

For information
20 July 2007

**LEGISLATIVE COUNCIL
PANEL ON ENVIRONMENTAL AFFAIRS**

Future Work Priorities on Environmental Protection

Purpose

This paper briefs Members on the Government's major challenges, strategic directions and policy initiatives in various areas of environmental protection.

Governing Principles

2. One of the core objectives of the new term of the SAR Government is to raise Hong Kong people's quality of life and improve the environment. It reflects the major action plans outlined in the Chief Executive's Election Platform Policy Blueprint. The implementation of the action plans is the top priority of the newly established Environment Bureau, which is committed to providing high quality living environment to the public, reducing pollution, regulating discharges, promoting energy efficiency, strengthening further regional co-operation, encouraging public engagement in environmental protection efforts, and reviewing SAR's policies and involvement in relation to the international issue of global warming. Over the years, the SAR Government has introduced many environmental protection policies and measures. Some of them have begun to bear fruits while others have to be reviewed and adjusted in response to changing circumstances. Our approach in addressing environmental issues are guided by the following principles –

- (a) we set clear targets and milestones, taking into full consideration the need to strike a balance between protecting the environment and sustaining economic and social development, while harnessing technological advancement and economic incentives to accelerate their attainment;
- (b) we strive to adopt the “polluter pays” principle to internalise social costs and to encourage people to pollute less; and

- (c) we seek to raise public awareness of and nurture a lifestyle that treasures the conservation of resources through promotion of community participation and education.

Improving Air Quality

3. Air quality, a wide concern of the community, has attracted global attention in recent years. Improving air quality will remain high on our action agenda. In collaboration with enterprises and the general public, the Government will take the lead to reduce air pollution.

4. We have drawn up the Pearl River Delta Regional Air Quality Management Plan, which was jointly mapped out and implemented with the Guangdong Provincial Government with a view to meeting the agreed emissions reduction targets by 2010 to significantly improve the air quality of Hong Kong and the Pearl River Delta (PRD) Region.

5. Electricity generation is the biggest source of air pollution in Hong Kong, accounting for 90% of the sulphur dioxide and half of the nitrogen oxides and respirable suspended particulates emissions. Emission caps have been imposed on power plants and will be progressively tightened to meet the 2010 emissions reduction targets. These firm targets are not allowed to be compromised in any way. The need to protect our environment will be the focus of our negotiations with the power companies over their new Schemes of Control. Their permitted rate of return will be linked to their achievement of the emission caps.

6. Vehicle emissions account for about 25% of the locally generated air pollutants. We are providing incentives to encourage owners of 74,000 pre-Euro and Euro I diesel commercial vehicles to replace their old vehicles with Euro IV models. We are also offering a reduction in first registration tax to encourage the public to buy environment-friendly private petrol cars. Moreover, we are considering the introduction of a statutory ban on idling engines and will consult the public as soon as possible. We will continue to follow closely the Euro standards and use the latest fuels and technologies to reduce vehicle emissions.

7. We are putting into force a new regulation to control the volatile organic compound content of paints, printing inks and selected consumer goods. To further improve air quality, we will study the feasibility of using ultra-low sulphur diesel in industrial and commercial activities, and examine how to encourage ferry operators to switch to quality fuels to reduce emissions. To cater for long-term development, we are working on the Air Quality Objectives to be achieved after 2010 by making reference to the new Air Quality

Guidelines of the World Health Organisation and will develop a long-term air quality management strategy accordingly. The study, which will include extensive consultation and public engagement, is scheduled for completion in 2009.

Waste Management

8. In December 2005, the Government published “A Policy Framework for the Management of Municipal Solid Waste (2005-2014)” (Policy Framework), which maps out a comprehensive strategy for waste management for the next decade. One of the initiatives put forward in the Policy Framework is the introduction of Producer Responsibility Schemes (PRSs) to encourage waste reduction, recovery and recycling.

