Kong, and 100% and 93% respectively of the visitors indicated that they would recommend Hong Kong to their friends and relatives. The rates are higher than the respective figures in 2005.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)110

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

Question Serial No.

1461

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:

Under Matters Requiring Special Attention in 2007-08, it is mentioned that the Branch will consider the recommendation of the Competition Policy Review Committee and the outcome of the related public consultation exercise. In addition, the increased expenditure for 2007-08 is partly due to the implementation of initiatives related to competition policy. What are the details of the work plan and the expenditure involved?

Asked by: Hon. TAM Heung-man

Reply:

We are analysing the views received during the three-month consultation period on competition. In line with the outcome of this exercise, we will begin work to enhance the framework for the effective regulation of competition. An additional \$3.2 m has been redeployed from Programme (2) to this Programme to cater for the potential additional workload, such as in-depth research into best practices elsewhere in this area and the reference that they may provide to Hong Kong.

We will also continue to maintain and update the information on the Competition Policy Advisory Group website, and will consider measures to strengthen students' understanding of competition issues.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)111

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

Question Serial No.

1462

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:

Please provide the work plan and the estimated expenditure for 2007-08 in respect of the negotiation and review of the Scheme of Control Agreement with the two power companies.

Asked by: Hon. TAM Heung-man

Reply:

We are discussing with the two power companies the terms of the new Scheme of Control Agreements. Our target is to finalise the post-2008 regulatory arrangements within 2007. In 2007-08, 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 \$24.6 m. Major items of expenditure include salary and allowances of the staff concerned and relevant departmental expenditure. Resources required for preparing the post-2008 Scheme of Control Agreements 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 the Agreements.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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:

The estimated provision for 2007-08 is \$4.6 million or 23% higher than the revised estimate for 2006-07. This is mainly due to the redeployment of resources to implement initiatives related to competition policy and creation of one post to handle energy-related matters in the coming year. Please give details of the initiatives, the rank, remuneration package and function of the newly created post, as well as the estimated expenditure.

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

We are analysing the views received during the three-month consultation period on competition. In line with the outcome of this exercise, we will begin work to enhance the framework for the effective regulation of competition. An additional \$3.2 m has been redeployed from Programme (2) to this Programme to cater for the potential additional workload, such as in-depth research into best practices elsewhere in this area and the reference that they may provide to Hong Kong.

As for the review on the future development of the electricity market, it involves many new tasks relating to regulatory, technical and economic issues. A directorate officer was seconded from the Electrical and Mechanical Services Department to the Economic Development and Labour Bureau in the past to strengthen the directorate level support in the relevant policy division in handling these new tasks as well as other existing responsibilities such as electrical and gas safety, postal services and weather services. As the secondment arrangement came to an end, we have included in the 2007-08 draft Estimates for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) provision for creating one Administrative Officer Staff Grade C (D2) post to help undertake preparatory work for the development of the future electricity market and other policy issues mentioned above. We will provide further details when we seek approval from the Finance Committee for creation of this post. The cost of the proposal, in terms of notional annual mid-point salary, is around \$1.4 m.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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:

The estimated provision for 2007-08 is \$4.6 million (23.0%) higher than the revised estimate for 2006-07. According to the Administration, the increase in expenditure is due to the redeployment of resources to implement initiatives related to competition policy and creation of one post to handle energy-related matters. Please give details of the specific plans and the expenditure involved. What results will the Administration expect of the two projects?

Asked by: Hon. LAU Wai-hing, Emily

Reply:

We are analysing the views received during the three-month consultation period on competition. In line with the outcome of this exercise, we will begin work to enhance the framework for the effective regulation of competition. An additional \$3.2 m has been redeployed from Programme (2) to this Programme to cater for the potential additional workload, such as in-depth research into best practices elsewhere in this area and the reference that they may provide to Hong Kong.

As for the review on the future development of the electricity market, it involves many new tasks relating to regulatory, technical and economic issues. A directorate officer was seconded from the Electrical and Mechanical Services Department to the Economic Development and Labour Bureau in the past to strengthen the directorate level support in the relevant policy division in handling these new tasks as well as other existing responsibilities such as electrical and gas safety, postal services and weather services. As the secondment arrangement came to an end, we have included in the 2007-08 draft Estimates for Head 145 Government Secretariat : Economic Development and Labour Bureau (Economic Development Branch) provision for creating one Administrative Officer Staff Grade C (D2) post to help undertake preparatory work for the development of the future electricity market and other policy issues mentioned above. We will provide further details when we seek approval from the Finance Committee for creation of this post. The cost of the proposal, in terms of notional annual mid-point salary, is around \$1.4 m.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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:

For co-operation with the related trades in developing new attractions and green tourism projects, what are the expenditure involved and the staffing arrangement in 2007-08?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The new tourism projects which we will embark on in 2007-08 mainly include the development of new cruise terminal facilities, the Ocean Park Redevelopment Plan, the Aberdeen Tourism Project, development of a piazza in Tsim Sha Tsui, etc. In taking forward the above-mentioned projects, we will work closely with the tourism trade and take into account their views. We will also continue to enhance and provide supporting facilities in the Northeast New Territories, and actively promote green tourism in collaboration with the tourism trade.

In 2007-08, 1 Administrative Officer Staff Grade C and 1 Senior Executive Officer posts will be created to take forward the development of new cruise terminal facilities. The creation of the above-mentioned Administrative Officer Staff Grade C post on a time-limited basis was approved by the Finance Committee on 9 February 2007. The cost of these 2 posts, in terms of notional annual mid-point salary value, is about \$2 m. As regards the other new tourism projects mentioned above, they will be implemented with our existing resources and no additional manpower will be required.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

**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:

What is the expenditure involved in the Quality Tourism Services Scheme in 2007-08?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The Hong Kong Tourism Board launched the Quality Tourism Services Scheme (the Scheme) in 1999 to accredit retail shops and restaurants that meet the stringent standards of service. The number of merchant outlets joining the Scheme has increased from 5 945 in 2005 to 6 301 in end 2006. To enhance consumer protection for visitor accommodation, the Scheme expanded its scope to cover licensed guesthouses in November 2006. The Scheme enhances service providers' awareness of the importance of service excellence, and assists visitors in choosing merchants offering quality service.

The estimated expenditure for the Scheme in 2007-08 is \$14.8 m, to be used in increasing the number of merchant outlets, upkeeping of service standard, as well as promotion and publicity.

Signature _____

Name in block letters **EVA CHENG** _____

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

Date 16.3.2007 _____

**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:

What is the expenditure involved in the regulation of local travel agents in 2007-08?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The Tourism Commission is responsible for formulating and coordinating policies on regulation of travel agents in Hong Kong. The Travel Agents Registry is responsible for the licensing of travel agents and relevant surveillance work, including monitoring the financial situation of travel agents. Resources required for the regulation of local travel agents have been included in the overall provisions under Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) Programme (5) Travel and Tourism. In 2007-08, the estimated expenditure for Programme (5) is \$59.1 m. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure and manpower resources related to the regulation of local travel agents.

Signature _____

Name in block letters _____ **EVA CHENG**

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

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)118

Question Serial No.

1727

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:

For further enhancement of green tourist attractions and facilities in Northern New Territories, please give details of the facilities, the expenditure involved and staffing arrangement in 2007-08.

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The Tourism Commission co-ordinated inter-departmental efforts to provide and enhance the basic facilities in Northeast New Territories with a view to enabling visitors to appreciate the green attractions in a more convenient and user-friendly manner. The scope of project covers Lai Chi Wo, Ap Chau, Kat O, Tap Mun, Wu Kai Sha Pier, Tai Mei Tuk, Bride's Pool Road in Plover Cove, Ma Liu Shui Pier and Tung Ping Chau. The improvement items include reconstruction of piazzas, erection of signage and mapboards, provision of seating and shelters for existing seating, lighting enhancement, planting, upgrading of existing toilets, and improvement of the existing piers and their supporting facilities, etc.

As no major works are involved, the enhancement works are implemented by the respective subject departments with their own resources.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)119

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

Question Serial No.

1728

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:

Please elaborate on how the Consumer Council will step up publicity to alert inbound visitors of precautions against deception and help them have a better understanding of their rights. In this connection, what are the resources involved?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The Consumer Council plans to produce a multi-media consumer information service website, similar to the existing CHOICE magazine, with Mainland tourists as the target audience. The website will contain information on products and services that are popular among Mainland tourists and consumer protection measures for tourists when shopping in Hong Kong. In addition, the Council's hotline service will tender pre-shopping advice in Putonghua and English. We will set aside resources from within existing resources for the above initiatives in 2007-08, and will work out the longer term resources requirement in consultation with the Council.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)120

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

Question Serial No.

1729

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:

In 2007-08, the Consumer Council will forge closer co-operation with consumer associations in the Mainland. Please provide the details of such co-operation and the expenditure involved.

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The Council will continue to forge close co-operation with consumer associations in the Mainland to help tourists understand Hong Kong's market practices and to speed up the process of complaint handling. The Council will continue to sign Memoranda of Understanding for Co-operation of Consumers' Rights and Interests with consumer associations in different Mainland provinces and cities to facilitate information exchange and assistance in resolving consumer disputes. The Council will also conduct seminars for officials of Mainland consumer organisations, so that they can help screen out mediate and refer consumer complaints and disseminate pre-shopping advice. In 2006-07, a total of 367 Mainland officials visited the Council and had useful exchanges. These activities form part of the daily operation of the Council and the relevant resources are covered under the overall estimated subvention to the Council.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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 2007-08 is \$18.3 million (38.6%) less than the revised estimate for 2006-07. However, in the Matters Requiring Special Attention in 2007-08, it is stated that the Bureau will take forward initiatives to ensure the competitiveness of the airport, the port, and the freight service. Please advise us:

- (1) of the details of the measures to ensure the competitiveness of the airport, the port and the freight service. What will be the manpower and expenditure involved?
- (2) that in face of a reduced estimate of almost 40%, will there be any impact on the implementation of the above measures?

Asked by: Hon. KWONG Chi-kin

Reply:

- (1) As far as port measures are concerned, we shall continue to make available suitable container terminal back-up land for the industry, with a view to enhancing port productivity and ensuring a seamless connection between river trade vessels and ocean-going vessels. To address the industry demand, we shall also put up more barging facilities to raise the capacity of mid-stream operations. To further enhance the operational efficiency of the logistics industry, we shall maintain close cooperation with the Hong Kong Productivity Council to ensure the smooth implementation of the pilot project on the On-Board Trucker Information System. In consultation with the industry, we shall provide more training courses on e-logistics solutions for logistics practitioners. In addition, we shall keep up our liaison with the Guangdong authorities to explore ways to facilitate cross-boundary freight flow and to further reduce cross-boundary trucking cost. Resources required for implementing the above measures have been included in the overall allocation for Programme (2) Air and Sea Communications and Logistics Development. As the officers concerned also handle other tasks concurrently, it is difficult to separately itemise the expenditure related to individual measures.

In respect of air cargo services, the new Terminal 2 of the Asia Airfreight Terminal (AAT) was officially opened on 8 March 2007 and has more than doubled AAT's total cargo handling capacity to about 1.5 million tonnes per year. Expansion of DHL's express cargo terminal at Hong Kong International Airport (HKIA) is expected to be completed by end

2007 with a substantial increase in its parcel handling capacity to about 35 000 parcels per hour. Ten cargo aircraft parking stands are expected to be completed by end 2007 to increase the total number of cargo aircraft parking stands to 35. Airport Authority (AA) is also working with the industry to build a precious metal depository at HKIA, expected to be completed in late 2007 or early 2008. To meet the demand growth for air cargo services, AA has begun the tendering exercise for development of a new cargo terminal by 2011. The above initiatives are undertaken and financed either by the AA or its business partners. Apart from the fitting out costs for government facilities and staff costs for provision of government services (e.g. customs and immigration clearance) where applicable, there are no resource implications for the Government.

