

立法會 *Legislative Council*

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Report of the Panel on Environmental Affairs for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Environmental Affairs during the Legislative Council (LegCo) session 2005-06. It will be tabled at the meeting of the Council on 12 July 2006 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

The Panel

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000 for the purpose of monitoring and examining Government policies and issues of public concern relating to environmental and conservation matters. The terms of reference of the Panel are given in **Appendix I**.

3. The Panel comprises 12 members, with Hon CHOY So-yuk and Hon Emily LAU elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is in **Appendix II**.

Major Work

Air

4. Air pollution, both in indoor and outdoor environment, remained high on the agenda of the Panel.

5. **Outdoor air quality** was affected by local and regional air pollution. Local air pollution could be chiefly divided into two sources viz. stationary and mobile. The former was predominantly from power plants whereas the latter mainly referred to emissions from vehicles. Apart from pursuing various emissions reduction or prevention measures, the Government had been co-operating with the Guangdong Provincial Government since 2002 to drastically reduce the four major pollutants, namely sulphur dioxide (SO₂), nitrogen oxides (NO_x), respirable suspended particulates (RSP) and volatile organic compounds (VOC), in the Pearl River Delta (PRD) Region by 2010.

6. The power plants made up the largest emission source within Hong Kong, accounting for 92% of the total emission of SO₂, and half of that of NO_x and RSP. The situation was further aggravated with the increased use of coal by power plants in the last two years. The Panel was therefore disappointed that the Financial Plans of the two local power companies were approved albeit they had indicated that they would not be able to meet the intended emission caps set by the Government. In this connection, the Panel held a number of meetings to follow up the issue. Deputations were also invited to express their views.

7. The Panel noted that the Administration had clearly informed the two power companies that the approval of their Financial Plans should not be taken as a promise that the Government had accepted their emissions reduction projects in meeting the intended emission caps as specified upon the renewal of the Specified Process Licence (SPL) under the Air Pollution Control Ordinance (Cap. 311). To meet the intended caps for 2010, the power companies would need to take additional measures, such as expediting the current works programme on emissions reduction facilities, increasing the ration of natural gas to coal in their fuel mix, reducing power supply to the Mainland and participating in emissions trading, etc. The Panel agreed that the two local power companies should endeavour to control emissions as part of their social and corporate responsibility. Members also supported the Administration's intent to impose emission caps on power plants in the renewal of SPL with a view to reducing the emissions to the practical minimum. They however stressed the need for the Administration to liaise with the power companies to work out an economically and environmentally acceptable solution to control emissions from power plants.

8. In December 2005, the Administration published the Stage II Consultation Paper on future development of the electricity in Hong Kong. In devising new schemes of control for the post-2008 electricity market, the Government would require the power companies to install effective emissions reduction facilities to achieve emissions reduction targets as a precondition for licensing. It would also require the power companies to use renewable energy in electricity generation in the new schemes of control. On emissions reduction, it was proposed that the permitted rate of return on all fixed assets of the power companies would be linked to their achievement of the emission caps stipulated in SPLs. Emissions reduction facilities would be subject to the lowest rate of return so as to avoid the costs of emissions reduction facilities being passed onto consumers and increasing their tariff burden. To promote the use of renewable energy (RE), a higher rate of return would be given for RE infrastructure to provide the necessary financial incentive. Agreement would be sought from the power companies to provide connection/access to their grids for RE generating facilities at agreed access charges.

9. The environmental policy for the power sector and the environmental measures proposed in the Stage II Consultation Paper was discussed by the Panel at its meeting on 27 March 2006, during which deputations were invited to express their views. Members were gravely concerned about the slow progress which the two power companies had made in implementing emissions reduction measures. Instead of discharging their corporate responsibility to improve emission performance, the

power companies were using emissions reduction facilities as tools for bargaining better terms for their new Scheme of Control Agreements (SCAs), such as higher rate of return and longer duration which were contrary to the motion on the opening of the electricity market moved and carried at the Council meeting on 15 February 2006. They therefore welcomed the Administration's proposal to link the emission performance of power companies with the permitted rate of return. Noting that Hong Kong was way behind others in the development of RE which only comprised 1% of the total power generation in Hong Kong as compared with 50% to 70% in European countries, some members held the view that additional conditions should be included in the new SCAs for the two power companies to reduce their reliance on the use of coal in power generation, which was most damaging to the environment and had led to deleterious impact on air quality. Consideration should also be given to introducing a carbon tax on emissions from polluting industries. Given that Hong Kong had tremendous capacity for energy conservation, the Administration was urged to implement energy conservation and efficiency measures on a wider scale. However, care had to be taken to prevent the two power companies to use the reduction in energy consumption as a result of energy conservation as an excuse to increase tariffs.

