

立法會
Legislative Council

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Bills Committee on Revenue Bill 1999

**Minutes of meeting held on
Tuesday, 15 June 1999, at 8:30 am
in the Chamber of the Legislative Council Building**

Members present : Hon Margaret NG (Chairman)
Hon LEE Cheuk-yan
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon Christine LOH
Hon CHAN Yuen-han
Hon CHAN Kam-lam
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon Mrs Miriam LAU Kin-ye, JP
Hon Andrew CHENG Kar-foo

Members absent : Hon Albert HO Chun-yan
Hon Eric LI Ka-cheung, JP
Hon Ronald ARCULLI, JP

Public officers attending : Mr Martin GLASS
Deputy Secretary for the Treasury

Miss Amy TSE
Principal Assistant Secretary for the Treasury

Miss Vivian SUM
Assistant Secretary for the Treasury

Mr Howard CHAN
Principal Assistant Secretary for Planning,
Environment and Lands (Environment)

Mr TSE Chin-wan

Assistant Director of Environmental Protection

Mr Patrick HO
Principal Assistant Secretary for Transport

Ms Sherman CHAN
Senior Assistant Law Draftsman
Department of Justice

Attendance by invitation : Preparation Committee of the New Millennium Environmental Protection Actions of the Transport Trade

Mr YAM Tai-ping
Member

Mr NG Kwok-hung
Member

Mr TAM Chun-tak
Member

Mr Ricky WONG
Member

Mr IP Moon-lam
Member

Mr Ervis C LEUNG
Member

The British Medical Association (Hong Kong Branch)

Professor David ANDERSON
President

The American Chamber of Commerce in Hong Kong

Mr David FRIDLUND
Chairman of Environment Committee

The Hong Kong Business Coalition on the Environment

Mr Barrie COOK
Chairman

Clear the Air

Ms Angela SPAXMAN
Chairman

Mr Frederick CHAN
Member

Hong Kong Conservation Photography Foundation

Mr Edward STOKES
Secretary

King George V School

Mr David ENSOR

Mr Roger MUSCROFT

Hong Kong Dolphinwatch

Mr Bill LEVERETT

Individuals

Mr John JARMAN

Dr Brian WALKER

Clerk in attendance : Miss Odelia LEUNG, Chief Assistant Secretary (1)1

Staff in attendance : Ms Bernice WONG, Assistant Legal Advisor 1
Mrs Mary TANG, Senior Assistant Secretary (1)2

I Meeting with deputations and the Administration

- (a) Meeting with Preparation Committee of the New Millennium
Environmental Protection Actions of the Transport Trade
(LC Paper No. CB(1)1510/98-99(01))

At the invitation of the Chairman, Mr Ervis LEUNG said that the Preparation Committee comprised 58 transport organizations of various trades which included taxis, mini-buses, light and heavy goods vehicles. He referred members to the Committee's submission which set out the various measures proposed by the transport trade to resolve the air pollution problem. He stressed that the problem could only be resolved through the concerted efforts of the transport industry, the business community and the general public.

2. Mr Ricky WONG said that the vehicle emission problem could be greatly mitigated with the introduction of the ultra-low sulphur diesel which contained only 0.001% sulphur as against 0.05% of the existing diesel. He suggested applying more stringent emission standards to newly registered vehicles as this would reduce the subsequent maintenance costs. He urged the Administration to introduce measures to encourage the replacement of pre-1992 diesel vans.

3. Mr NG Kwok-hung said that the effectiveness of vehicle maintenance and repair rested with the expertise of the vehicle mechanics and the facilities available in their workshops. Since most vehicle mechanics had acquired their skills through apprenticeship, they did not have any formal training to enable them to keep up with the latest advances in vehicle maintenance technology. In this connection, Mr NG requested the Government to consider

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- (i) providing formal training to vehicle mechanics, particularly in the use of chassis dynamometer which was a useful tool to detect the level of smoky emissions; and
- (ii) setting up a data base for different vehicle models to facilitate mechanics in maintenance and repair works.