- (2) The provision for 2007-08 under Programme (2) is lower than the revised estimate for 2006-07 by \$18.3 m. This is mainly due to additional provision of \$10 m in 2006-07 for the promotion of port, shipping and logistics services by the Hong Kong Logistics Development Council (LOGSCOUNCIL), the Hong Kong Maritime Industry Council (MIC) and the Hong Kong Port Development Council (PDC). In 2007-08, we will continue to undertake other promotional activities in this area through internal redeployment of existing resources. We will consult the LOGSCOUNCIL, MIC and PDC and their project groups on the detailed implementation of the promotional activities.

In addition, the provision under Subhead 700 General non-recurrent in 2007-08 for this Programme is lower than the revised estimate for 2006-07 by around \$5.1 m. This is mainly because of the scheduled completion of two studies in 2006-07, namely "Study on Hong Kong Port Cargo Forecasts 2005-06" and the "Ecological, Fisheries and Water Quality Impact Assessment Study for the Proposed Port Development at Northwest Lantau". No provision for these items have been budgetted for in 2007-08.

Moreover, about \$3.2 m will be redeployed to Programme (3) Posts, Power, Competition Policy and Consumer Protection in 2007-08 to cater for the additional workload arising from the work on competition policy.

In conclusion, the reduced provision for Programme (2) in 2007-08 is the combined results of scheduled completion of time-limited projects and redeployment of resources within the Bureau. This does not have any adverse impact on the respective work areas under this Programme.

Signature _____

Name in block letters **EVA CHENG** _____

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

Date **16.3.2007** _____

**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:

Provision for 2007-08 is \$4.6 million (23%) higher than the revised estimate for 2006-07. The increase in provision is for the implementation of initiatives related to competition policy and the creation of one post to handle energy-related matters. Of the amount, how much will be used for the implementation of competition policy and the creation of the post respectively? Please provide the details of the initiatives and the post to be created.

Asked by: Hon. KWONG Chi-kin

Reply:

We are analysing the views received during the three-month consultation period on competition. In line with the outcome of this exercise, we will begin work to enhance the framework for the effective regulation of competition. An additional \$3.2 m has been redeployed from Programme (2) to this Programme to cater for the potential additional workload, such as in-depth research into best practices elsewhere in this area and the reference that they may provide to Hong Kong.

As for the review on the future development of the electricity market, it involves many new tasks relating to regulatory, technical and economic issues. A directorate officer was seconded from the Electrical and Mechanical Services Department to the Economic Development and Labour Bureau in the past to strengthen the directorate level support in the relevant policy division in handling these new tasks as well as other existing responsibilities such as electrical and gas safety, postal services and weather services. As the secondment arrangement came to an end, we have included in the 2007-08 draft Estimates for Head 145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) provision for creating one Administrative Officer Staff Grade C (D2) post to help undertake preparatory work for the development of the future electricity market and other policy issues mentioned above. We will provide further details when we seek approval from the Finance Committee for creation of this post. The cost of the proposal, in terms of notional annual mid-point salary, is around \$1.4 m.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

**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:

In the matters requiring special attention in 2007-08, it is pointed out that the HKTB will capitalise on the 10th Anniversary of the Establishment of the Hong Kong Special Administrative Region (HKSAR) to generate interest, particularly among Mainlanders, to visit Hong Kong. Please state,

- 1) the details, staffing arrangement and expenditure involved for the activities related to the 10th Anniversary of Hong Kong's Reunification with China, and
- 2) in addition to promoting the application of the Individual Visit Scheme to attract tourists, especially Mainland tourists, the details, manpower and expenditure involved for other relevant measures to maintain the number of Mainland tourists visiting Hong Kong.

Asked by: Hon. KWONG Chi-kin

Reply:

- 1) Leveraging on the 10th Anniversary of the Establishment of the HKSAR, the Hong Kong Tourism Board (HKTB) will organise a series of promotional activities in the Mainland to attract visitors –
 - (a) The Mainland is Hong Kong's largest source market. The HKTB will launch a tactical promotion programme targeted at the family segment and spanning across 30 high potential Mainland cities. In co-operation with the Mainland media, the HKTB will recruit a considerable number of 10-year-old children from these cities as "little journalists" to visit Hong Kong and report on their experience during the visit. Their report will be published in major children and youth publications in the Mainland, so as to maximise publicity on Hong Kong, and reinforce Hong Kong's appeal to families travelling with children.
 - (b) Another initiative under the promotional campaign is the production of a VCD in collaboration with the Mainland educational publishers. Featuring Hong

Kong's diverse attractions including its major tourist attractions, the VCD will be used as a teaching aid in Mainland primary schools.

- (c) Since young people is the second largest visitor segment from the Mainland, the HKTB will produce a music video to stimulate their interest in visiting Hong Kong during this special year. The music video will capture the old and new attractions in Hong Kong, and will be broadcast through over 300 Mainland TV stations and portals.

The estimated expenditure for the above 10th Anniversary-themed promotional activities in the Mainland is \$3 m.

In Hong Kong, the HKTB will beef up the Hong Kong Shopping Festival from end-June to end-August and the Best of the Best Culinary Awards in September to tie in with the celebrations of the 10th Anniversary. The HKTB will rally support from the local travel and related industries with a view to enticing visitors' spending and strengthening the festive ambience in major shopping districts, thus reinforcing Hong Kong's core strength in shopping. As for the Best of the Best Culinary Awards, the HKTB will invite international gourmets and chefs, particularly those from the Mainland, to Hong Kong to participate in the event. Complementary programmes to enhance the awareness of Hong Kong's culinary delights will be launched. The local community will also be invited to cast votes for the selection of 'My favourite dish'.

During the mega event periods, the HKTB will launch various tactical promotions in overseas markets, leveraging on the celebrations for the 10th Anniversary. For example, HKTB will launch a publicity campaign on the Hong Kong Shopping Festival in the Mainland. This will form part of its overall marketing budget for overseas promotion of the mega events and will not incur additional expenditure.

- 2) As regards the Mainland, in view of the keen competition from neighbouring destinations and other challenges, such as rapid growth of its domestic travel, the HKTB will step up promotions in the Mainland so as to maintain Hong Kong's leading share of visitors and sustain future growth. Details of the initiatives are as follows:

- Fortify Hong Kong's leading position as the most preferred and "must-visit" destination by launching integrated campaigns to promote mega events, new and core attractions, as well as the Quality Tourism Services (QTS) Scheme, and by implementing tactical promotions in key and high potential cities.
- Step up promotions in the secondary cities and extend the promotions in these target cities from 24 to 30 high potential cities.
- Leverage on the celebratory programmes of the 10th Anniversary of the establishment of the HKSAR and publicity opportunities to line up tactical promotions so as to maximise publicity and drive incremental arrivals.
- Attain sustainable growth of family and young segments by capitalising on the strong appeal of new tourism attractions and existing "edutainment" products and strengthening Hong Kong's trend-setting position through such marketing channels as the web. Also, identify non-Golden Week holidays and low season windows to develop tactical promotions for stimulating arrivals.

- Leverage on new tourism infrastructure, new and recurrent exhibitions and enhanced destination offerings to drive incremental arrivals from the Meeting, Incentive, Convention and Exhibition (MICE) segment. Continue to induce business-cum-leisure travel by encouraging business travellers to bring companions and extend length of stay, and explore opportunities of co-operation with Macau on developing combo-itineraries for incentive trips.
- Cultivate the free independent traveller (FIT) and “consumption visit” segments by using effective channels, such as direct marketing tactics and travel portals and by developing quality products.
- Continue to educate consumers on Individual Visit Scheme (IVS) through advertising and publicity campaigns, consumer roadshows and tactical co-operation with travel trade and new attractions. For new IVS cities, conduct consumer and trade education programmes, trade familiarisation visits and trade co-operation advertising to build awareness and provide timely information on IVS and destination offers.
- Step up consumer education on the QTS Scheme through advertising and publicity campaigns, and continue to support “Honest and Quality Tourism” promoted by the China National Tourism Administration. Leveraging on the influence of local tourism bureaux, encourage distribution of information on quality and FIT products by operators and travel agents.

In 2007-08, the estimated overall budget for the Mainland, including the \$3 m earmarked for the promotion campaign on the 10th Anniversary of the Establishment of the HKSAR, is \$42.93 m.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

It is mentioned under Matters Requiring Special Attention in 2007-08 that the Bureau would seize publicity opportunities for the 2008 Olympic and Paralympic Equestrian Events. Would the Administration advise :

- (a) the details of the publicity activities for the two events and the staffing arrangement and expenditure involved?
- (b) whether there are any related tourism programmes, apart from the publicity activities, to tie in with the drastic increase of tourists after the kick-off of the Olympic? If so, please provide the details of the programmes and the provision involved.

Asked by: Hon. KWONG Chi-kin

Reply:

Leveraging on the 2008 Beijing Olympics and the global interest in Mainland China, the Hong Kong Tourism Board (HKTb) will fully exploit the growth in inbound traffic to the Mainland to maximise publicity for Hong Kong. It will also drum up publicity for the staging of the Olympic Equestrian and Paralympic Equestrian Competitions in Hong Kong. Working together with the China National Tourism Administration and travel trade partners, the HKTb will promote Hong Kong's gateway position, and ride on the Olympic year and Hong Kong being the city for the Olympic Equestrian Competitions to develop more multi-destination itineraries featuring the city. The HKTb has already signed a Memorandum of Understanding with the Beijing Tourism Administration (BTA) in November 2006, and will continue to maintain close contact with the BTA in the run-up to the Olympics and explore joint promotional initiatives.

On overseas promotions, the HKTb has included the Beijing Olympic events and Hong Kong's Olympic Equestrian Competitions in the marketing and promotional work plans of its offices in the long-haul market regions. In particular, the HKTb will encourage more corporations from these regions to hold incentive and corporate events in Hong Kong in 2008, and include the equestrian events in their programmes. Its overseas

offices are also liaising with the Olympics authorised travel agents in their respective markets, so as to promote the equestrian events in Hong Kong, as well as visits to the city before and after the Olympic Games.

The HKTB will continue to work closely with the Government and travel trade to promote Games-related packages with a view to attracting more visitors to Hong Kong. In promoting Hong Kong in the Mainland and overseas, the HKTB, apart from publicising Hong Kong's various attractions, also highlights the upcoming major events and activities in town, such as the 2008 Olympic and Paralympic Equestrian Events, in order to further enhance Hong Kong's attractiveness to visitors. Promotion of the Olympic events has been incorporated in the HKTB's overall marketing budget of \$342 m and will not incur additional expenditure.

Signature _____

Name in block letters _____ EVA CHENG _____

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

Date _____ 16.3.2007 _____

**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 the matters requiring special attention in 2007-08, it is stated that the Hong Kong Tourism Board will leverage on the development of new cruise terminal facilities to enhance the position of Hong Kong as the cruise hub in Asia. Please advise us:

- 1) of the details of the measures, manpower arrangement and provision involved;
- 2) if related tourism event(s), in addition to publicity activities, are planned to leverage on the commissioning of the new terminal to elevate Hong Kong as the cruise hub in Asia. If yes, what are the details of the event(s), manpower arrangement and estimated expenditure involved?

Asked by: Hon. KWONG Chi-kin

Reply:

Leveraging on the Government's plan to develop new cruise terminal facilities at the southern end of the former runway at the Kai Tak Development, the Hong Kong Tourism Board (HKTB) will strengthen the promotion efforts on cruise travel in 2007-08 by –

- enhancing publicity to achieve top-of-mind awareness on the cruise market and tourism developments in Hong Kong. This will help consolidate Hong Kong's position as a "must-visit" port on "around-the-world" and regional cruise itineraries;
- arranging familiarization visits for cruise executives and international media, and providing the latest information and marketing materials to cruise executives and overseas travel trade; and
- capitalizing on the deployment of new cruise vessels to Hong Kong to step up publicity and generate fly-cruise arrivals. HKTB will also maximize publicity by enhancing relationships and network with trade partners.