10. To reduce emissions from vehicles, the Administration proposed to implement, in tandem with the European Union (EU), Euro IV emission standards in Hong Kong for newly registered heavy duty vehicles and Euro III emission standards for newly registered motorcycles. While supporting in principle the introduction of more stringent emission standards, some members held the view that incentives, such as concessions on First Registration Tax, should be used to encourage the use of more environmentally friendly hybrid vehicles which ran on a combination of petrol and electricity. Given the good emission performance of hybrid vehicles in the on-going two-year comparative study commissioned by the Government Logistics Department, they opined that the Administration should endeavour to encourage early conversion to hybrid vehicles for the benefit of public health. They also pointed out that the limited supply of hybrid vehicles should not be a problem as manufacturers would be encouraged to produce more hybrid vehicles in the event of greater demand to take advantage of the economy of scale to reduce cost.

11. *Indoor air quality* (IAQ) had received little attention in the past as compared with that in the outdoor environment. Given that a person on average spent more than 70% of his time in indoor environment, the Panel held the view that more had to be done to improve IAQ. In November 2005, members received a briefing on the latest development of the IAQ Management Programme which included, among others, a set of Guidance Notes for the Management of IAQ and the a voluntary and self-regulatory IAQ Certification Scheme for Offices and Public Places (the Scheme) that adopted the IAQ objective.

12. Noting that only a limited number of buildings had been awarded with IAQ Certificates, members questioned the effectiveness of the Scheme in improving IAQ. They considered that efforts should be stepped up to encourage building owners and management companies to take measures to improve IAQ of their buildings. As an incentive, consideration could be given to publicizing buildings with good IAQ which might help these buildings to attract a higher rental, thereby encouraging other buildings to follow suit. Spot checks to buildings under the existing legislation should be made to ensure good IAQ. Actions, such as issuing of warning letters, should be taken against buildings with poor ventilation. New buildings should also be subject to examination to ensure that VOC emissions from building materials had been reduced to an acceptable level.

13. VOC played a significant role in the formation of ozone and RSP in the atmosphere which were harmful to health. It could also exacerbate smog phenomenon and impair visibility. A series of programmes, including control measures for reducing VOC emissions from petrol filling stations, had been put in place to reduce VOC emissions. To further reduce VOC emissions, the Administration put forward a two-stage approach, including a mandatory registration and labeling of selected VOC-containing consumer items. A two-month consultation exercise was embarked in September 2004. In view of the many concerns, such as the justifications for the scheme to cover many consumer products and cosmetics, the difficulties for the trades to comply with the testing and registration requirements, the cost to and implications on the affected trades as well as the need for a regulatory impact assessment, the Administration undertook to work further with the trades in partnership through meetings and working groups on practicable alternatives that would avoid or minimize any adverse impacts on them.

14. In November 2005, the Panel received a briefing on the revised control programme, under which the scope of control for consumer products was narrowed down to six largest emitting sources, and mandatory registration and testing of VOC products were no longer required etc. While appreciating the Administration's effort in conducting in-depth discussions with the trades in mapping out measures to effectively reduce VOC emissions and minimizing the impact on the affected trades, members pointed out that this should have been done before the control programme was worked out. Nevertheless, they noted that the proposed control programme could help reduce approximately 8 000 tonnes of VOCs, representing a 15% reduction in total VOC emissions. Together with the 23% reduction in VOC emissions resulting from the implementation of a series of measures since 1997 and the continual implementation of the various control programmes on the use of solvents, it was expected that Hong Kong could meet the emissions reduction target of 55% VOC by 2010.

Waste management

15. In December 2005, the Administration published "A Policy Framework for the Management of Municipal Solid Waste (2005-2014)". The Policy Framework set out a comprehensive strategy consisting of a series of tried and proven policy tools

and measures to tackle the waste problem ahead and to achieve the targets of waste avoidance (to reduce the amount of municipal solid waste (MSW) generated in Hong Kong by 1% per annum up to the year 2014), reuse, recycling and recovery (to increase the overall recovery rate of MSW to 45% by 2009 and 50% by 2014) as well as bulk reduction and disposal of unavoidable waste (to reduce the total MSW disposed of in landfills to less than 25% by 2014). The emphasis of the way forward on MSW management for the next decade from 2005 to 2014 was on community participation and the “polluter-pays” principle. The major initiatives proposed in the Policy Framework included, among other things, the introduction of mandatory producer responsibility schemes (PRSs) through new legislation upon completion of detailed studies on product-specific measures, continual development of the EcoPark exclusively for the environmental industry, adoption of a green procurement policy by the Government as far as practicable, and introduction of landfill disposal bans to complement PRSs.