9. In May 2007, we presented a proposal on the introduction of a PRS on plastic shopping bags, requiring large and chain supermarkets, convenience stores, personal health and beauty stores to collect the environmental levy from customers when giving out plastic bags. The objective of the proposal is to encourage the public to use less plastic bags through economic incentives. We are consulting the public and the trade on the proposal. Subject to public support, we will present the relevant legislation, the Product Eco-responsibility Bill, as soon as possible.

10. In addition to the PRSs, municipal solid waste (MSW) charging is also an effective economic measure to encourage the public to reduce and recover waste in accordance with the “polluter pays” principle. We carried out as a first step a three-month trial scheme in 20 estates from November 2006 to February 2007 to study the feasibility of MSW charging in Hong Kong. In this trial, we identified a number of issues that need to be addressed, such as the required logistics and various law enforcement issues. We are conducting an in-depth study and analysis of the pros and cons of various options with a view to consolidating the results for public consultation within this year.

11. Our sole reliance on landfills for waste disposal is not in line with the “sustainable development” principle. We will develop the multi-technology and state-of-the-art Integrated Waste Management Facilities (IWMF). Thermal treatment will be adopted as the core technology, while biological treatment will be used for source-separated biodegradable waste for bulk reduction before final disposal. We are conducting a site search exercise to identify sites suitable for this purpose. We will also follow up on the environmental impact assessment and work out specific procedures such as technical and project planning.

Improving Water Quality

12. To further improve water quality in Hong Kong, the Government will invest about \$20 billion in the next decade to construct new sewage treatment and sewerage facilities. In May this year, the Legislative Council endorsed a gradual increment scheme for the Sewage Charge (SC) over the next decade. This clearly demonstrated that the polluter-pays principle has taken root in the community. At the same time, the scheme will provide sustained financial support for the daily operation of sewage treatment facilities in the territory.

13. We will strive to ensure the full commissioning of Stage 2A of the Harbour Area Treatment Scheme (HATS) in 2014 as scheduled with a view to further improving the water quality of Victoria Harbour. After going through the statutory environmental impact assessment procedures, we will endeavour to commission the advance disinfection facilities under HATS Stage 2A in 2009 to ensure the early re-opening of the Tsuen Wan beaches which were closed upon the commissioning of HATS Stage 1. We will seek relevant funding approval from the Legislative Council at the end of this year or early next year.

14. As for HATS Stage 2B, we will continue to deal with the planning, interface and development issues relating to the project site. We aim at completing the statutory procedures for amending the outline zoning plan before the second half of 2010 in order to draw up the project implementation programme in the same year.

15. To address concerns raised by the relevant trades, we have amended the legislation to reduce the cost relating to reassessments under the Trade Effluent Surcharge (TES) Scheme. We expect that the new measures, commenced on 1 July this year, will encourage more establishments to adopt pollution reduction measures. We will endeavour to complete the surveys on the effluent strengths of all the 30 trades covered by the TES Scheme within this year. Based on the research findings, we will put forth proposals on adjusting TES rates with a view to implementing them within the 2008/09 financial year. In the course of the review, we will maintain close dialogue with the relevant trades and other stakeholders.

Cross-boundary Co-operation

16. Hong Kong and the PRD Region share the same air shed and estuary. Pollution is also not confined to regional boundaries. We will continue to strengthen co-operation with the Guangdong Province to combat regional pollution.

17. With regard to improving regional air quality, good progress has been made in the co-operation between Hong Kong and Guangdong. Through the PRD Regional Air Quality Monitoring Network, the environmental protection authorities of the two governments publish the PRD Regional Air Quality Index on the Internet on a daily basis. The two sides will also spare no effort to implement the emissions reduction measures under the PRD Regional Air Quality Management Plan and review the progress of implementation to see if additional measures are warranted in order to achieve the 2010 emissions reduction targets.

18. To improve regional air quality, apart from the joint efforts of the governments of the two sides, Hong Kong industrial and commercial enterprises can also play a pivotal role in the PRD Region by taking the lead to use cleaner fuels and promote energy conservation as well as cleaner production. We will actively complement and support the trades' efforts in this respect. In this connection, we will put into practice the Chief Executive's proposal in his election platform to commission the Hong Kong Productivity Council to provide technical support to Hong Kong-invested enterprises in the PRD Region and encourage manufacturers in the Region to adopt cleaner production practices through practical examples and technical demonstrations.