The estimated expenditure for these initiatives in 2007-08 is \$1 m. In addition to 2 existing dedicated staff members and a cruise representative based in Miami, the United States, HKTB will engage 1 extra dedicated officer to take forward the above initiatives.

Signature _____

Name in block letters _____

EVA CHENG

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Post Title _____

Date _____

16.3.2007

**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:

Provision for 2007-08 is \$5.0 million (9.2%) higher than the revised estimate for 2006-07. This is mainly due to the increased provision for tourism initiatives, and creation of 12 posts in 2007-08. Please advise us on the details of -

- 1) the provision for tourism initiatives and the expenditure involved. Please list the rank of the 12 posts, their duties and the expenditure involved; and
- 2) how the increased expenditure is partly offset by the reduced cash flow requirement for time-limited projects.

Asked by: Hon. KWONG Chi-kin

Reply:

- 1) The 12 posts to be created are: 1 Administrative Officer Staff Grade C and 1 Senior Executive Officer to take forward the development of new cruise terminal facilities; 1 Treasury Accountant to strengthen the financial monitoring work in respect of licensed travel agents; 1 Executive Officer I to enhance the support for tourism development work; and 8 posts to replace progressively the existing 8 non-civil-service contract officers with civil servants who are more conversant with the Government machinery and procedures for developing tourism facilities. These 8 posts include 1 Economist, 2 Senior Executive Officers and 5 Executive Officers I to cope with the long-term manpower need for implementing various tourism projects. The actual additional expenditure involved is \$4.3 m in total. The creation of the above-mentioned Administrative Officer Staff Grade C post on a time-limited basis was approved by the Finance Committee on 9 February 2007.

Also, with more buildings joining the light and sound show, "A Symphony of Lights", we plan to re-design the show in 2007-08 and enhance the function of the multi-media system. We also plan to revamp the website of the Tourism Commission with a view to making it more attractive to the visitors and local residents. The total expenditure involved is estimated to be about \$5.8 m.

- 2) The time-limited project is “Tourism Development Assistant Training Project”. Since all participants will complete their training by end March 2007, the cash flow requirement will be reduced by \$5.1 m and will partly offset the additional expenditure in 2007-08.

Signature _____

Name in block letters _____ **EVA CHENG**

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

Date _____ **16.3.2007**

**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:

For further enhancement of existing tourist attractions and facilities, including the Ngong Ping Piazza Project, Abredeen Tourism Project, enhancement of the Lei Yue Mun waterfront, development of a piazza in Tsim Sha Tsui and enhancement of footbridges in Tsim Sha Tsui East, please advise on:

1. the details, costs, commencement dates and target completion dates of each project and works;
2. the extra number of visitor arrivals likely to be attracted and tourism benefits be brought about to Hong Kong each year after all the enhancement initiatives have completed; and
3. how many job opportunities will be created by various enhancement initiatives for Hong Kong?

Asked by: Hon. LI Fung-ying

Reply:

Details of further enhancement of existing tourist attractions and facilities are as follows :

Enhancement of public facilities at Ngong Ping, Lantau

We plan to upgrade the public piazza in front of the Po Lin Monastery at Ngong Ping and provide additional supporting facilities. The estimated project cost is about \$62 m. Subject to funding approval by the Finance Committee, the project works are targeted to commence in end 2007 for completion in 2009. It is estimated that the project will create about 105 jobs.

Aberdeen Tourism Project

Having collected the views of the locals and concerned parties, our consultant has been working on the conceptual design of the Aberdeen Tourism Project which aims to bring

out the unique features of Aberdeen as a traditional fishing harbour. Upon completion of the design and feasibility study, we shall then be able to estimate the project cost and the number of jobs to be created. Subject to funding approval by the Finance Committee, we hope that the project works could commence in 2009 for completion in 2012 so as to complement the redevelopment plan of the Ocean Park.

Lei Yue Mun Waterfront Enhancement Project

We plan to further improve the facilities along the waterfront of Lei Yue Mun. This will include the provision of a new public landing facility near the seafood restaurants, a viewing platform and waterfront promenade, construction of a landmark sculpture, etc. The feasibility study has been completed and the detailed design is being developed. At this stage, we are unable to estimate the project cost and the number of jobs to be created. Subject to funding approval by the Finance Committee, the project works are expected to commence in the second half of 2008 for phased completion from 2010.

Development of a Piazza in Tsim Sha Tsui

We will preserve the Tsim Sha Tsui (TST) Star Ferry Pier and, after relocation of the existing Public Transport Interchange to TST East, develop the vacated site into a piazza. We do not have any pre-conceived option as regards the design and the development of the piazza. We prepare to collect the views of the stakeholders in the next few months. At this stage, we are unable to estimate the project cost and the number of jobs to be created. Subject to funding approval by the Finance Committee, we hope that the project works could commence in 2009 for completion in 2011.

Enhancement of Footbridges in Tsim Sha Tsui East

The project includes replacing the existing footbridge ramps in Tsim Sha Tsui East with lifts, improving the design of the existing two footbridges and enhancing the lighting facilities, etc. The estimated project cost is about \$63.7 m. Subject to funding approval by the Finance Committee, the project works are targeted to commence in mid 2008 for completion in mid 2010. It is estimated that the project will create about 76 jobs.

The enhancement of the existing tourist spots and facilities aims to increase the attractiveness and appeal of the place, which helps to 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 _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)128

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

Question Serial No.

2026

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:

While the estimated figures of the indicators for 2007 are comparable to the actual figures for 2006, it is estimated that the expenditure will have to increase by 7.5%. What are the reasons for the increase in expenditure?

Asked by: Hon. TAM Heung-man

Reply:

The additional funding of 7.5% has been earmarked for the installation of a new interactive computer system for the Consumer Council's Complaints and Advice Division. The existing system has been in use for over 10 years. Installing the new system will enable the Council to offer quicker and better services to the public, and to cope effectively with the increasing workload that it now faces.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)129

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

Question Serial No.

2027

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 adopted by the Administration for monitoring the efficiency of resource utilization of the Consumer Council and approving its funding requirements?

Asked by: Hon. TAM Heung-man

Reply:

The Consumer Council is a statutory body set up in 1974 to protect and promote the interests of consumers of goods and services and purchasers, mortgagors and lessees of immovable property. The daily operations of the Council are overseen by an independent board of members. Through its annual report, the Council reports on its work to the public.

In cases where the Council may need extra resources to implement new programmes or enhance its existing services, we assess the need and justification for additional resources on a case-by-case basis having regard to service demand, cost effectiveness and policy considerations.

Signature _____

Name in block letters _____

EVA CHENG

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

16.3.2007

**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 continuing to negotiate with the two power companies the regulatory arrangements for the electricity market after the expiry of the current Scheme of Control Agreements in 2008 having regard to the outcome of two rounds of public consultation and conducting a financial review pursuant to the Scheme of Control Agreement with a power company, please inform the Committee:

- (a) the progress of the negotiation and the target completion date; and
- (b) the expected completion date of the financial review and whether it would be published.

Asked by: Hon. SHEK Lai-him, Abraham

Reply:

We are discussing with the two power companies the terms of the new Scheme of Control Agreements. Our target is to finalise the post-2008 regulatory arrangements within 2007.

We are reviewing, in conjunction with the Environmental Protection Department and the Electrical and Mechanical Services Department, the new Financial Plan submitted by CLP Power Hong Kong Limited and Castle Peak Power Company Limited (CLP), including the construction of a proposed liquefied natural gas receiving terminal in Hong Kong. The Government has not taken any decision on the Financial Plan. We shall complete the review as soon as possible and brief the Legislative Council on the outcome when ready.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)131

Question Serial No.

2215

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:

What specific duties will be undertaken by the 12 posts to be created in 2007-08? Can the manpower requirement for tourism promotion be met after the recruitment of the additional staff?

Asked by: Hon. WONG Ting-kwong

Reply:

The 12 posts to be created in 2007-08 are: 1 Administrative Officer Staff Grade C and 1 Senior Executive Officer to take forward the development of new cruise terminal facilities; 1 Treasury Accountant to strengthen the financial monitoring work in respect of licensed travel agents; 1 Executive Officer I to enhance the support for tourism development work; and 8 posts to replace progressively the existing 8 non-civil-service contract officers with civil servants who are more conversant with the Government machinery and procedures for developing tourism facilities. These 8 posts include 1 Economist, 2 Senior Executive Officers and 5 Executive Officers I to cope with the long-term manpower need for implementing various tourism projects. The actual additional expenditure involved is \$4.3 m in total.

The creation of the above-mentioned Administrative Officer Staff Grade C post on a time-limited basis was approved by the Finance Committee on 9 February 2007.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

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

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

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
- (6) Subvention: Consumer Council
- (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 Administration will create one post to provide administrative services to all programmes of work in 2007-08. What are the reasons and justifications and the estimated cost?

Asked by: Hon. WONG Ting-kwong

Reply:

There will be a net creation of one Executive Officer post in 2007-08 to strengthen administrative support to all divisions of the Economic Development Branch, including financial management, resources deployment, human resources management, internal and external co-ordination work, and general office support, etc. The net cost of the proposal, in terms of notional annual mid-point salary, is about \$0.7 m.

Signature _____

Name in block letters _____ **EVA CHENG**

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

Date _____ 16.3.2007

**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 respect of the efforts to seek to rationalise and optimise the efficient use of the airspace in the Pearl River Delta region in partnership with the civil aviation authorities of the Mainland and Macao, and to open up more air routes to and from the Mainland, what is the progress made? How would the Administration further strengthen cooperation and communication with the parties concerned?

Asked by: Hon. WONG Ting-kwong

Reply:

The General Administration of Civil Aviation of China, the Hong Kong Civil Aviation Department and the Macao Civil Aviation Authority established a tripartite working group in February 2004 to improve the use of airspace and the co-ordination of air traffic management in the Pearl River Delta (PRD) region, including optimisation of regional airspace design; standardisation of interface and protocols of air traffic control systems; and establishment of additional air routes for civil aviation with a view to meeting the forecast air traffic growth in the PRD region. For example, through the efforts of the tripartite working group, an additional handover point and a corresponding air route between the Guangzhou and the Hong Kong Flight Information Regions were established in December 2006 to cater for flights overflying Hong Kong and landing in Guangzhou. These have eased the burden on the original handover point and air route for flights to and from northern China.

The tripartite mechanism has been operating satisfactorily. We will continue to make use of this platform to discuss and co-ordinate with the Mainland and Macao aviation authorities to rationalise and optimise the use of airspace in the PRD region.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

**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:

Please advise this Council of the details of the expansion of Quality Tourism Services Scheme in cooperation with the Hong Kong Tourism Board. What are the details of the promotion work and the expenditure involved?

Asked by: Hon. WONG Ting-kwong

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. The number of merchant outlets joining the Scheme has increased from 5 945 in 2005 to 6 301 in end 2006. To enhance consumer protection for visitor accommodation, the Scheme expanded its scope to cover licensed guesthouses in November 2006. The Scheme arouses service providers' awareness of the importance of service excellence, and assists visitors in choosing merchant offering quality service.

In 2007-08, the HKTB's estimated expenditure on the Scheme is \$14.8 m, which will be used in increasing the number of merchant outlets, upkeeping of service standard, as well as promotion and publicity. Details are as follows –

- (a) For the scope of the Scheme, the HKTB will continue its endeavours to sustain the coverage of the Scheme in tourism and related sectors, in particular to increase the participation of tourist guesthouses. In addition, the HKTB will consult the local trade and study the feasibility of expanding the Scheme to other sectors.
- (b) Regarding the upgrading of service standard of accredited merchants, the HKTB will enhance the Scheme's quality assurance through surveillance visits, audit and effective handling of complaints. Different activities, such as training seminars, will also be organised for accredited merchants.

- (c) For promotion, the HKTB will continue to reinforce the promotions and publicity of the Scheme in various key markets, including Mainland cities and North Asia, etc., and to increase the coverage and frequency of publicity in targeted media so as to raise visitors' awareness of the Scheme.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

Will the Quality Tourism Services Scheme be reviewed to assess its effectiveness and identify room for improvement? If yes, what are the details and the schedule?