16. In view of the far-reaching implications of the Policy Framework, the Panel held two meetings on 15 December 2005 and 19 January 2006 to discuss the subject. Deputations were invited to express their views at the latter meeting. While welcoming the Policy Framework, the Panel was dissatisfied that it was published without further public consultation. On waste avoidance and minimization, there was concern that the target of reducing the amount of MSW generated in Hong Kong by 1% per annum up to the year 2014 was too conservative albeit this had taken into account the annual growth rate of 3% for MSW generated in Hong Kong, representing a total gross reduction of 4% of MSW per annum. It was expected that once a proper waste reduction policy was put in place, a drastic reduction in waste generation could be evidenced as in the case of Taiwan where the waste reduction rate had increased from 2.4% to 50% following the implementation of waste reduction measures.

17. On reuse, recovery and recycling, the Panel supported the introduction of PRSs since it would be unfair to require the public to shoulder waste charges while producers were not responsible for disposal of the products they produced. However, members noted that there were divergent views on the proposed PRSs on plastic bags and waste tyres. Some overseas reports had indicated that there were serious shortcomings in the prepaid waste disposal bag system, which might result in more plastic bags requiring disposal. It was also questionable whether the control over the indiscriminate use of plastic bags should similarly apply to vehicle tyres, which could be repaired and reused. The proposed PRS on waste tyres might also threaten the survival of the tyre industry. As the lack of support from the trades might lead to further delay in the implementation of PRS, the Administration was urged to conduct early consultation with the affected trades with a view to resolving the differences. Given that Hong Kong had already lagged behind many overseas countries on the implementation of PRSs, members considered it necessary for the Administration to adhere to the proposed legislative timetable on PRSs as set out in the Policy Framework.

18. On development of the EcoPark, members agreed that efforts should be made to assist tenants of the EcoPark in implementing projects associated with recycling of specific products under PRS so that they could complement each other. While supporting the financial proposal to expedite the development of the EcoPark, members stressed the need to ensure that the recycling operations within the EcoPark would only deal with local waste rather than imported waste in order to create a circular economy. The operation of the EcoPark should be self-financing as otherwise it would not be sustainable in the long run. Some members also stressed the need for separate sorting facilities to facilitate the recovery of local recyclable wastes to ensure that the EcoPark would not end up as a waste sorting centre which would defeat its intended purpose of enhancing the development of the recycling industry.

19. On bulk reduction and disposal of unavoidable waste, some members queried the Administration's estimate that about 5 700 tonnes of MSW would have to be incinerated. They opined that efforts should be made to reduce as far as possible the amount of MSW to be incinerated. Other members stressed the need to use the most advanced technology for incineration even if this might entail a higher cost.

20. On green procurement, there was a general consensus that the Government should take the lead in green procurement with a view to developing a market for green products. Members also noted that the Government Logistics Department had developed a set of guidelines on green procurement for Government departments and the amount of purchases under the green procurement policy had amounted to over \$40 million per year. They considered that apart from Government departments, the guidelines should also be applied to public works projects so that more environmentally friendly materials could be used for construction works.

21. In April 2006, the Panel received a briefing on the proposed legislation for implementation of PRSs. Given that all PRSs had the same objectives and shared many core elements, such as take-back responsibility and mandatory tax or levy, the Administration intended to adopt an umbrella legislative approach i.e. an enabling legislation with detailed regulatory requirements to be introduced through subsidiary legislation. While supporting the concept of PRS to share responsibility along the chain of production, distribution, consumption, collection, recycling, treatment and disposal of products, some members had serious reservations on the proposed umbrella approach, which in their views was like signing a blank cheque. On the other hand, the enabling legislation would be seen as a lip service in the absence of regulatory control. To this end, the Administration was urged to submit at least one PRS regulation together with the comprehensive legislation to facilitate understanding of the proposed regulatory control. To allow sufficient time for the scrutiny of PRS regulations, consideration should also be given to using a positive vetting procedure for the regulations.

