

(Translation)

**Speaking Notes for the  
Secretary for the Environment, Transport and Works for  
the Special Meeting of the Finance Committee  
to Examine the Draft Estimates of Expenditure in 2003-2004  
25 March 2003 from 2:15 pm to 3 pm**

**Environmental Protection and Conservation**

**Madam President,**

First of all, I would like to present to the Finance Committee the estimate for the coming financial year under the Policy Area: Environmental Protection and Conservation. Afterwards, I'll explain our main policy objectives and initiatives in the new financial year.

**Estimate for the Coming Financial Year**

2. We have received a financial provision of about \$6.1 billion for the financial year of 2003-2004. This represents an increase of about \$0.1 billion, i.e. a growth of 5% in real terms, over the revised estimate for 2002-2003. Recurrent expenditure amounts to about 65% of the total estimate, representing an increase of about \$48 million in amount over the revised estimate of last year. The additional provision will mainly be used to cover the operating costs of the sewage treatment facilities and the fill bank in Tseung Kwan O that have come into operation in the current financial year, as well as the maintenance costs of the sewerage systems. In regard to capital expenditure, we need to set

aside about \$0.3 billion for the installation of particulate reduction devices on pre-Euro heavy diesel vehicles, and for the provision of a one-off grant to encourage early replacement of diesel public light buses with liquefied petroleum gas (LPG) or electric ones to further improve roadside air quality.

3. Next, I would like to introduce to you briefly our major policy objectives and initiatives to be implemented in the coming financial year.

## **Major Objectives and Initiatives**

### **Improving Air Quality**

4. For the past few years, we have been putting much effort to reduce vehicle emissions and the various measures implemented have been progressing smoothly. To-date, more than 17 000 diesel taxis, or 93% of the entire taxi fleet, have been replaced by LPG ones. As for the incentive scheme for LPG and electric light buses, we began to accept applications in August 2002. Since then, among the newly registered public light buses, over 80% of the owners have chosen LPG vehicles. We will introduce legislative amendments in the middle of this year to require installation of particulate traps and catalytic converters on all pre-Euro light diesel vehicles. The same statutory requirements will be imposed on all pre-Euro heavy diesel vehicles upon completion of the current programme to provide financial assistance for retrofitting of catalytic converters next year. These initiatives have brought about significant improvement to roadside air quality: the levels of respirable

suspended particulates and nitrogen oxides in the air at roadside have dropped by 19% and 16% respectively last year as compared to 1999. Moreover, the number of vehicles emitting excessive smoke has also reduced substantially by 70%.

5. In the coming year, we will continue to work with the Guangdong Provincial Government on the consensus we reached last year, which is to reduce, on a best endeavour basis, by 2010 the emissions of four major air pollutants in the Pearl River Delta Region by 20% to 55% so that the air quality in the whole Region can be improved. The two governments are exploring the feasibility of introducing a pilot emissions trading scheme among power plants in Hong Kong and Guangdong. In order to minimize local emission of volatile organic compounds (VOC), we will propose to enact legislation to require all petrol filling stations to install a system to recover the petrol vapour emitted during vehicle refuelling. Consultation on other proposals to control VOC emissions will be carried out in due course.

### **Waste Management**

6. We have achieved some good results in waste management by implementing measures to promote waste reduction and waste recovery. In particular, the amount of municipal solid waste disposed of in the three landfills no longer increased as in the previous years; instead, it stayed at 3.4 million tonnes each year between 2000 and 2002. The overall recovery rate also rose from 34% in 2000 to 36% or 1.9 million tonnes

last year.

7. In early March this year, we launched a 12-month pilot scheme on wet/dry waste sorting in four housing estates on Hong Kong Island East, in order to test out its feasibility and cost effectiveness. We will also work out the details for the establishment of a Recovery Park and will continue to provide funds for community organizations and green groups to carry out community waste recovery projects.

8. We plan to implement landfill-charging scheme for construction waste next year. We will introduce a bill to the Legislative Council on the proposed scheme for Members' consideration in mid-2003. We extended invitation to the waste management industry last year for Expressions of Interest to develop large-scale waste management facilities and plan to consult the public on the technical proposals that are considered to be feasible.

### **Improving Water Quality**

9. Stage I of the Harbour Area Treatment Scheme was completed and brought into operation in 2001. At present, it is treating about 70% of the sewage from both sides of Victoria Harbour, bringing about substantial improvements to the water quality of the Harbour. A series of trials and studies concerning the remaining stages of the scheme are being undertaken. Upon completion of these trials and studies at the end of this year, we will launch a public consultation exercise with a view to

commencing the works as soon as possible. We will also review the levels of sewage charges, taking into account the polluter pays principle, with a view to attaining a more equitable sharing of costs.

### **Promoting Renewable Energy**

10. We are consulting the public on the findings and recommendations of a consultancy report on the potential applications of renewable energy in Hong Kong with a view to formulating a policy for its development. Meanwhile, we have been actively using solar power and wind power in our public works projects, and will continue to promote their use in new projects. To assess the feasibility of application of renewable energy in Hong Kong, we have erected photovoltaic panels at of the Wanchai Tower. Besides, we seek to identify suitable sites to develop wind power by collecting data on windforce at various locations.

### **Nature Conservation**

11. In order to protect the ecologically important habitats in Hong Kong more effectively, we are now reviewing our existing nature conservation policy and measures with a view to identifying areas for improvement and practicable ways to enhance protection of sites with high ecological value, especially those under private ownership. Moreover, we are setting up a system under which more objective means will be employed to assess the ecological value of different sites. In the new financial year, we will consult the public on the review in order to

devise a more comprehensive nature conservation policy.

12. I hope that Members will continue to support our policies and measures to protect our environment and conserve our ecological resources, which will further improve our living environment.