Asked by: Hon. WONG Ting-kwong

Reply:

The Quality Tourism Services (QTS) Scheme (the Scheme) is implemented and monitored by the Hong Kong Tourism Board (HKTB). The Scheme aims to arouse service providers' awareness of the importance of service excellence and hence motivate them to strive for continuous improvement in standards of service. It also aims to help visitors choose service providers providing quality service. The HKTB regularly reviews the Scheme in various ways –

- (a) To review the standards of service of the Scheme and enhance the Scheme's quality assurance and outlets' compliance through surveillance visits and audit by professional consultants;
- (b) To conduct analysis of visitors' complaints against accredited merchants and follow up the remedial actions of the complained merchants;
- (c) To review the promotion and publicity of the Scheme in order to enhance the awareness of targeted visitors of the Scheme; and
- (d) To conduct regular surveys among merchants. According to the survey results, the percentage of accredited merchants who consider the Scheme effective in increasing their business and in boosting visitors' confidence has increased from 36% and 75% in 2005 respectively to 70% and 94% in 2006; the number of merchant outlets joining the Scheme has also increased from 5 945 in 2005 to 6 301 in end 2006.

The HKTB also reviews the rules of the Scheme regularly so as to identify areas of improvement in the Scheme's implementation. The proposals, along with the trade feedback, are then submitted to the QTS Sub-committee and Committee for consideration and approval. The committees comprise members from the trade and non-trade related sectors, with a view to take into account different views to improve the implementation of the Scheme and ensure its fairness.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

**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:

What is the timetable for the implementation of the green tourism pilot scheme in 2007-08? How will the benefits of the scheme be assessed?

Asked by: Hon. WONG Ting-kwong

Reply:

Under the pilot scheme to promote green tourism in Northeast New Territories, works to enhance the basic facilities commenced in early 2006 and the majority will be completed by end 2007. Also, the Hong Kong Tourism Board is exploring with the travel trade to enrich the activities of the "Nature Kaleidoscope" pilot programme, launched in the latter half of 2006, so as to enrich the visitors' experience. It plans to implement the programme by the end of the second quarter this year.

Promotion of green tourism will enrich Hong Kong's diverse attractions and help attract visitors, thereby benefiting the development of tourism in Hong Kong.

Signature _____

Name in block letters _____ **EVA CHENG** _____

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

Date _____ 16.3.2007 _____

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)137

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

Question Serial No.

2221

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 the enhancement of green tourist attractions and facilities in Northern New Territories, please provide the details and the expenditure involved in the enhancement of facilities.

Asked by: Hon. WONG Ting-kwong

Reply:

The Tourism Commission co-ordinated inter-departmental efforts to provide and enhance the basic facilities in Northeast New Territories with a view to enabling visitors to appreciate the green attractions in a more convenient and user-friendly manner. The scope of project covers Lai Chi Wo, Ap Chau, Kat O, Tap Mun, Wu Kai Sha Pier, Tai Mei Tuk, Bride's Pool Road in Plover Cove, Ma Liu Shui Pier and Tung Ping Chau. The improvement items include reconstruction of piazzas, erection of signage and mapboards, provision of seating and shelters for existing seating, lighting enhancement, planting, upgrading of existing toilets, and improvement of the existing piers and their supporting facilities, etc.

As no major works are involved, the enhancement works are implemented by the respective subject departments with their own resources.

Signature _____

Name in block letters _____ **EVA CHENG** _____

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

Date _____ 16.3.2007 _____

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

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

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:

In 2007-08, the Consumer Council will forge closer co-operation with consumer associations in the Mainland to help tourists understand Hong Kong's market practice and enhance their confidence in the Hong Kong market. Please provide details of the relevant programmes/measures to be introduced for these two purposes and the estimated expenditure involved.

Asked by: Hon. WONG Ting-kwong

Reply:

The Consumer Council will continue to sign Memoranda of Understanding for Co-operation of Consumers' Rights and Interests with more consumer associations in different Mainland provinces and cities to facilitate information exchange and assistance in resolving consumer disputes. The Council will also conduct seminars for officials of Mainland consumer organizations, so that they can help mediate, refer or screen out consumer complaints and disseminate pre-shopping advice.

The Council also plans to produce a multi-media consumer information service website, similar to the existing CHOICE magazine, with Mainland tourists as the target audience. The website will contain information on products and services that are popular among Mainland tourists and consumer protection measures enjoyed by tourists when shopping in Hong Kong. In addition, the Council's hotline service will tender pre-shopping advice in Putonghua and English. We will set aside resources from within existing resources for the above initiatives in 2007-08, and will work out the longer term resources requirement in consultation with the Council.

Signature _____

Name in block letters _____ EVA CHENG

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

Date _____ 16.3.2007

**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 measures will the Consumer Council take to speed up the process of complaint handling?

Asked by: Hon. WONG Ting-kwong

Reply:

The Consumer Council is continuously working to enhance its complaint handling procedures. The Council plans to upgrade its information technology systems and recruit a small number of additional staff to maintain the momentum in improving efficiency in this area.

Signature _____

Name in block letters _____ **EVA CHENG** _____

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

Date _____ **16.3.2007** _____

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

EDLB(ED)140

Question Serial No.

2224

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:

Please list in the table below the actual/revised expenditure on “Hong Kong – Live it, Love it!” for 2005-06 and 2006-07, as well as the estimated expenditure for 2007-08.

Asked by: Hon. SIN Chung-kai

Reply:

The actual expenditure, revised estimate and estimate for implementing the “Hong Kong – Live it, Love it!” marketing campaign in 2005-06, 2006-07 and 2007-08 respectively, are as follows:

	2005-06 Actual (\$ m)	2006-07 Revised Estimate (\$ m)	2007-08 Estimate (\$ m)
A. Promotional activities targeted at the trade			
1. Promotion activities for the trade	28.42	30.10	23.33
2. Inbound study visits for the trade	2.68	2.90	3.39
3. Business development	13.67	23.30	15.41
4. Tourism product development	0.16	0.80	0.80
Sub-total	44.93	57.10	42.93
B. Promotional activities targeted at consumers			
1. Overseas promotion and advertising	65.88	53.02	53.39
2. Production of tourist information, publications and publicity materials	21.12	17.54	13.49
3. Support for the Government's overseas promotional activities	1.37	1.73	6.60
4. On-line promotion	7.66	8.17	8.43
5. Organisation of the Best of the Best Culinary Awards	2.06	1.38	2.10
Sub-total	98.09	81.84	84.01

C. Public relations programmes			
1. Familiarisation visits for the media	6.35	6.93	5.18
2. Overseas public relations, publicity and promotion programmes	23.06	29.15	21.14
Sub-total	29.41	36.08	26.32
D. Other activities			
1. Strategic planning and market research	18.46	18.21	18.48
2. Organisation of the Hong Kong Shopping Festival	14.43	14.21	3.30
3. Overseas promotions for mega events and activities held in Hong Kong	19.46	16.44	23.82
4. Stage International Chinese New Year Night Parade	0	0	15.0
5. Market third-party events	0	0	3.0
Sub-total	52.35	48.86	63.60
Others*	64.47	54.26	54.97
Total	289.25	278.14	271.83

**Note: In addition to the above expenditure on the "Hong Kong – Live it, Love it!" marketing campaign, the recurrent provision for the HKTB also covers other costs, such as for destination information dissemination and corporate support.*

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

Will the Hong Kong Tourism Board promote Hong Kong to consumers by means of the Internet in 2007-08? If so, what are the details of the promotion plan and the expenditure involved?

Asked by: Hon. SIN Chung-kai

Reply:

The Hong Kong Tourism Board (HKTB)'s website DiscoverHongKong.com is rich in information and content, with graphics and special features to attract surfing by visitors. It was first developed in 1997 and has since evolved into 18 versions for different countries supporting 12 languages to cope with market developments and needs. As of 2006, the website had an average of 12 million page-view per month.

In 2007-08, the HKTB will continue to make use of the DiscoverHongKong.com website to disseminate information about Hong Kong and promote the city. It will also make use of other online marketing tools and popular travel portals strengthen the promotional efforts. Examples include –

- Run marketing campaigns in global or national major search engines, such as Google and Baidu, to increase consumer awareness and enhance image of Hong Kong.
- Run co-op tactical campaigns with major travel portals, such as Travelocity, Expedia and CTrip, to stimulate more online travel bookings to Hong Kong.
- Plan and implement co-operative programmes with global and national popular consumer portals, such as MSN, Yahoo and Sohu, to build destination image, promote events and attractions, and encourage visits to Hong Kong.

The estimated budget for the above web promotions in 2007-08 is about \$16.4 m.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

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

EDLB(ED)142

Question Serial No.

2226

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:

Please advise this Committee in which Mainland publications that the “Hong Kong – Live it, Love it!” and the Discover Hong Kong Year, two marketing platforms of the Hong Kong Tourism Board, placed advertisements in 2005 and 2006, and in which cities these publications were distributed. What was the expenditure involved?

Asked by: Hon. Sin Chung-kai

Reply:

The revised estimates for print advertising launched by the Hong Kong Tourism Board (HKTB) under the “Hong Kong – Live it, Love it” and the 2006 Discover Hong Kong Year marketing campaigns in the Mainland in 2005-06 and 2006-07 are as follows –

	2005-06	2006-07
	Revised Estimates (\$ m)	Revised Estimates (\$ m)
“Hong Kong – Live it, Love it” marketing platform	8.23	3.14
2006 Discover Hong Kong Year campaign	3.01	19.31
Total	11.24	22.45

Note: Print advertising was launched for the “Hong Kong – Live it, Love it” marketing platform between April and December 2005 and from January 2007 onwards, and for the 2006 Discover Hong Kong Year campaign between January and December 2006.

The HKTB will generally select publications with extensive readership and relevant readership profile for its print advertising, which is launched in priority and high-potential cities, including those cities where the Individual Visit Scheme (IVS) was newly implemented. Below are some examples of the print media used –

Cities	Media
--------	-------

Priority	
Beijing	<i>Beijing Evening News, Shopping Guide</i>
Shanghai	<i>Shanghai Times</i>
Guangzhou	<i>Yangcheng Evening News</i>
Shenzhen	<i>Shenzhen Special Zone Evening News</i>
Dongguan	<i>Dongguan Daily</i>
High-potential / IVS	
Foshan	<i>Foshan Daily</i>
Zhuhai	<i>Zhuhai Special Zone Daily</i>
Zhongshan	<i>Zhongshan Daily</i>
Shantou	<i>Shantou Special Zone Daily Evening News</i>
Jiangmen	<i>Jiangmen Daily</i>
Zhangjiang	<i>Zhangjiang Daily</i>
Fuzhou	<i>Fuzhou Evening News</i>
Xiamen	<i>Xiamen Evening News</i>
Hangzhou	<i>Dushi Kuai Bao</i>
Ningbo	<i>Dongnan Commercial News</i>
Wuxi	<i>Wuxi Daily</i>
Nanjing	<i>Nanjing Daily</i>
Suzhou	<i>Suzhou City Business</i>
Tianjin	<i>Jin Wan Bao</i>
Shenyang	<i>Shenyang Wan Bao</i>
Dalian	<i>Dalian Ri Bao</i>
Jinan	<i>Qilu Evening News</i>
Harbin	<i>Xin Wan Bao</i>
Qingdao	<i>Qingdao Evening News</i>
Changchun	<i>Changchun Evening News</i>
Chengdu	<i>Chengdu Shangbao</i>
Chongqing	<i>Chongqing Youth Daily</i>
Wuhan	<i>Wuhan Evening Newspaper</i>
Changsha	<i>Changsha Wan Bao</i>
Nanning	<i>Nanguo Zhao Bao</i>
New IVS	
Shijiazhuang	<i>Yanzhao Metropolis Daily</i>
Hefei	<i>Hefei Evening News</i>
Changchun	<i>Changchun Daily</i>
Zhengzhou	<i>Dahe Newspaper</i>
Wuhan	<i>Chutian Jin Bao</i>
Nationwide <i>Hers magazine, Friends magazine, Travellers magazine, Le Magazine, Modern Magazine, Good magazine, City Pictorial, Lady magazine and Vacation magazine</i>	

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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:

Overseeing the implementation of the tourism promotion and marketing campaigns by the Hong Kong Tourism Board (HKTB) in attracting more visitor arrivals, and monitoring the cost-effectiveness of these campaigns are parts of the duties of the Economic Development Branch. In this regard, please advise:

1. What are the specific duties entailed?
2. With regard to the \$470 m allocated to the HKTB for the promotion of "Discover Hong Kong Year" in 2005, according to the HKTB's projection, 1.2 million additional visitors would be generated by the campaign and the number of inbound visitors would reach 27 million in 2006. However, the actual number of visitors in 2006 was only some 25 million, a shortfall of nearly 2 million below the target. What are the reasons for the shortfall as deduced by the Administration from "overseeing"?
3. As the additional allocation failed to bring about the expected results, will the Administration request the return of the original provision of \$470 m by the HKTB? If not, how can the Administration achieve the objective of value for money?
4. Has the Administration approached the Audit Commission for a value for money audit report on the work of the HKTB to find out whether public funds are put to effective use? If not, will the Administration consider the suggestion?