22. The imminent cessation of the operation of the temporary Quarry Bay Public Fill Barging Point in early 2008 gave rise to the need for constructing a permanent barging point on the Hong Kong Island for collecting public fill and

loading the materials for delivery by sea to reclamation sites in Hong Kong or the two temporary fill banks at Tseung Kwan O and Tuen Mun to stockpile the surplus public fill temporarily for later use. When the proposal to construct the Chai Wai Public Fill Barging Point was discussed by the Panel in May 2006, concerns over air impacts and road safety caused by uncovered dump trucks were raised. Members were disappointed that the Administration had only required public works contracts with contract sum of \$20 million or more to use dump trucks equipped with mechanical covers for delivery of construction and demolition materials. They considered that more stringent measures, such as review of the existing legislation and stepping up of enforcement against non-compliance, should be imposed to ensure that dump trucks entering the barging points were covered. To follow up the subject, another meeting was held in June 2006 during which the Administration was requested to liaise with the trade to work out the most cost-effective way to cover the loads, require dump trucks to put up a sign showing the hotline through which the public could complain about uncovered dump trucks, include in the paper to the Public Works Subcommittee the prosecution mechanism against uncovered dump trucks.

Noise

23. Similar to many metropolitan cities, road traffic noise had become a severe environmental problem that affected a large number of residents in Hong Kong. The issue of excessive road traffic noise had been repeatedly discussed by the Panel and raised at various meetings, including those with District Councils. To better understand the issue, the Research and Library Services Division of the LegCo Secretariat had been tasked to conduct a study on the present government policy and mechanism in determining the need for mitigation measures and the scope of measures which could be put in place. The study also covered the measures and improvement works undertaken in other overseas places with circumstances similar to Hong Kong.

24. Meanwhile, the Administration released “A Draft Comprehensive Plan to Tackle Road Traffic Noise in Hong Kong” setting out the proposed enhanced measures it would consider in tackling road traffic noise problems. These included extending the trial of low noise road surfacing materials, exploring new design of low noise road surfacing materials, exploring optimum barrier design for territory-wide use, exploring the control of noise emission from in-use vehicles, reviewing the Professional Practice Note on Road Traffic Noise, promoting the disclosure of noise information in sales brochure for residential development, improving joints at flyover, exploring night-time traffic noise standard and enhancing public engagement and partnership.

25. The research report and the draft plan were discussed at the Panel meeting on 4 July 2006. While welcoming the proposed enhanced measures, it was noted that many of these measures would involve studies and public consultation which would take time. As an imminent measure to tackle the excessive traffic noise problem, the Administration was urged to consult and consider providing incentives to the transport trades with a view to encouraging heavy vehicles not to enter residential

areas or use diverted routes at night if such diversions would not result in transferring the noise nuisance to residents along the diverted routes. Enforcement against illegal tempering of vehicles should also be stepped up. Members agreed that prevention of noise problem at the outset of land use planning and project design planning was the most effective noise abatement measure. To this end, consideration should be given to rejecting proposals of residential developments on sites where the surrounding traffic noise levels had already exceeded the noise limit. Buffer zones or green belts should be provided in the event that the noise levels of the proposed developments were below but close to the limit. To incorporate in the sales brochures for residential developments the noise levels which the developments would be exposed to so that prospective buyers could make an informed decision. This would also encourage developers to adopt more effective noise mitigation measures, including the use of better construction materials to ensure sustainability of the buildings. Given the far-reaching implications of the excessive traffic noise problem, the Administration was requested to report the progress of the enhanced measures in end 2006.

Nature conservation

26. The Government announced a new nature conservation policy in November 2004 to better achieve the nature conservation objectives, in particular to enhance the conservation of ecologically important sites which were in private ownership. Under the new policy, 12 priority sites had been identified for enhanced protection and a Pilot Scheme for Management Agreements (MA) was put in place as one of the measures to enhance the ecological value of these sites. Under the Pilot Scheme, non-governmental organizations (NGOs) might apply for funding from the Government for entering into MA with the landowners. NGOs would provide the landowners with financial incentives in exchange for management rights over their land and their co-operation in enhancing conservation of the sites concerned.

27. The Panel was consulted on the funding proposal to support the implementation of three pilot MA projects involving one site in Fung Yuen and two in Long Valley at its meeting on 24 October 2005, during which the three proponents concerned were also invited to explain their pilot projects. While commending the Pilot Scheme on MA which would promote cooperation between the Government and NGOs to jointly conserve protected sites of high ecological value, some members pointed out that in order for MA projects to be sustainable, there was a need to introduce commercial elements as otherwise they would have to rely on continuous funding from the Government. There was also a need to assess the success or otherwise of these MA projects. Consideration could be given to assessing the biodiversity of the sites concerned.

