Legislative Council (LegCo) Public Accounts Committee Discussion of the Director of Audit's Report No. 59 on 7 December 2012

Speaking Notes of the Secretary for the Environment

Mr. Chairman:

I would first like to thank the Committee for giving me and my colleagues the opportunity to respond to the Audit Commission's reports on our air quality improvement work. I am also appreciative of the effort of the colleagues of the Audit Commission and agree with the recommendations in the Report. In fact, improving Hong Kong's air quality is one of the priority work area of the new administration, and we have already formulated a basket of policies and measures to improve the air quality.

- 2. All along, the Government has endeavoured to improve Hong Kong's air quality. Under the Air Pollution Control Ordinance (APCO), the EPD should implement appropriate measures to achieve the air quality objectives (AQOs) which are statutory objectives for protecting public health. To better protect public health, the Government has announced in January this year the adoption of a set of new AQOs by referencing to the World Health Organisation's (WHO) air quality guidelines (AQGs) and interim targets. We are now at the final stage of drafting the enabling legislation and expect to table our legislative proposal to the Legislative Council for approval early next year. To ensure Hong Kong will parallel international best practices in air quality management, we would include a provision to review the AQOs every five years in the amendment proposal for achieving the ultimate AQGs of the WHO in the longer term.
- 3. Hong Kong is suffering from two distinct air pollution problems, namely, roadside and regional air pollution. We have been taking two different strategies to tackle these two air pollution problems to improve our air quality as soon as possible. On the one hand, we have been implementing stringent control measures on our local emission sources and on the other, we work closely with the Guangdong Provincial Government with an aim to reduce regional air pollution.

- 4. From 1999 to 2011, our ambient air quality showed improvements, The concentration levels of key pollutants, i.e. sulphur dioxide (SO2), nitrogen dioxide (NO2), respirable suspended particulates (RSP) and carbon monoxide, were reduced by 28%, 7%, 8% and 20% respectively. Due to the deterioration of the regional smog problem, the concentrations of ozone, however, increased by 21% and ozone is the major air pollutant not in compliance with the AQOs.
- 5. In the same period, our roadside SO2 was reduced significantly by 56%. RSP, though still not in full compliance with the AQOs, was also reduced by 33%. Roadside NO2, which increased by 23%, has now become our major roadside issue. The causes of high NO2 and RSP are emissions from buses, old and poorly maintained diesel vehicles, LPG vehicles using worn out catalytic reduction device and the deterioration of regional smog problem, which accelerates the formation of NO2 from the nitric oxide emitted from diesel vehicles.
- 6. Roadside air quality poses the greatest public health concern. We are focusing our action on the two major causes, namely buses and aged diesel vehicles. We have adopted new and effective improvement measures, including retrofitting Euro II and III franchised buses with selective catalytic reduction devices, which can effectively reduce their nitrogen oxides (NOx) emissions; requiring the franchised bus companies to deploy low emission buses as far as practicable to run routes in busy areas; launching a more stringent regime of emission control on petrol and LPG vehicles by using remote sensing devices and dynamometers for emission testing and subsidizing owners of LPG taxis and public light buses to replace once the catalytic converters for their vehicles. In addition, to tackle pollution from diesel vehicles, apart from continuing the existing incentive scheme, we are also looking into new options comprising incentives and regulatory measures to strictly control and phase out aged diesel goods vehicles.
- 7. In addition, we are stepping up control against emissions from power plants and marine vessels. For controlling emissions from power plants, we are very grateful to the LegCo for passing the Third Technical Memorandum last month that would further tighten the emission caps on the two power companies from 2017 onwards. For emissions from vessels, we launched a three-year incentive scheme in September this year to encourage ocean going

vessels to switch to low sulphur fuel while at berth in Hong Kong. As for local vessels, we are working with the trade on a trial to ascertain the technical feasibility of using low sulphur fuel for formulating a control programme.

- 8. Mr. Chairman, tackling air pollution tops our work on environmental protection. The Chief Executive has directed that the Government should focus on public health in managing air quality. He also made this clear in his first address to the LegCo on 17 October that we will proactively improve air quality and carefully consider public health when formulating clean air policy.
- 9. Along this direction, the new administration has already reported to the Legislative Council on our air quality management priorities: to improve roadside air quality, reduce shipping emissions, and deal with regional smog through local emissions reduction, as well as work with Guangdong to reduce regional emissions.
- 10. On the regional front, we set with Guangdong last month the emission reduction targets for 2015 and 2020. We will attain the new emission reduction targets by implementing the 22 air quality improvement measures. According to our latest estimation, if both sides can achieve the 2020 emission reduction targets, our ambient SO2, NO2, RSP and ozone concentrations will broadly achieve the new AQOs. Hong Kong and Guangdong will carry out an interim review in 2015 to review the progress in emission reduction and further ascertain the emission targets for 2020 in consideration of the state of socio-economic development. Through our efforts on the local and regional fronts, we expect that we will move progressively towards our long term goals, namely the WHO AQGs.
- 11. To successfully implement our air quality improvement measures, we will require deployment of resources, support from the trade and community, change of behavior of our citizens. At the same time, we need to care for the need of low-income citizens and establish a carrot and stick policy. We will work closely with different Government departments and other stakeholders outside the Government to achieve the desired results. To strengthen the co-ordination of different Government departments, the Government has set up a new Policy Group under the Policy Committee with focus on sustainability, environment and energy policy. Under the chairmanship of the Chief Secretary for Administration, the Policy Group will strengthen cross-bureaux

and —department co-operations in the formulation and implementation of air policies. To better understand the needs of the community and tackle more effectively and comprehensively our air pollution, we are also strengthening engagement with experts, academics, professionals and green groups for formulating a better air quality strategy. We had conducted two engagement sessions in October this year. We would soon put forward control plan, which will detail our planned actions.

- 12. Mr. Chairman, my colleagues and I stand ready to listen to the views and suggestions of Members and to respond to the questions and comments of the Committee.
- 13. Thank you very much, Mr. Chairman.