Asked by: Hon. SIN Chung-kai

Reply:

The Government and the Board of the Hong Kong Tourism Board (HKTb) maintain regular monitoring of HKTb's resources deployment in accordance with established monitoring mechanism and statutory requirements to ensure effective use of public resources. The monitoring mechanism includes requiring HKTb's annual financial statement to be audited by an external auditor appointed by the Government; and the submission of HKTb's annual report to the Government and tabling the same before the Legislative Council. The HKTb also has an established mechanism of financial monitoring and internal audit to ensure the cost-effectiveness of its promotional activities. HKTb's business plan, budget, marketing programmes, financial procedures and guidelines, and cost-effectiveness of its activities are all vetted and monitored by relevant Committees established under the Board. The HKTb is also requested to submit quarterly reports showing details of the programmes funded by additional one-off provisions from the Government, including the expenditure and the effectiveness of the programmes, to the Board and the Government.

The effectiveness of HKTb's promotional activities can be shown by the fact that steady increase of visitor arrivals to Hong Kong is maintained despite intense competition from other tourism destinations in the past two years. In 2006, total visitor arrivals exceeded 25 million, representing 8.1% growth as compared with 2005. Notwithstanding that it is less than the forecast, promising growth are also seen in a number of areas in the tourism industry as follows:

- (a) Total expenditure associated to inbound tourism for 2005 and 2006 amounted to \$223 b, exceeding HKTb's original estimate by \$10 b, a clear demonstration of the continued contribution of our tourism industry to the economy of Hong Kong.
- (b) One of the HKTb's promotion strategies in the past 2 years was to develop the consumption visitor segment and stimulate their spending in Hong Kong. During the period, the per capita expenditure by same-day in-bound visitors increased significantly by about 45% from \$689 in 2004 to \$1,000 in 2006.
- (c) Another promotion strategy was to further develop the 3 segments of family, business and young executive visitors as key target segments. Catering to their needs, new tourism products and mega events were launched to stimulate their interest in visiting Hong Kong. As compared with 2004, the number of family visitors has grown by about 13% and the number of visitors under 16 has increased by about 30% in 2006. The number of visitor arrivals attending conventions and exhibitions has also increased by about 30% when compared with 2004.

HKTb has set four objective major Key Performance Indicators (KPIs) to measure the effectiveness of its promotional work and activities, including visitor arrivals, length of stay, satisfaction level and spending of visitors. These 4 KPIs are monitored through conducting different surveys to ensure that the marketing efforts achieve the desired results. In 2006, the number of visitor arrivals increased by 8.1% as compared with the previous year. There was a slight increase on per capita expenditure by overnight visitors, while both length of stay and satisfaction level are maintained at previous levels.

The HKTB has also monitored other indicators for individual events, e.g. visitors' satisfaction level. The performance of individual events are in general satisfactory. For example, survey results revealed that for the International Chinese New Year Night Parade and the Hong Kong Shopping Festival held in 2006, 93% and 94% respectively of the visitors indicated that they would re-visit Hong Kong, and 100% and 93% respectively of the visitors indicated that they would recommend Hong Kong to their friends and relatives. These are higher percentages than respective figures in 2005.

To further promote tourism, the Government earmarked in the 2005-06 Budget time-limited funding of some \$470 m for the HKTB for the launch of project-based tourism initiatives. The initiatives include the two-year Discover Hong Kong Year global marketing campaign; a series of strategic promotions and programmes targeted at family and business segments, including staging of mega events and large scale overseas advertisements; and promotion of the Quality Tourism Services Scheme. Of the amount, some \$399.4 m is expected to be spent in 2005-06 and 2006-07. The remaining balance of some \$70.6 m will be carried forward for use in 2007-08. The global promoting campaign launched in 2005-06 and 2006-07 has long term impact. The HKTB will ride on the impact created to continue with its promotion work in a cost-effective way in 2007-08.

The Audit Commission all along conducts value-for-money auditing for different government departments and public organisations. We note that the Department is now carrying such auditing work for the HKTB. The HKTB will fully co-operate with the Department to provide the necessary information.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

**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 estimated and actual/revised expenditures (\$ m) under this programme for 2005-06 and 2006-07 are as follows:

2005-06		2006-07		Total	
Estimate	Actual	Estimate	Revised	Estimate	Actual/Revised
727.3	681.9	739.3	666.2	1466.6	1348.1

The total of the actual/revised expenditures for 2005-06 and 2006-07 is \$120 m less than the estimate. What are the reasons? Please indicate how much was resulted from a reduction in recurrent expenditure and how much belonged to the unused portion of the estimate for "Discover Hong Kong Year"?

Asked by: Hon. SIN Chung-kai

Reply:

For better comparison, we consider that the revised estimate, instead of the original estimate, for 2005-06 should be used. The revised estimate for 2005-06 is \$682.5 m against the original estimate of \$727.3 m. This is mainly because about \$46.5 m of the provision in 2005-06 was carried forward for use in 2006-07. Hence, the difference between the total of the estimates for 2005-06 and 2006-07 and the actual expenditure for 2005-06 plus the revised estimate for 2006-07 is \$73.7 m, not \$120 m. This includes an unspent amount of \$70.6 m from the time-limited funding earmarked in the 2005-06 Budget for the Hong Kong Tourism Board (HKTB) to strengthen promotional efforts (including the 2006 Discover Hong Kong Year campaign). The amount of \$70.6 m will be carried forward for use by the HKTB in 2007-08.

Signature _____

Name in block letters EVA CHENG

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 16.3.2007

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

EDLB(ED)145

Question Serial No.

2544

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:

Regarding the regulatory arrangements for the electricity market after the expiry of the Scheme of Control Agreements in 2008, what is the progress of the relevant study and discussion? When is the decision expected to be made?

Asked by: Hon. LAU Chin-shek

Reply:

We completed two rounds of public consultation last year to seek views on the "Future Development of the Electricity Market in Hong Kong". In the light of comments received, the Government is discussing with the two power companies the terms of the new Scheme of Control Agreements with an aim to mapping out a scheme that will best serve the overall interest of Hong Kong. This includes reducing the permitted rate of return of the power companies, encouraging them to reduce emissions of pollutants, and ensuring stable and reliable supply of electricity. Our target is to finalise the post-2008 regulatory arrangements within 2007.

Signature _____

Name in block letters _____ **EVA CHENG**

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

Date _____ 16.3.2007

**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:

12 posts are to be created in the year 2007-08 to address the long-term manpower requirement for implementing tourism projects. What is meant by "the long-term manpower requirement"? Please provide information on the details of those posts and the expenditure.

Asked by: Hon. TIEN Pei-chun, James

Reply:

The 12 posts to be created in 2007-08 are: 1 Administrative Officer Staff Grade C and 1 Senior Executive Officer to take forward the development of new cruise terminal facilities; 1 Treasury Accountant to strengthen the financial monitoring work in respect of licensed travel agents; 1 Executive Officer I to enhance the support for tourism development work; and 8 posts to replace progressively the existing 8 non-civil-service contract officers with civil servants who are more conversant with the Government machinery and procedures for developing tourism facilities. These 8 posts include 1 Economist, 2 Senior Executive Officers and 5 Executive Officers I to cope with the long-term manpower need for implementing various tourism projects. The actual additional expenditure involved is \$4.3 m in total.

The creation of the above-mentioned Administrative Officer Staff Grade C post on a time-limited basis was approved by the Finance Committee on 9 February 2007.

Signature _____

Name in block letters _____ **EVA CHENG**

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

Date _____ 16.3.2007

**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 total expenditure on the replacement of weather monitoring and forecasting equipment in 2006? What are the details and effectiveness of individual items? What are the reasons for the continuing reduction in the percentage of accurate public forecasts as verified by objective means in the past three years?

Asked by: Hon. CHAN Kam-lam

Reply:

The estimated expenditure on the replacement of weather monitoring and forecasting equipment of the Hong Kong Observatory (HKO) in 2006-07 is around \$16 m. Details of individual items are as follows:-

	Project Item	2006-07 Estimated Expenditure (\$ '000)	Progress / Effectiveness
(1)	Replacement of the ground reception system for receiving meteorological data from Multi-functional Transport Satellite	100	Installation underway.
(2)	Replacement of the upper-air sounding system	213	System in operation/ enhancing the stability of data acquisition.
(3)	Acquisition and installation of a backup Light Detection and Ranging System at the Hong Kong International Airport	9,700	Installation completed and system being tested.
(4)	Replacement of HKO's Meteorological Information Processing, Visualisation, Compilation and Dissemination Software Applications	1,581	Installation completed and system being tested.

	Project Item	Estimated Expenditure (\$ '000)	Progress / Effectiveness
(5)	Installation of a remote control system for interfacing with the single sideband equipment of the Marine Department to broadcast weather information for South China Coastal Waters, to replace the old broadcasting arrangement	300	System in operation/ maintaining broadcast of South China Coastal Water Weather Bulletins.
(6)	Replacement of the uninterruptible power supply system for the Airport Meteorological Office at the Hong Kong International Airport	1,160	Installation completed and system being tested.
(7)	Addition of equipment for solar radiation measurement	400	Installation underway.
(8)	Replacement of the communication server for aviation meteorological data processing system	270	Installation completed and system being tested.
(9)	Addition of a software module for radar data analysis to the weather radar system	882	System in operation/ enhancing analysis of gust and lightning during thunderstorms.
(10)	Upgrading the centralised operational meteorological databases for aviation weather services	500	Installation completed and system being tested.
(11)	Upgrading the storage area network system of HKO's main computer system	900	System in operation/ enhancing storage capacity and retrieval speed.
	Total Expenditure	16,006	

As the complexity and changeability of the weather vary from year to year, the difficulty in weather forecasting fluctuates from year to year. Therefore, the percentage of accurate public forecasts as verified by objective means shows similar random annual variation. The percentages of accurate forecasts from 2000 to 2006 were 89%, 85%, 87%, 89%, 89%, 91% and 90% respectively, and they clearly show such fluctuations. The slight decrease in 2006 is part of the rise and fall. For 2007, the planned percentage is 89% which is the average figure of the past few years.

Signature _____

Name in block letters LAM CHIU YING

Post Title Director of the Hong Kong Observatory

Date 16.3.2007

**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 2007-08, the Hong Kong Observatory will make a number of investments, which include acquiring a new computer system, enhancing the aviation weather service through the use of technology, installing a reception system for the Japanese geostationary meteorological satellite, etc. What is the expenditure involved for each item? What is the expected increase in the accuracy of weather forecasts?