19. On water pollution, we are committed to carrying out the Deep Bay Water Pollution Control Joint Implementation Programme in collaboration with the Shenzhen Municipal Government, with a view to restoring the clean water environment of the Deep Bay before 2015.

20. One of our work priorities is to further enhance measures to reduce greenhouse gas emissions in support of international efforts to combat global warming. We will begin a new round of study in collaboration with other government departments. We will evaluate the impacts of climate change on Hong Kong with reference to a number of important international study reports on climate change published recently. Our study findings will provide a solid scientific basis for formulating local measures to mitigate and adapt to climate change, as well as for preparing a submission to the Central Government for meeting the national communications obligations under the Kyoto Protocol.

Environmental Noise Abatement

21. Owing to the continuous growth in the economy, population and transport demand and the scarcity of land, about 1.1 million people in Hong Kong are still exposed to excessive road traffic noise. The Government will continue to make every effort to abate traffic noise from existing roads through proper planning, environmental impact assessment and controlling the noise emitted from first registered vehicles. We are considering how to

improve the planning and design of new residential developments to avoid exposing the residents to excessive road traffic noise as much as possible. Where practicable, we will retrofit barriers and resurface with low noise surfacing material at those existing roads that are subject to excessive noise.

22. We are very concerned about the construction noise nuisance caused to the public. Therefore, we have embarked on a review of the “designated areas” under the Noise Control Ordinance in order to protect more members of the public from excessive noise. We also launched a consultation exercise in 2006 to gather views from the stakeholders. Subject to the smooth progress of the consultation exercise, we expect that proposed amendments will be submitted to the Legislative Council for vetting during the 2007/08 session.

Environmental Management through Legislation

23. We will make preparations for enforcing the new environmental legislations stated above in the coming years to protect public health. Moreover, we will encourage the commercial and industrial sectors to abide by the law. We have set up a Compliance Assistance Centre to assist the trades in pollution prevention and environmental management. As public support is essential for tackling pollution effectively, we have been attaching great importance to maintaining close contact with the public. We will continue to actively organise district events to discuss issues related to environmental pollution and identify possible solutions.

Environmental Planning and Assessment

24. Environmental protection should be taken into account in infrastructural development. The Environmental Impact Assessment Ordinance serves as an important mechanism to achieve sustainable development by ensuring that the environmental impacts of major projects are at an acceptable level. We will continue to implement environmental assessment procedures to ensure that effective measures are taken in all new major developments to avoid adverse environmental impacts.

25. In recent years, our programme areas have been extended to strategic environmental assessment, which ensures early and full consideration of environmental factors in the formulation of major policies or planning to avoid irreversible environmental problems. We have put in place a set of enhanced procedures and best practice guidelines to ensure that environmental protection considerations are properly taken into account in the early stage of policy formulation before major decisions are made by the Government.

Energy Conservation and Renewable Energy

26. The Government's policy objective is to increase and sustain energy conservation in order to slow down the growing trend of energy consumption. We have developed guidelines and codes of practice, and implemented various energy conservation programmes and projects to promote public awareness and appropriate action in achieving energy saving. To encourage the use of energy efficient products, we introduced the Energy Efficiency (Labelling of Products) Bill to the Legislative Council in April 2007 with a view to implementing a proposed mandatory energy efficiency labelling scheme. The Bill is being scrutinised by the Bills Committee and we hope that the Second Reading Debate on the Bill can be resumed in the second half of 2007 so that the relevant mandatory scheme can be implemented as soon as possible.

27. On energy efficiency measures within the Government, with the concerted efforts of bureaux and departments, we have already reduced our electricity consumption by 5.6% between 2002/03 and 2005/06, which is equivalent to an electricity saving of 120 GWh and a reduction in carbon dioxide emissions of 84,000 tonnes annually. The electricity consumption of major Government office buildings in 2006 also reduced by 2.9% over 2005. We will continue to implement internal energy management initiatives to achieve energy saving.