4. Mr IP Moon-lam said that many of the proposals put forward by the transport trade to clean the air were similar to those suggested by the Administration. He said that there was a need for the Administration to educate the public on eco-driving as this would effectively reduce emissions.

5. Mr YAM Tai-ping said that despite the Administration's pledge of implementing the switch to Liquefied Petroleum Gas (LPG) taxis by the end of 2000, it had yet to provide the necessary supporting measures which included the provision of sufficient numbers of LPG filling stations, workshops and mechanics. He failed to see how the scheme could be implemented on schedule. He stressed the need for cooperation between the Government and the transport trade in resolving the air pollution problem.

6. Mr TAM Chun-tak said that the trade welcomed the Administration's proposal to explore the feasibility of using cleaner alternatives for diesel light buses and was willing to participate in the trial scheme.

7. Summing up the presentation, Mr Ervis LEUNG said that the proposed increase in fines for smoky vehicles could not resolve the vehicle emission problem. The Administration would need to assist the trade by providing training to vehicle mechanics, educating the public about eco-driving and introducing a cleaner alternative to diesel vehicles.

Discussion with members

8. On Mr CHAN Kam-lam's enquiry about the views of the transport trade on the proposed increase in fines for smoky vehicles, Mr NG Kwok-hung said that the trade believed that an increase in fines could not resolve the air pollution problem. The crux of the problem was the general lack of vehicle maintenance. He said that the existing fine of \$450 was already a burden to most career drivers.

9. Miss Christine LOH informed the trade representatives that the Administration was contemplating a further increase in fines for smoky vehicles in the next LegCo session. Mr NG Kwok-hung said that instead of resorting to fines, the Administration should take positive measures to resolve the air pollution problem at source. He said that the trade had all along been cooperative in its efforts to reduce vehicle emissions. In fact, it had commissioned the Hong Kong Polytechnic University to conduct a research study on the use of particulate traps. He called for more assistance from the Administration in this aspect.

10. Responding to Mrs Miriam LAU's enquiries about the appropriate level of fines and the adequacy of vehicle maintenance, Mr YAM Tai-ping said that apart from paying the fine of \$450, the owner of a smoky vehicle had to go to a garage for repair before presenting his vehicle for further testing. These costs should be counted on top of the fine. The trade had been urging the Administration to provide smoke detection facilities so that members of the public could conduct testing on their own vehicles and know the level of emissions.

11. Mr CHENG Kar-foo sought the trade's views on the adoption of a two-pronged approach to resolve the emission problem through increasing fines for smoky vehicles and improving standards of maintenance. Mr YAM Tai-ping said that the Administration should provide free testing of vehicles using chassis dynamometers. Mr NG Kwok-hung added that the Administration should consider providing a free initial smoke detection test for all diesel vehicles. Subsequent smoke detection test would be performed upon renewal of vehicle licences. Mr NG reiterated that all these measures should be put in place before consideration be given to increasing the level of fines.

(b) Meeting with other deputations

(i) *The British Medical Association (BMA)*
(LC Paper No. CB(1)1510/98-99(02))

12. Professor David ANDERSON, president of BMA, said that BMA strongly supported Miss Christine LOH's proposed amendment to increase the fine for smoky vehicles to \$5,000. BMA was concerned that air pollution was affecting the quality of life and posing a significant health hazard to the community. Pollution also affected adversely the tourism industry. He said that the crux of the problem rested with poor maintenance, as many vehicles were maintained by small back-street garages. Moreover, as most taxis were driven in two continuous shifts, there was little time or incentive for vehicle maintenance. In order to encourage drivers to properly maintain their vehicles, there was a need to impose a heavier fine to increase the deterrent effect. Professor ANDERSON said that BMA supported adopting a carrot and stick approach to solve the emission problem. He stressed that only if it saved money to keep the vehicle from pollution would most drivers do the necessary maintenance on their vehicles.