Asked by: Hon. CHAN Kam-lam

Reply:

Expenditure on projects related to the weather programme of the Hong Kong Observatory (HKO) is as follows:

	Project Item	Estimated Project Cost (\$ '000)	2007-08 Estimated Expenditure (\$ '000)
(1)	Replacement and enhancement of the high performance computing system	48,500	8,000 *
(2)	Procurement and installation of a radiometer	1,500	1,500
(3)	Replacement of the computer hardware for the meteorological systems at the Hong Kong International Airport	5,200	2,430

(5)	Replacement of the ground reception system for receiving meteorological data from Multi-functional Transport Satellite	35,400	10,000
	Project Item	Estimated Project Cost (\$ '000)	2007-08 Estimated Expenditure (\$ '000)
(6)	Study and trial of meteorological components under the satellite-based communications, navigation and surveillance / air traffic management systems	4,030	529
(7)	Acquisition and installation of a backup Light Detection and Ranging System at the Hong Kong International Airport	9,900	200
(8)	Enhancement of the thunderstorm warning system	8,200	17
(9)	Replacement of the Internet content management system for HKO's websites	6,902	3,600
	Total	124,832	31,226

* Based on the up-to-date requirement.

The accuracy of weather forecasts depends on many factors, including the acquisition of a large amount of data, computer analyses and processing, as well as research and experience accumulated by professional staff. Moreover, new equipment normally has to go through a period of operational before it can become fully functional. It is therefore not possible to estimate the changes in forecast accuracy brought about by the above projects in the short term. The percentage of accurate public forecasts as verified by objective means in 1999 was 85%, and the figures for recent years ranged from 87% to 91%. This illustrates a substantive improvement brought about by the new equipment and accumulation of experience.

Signature _____

Name in block letters LAM CHIU YING

Post Title Director of the Hong Kong Observatory

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)149

Question Serial No.

0465

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 :

During 2007-08, the department will develop weather services to support the 2008 Olympic and Paralympic Equestrian Events. Please give details of the services and resources required.

Asked by: Hon. CHAN Bernard

Reply:

In accordance with the requirements of Beijing Organizing Committee for the Games of the XXIX Olympiad and the International Federation for Equestrian Sport (FEI), the Observatory will make use of on-site meteorological equipment to monitor the air temperature, relative humidity, wind direction, wind speed, rainfall as well as heat stress on horses. The Observatory will provide the information real-time to the event organizer, the contestants and the public through dedicated webpages. The Observatory will also provide forecasts of heat stress on horses, and conventional weather forecasts and warnings for the venues, as well as maintain contact with the FEI Veterinary Delegate during the Games to provide professional meteorological advice.

The provision of the above services involves building conventional automatic weather stations at the venues, assembling heat stress sensors, designing and operating dedicated webpages and developing techniques to forecast heat stress on horses. The estimated cost of equipment and operation is about \$320,000. All the work is carried out by the Observatory's existing staff. There is no need to recruit additional staff for this purpose.

Signature _____

Name in block letters _____ LAM CHIU YING

Post Title _____ Director of the Hong Kong Observatory

Date _____ 16.3.2007

**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 :

It is understood that the Hong Kong Observatory will develop weather services to support the 2008 Olympic and Paralympic Equestrian Events. Please advise:

- a. what other weather services will be provided apart from the provision of information on temperature and air pressure to ensure a better grasp of the weather conditions at the event venue?
- b. what is the expenditure involved and what instruments(s) will be used?
- c. will additional manpower be required? If yes, how many extra staff members will be recruited and what is the estimated expenditure?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

- a. In accordance with the requirements of Beijing Organizing Committee for the Games of the XXIX Olympiad and the International Federation for Equestrian Sports (FEI), the Observatory will make use of on-site meteorological equipment to monitor the air temperature, relative humidity, wind direction, wind speed, rainfall as well as heat stress on horses. The Observatory will provide the information real-time to the event organizer, contestants and the public through dedicated webpages. The Observatory will also provide forecasts of heat stress on horses, and conventional weather forecasts and warnings for the venues, as well as maintain contact with the FEI Veterinary Delegate during the Games to provide professional meteorological advice.
- b. The provision of the above services involves setting up conventional automatic weather stations at the venues, assembling heat stress sensors, designing and operating dedicated webpages and developing techniques to forecast the heat stress on horses. The estimated cost of equipment and operation is about \$320,000.
- c. All the work is carried out by the Observatory's existing staff. There is no need to recruit additional staff for this purpose.

Signature _____

Name in block letters LAM CHIU YING

Post Title Director of the Hong Kong Observatory

Date 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)151

Question Serial No.

0939

Head: 168 Hong Kong Observatory Subhead:

Programme:

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question :

Under the Personnel Related Expenses, the estimate of the Civil Service Provident Fund contribution for 2007-08 is \$196,000, which is much higher than the revised estimate of \$20,000 for 2006-07. What are the reasons for that?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

The increase in the requirement for Civil Service Provident Fund (CSPF) contribution in 2007-08 is due to the anticipated increase in the number of officers on new agreement terms eligible to join the CSPF Scheme upon their transfer to new permanent terms in 2007-08.

Signature _____

Name in block letters _____ LAM CHIU YING _____

Post Title _____ Director of the Hong Kong Observatory _____

Date _____ 16.3.2007 _____

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

Head: 168 Hong Kong Observatory Subhead:

Programme: (3) Time Standard and Geophysical Services

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question :

In 2007-08, the Hong Kong Observatory will acquire a broadband seismograph and use a numerical model to improve the capabilities of tsunami forecasting. Please provide the following information:

- a. What is the coverage of the new equipment for tsunami forecasting?
- b. What is the accuracy of the new equipment as compared with the existing system?
- c. What is the expenditure involved?
- d. Provision has been recently approved for acquiring a new high performance computing system. Can it perform the function of tsunami forecasting?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

Most tsunamis are caused by large undersea earthquakes. A numerical tsunami model can compute the start, propagation and heights of a tsunami with the inputs of earthquake fault parameters (location, depth, direction, amount and extent of the rupture).

- a. The broadband seismograph to be purchased can help determine the fault parameters of earthquakes in the South China Sea. Through processing the information with a numerical tsunami model, the Observatory can estimate the heights of the resulting tsunamis when they reach the coast of Hong Kong.
- b. The seismic wave data collected by the existing short-period seismographic network of the Observatory can only determine the location, depth and magnitude of an earthquake but cannot compute certain fault parameters, such as the direction of the fault rupture, required for running a numerical tsunami model. Therefore, the Observatory can only use an analogy method based on past cases to roughly assess whether or not the resulting tsunamis would be significant when they reach the coast of Hong Kong. The proposed broadband seismograph will provide seismic wave data to help the Observatory quantify tsunami height forecasts through a numerical tsunami model.

- c. The estimated cost of the acquisition and installation of a broadband seismograph and the associated automatic seismic data processing system is \$4.2 m.
- d. A computing system alone cannot forecast tsunamis. The Observatory would need to use a broadband seismograph to collect seismic wave data to compute the fault parameters of earthquakes. Such data would be input into the computing system to enable running of a numerical model for forecasting tsunamis.

Signature _____

Name in block letters _____ LAM CHIU YING _____

Post Title _____ Director of the Hong Kong Observatory _____

Date _____ 16.3.2007 _____

**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 :

Weather services are very important to the economy because any incorrect analysis may take its toll on the whole economy. As such, would the Administration inform this Committee of: (1) whether any detailed and comprehensive review of the existing system has been taken to ascertain the accuracy of weather forecasts; and (2) the date of the previous review of such kind (if any); and if there is none, why?

Asked by: Hon. TAM Heung-man

Reply:

Since 1984, the Observatory has used objective means to verify its weather forecasts every day. This is conducted by computing the deviations of the forecasts of individual elements, namely, wind strength, state of sky, precipitation, air temperature and visibility, from the actual weather condition. A mark is given accordingly for each element for computation of the indicator of "Accurate Public Forecasts as Verified by Objective Means". Since 1989, the Observatory has commissioned independent public surveys every year to ascertain the public's assessment of the accuracy of its forecasts. These indicators have been included in the Controlling Officer's Report. In addition, the Observatory conducted a comprehensive review of the Tropical Cyclone Warning System from late last year to early this year, and introduced appropriate technical amendments.

Signature _____

Name in block letters _____ LAM CHIU YING

Post Title _____ Director of the Hong Kong Observatory

Date _____ 16.3.2007

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

Head: 168 Hong Kong Observatory Subhead:

Programme: (3) Time Standard and Geophysical Services

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question :

In 2007-08, the Hong Kong Observatory will acquire a broadband seismograph. In what ways can the seismograph improve local and regional capabilities of determining the focus of an earthquake for tsunami forecasting? What is the expenditure incurred?

Asked by: Hon. SHEK Lai-him, Abraham

Reply:

Most tsunamis are caused by large undersea earthquakes. A numerical tsunami model can compute the start, propagation and heights of a tsunami with inputs of earthquake fault parameters (location, depth, direction, amount and extent of the rupture).

Seismic wave data collected by the proposed broadband seismograph can help determine more comprehensive information on earthquake fault parameters. The data will be transmitted to the data centre of the Global Seismographic Network to fill the data gap in the northern part of the South China Sea. The Observatory and national and regional tsunami warning centres around the Pacific (including the South China Sea) can make use of seismic data in the data centre to compute the fault parameters of an earthquake and accordingly estimate the height of the tsunami generated by the earthquake.

The estimated cost of the acquisition and installation of a broadband seismograph and the associated automatic seismic data processing system is \$4.2 m.

Signature _____

Name in block letters LAM CHIU YING

Post Title Director of the Hong Kong Observatory

Date 16.3.2007

**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 :

During 2007-08, the Department will complete the review of the tropical cyclone warning system and implement appropriate measures to enhance the system. Will the Administration inform this Committee of the expenditure and manpower involved in the related work during 2006-07? Is there any involvement of external sectors in the consultation? If yes, which sectors are involved? If no, what are the reasons? What are the additional expenditure and manpower required for implementing the proposed measures?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

As the review of the tropical cyclone warning system was conducted by existing Observatory staff, the additional expenditure only involved a public opinion survey which cost \$148,000. In conducting the review, the Observatory had formed an Academic Advisory Committee comprising scholars and experts, and reached out to different sectors of the community, including representatives of the federations of parent-teacher associations, airlines, insurance, transportation, construction and other industries, as well as marine and fisherman organizations, public bodies, human resource management professionals and weather enthusiasts. As the new measures to be adopted involve only adjustments to the technical criteria for issuance of the No.3 and No.8 signals, their implementation does not require additional resources and manpower.

Signature _____

Name in block letters _____ LAM CHIU YING _____

Post Title _____ Director of the Hong Kong Observatory _____

Date _____ 16.3.2007 _____

**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 2007-08, the Administration will acquire a new computer system for implementing a suite of high resolution mesoscale models for weather prediction. Please advise the Committee whether the weather forecasts currently made available to the public will be improved upon such an enhancement of computer system. If yes, what are the details of the plan? Will the plan bring about improvements such as earlier issuance of warnings about adverse weather and extension of the current 7-day weather forecast period? If not, what are the reasons?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

After commissioning of the new system, the Observatory plans to provide weather forecast charts with higher quality during TV weather programmes and press briefings on severe weather. The Observatory will also develop value-added weather products with specialized applications for reference by different sectors. More detailed weather charts and products will be made available to the public through the Observatory's website.

Severe weather forecasts involve a collection of forecasting tools, such as statistics, climatology, radar, satellite as well as other meteorological observational data. The Observatory will assess the feasibility of an earlier warning of severe weather after the commissioning of the new system.

Limited by the current state of science and technology, weather forecasts beyond 7 days are not accurate enough to serve as reliable reference. Therefore, the Observatory currently has no plan to provide weather forecasts beyond 7 days.