28. The Electrical and Mechanical Services Department launched the Energy Efficiency Registration Scheme for Buildings in 1998 to give recognition to commercial buildings and offices for their compliance with the Building Energy Codes (BECs). In view of the relatively low overall percentage of commercial buildings registered under the Scheme, we will continue to strengthen the promotion of voluntary compliance with the BECs through publicity activities and seminars. We will also consider the proposal of turning the existing voluntary Scheme into a mandatory one, and will duly consult the relevant stakeholders in the process.

29. Renewable energy offers proven alternatives to electricity generated from the burning of fossil fuels. The Government is committed to the development of renewable energy with a view to further improving our air quality. In the First Sustainable Development Strategy for Hong Kong published in May 2005, we have set the target of having 1-2% of Hong Kong's total electricity supply met by renewable energy by 2012. The two power companies have committed to setting up pilot commercial-scale wind turbines. We have also proposed in the Stage II Consultation Paper on the Future Development of the Electricity Market in Hong Kong to provide economic incentives to power companies (including a higher rate of return for renewable energy infrastructures) to promote the use of renewable energy.

Nature Conservation

30. The new nature conservation policy announced by the Government at the end of 2004 aims at achieving nature conservation objectives more effectively, in particular enhancing the conservation of ecologically important sites on private land. Non-governmental organisations are running three projects on priority sites for enhanced conservation under the Pilot Scheme for Management Agreements with subsidies from the Environment and Conservation Fund. These projects, which have been implemented for more than a year, are bearing fruits in conservation enhancement. The Environment and Conservation Fund Committee has approved funding for continued operation of the Scheme. Regarding the Pilot Scheme for Public-private Partnership, six applications have been received. The applications will be vetted by an ad hoc inter-departmental committee comprising representatives from departments responsible for conservation, planning, environment and works.

Sustainable Development

31. The Government has always attached great importance to the work on achieving sustainable development. It is committed to integrating the principles of sustainable development into the policy-making process and, through the work of the Council for Sustainable Development, mapping out a sustainable development strategy for Hong Kong which integrates all the relevant economic, social and environmental considerations, and promoting public awareness and understanding of the principles of sustainable development.

32. The Government has put in place a sustainability assessment system since 2001. All bureaux and departments are required to conduct sustainability assessments in respect of their major policies and projects, and explain the findings of the assessments in their submissions to the Policy Committee and the Executive Council.

33. The Council for Sustainable Development will continue to conduct the stakeholders-led public engagement process that facilitates public participation in formulating a sustainable development strategy for Hong Kong. For example, in the new round of public engagement process on the issue of air quality launched in early June this year, the Council issued an Invitation and Response Document entitled “Clean Air – Clear Choices” together with a related questionnaire. Following the completion of the public engagement process, the Council will consolidate the stakeholders’ views. It is anticipated that the Council will submit its recommendations on the long-term strategy to improve air quality to the Government in early 2008. The Government will

take these recommendations into consideration when formulating the way forward.

Public Participation and Education

34. The Government will launch public education and publicity campaigns in tandem with the implementation of its policies and measures to secure public support and participation. In addition to disseminating environmental messages and promoting various measures through different channels, we will continue to organise activities in collaboration with green groups, District Councils, community organisations, the business sector and schools, etc. to encourage the public to transform environmental awareness into practical actions. The Council for Sustainable Development will also promote public awareness of the sustainable development concept and encourage sustainable practices through school and community outreach activities as well as community projects sponsored by the Sustainable Development Fund.

Conclusion

35. Effective implementation of the above policies and measures on environmental protection, ecological resources conservation and sustainable development, which will enhance Hong Kong's competitiveness as a world city, calls for the full support of the whole community. We are also mindful that taking forward the above policies and measures on environmental protection may require lifestyle and behavioural changes on the part of the members of the community, or even increase the costs that they have to bear. Therefore, we will conduct extensive public consultation to seek as much support and long-term participation of the community as possible before implementing the policies to ensure that they are built upon public consensus. We hope that we can continue to gain the full co-operation of Members in our joint efforts to improve the environmental quality of Hong Kong.

Environment Bureau

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