(ii) *The American Chamber of Commerce in Hong Kong (AMCHAM)*

13. Mr David FRIDLUND, Chairman of the Environment Committee of AMCHAM, said that AMCHAM was concerned about the quality of Hong Kong environment and supported Miss Christine LOH's amendment to increase the fine for smoky vehicles to \$5,000. It had been demonstrated that the deterioration in air quality was having a significant impact on the costs of operating Hong Kong. These costs were measured in terms of increase in costs of health care and the resultant loss of productivity in work places. The poor air quality had impacted on the tourism industry, making foreigners unwilling to visit and to invest in Hong Kong. He said that AMCHAM recognised that the elimination of smoky vehicles would not completely resolve the air pollution problem. However, smoky vehicles were the single most obvious culprit of the problem. There were a multitude of solutions to improve the emission of smoky vehicles but the current level of fines placed no incentive on vehicle operators to explore those solutions. Mr FRIDLUND said that the fine had to be high enough to encourage compliance with regulations.

(iii) *The Hong Kong Business Coalition on the Environment (HKBCE)*
(LC Paper No. CB(1)1510/98-99(03))

14. Mr Barrie COOK, Chairman of HKBCE, said that HKBCE fully supported Miss Christine LOH's proposed amendment to increase the fine for smoky vehicles to \$5,000. He said that the business community was becoming progressively alarmed by the deteriorating environment which had not only affected the health of employees and their families, but had made Hong Kong

an increasingly unattractive place to invest and visit. HKBCE had recently expressed its concerns at a press briefing held on 8 June 1999. Of prime concern was Hong Kong's air quality. According to the booklet published by the Planning, Environment and Lands Bureau entitled "Clean Air for Hong Kong", the costs of acute respiratory and cardio-vascular diseases linked to air pollution already amounted to \$3.8 billion per year in medical expenses and lost productivity. There was a need to reduce the effect of street level exhaust fumes made even worse by smoky vehicles.

(iv) Clear the Air

15. Ms Angela SPAXMAN, Chairman of Clear the Air, said that Clear the Air was a non-profit organisation established to promote action and awareness on air pollution. She said that it was simply unacceptable for modern vehicles to be emitting excessive smoke and other pollutants. Many different measures had been put forward to resolve the problem but Clear the Air considered that the most effective solution was through the imposition of a heavier fine.

16. Mr Frederich CHAN added that the general public was concerned about the deteriorating air quality in Hong Kong. The transport operators had the obligation and the responsibility to take measures to prevent excessive emissions and should not rely on the Administration for assistance.

(v) The Hong Kong Conservation Photography Foundation
(LC Paper No. CB(1)1510/98-99(04))

17. Mr Edward STOKES gave a slide presentation to explain how the air pollution problem was affecting the visibility of Hong Kong. He briefly took members through his submission and expressed support for Miss Christine LOH's proposed amendment to increase the fine for smoky vehicles.

(vi) King George V School
(LC Paper No. CB(1)1272/98-99(71))

18. Mr David ENSOR said that as an educator, he was concerned about the health of students. He said that the air pollution problem was affecting the public health. He supported a hefty increase in fines for smoky vehicles and called for increased resources to assist the transport trade to reduce smoky emissions.

19. Mr Roger MUSCROFT said that students were expecting positive leadership in improving the air quality and supported Miss Christine LOH's proposed amendment to increase the fine for smoky vehicles to \$5,000.

(vii) Hong Kong Dolphinwatch
(LC Paper No. CB(1)1510/98-99(05))

20. Mr Bill LEVERETT said that as a local sightseeing operator, he was concerned that the air pollution problem had been affecting the Hong Kong tourism industry. He said that he would not mind paying more for tourist buses which had lower emissions.

