LC Paper No. CB(2)1670/99-00(02)

The Second Reading of the Appropriation Bill 2000
April 5, 2000

Speech by the Secretary for the Environment and Food, Mrs Lily Yam

Madam President,

At the Legislative Council meetings last week, quite a few Members commented on issues concerning environmental protection, the provision of municipal services and agriculture and fisheries. I thank Members for their concerns and would like to say something in response.

New Structure: Targets and Undertakings

Some Members queried whether the services provided under the new structure were more cost-effective than those of the two Municipal Councils. In the Controlling Officer's Report of the Food and Environmental Hygiene Department (FEHD), we have set out our targets and indicators in detail. We have also, at Members' request, provided supplementary information as far as possible.

Within the short period of three months, we have undertaken to introduce changes in the following areas:

First, to consult the public on the broad direction for the labeling of genetically modified food within the next 12 months;

Second, to shorten the time required for processing restaurant licences;

Third, to complete a review of the open categorization scheme on restaurants, i.e. the so-called "five-star restaurants"; and

Fourth, to introduce an amendment bill in the next legislative session to authorize FEHD to close unlicensed and unhygienic food premises so as to safeguard public health.

As regards the problem raised by Members concerning the cumbersome procedures that

supermarkets have to go through to apply for various kinds of licences, FEHD will consider simplifying the procedures in dealing with such cases. We hope to be able to introduce improvements in the not-too-distant future.

Hawker Control

Among the various environmental hygiene services, it seems that Members were particularly concerned about the control of unlicensed hawkers. Some Members queried whether the Government should spend several hundred million dollars in controlling unlicensed hawkers. To my surprise, two of them were members of the Provisional Urban Council or the Provisional Regional Council up to the end of last year. They had participated in formulating hawker policy as well as approving the relevant expenditure of the two Municipal Services Departments. In fact, during last year's reorganisation exercise, we had cut some 130 posts assisting the hawker control teams and are now redeploying the affected staff to other duties.

Illegal hawking is a long-term problem. I believe we all agree that an effective way to deter illegal hawking is through stringent enforcement actions and increasing patrol of hawker black spots. At a time when the unemployment rate is high, if we do not provide sufficient resources for the control of illegal hawking, the number of unlicensed hawkers will surge. Needless to say, this would adversely affect our living environment.

To ensure effective use of our resources, FEHD has embarked on a review of the structure, operation and training of hawker control teams with a view to enhancing efficiency.

Air Quality

Turning to the question of environment. The very high air pollution index recorded last week aroused a great deal of concern among the community and members of this Council. Our overall air quality is indeed unacceptable. As the officer responsible for environmental protection policy, I would very much like to wave a magic wand and cure Hong Kong of its pollution. But in the reality of environmental protection work, there is no magic wand. To eradicate air pollution problems, we must be prepared to shoulder the costs and to put a lot of hard work over time. There must also be active public participation in the formulation and implementation of policies.

At the moment, excessive particulate levels and rising nitrogen dioxide levels pose serious health threats. More than 70% of the particulate and nitrogen dioxide in the main urban area come from our vehicles. In addition, regional air emissions also account for some part of our smog and particulate problems.

In tackling cross-boundary air pollution, we must strengthen our co-operation with Guangdong in transport planning and environmental protection. The Joint Working Group on Environmental Protection and Sustainable Development under the Hong Kong/Guangdong Cooperation Joint Conference will study the cause of problem and devise effective control strategies as soon as possible.

Our immediate task is to clean up our own act. The measures set out in last year's policy address aim to remove the threat to our health from particulate emissions. Our target is to reduce vehicle particulate emissions from the existing vehicle fleet by 60% by the end of 2003 and by 80% by the end of 2005.

To achieve this target, the following measures are being adopted:

* Converting the taxi fleet of 18,000 to LPG and the 6,000 light bus fleet to LPG or electric vehicles;

* Requiring another 50,000 older light diesel vehicles to be fitted with particulate traps;

* Requiring 30,000 older heavy diesel vehicles to fit catalysts;

* Introducing tougher standards for new diesel vehicles and fuel;

* Stepping up enforcement action against smoky vehicles and improving vehicle inspection programmes.

Let me briefly set out the progress we have made on these measures:

* To ensure the smooth implementation of the LPG taxi conversion scheme, we need to provide sufficient LPG filling facilities in convenient locations. We must also make appropriate arrangements for the trades. We will brief Members shortly on details of the conversion scheme at a joint meeting of the Transport and Environmental Affairs

Panels. We will also seek the necessary funding from Finance Committee within this legislative session so that we can implement the conversion scheme by the end of this year.

* The trial of LPG and electric light buses will start in June and be completed by the end of the when we will decide on the way forward.

