

Legislative Council Panel on Environmental Affairs

Policy Initiatives of the Environment, Transport and Works Bureau

**Main Points to be made by the
Secretary for the Environment, Transport and Works**

- I am very pleased to attend today's meeting of the Legislative Council Panel on Environmental Affairs to brief Members on the Administration's major environmental initiatives.

Strategies for Environmental Protection

- The Chief Executive has outlined his strategy and specific measures to fight pollution in his Policy Address, promising carrots and sticks for everyone from the general public to big industries, spurring them to put their acts together to clean up the environment on all fronts with special emphasis on air quality. Combating environmental pollution is a long-term undertaking requiring good strategies, perseverance and public support.
- Our strategies for environmental protection consist of four elements, i.e.
 - (a) we adopt forward looking policies to 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 tools to accelerate their attainment;

- (b) we strive to adopt the polluter pays principle to internalize environmental social costs and to incentivize people to pollute less;
- (c) where the market fails to find a solution on its own, the Government will intervene. Where appropriate, we will resort to legislative options; and
- (d) we promote community education and participation, and raising the public's awareness of environmental protection.

Improving Air Quality

- In line with these strategies, we started to strengthen our cooperation with the Guangdong Provincial Government in the early 1990s. In 2003 we agreed with them on the Regional Air Quality Management Plan for the Pearl River Delta (PRD) which aims to reduce sulphur dioxide, nitrogen oxides, respirable suspended particulates and volatile organic compounds by 40%, 20%, 55% and 55% by 2010 using 1997 as the baseline year. The collaboration is at all levels. At the technical level, the joint team has put up a 16-station Regional Air Quality Monitoring Network in the PRD. One can now have online access to the Regional Air Quality Index. We have been working together to establish an emissions trading pilot scheme to harness market forces which have accelerated pollution reduction in other countries. We share experience in how our transport policies, which govern the provision of reliable public transport services

to serve 95% of the commuters and facilitate the continuous migration to available cleaner technology, have worked to reduce vehicular pollution.

- In Hong Kong, we must deal with emissions from power plants. Apart from progressively tightening emission caps on power plants, we require power plants to regularly review and update their pollution control technology by the best practicable means. 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.
- To reduce some 10% of the total nitrogen oxides and 18% of respirable suspended particulates pollution in Hong Kong which are attributable to commercial diesel vehicles, the Government intends to provide owners of 74,000 commercial vehicles of pre-Euro or Euro I standards with a subsidy if they replace their vehicles with Euro IV models. These owners suffer from high fuel costs and keen competition from their Mainland counterparts. Without a subsidy they are likely to hang on to their old vehicles for much longer. We need to give them some incentive which will tide them through this difficult period, in order not to slow down our plan to improve air quality.
- The other plan is to lure private car owners who want to do their part to save the environment by providing them with a maximum HK\$50,000 concession for the First Registration Tax. Moreover, we will consult the public on whether to introduce legislation to ban idling vehicles from running their engines.

- The Environmental Protection Department plans to commission an 18-month study in early 2007 to fully review Hong Kong's air quality objectives and long-term air quality management strategy. The study will make reference to the latest findings of research undertaken by the World Health Organization, the European Union and the United States, so as to formulate our long-term air quality management strategy. The review will include extensive consultation and public engagement.

Harbour Area Treatment Scheme and Solid Waste Disposal

- The Chief Executive is determined to adhere to the polluter pays principle in our sewage treatment and solid waste disposal. The construction of both phases of Stage 2 of the Harbour Area Treatment Scheme in accordance with the present plan will depend on the acceptance by the community of the need to fully recover the operational cost of sewage services through sewage charges in the long term. We are therefore reviewing the charging scheme in accordance with the polluter pays principle, and intend to bring forward proposals for changes in the fourth quarter of 2006. We aim to achieve an equitable sharing of the funding responsibility through the gradual adjustment of the charges in a small, incremental manner. I hope Members will approve the proposals to implement the polluter pays principle.
- Solid waste disposal is an imminent environmental issue we must face and address. We are working towards the implementation of "A Policy Framework for the Management of Municipal Solid Waste in Hong Kong (2005-2014)", which was published last December and adopts the

polluter pays principle to induce behavioural changes to ultimately reduce waste. Major policy initiatives include continuing to actively promote source separation of household waste, establishing the EcoPark, introducing producer responsibility legislation, introducing municipal solid waste charging, extending the capacities of the existing landfills, and building state-of-the-art large-scale waste treatment facilities. Phase I of the EcoPark in Tuen Mun Area 38, designated for the development of recycling and environmental industries, will be available for leasing towards the end of 2006. The feasibility and environmental impact assessment studies on landfill extensions are ongoing.

Participation in Environmental Protection

- We are pleased to see the increasingly positive response from the community. Many schools and businesses have supported and taken part in the Action Blue Sky Campaign. Some 1.8 million of our population have participated in our waste separation at source programme. The challenge is for our community to adopt environmental stewardship at all levels and to be encouraged to sustain their efforts. I urge all parties to keep up with their efforts in improving the environment.
- Thank you.