Signature _____

Name in block letters _____ LAM CHIU YING _____

Post Title _____ Director of the Hong Kong Observatory _____

Date _____ 16.3.2007 _____

**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 :

The revised estimate for 2006-07 is 2.5% less than the original estimate. What are the reasons for that?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

Under Programme (1) Weather Services, the revised estimate for 2006-07 is lower than the original estimate by \$4.2 m (2.5%) because of a reduced requirement for maintaining meteorological equipment (\$2.1 m) and for salary payment due to unfilled vacancies (\$2.1 m).

Signature _____

Name in block letters LAM CHIU YING

Post Title Director of the Hong Kong Observatory

Date 16.3.2007

**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 :

Regarding "operating a network of weather stations", please advise this Committee on whether more weather stations will be set up in urban or densely populated areas to provide the public with more relevant real-time weather information. If yes, what are the detailed plans? If no, what are the reasons?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The Hong Kong Observatory already operates weather stations to measure air temperature in 11 districts (Southern, Yau Tsim Mong, Tai Po, Tuen Mun, Yuen Long, North, Sai Kung, Sha Tin, Tsuen Wan, Kwai Tsing and Islands). We plan to set up additional weather stations over the next two to three years so as to provide temperature reports in all 18 districts. The stations in Eastern, Kowloon City and Central & Western Districts are expected to be completed this year, while those in Kwun Tong, Wong Tai Sin, Sham Shui Po and Wan Chai Districts are being planned.

Signature _____

Name in block letters _____ LAM CHIU YING _____

Post Title _____ Director of the Hong Kong Observatory _____

Date _____ 16.3.2007 _____

**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 2007-08, the Administration will develop weather services to support the 2008 Olympic and Paralympic Equestrian Events. Will the Administration consider providing similar support services to organisers of other important sports events held in Hong Kong (such as the annual Hong Kong Marathon)? If yes, what are the detailed plans? If no, what are the reasons?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The Hong Kong Observatory has all along been providing climatological information and weather forecasts in support of large-scale outdoor events upon requests of relevant organizers, for example, the Trailwalker, yacht races, large-scale firework displays, etc. The Observatory will continue to provide such services in future.

Signature _____

Name in block letters _____ LAM CHIU YING _____

Post Title _____ Director of the Hong Kong Observatory _____

Date _____ 16.3.2007 _____

**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 :

Regarding the issue of weather information, forecasts and various warnings of hazardous weather, will the Hong Kong Observatory advise this Committee if it will reconsider introducing and issuing to the public the "Weather Comfort Index". 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 Hong Kong Observatory already provides cold and very hot weather warnings to advise the public to take necessary precautions to avoid adverse health effects under extreme temperatures. In 2006, the Observatory completed a study on the long-term change of heat stress in Hong Kong. Weather factors such as temperature, relative humidity and wind speed were considered in the study. The Observatory plans to further study local survey results on public's perception of comfortable weather and make reference to the Guideline on Universal Thermal Climate Index to be issued by the World Meteorological Organization in 2009 in order to consider devising a weather comfort index suitable for Hong Kong.

Signature _____

Name in block letters _____ LAM CHIU YING

Post Title _____ Director of the Hong Kong Observatory

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

Reply Serial No.

EDLB(ED)161

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

Question Serial No.

1030

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, forecasts and various warnings on hazardous weather, as the public has a keen demand for weather forecast of a long range, will the Observatory consider extending the existing 7-day weather forecast to 10 days or longer?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

Limited by the current state of science and technology, weather forecasts beyond 7 days are not yet accurate enough to serve as reliable reference. Therefore, the Observatory currently has no plan to provide weather forecasts beyond 7 days.

Signature _____

Name in block letters _____ LAM CHIU YING

Post Title _____ Director of the Hong Kong Observatory

Date _____ 16.3.2007

**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 :

On the target of “accurate public forecasts as verified by objective means”, please explain the meaning of “objective means”. Take 7 March 2007 as an example, the Observatory had predicted the temperature for that day would be around 14 to 15 degrees. However, the actual temperature on that day dropped to 11 degrees. In this connection, how will the Observatory compute the accuracy of the weather forecast for that day? Will the Observatory consider making accuracy analyses in respect of individual items in weather forecasts, such as temperature and relative humidity ? If yes, will such data be released so that the public can know the accuracy of different weather forecast information? If no, why ?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

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 (<http://www.weather.gov.hk/publica/tnl/tnl070.pdf>) for reference. In the forecast issued at 4:15 p.m. on 6 March 2007, a minimum temperature of 13 degrees was predicted for the following day, which turned out to be 10.6 degrees, and the accuracy rate for the part on temperature forecast for that day was 64.

The Observatory has been verifying the predictions for individual weather elements. The relevant results may be released if required.

Signature _____

Name in block letters _____ LAM CHIU YING

Post Title _____ Director of the Hong Kong Observatory

Date _____ 16.3.2007

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

Head: 168 Hong Kong Observatory Subhead:

Programme: (3) Time Standard and Geophysical Services

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question :

The Department will acquire a broadband seismograph in 2007-08. Please inform this Committee of the expenditure and manpower involved and how the system would improve the dissemination of information on earthquakes to the public.

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The estimated cost of the acquisition and installation of a broadband seismograph and the associated automatic seismic data processing system is \$4.2 m. Existing staff of the Observatory will be deployed to operate the new system.

Seismic wave data collected by the proposed broadband seismograph can help determine more comprehensive information on earthquake fault parameters (location, depth, direction, amount and extent of the rupture). Through processing the information with a numerical tsunami model, the Observatory can estimate the start, propagation and height of the resulting tsunami. With seismic monitoring and numerical tsunami modelling, the Observatory can more effectively assess the height of tsunamis when they reach Hong Kong, and issue tsunami information bulletins or warnings to the public as necessary.

Signature _____

Name in block letters LAM CHIU YING

Post Title Director of the Hong Kong Observatory

Date 16.3.2007

**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 2005-06 and 2006-07, were there any co-operation and exchanges between the Hong Kong Observatory and observatories in neighbouring regions (e.g. the Guangdong Meteorological Observatory, Fujian Meteorological Observatory and Central Meteorological Observatory) in weather forecast? If yes, what are the details? If not, what are the reasons?

Asked by: Hon. SHEK Lai-him, Abraham

Reply:

The Hong Kong Observatory (HKO) has all along maintained cooperation with observatories in neighbouring regions. For example, the HKO and the China Meteorological Administration (CMA) signed the Arrangement on Long-term Co-operation on Meteorological Science and Technology, covering co-operation on weather forecasting and warnings, meteorological communication, information exchange, research as well as training. Moreover, the HKO and the National Meteorological Centre of CMA have maintained a point-to-point link and had frequent exchange visits. In addition, the HKO, Guangdong Meteorological Bureau and Macao Meteorological and Geophysical Bureau organise annual meteorological operation co-operation meetings and seminars on meteorological science and technology. In daily operation, the three centres also exchange weather warnings and information provided by their automatic weather stations.

Signature _____

Name in block letters _____ LAM CHIU YING

Post Title _____ Director of the Hong Kong Observatory

Date _____ 16.3.2007

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)165

Question Serial No.

2005

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 :

According to the target set under this programme, the actual visits to the Observatory in 2006 was 918 000 000, which was 338 000 000 more than the 580 000 000 estimated for 2006. The Government claimed the increase in 2006 was mainly due to the growing public demand for timely access to weather information, especially on severe weather. Please provide the number of daily visits in 2006.

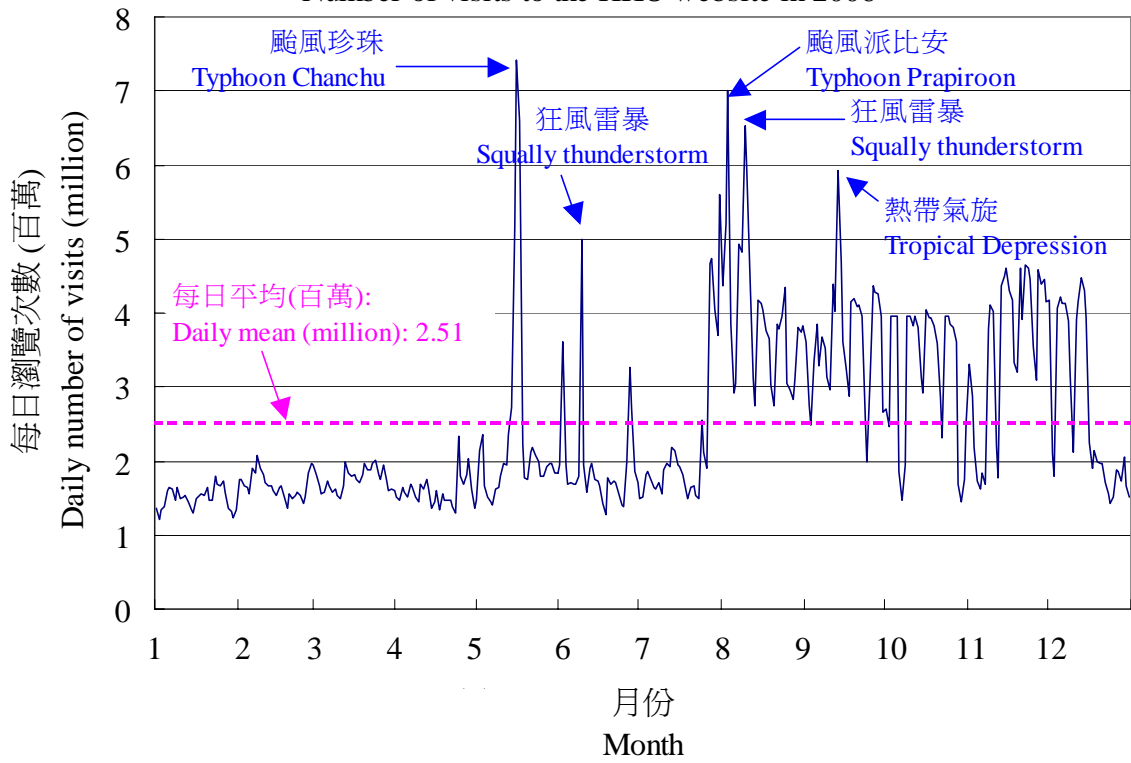
Asked by: Hon. CHAN Wai-yip, Albert

Reply:

The daily number of visits to the Observatory's website in 2006 can be found in the following chart (the dotted line indicates the mean daily number of visits). The chart shows that sharp increases in the number of visits were mostly related to tropical cyclones and squally thunderstorms, such as Typhoon Chanchu in May and Typhoon Prapiroon in August. The detailed figures are set out in Annex.