(viii) Representation from individuals

21. Mr John JARMAN said that he was a spotter for the Environmental Protection Department and had spotted many vehicles emitting excessive smoke. He considered it necessary to increase the fine for smoky vehicles as these were systematically poisoning the air. His personal view was that the fine for smoky vehicles should be raised to \$10,000.

22. Dr Brian WALKER said that as a general medical practitioner in Hong Kong, he was much concerned about the effect of pollution on the health of people. He said that on a badly polluted day, up to one-third of the consultations were directly related to air pollution. He considered that a fine of \$5,000 for smoky vehicles was not excessive if this would improve the air quality and consequently the health of the people in Hong Kong.

Discussion with members

23. Mrs Miriam LAU said that some vehicle owners were unable to properly and effectively reduce the level of vehicle emissions because of insufficient expertise of vehicle mechanics and inadequate maintenance and testing facilities. She sought the deputations' view on whether the emission problem could be solved by imposing a heavier penalty alone or by introducing measures to assist the transport trade in overcoming the emission problem of their vehicles.

24. Dr Brian WALKER said that from his personal experience, it was entirely feasible to maintain a diesel vehicle and prevent it from emitting excessive smoke. The devices to control emission were available at any vehicle repair workshop and could be installed by making reference to the maintenance manual. It was an individual's responsibility to ensure the proper conditions of diesel engines and he could not see why transport operators should fail to do so. Professional David ANDERSON added that although some of the resources should come from the Government, taxi and mini-bus drivers should also do their part in maintaining their vehicles. Ms Angela SPAXMAN said that an increase in fines would act as an incentive to drivers to maintain their vehicles. Mr Barrie COOK pointed out that the use of illegal diesel by taxis and minibuses was causing a major part of the emission problem. Mr John JARMAN said that fines should be levied on the vehicle owners and not the drivers.

25. In response to the comments made, Mrs Miriam LAU said that transport operators had difficulty in maintaining their vehicles because very often the vehicle specifications and maintenance manuals were not made available to them. The Administration should be conducting more courses on vehicle maintenance to equip drivers with knowledge to maintain and repair their cars. She agreed with Mr Barrie COOK on the need to tackle the problem of illegal diesel. She stressed that the transport industry was just as keen to find solutions to the emission problem as other sectors of the community.

26. Mr Andrew CHENG pointed out that the average monthly income of taxi drivers was about \$13,000 but the proposed fine was \$5,000. He sought the deputations' views on whether such a fine was too high. Mr John JARMAN said that those who polluted the environment were law breakers and should be fined. Professor David ANDERSON said that he considered a fine at \$5,000 payable by owners of vehicles reasonable. Mr Edward STOKES said that one should not put livelihood issues above the health of the public.

27. Referring to the carrot and stick approach, Mr LEE Cheuk-yan enquired whether the deputations would support the implementation of measures to help the transport trade to overcome the emission problem before the introduction of a heavier fine. Professor David ANDERSON said that while the Government should spend resources to facilitate transport operators in maintaining vehicles, he did not consider that the Government should have the sole obligation to protect the environment. Dr Brian WALKER supported the carrot and stick approach since both encouraging and punitive measures would be beneficial. Ms Angela SPAXMAN also considered the carrot and stick approach necessary. She said that the purpose was not to collect a lot of fines but to solve the air pollution problem.

28. Miss CHAN Yuen-han expressed concern that a fine of \$5,000 would be substantial vis-a-vis the monthly income of a taxi driver, who might need to share the responsibility with the owner in maintaining their vehicle. She was concerned that the imposition of such a heavy fine would create a serious tension between taxi drivers and owners. Mr Frederick CHAN said that the fine should be imposed on the taxi owner rather than the driver because the taxi belonged to the owner who had the responsibility to maintain his vehicle.