* The particulate trap trials have been completed. We will seek funding from Finance Committee later this session to start implementation within this year.

* The catalyst trials for heavy diesel vehicles are underway and should be completed by November this year. We will then seek funds for implementation. The franchised bus companies are already implementing fitting catalysts to older buses.

Substantial resources have been allocated for implementation of the above measures. These include concessions on duty for auto-LPG that will result in $700 million in revenue foregone every year once all taxis are running on LPG. The incentives for vehicle owners to switch to LPG form part of the provision of $1.4 billion which has been set aside in this year's budget. Furthermore, we have provided sites for the five dedicated LPG filling stations now under construction without land premium, thus foregoing additional public revenues.

In September this year, we will introduce advanced smoke test for heavy diesel vehicles. At the same time, we will extend more stringent emission checks to all commercial vehicles during their annual inspection programme.
Within this legislative session, we will introduce regulations to require more stringent diesel vehicle engine and fuel standards. At the same time, we will actively support other initiatives to develop clean fuel and technology. Citybus has already announced its electric trolley-bus trial. Kowloon Motor Bus and New World First Bus are working on introduction of Ultra Low Sulphur Diesel fuel. We also encourage trials for heavy vehicles using compressed natural gas and are looking into the feasibility of introducing hybrid vehicles and fuel-cell vehicles to Hong Kong.

In addition, I understand the Transport Department has introduced measures to reduce bus numbers on congested corridors, to truncate some routes and to smooth out stopping zones on Hong Kong Island. In addition, Customs and Excise Department has enhanced its attack against the use of illicit diesel. Lands Department is looking into the cancellation of land licenses and leases for sites persistently used for illegal fuel

transfers.

Over the last few days, I have received many requests for early introduction of an increase in fixed penalty fine for smoky vehicles. Members may recall that last November we put a proposal to the Panels concerned to increase the penalty to $1,000. Members then asked us to provide free diagnostic services and to delay implementing any increase in penalty to allow mechanics to be trained. Members also suggested that we enact legislation to require vehicle manufacturers to provide servicing information.

We have worked hard to address these requests. I have obtained the consent of the convenor of the Panel on Environmental Affairs to include a discussion of this issue at the Panel meeting this Friday.

I know that the community - and many Members of this Council, would like to see improvement happening faster. A Member also asked me pointedly when the people of Hong Kong would have clean air.

I cannot give a firm answer to this question, because:

First, the issue does not rest on the actions alone - I describe above alone. It is also dependent on whether vehicle numbers and usage will increase substantially - a question closely linked to economic growth and road construction programmes here and in the region.

Second, we must ensure that we take of the right decision on clean alternative fuel. Any conversion programme will require substantial investment from the transport Sector. They will pay a big price if we rush into a wrong decision. Furthermore, clean alternatives to diesel for heavy vehicles are not widely available. Even when they are, implementation requires supporting measures and these take time;

Third, the prognosis for the future will also be affected by how quickly neighbouring cities can deal with their own air pollution problems.

I do not put these reasons forward as an excuse or to shirk my responsibility. I merely wish to explain the complexity of the issue. I agree with some Members that to solve our problems completely, we need to address related issues, such as:

* whether we should adopt fiscal measures to restrain vehicle growth, for example by increasing first registration tax and license fees for vehicles, or even introducing electronic road pricing?

* whether we need to review our transport policy, including our road building programme?

* how we can alleviate problems caused by the increase in cross boundary traffic as the cross-boundary transport infrastructure is enhanced.

These problems have far reaching consequences on our economic development and our way of life. They involve hard choices and should therefore be extensively discussed and debated in the community so that we can reach a consensus on which public policy can be built.

Short Term Measures

Before the various improvement measures have an effect, we will continue to experience high APIs on certain days of the year. What can we do in the short term during such episodes? Ideas that have been put forward include: banning certain categories of vehicles from most polluted streets; restricting loading and unloading activities to night time; and enacting legislation against idling engines.

These measures even if enforced only when the pollution is very high may be unpalatable to some members of the public and will evoke strong reaction from the transport sector. We therefore wish to listen to the views of the public and Members of this Council before we take these suggestions forward.

Other Problems

As we grapple with air pollution, we must also face up to other equally pressing environmental issues. We cannot continue to avoid financial measures based upon the "polluter pays" principle to arrest the increase in waste and to sustain the maintenance of a costly sewerage system. Unless our community work together to address the problems which are threatening our living environment, our social and economic development would be stunted and our hopes of making Hong Kong a world-class city would be in vain.

Madam Chairman, we have done a lot of talking about the state of our environment in the past few years. It is time for us to put our words into action and work together in tackling these problems.