2006年天文台網頁瀏覽次數

Number of visits to the HKO website in 2006



Signature _____

Name in block letters _____ LAM CHIU YING

Post Title _____ Director of the Hong Kong Observatory

Date _____ 16.3.2007

Number of Visits to Observatory's Website in 2006

Day	Jan	Feb	March	April	May	June
1	1,366,820	1,748,292	1,940,965	1,519,021	1,463,974	1,937,160
2	1,204,747	1,761,518	1,815,435	1,474,553	2,144,267	3,617,677
3	1,346,601	1,658,240	1,661,765	1,632,943	2,347,851	1,950,721
4	1,388,018	1,649,781	1,551,525	1,579,514	1,670,907	1,696,318
5	1,593,831	1,563,998	1,585,466	1,521,991	1,522,710	1,701,583
6	1,637,112	1,893,853	1,726,670	1,690,016	1,454,056	1,676,618
7	1,617,004	1,843,725	1,655,422	1,639,241	1,416,079	1,688,920
8	1,473,110	2,069,890	1,588,016	1,503,104	1,616,684	1,801,730
9	1,633,862	1,910,283	1,625,959	1,448,355	1,651,533	4,996,948
10	1,494,541	1,809,673	1,540,779	1,693,301	1,796,899	1,937,685
11	1,505,679	1,711,390	1,488,885	1,627,495	1,964,051	1,587,541
12	1,538,006	1,671,233	1,663,003	1,749,730	1,942,365	1,912,174
13	1,451,966	1,667,589	1,982,855	1,638,605	2,355,461	1,963,059
14	1,345,208	1,591,352	1,831,589	1,361,339	2,720,666	1,756,047
15	1,304,301	1,540,348	1,794,742	1,443,120	5,171,902	1,735,230
16	1,491,596	1,638,188	1,818,983	1,599,648	7,405,888	1,672,650
17	1,542,674	1,670,991	1,761,068	1,345,550	6,602,916	1,429,053
18	1,557,782	1,507,424	1,699,243	1,558,221	2,222,701	1,277,469
19	1,543,388	1,371,646	1,821,646	1,474,134	1,771,757	1,780,332
20	1,636,949	1,556,507	1,971,750	1,468,307	1,741,207	1,677,930
21	1,469,173	1,488,769	1,878,849	1,470,913	2,115,638	1,729,096
22	1,462,824	1,524,850	1,877,478	1,382,818	2,174,040	1,704,426
23	1,783,991	1,572,924	1,978,085	1,296,201	2,085,268	1,559,648
24	1,689,592	1,537,667	2,005,474	2,330,516	1,998,297	1,414,578
25	1,673,127	1,430,406	1,825,440	1,798,117	1,799,385	1,377,224
26	1,719,861	1,511,002	1,741,853	1,691,770	1,787,720	1,983,137
27	1,584,775	1,838,763	1,943,549	1,809,239	1,930,429	3,272,481
28	1,364,967	1,973,524	1,721,495	2,023,244	1,972,722	2,699,848
29	1,324,851		1,610,391	1,617,683	1,960,628	1,863,865
30	1,232,708		1,613,002	1,356,189	1,833,833	1,702,703
31	1,333,160		1,601,530		1,842,715	

Number of Visits to Observatory's Website in 2006 (Con't.)

Day	Jul	Aug	Sept	Oct	Nov	Dec
1	1,491,445	4,362,900	3,607,824	2,706,272	3,308,463	4,163,425
2	1,508,148	5,203,378	2,752,684	2,474,663	2,885,910	2,106,154
3	1,807,300	7,010,448	2,481,990	3,961,014	2,173,764	1,788,548
4	1,852,582	3,848,995	3,350,684	3,966,229	1,724,735	4,056,168
5	1,757,606	2,922,898	3,841,153	3,966,759	1,632,073	4,214,454
6	1,647,316	3,057,679	3,294,131	1,861,989	1,848,021	4,130,646
7	1,630,861	4,930,132	3,669,695	1,477,126	1,692,893	4,138,783
8	1,699,963	4,832,070	3,524,918	1,954,754	3,787,781	3,882,854
9	1,559,327	6,528,734	3,145,440	3,966,074	4,098,180	3,174,681
10	1,874,828	5,911,465	2,955,790	3,964,264	4,015,845	2,118,724
11	1,977,724	4,482,922	4,383,012	3,830,785	2,200,376	3,906,749
12	1,917,077	3,123,734	4,011,982	3,946,386	1,766,346	4,160,667
13	2,178,644	2,741,550	5,927,358	3,806,913	4,364,743	4,466,883
14	2,140,496	4,171,781	4,698,168	3,125,715	4,503,813	4,293,947
15	1,948,218	4,133,557	3,615,946	2,916,370	4,609,958	3,940,335
16	1,933,051	4,052,655	3,274,855	4,034,735	4,293,062	2,257,158
17	1,824,856	3,771,603	2,882,751	3,928,186	4,165,374	1,896,989
18	1,590,720	3,649,595	4,141,200	3,937,583	3,319,407	2,144,736
19	1,490,603	3,029,035	4,184,562	3,827,582	3,201,939	1,981,122
20	1,652,508	2,739,094	4,087,920	3,589,606	4,601,017	1,967,529
21	1,661,355	3,841,381	4,115,130	2,862,873	3,902,987	1,956,920
22	1,537,372	3,778,646	3,963,904	2,316,245	4,648,758	1,701,364
23	1,496,036	3,951,883	2,589,639	3,965,601	4,609,342	1,549,601
24	2,556,734	4,339,844	1,985,849	3,958,845	4,453,206	1,433,443
25	2,121,073	3,046,838	3,096,692	3,840,149	3,546,768	1,521,339
26	1,906,061	2,964,068	4,368,962	3,815,701	3,090,466	1,888,492
27	4,677,573	2,842,068	4,291,740	3,620,084	4,578,430	1,848,902
28	4,724,896	3,099,199	4,253,523	1,687,514	4,384,905	1,739,872
29	4,042,053	3,800,732	3,954,297	1,455,530	4,456,336	2,049,277
30	3,700,090	3,731,849	2,657,780	1,757,092	4,159,954	1,658,005
31	5,594,769	3,821,998		2,499,232		1,514,188

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)166

Question Serial No.

2006

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 :

According to the target set under this programme, the actual telephone enquiries answered manually in 2006 was 64 000, which was 24 000 more than the 40 000 estimated for 2006. The Government claimed the increase in 2006 was mainly due to the growing public demand for timely access to weather information, especially on severe weather. Please provide the number of daily telephone enquiries in 2006.

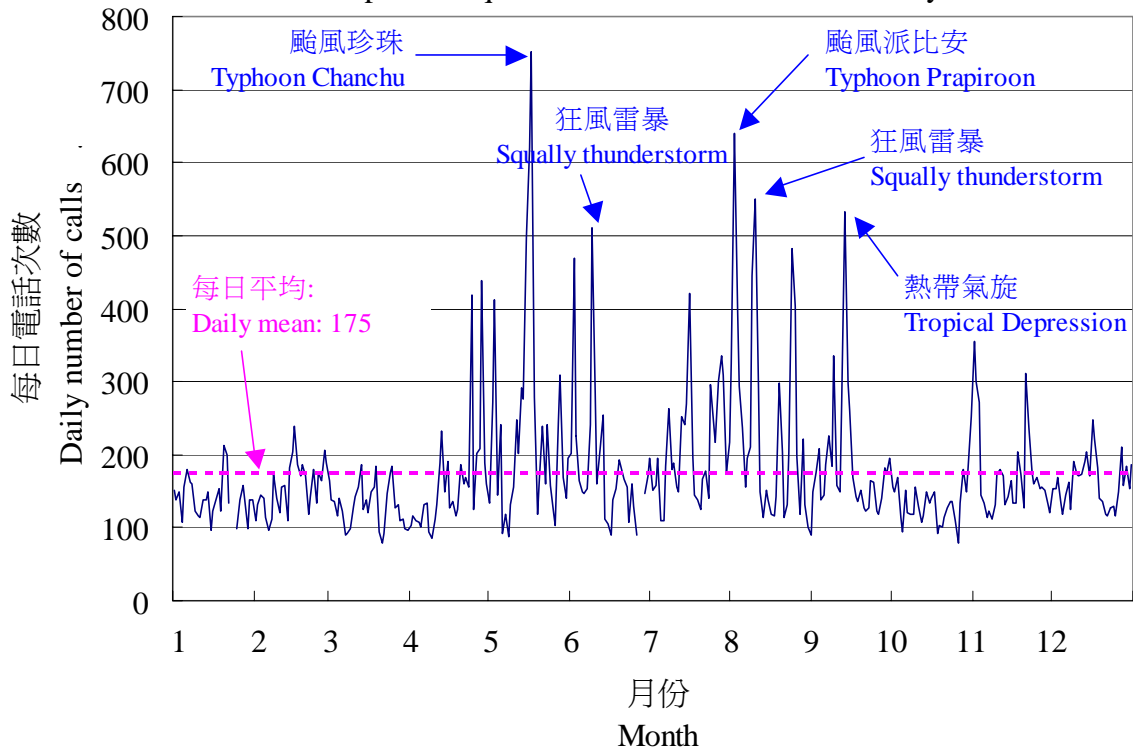
Asked by: Hon. CHAN Wai-yip, Albert

Reply:

The daily number of telephone enquiries handled by the Observatory manually in 2006 can be found in the following chart (the dotted line indicates the mean daily number of enquiries). The chart shows that sharp increases in the number of enquiries were mostly related to tropical cyclones and squally thunderstorms, such as Typhoon Chanchu in May and Typhoon Prapiroon in August. The detailed figures are set out in Annex.

2006年人手答覆天氣查詢電話次數

Number of telephone enquiries on weather handled manually in 2006



Signature _____

Name in block letters LAM CHIU YING

Post Title Director of the Hong Kong Observatory

Date 16.3.2007

Number of Telephone Enquiries Answered Manually in 2006

Day	Jan	Feb	March	April	May	June
1	151	109	165	104	134	201
2	137	131	139	117	271	469
3	149	144	135	110	412	225
4	107	141	116	108	145	165
5	156	114	140	100	242	149
6	179	97	122	132	92	147
7	162	111	89	133	119	153
8	159	174	92	94	88	242
9	123	140	99	86	132	511
10	117	120	130	111	155	285
11	114	155	143	131	248	161
12	137	158	156	189	201	207
13	139	109	187	232	291	254
14	150	181	124	150	276	112
15	96	203	137	191	498	105
16	123	238	120	127	621	89
17	137	187	148	136	751	138
18	153	172	156	117	278	153
19	122	186	185	124	119	193
20	212	170	94	187	162	184
21	200	119	80	161	240	167
22	133	142	92	169	159	156
23	-	180	146	156	241	108
24	-	134	175	418	158	160
25	99	175	185	125	121	129
26	139	164	128	201	104	89
27	158	205	131	209	245	-
28	137	188	109	439	309	-
29	98		111	189	168	147
30	139		99	161	140	170
31	139		97		194	

Remark: Data on 23-24 January and 27-28 June were not available as the relevant computer malfunctioned and failed to record the data automatically during the period.

Number of Telephone Enquiries Answered Manually in 2006 (Con't.)

Day	Jul	Aug	Sept	Oct	Nov	Dec
1	194	325	148	156	355	154
2	152	641	175	148	301	154
3	157	397	208	168	271	169
4	195	293	138	113	144	133
5	110	237	145	94	133	119
6	110	155	186	152	114	144
7	185	194	225	120	123	162
8	262	211	185	118	112	125
9	179	445	335	119	132	190
10	188	551	158	156	173	173
11	155	295	148	129	180	172
12	149	148	270	107	171	173
13	251	114	532	117	132	190
14	242	151	298	150	142	204
15	269	138	261	133	164	172
16	420	119	169	141	133	248
17	198	116	142	148	133	221
18	145	143	136	92	204	182
19	137	299	151	104	174	140
20	124	204	128	101	127	135
21	167	114	122	114	311	119
22	178	131	127	128	237	116
23	141	204	164	135	175	128
24	295	483	162	135	161	130
25	243	404	122	110	169	116
26	218	198	118	78	154	149
27	301	119	141	133	156	211
28	336	221	183	180	151	158
29	309	131	173	148	132	185
30	175	100	194	181	120	154
31	217	89		253		187

Examination of Estimates of Expenditure 2007-08

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

Reply Serial No.

EDLB(ED)167

Question Serial No.

2707

Head : Capital Works Reserve Fund
705 Civil Engineering

Subhead : 5662CL Reclamation of Penny's Bay stage 1 works, design of site formation at Yam O and design of associated infrastructure and government, institution and community facilities for the development of Hong Kong Disneyland phase 1 on Lantau Island

Programme :

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Economic Development and Labour

Question :

What is the progress of the following project? What is the funding allocated for 2007-08 used for? When will the project be completed? Does it deviate from the completion date anticipated when the project was approved?

5662CL Reclamation of Penny's Bay stage 1 works, design of site formation at Yam O and design of associated infrastructure and government, institution and community facilities for the development of Hong Kong Disneyland phase 1 on Lantau Island.

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

The reclamation works, the design of the site formation and associated infrastructure under 5662CL were substantially completed in December 2002, which is in line with the anticipated completion date of 2003 when the project was approved. The provision of \$60.4 million in 2007-08 is for some on-going minor works and the final contract payment.

Signature _____

Name in block letters _____ Adrian NG

Post Title _____ Director of Civil Engineering and Development (Acting)

Date _____ 16.3.2007