28. In light of the concerns over the environmental impacts of the commissioning of the Ngong Ping Cable Car Project (CCP) on the ecology of Ngong Ping raised by Hon Albert CHAN, the Panel held two meetings in April and May 2006 to examine the related issues, in particularly the risk of hill fire in the absence of firebreaks in the design of CCP. The lack of wire screen in the windows of cable

cars to prevent cigarette butts from being thrown out of the cabin of cable might also increase the risk of hill fire. Members held the view that the posting of no-smoking signage by the MTR Corporation Limited might not be effective, and that more proactive measures, including the installation of wire screen of fine mesh, closed circuit television or smoke detector, should be taken to prevent cigarette butts from being thrown out of the cabins. They also considered that more efforts should be made to transplant the rare species of Chinese New Year Flowers which had been adversely affected as a result of the construction works of CCP.

Draft Hong Kong Implementation Plan under the Stockholm Convention on Persistent Organic Pollutants

29. In February 2006, the Panel received a briefing on the draft Hong Kong Implementation Plan (HKIP) to be submitted to the Central People's Government (CPG) in relation to the Stockholm Convention (SC) on Persistent Organic Pollutants (POPs). SC was a global treaty to protect human health and the environment from POPs i.e. chemicals that remained intact in the environment for long periods, moved long distances in the global environment, accumulated in the fatty tissues of living organisms and were toxic to humans and the wildlife. SC became effective to the People's Republic of China, including the Hong Kong Special Administrative Region, on 11 November 2004. Under SC, CPG had to submit a National Implementation Plan, which included HKIP, to the Conference of the Parties of SC in November 2006.

30. The Panel noted that in the course of preparing HKIP, the Administration had identified action items which were necessary to ensure compliance with SC and would introduce a Bill to control and regulate the import, export, manufacture and use of non-pesticide hazardous chemicals that imposed potentially harmful or adverse effects on human health or the environment, including those that were subject to SC or the Rotterdam Convention on Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade^{Note}. While not opposing to the introduction of control on POPs, some members expressed concern about the impact of the proposed regulatory regime on importers/exporters and considered that assistance should be provided to facilitate them in their customs clearance. Other members however questioned why the action plans on the control of POPs had to span over a period between five to 10 years having regard to the health hazard associated with exposure to POPs and their cumulative effect. Given that dietary intake was the major route of exposure to POPs, they held that view that the Administration should expedite the population-based food consumption survey to provide the basis upon which the risk of dietary exposure of local residents to POPs could be assessed.

^{Note} The Rotterdam Convention on the Prior Informed Consent Procedure (PIC) for Certain Hazardous Chemicals and Pesticides in International Trade aims to promote shared responsibility and cooperative efforts among the contracting parties in the international trade of certain hazardous chemicals and pesticides in order to protect human health and the environment from potential harm. The Convention has introduced a mandatory PIC Procedure to monitor and control the import and export of certain hazardous chemicals and disseminate national importing decisions to the contracting parties.

Others

31. The Panel was briefed on the Port Shelter sewerage stage 3 project, Concept Plan for Lantau, restoration of Northwest New Territories landfills and Gin Drinker's Bay Landfill, reorganization plan for the food safety regulatory framework, provision of grease trap waste facility at refuse transfer station, proposed capital injection into the Environment and Conservation Fund, proposed Mandatory Energy Efficiency Labelling Scheme, Sham Tseng sewerage stage 3, Ting Kau sewerage stage 2, Yuen Long and Kam Tin sewerage and sewage disposal as well as improvement and upgrading of the sewerage systems in Sha Tin/Ma On Shan New Town.

32. From October 2005 to July 2006, the Panel held a total of 18 meetings, including four joint meetings with the Panel on Food Safety and Environmental Hygiene and one with the Panel on Planning, Lands and Works.

Council Business Division 1
Legislative Council Secretariat
7 July 2006

**Legislative Council
Panel on Environmental Affairs**

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to environmental and conservation matters.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

**Legislative Council
Panel on Environmental Affairs**

Membership list

Chairman	Hon CHOY So-yuk, JP
Deputy Chairman	Hon Emily LAU Wai-hing, JP
Members	Hon Martin LEE Chu-ming, SC, JP Hon CHEUNG Man-kwong Hon SIN Chung-kai, JP Hon WONG Yung-kan, JP Hon LAU Kong-wah, JP Hon Miriam LAU Kin-yee, GBS, JP Hon Albert CHAN Wai-yip Hon Audrey EU Yuet-mee, SC, JP Hon LEE Wing-tat Hon Jeffrey LAM Kin-fung, SBS, JP
	(Total : 12 Members)
Clerk	Miss Becky YU
Legal Adviser	Miss Monna LAI
Date	13 October 2005