29. Mrs Miriam LAU pointed out that sometimes it was the driving habits rather than the state of maintenance of vehicles that had caused smoky emissions. As such, she considered that taxi owners should not be penalised because drivers themselves also had the responsibility. Mr Frederick CHAN said that owners of hired vehicles had the responsibility to ensure that their vehicles did not emit excessive smoke. If smoky emissions were proven to be caused by poor driving habits, the owner should refuse to rent his vehicle to the driver concerned. Professor David ANDERSON said that the fine could be split between the taxi owner and the driver. Dr Brian WALKER said that the

testing centres were measuring the smoky emissions of the engine itself and driving habits would not be taken into consideration. Mr Bill LEVERETT said that if drivers with poor driving habits were to be charged frequently, they would soon find themselves out of job unless the driving habits were changed.

30. Responding to Miss Christine LOH, Mr Barrie COOK said that if the transport trade would desist using illegal diesel, the air pollution problem would be greatly reduced.

(c) Meeting with the Administration

31. The Principal Assistant Secretary for Planning, Environment and Lands (PAS/PEL) said that the Administration was determined to resolve the air pollution problem in partnership with the public and the transport sector. A whole range of short, medium and long term measures designed to abate air pollution would be introduced. These included stepping up education and publicity on proper maintenance of vehicles and better driving habits; introducing portable smoke meters and chassis dynamometers for the detection of smoky emissions; and increasing enforcement and against suppliers of illegal fuel against vehicles using such fuel. Legislative proposals to increase the level of fines for smoky vehicles would be introduced in the next LegCo session. The Assistant Director of Environmental Protection (ADEP) added that the Administration would balance different considerations in determining the level of further increase in fines for smoky vehicles, taking into account the views of members and the public.

32. The Principal Assistant Secretary for Transport said that the Administration aimed at providing a sustainable transport network which was not only convenient but also environmentally friendly. Rail systems would form the backbone for the transport network. The Transport Department was working closely with the Environmental Protection Department on the use of cleaner vehicles and fuels and more cooperation was needed from the transport trade.

33. The Deputy Secretary for the Treasury said that in considering the level of further increase in fine for smoky vehicles, the Administration had to balance the need to protect the air quality and the impact of the increase on the livelihood of transport operators. This would have to be addressed in the context of the package of proposals to improve the air quality which would be put forward to the respective Panels for further debate. The Revenue Bill 1999 merely sought to adjust the fines and penalties for traffic-related offences in line with inflation.

34. Responding to Miss CHAN Yuen-han's enquiry on the liability for fines for emitting excessive smoke, PAS/PEL said that there were no rules stipulating the responsibility for payment. Both the owner and the driver had a

responsibility for maintaining their vehicle. Normally, a fixed penalty ticket was issued to the driver and in the event that the fine was not settled, a further notice would be issued to the owner of the car.

35. As regards Mrs Miriam LAU's enquiry about the Administration's views on the concerns raised by the trade, PAS/PEL said that the Administration was aware of their concerns and was prepared to discuss with the trade on the means to address them.

36. Mr LEE Cheuk-yan enquired whether the Administration would be prepared to provide a free initial smoke check for diesel vehicles using chassis dynamometers. PAS/PEL said that the Administration would need to consider the cost implications of this proposal because this would incur a large amount of resources.

37. Regarding Mr LEE Cheuk-yan's further enquiry on the availability of vehicle mechanics, ADEP said that there was a sufficient number of mechanics to deal with the repair and maintenance of vehicles in Hong Kong. The Vocational Training Council had been conducting courses on the repair and maintenance of LPG taxis. The use of chassis dynamometers would help assess whether the level of maintenance was up to the standard required.

38. The Chairman drew members' attention to the list of concerns raised by members on the Bill which was tabled at the meeting. Members agreed to wrap up discussions on the Bill at the next meeting scheduled for 17 June 1999.

II Any other business

39. There being no other business, the meeting ended at 10:40 am.

Legislative Council Secretariat

8 November 1999