立法會 Legislative Council

LC Paper No. CB(1) 2956/09-10 (These minutes have been seen by the Administration)

Ref: CB1/PL/EA/1

Panel on Environmental Affairs

Minutes of meeting held on Monday, 28 June 2010, at 2:30 pm in Conference Room A of the Legislative Council Building

Members present: Hon Audrey EU Yuet-mee, SC, JP (Chairman)

Hon CHAN Hak-kan (Deputy Chairman)

Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP

Hon James TO Kun-sun

Hon WONG Yung-kan, SBS, JP Hon Andrew CHENG Kar-foo

Hon LEE Wing-tat

Hon Jeffrey LAM Kin-fung, SBS, JP Hon CHEUNG Hok-ming, GBS, JP

Prof Hon Patrick LAU Sau-shing, SBS, JP

Hon KAM Nai-wai, MH Hon Cyd HO Sau-lan Hon CHAN Kin-por, JP Hon Tanya CHAN

Hon Albert CHAN Wai-yip

Member absent : Hon Miriam LAU Kin-yee, GBS, JP

Public officers attending

For item IV

Dr Kitty POON

Under Secretary for the Environment

Mr Vincent TANG

Assistant Director (Nature Conservation & Infrastructure

Planning)

Environmental Protection Department

Mr Joseph SHAM Assistant Director (Country & Marine Parks) Agriculture, Fisheries and Conservation Department

Mr LEUNG Chi-hong Senior Country Park Officer (North West) Agriculture, Fisheries and Conservation Department

For item V

Dr Kitty POON Under Secretary for the Environment

Miss Vivian LAU
Deputy Secretary for the Environment

Miss Katharine CHOI Principal Assistant Secretary for the Environment (Energy)

Mr Frank CHAN
Deputy Director (Regulatory Services)
Electrical and Mechanical Services Department

For item VI

Dr Kitty POON Under Secretary for the Environment

Mr Carlson K S CHAN
Deputy Director of Environmental Protection (3)

Mr MOK Wai-chuen Assistant Director (Air Policy) Environmental Protection Department

Mr PANG Sik-wing Principal Environmental Protection Officer (Air Policy)

Clerk in attendance: Miss Becky YU

Chief Council Secretary (1)1

Staff in attendance : Mrs Mary TANG

Senior Council Secretary (1)2

Miss Mandy POON Legislative Assistant (1)4

Action

I. Confirmation of minutes and endorsement of the draft report of the Panel for submission to the Legislative Council

(LC Paper No. CB(1) 2261/09-10

— Minutes of the meeting held on 26 April 2010

LC Paper No. CB(1) 2323/09-10

 Draft report of the Panel for submission to the Legislative Council)

The minutes of the meeting held on 26 April 2010 were confirmed.

2. <u>Members</u> endorsed the draft report of the Panel on Environmental Affairs for the current session, and authorized the Clerk to revise the report to cover discussion at the current meeting before it was presented to the Council on 14 July 2010.

II. Information paper issued since last meeting

3. <u>Members</u> noted the following information papers which had been issued since last meeting -

LC Paper No. CB(1) 1956/09-10(01)

 Referral arising from the meeting between Legislative Council Members and Wan Chai District Council members on 29 April 2010 regarding the noise and light nuisance from outdoor television wall screens (Chinese version only) (Restricted to Members)

III. Items for discussion at the next meeting

(LC Paper No. CB(1) 2324/09-10(01) — List of follow-up actions LC Paper No. CB(1) 2324/09-10(02) — List of outstanding items for discussion)

- 4. <u>Members</u> agreed to discuss the following items at the next regular meeting scheduled for Wednesday, 21 July 2010, at 2:30 pm -
 - (a) Review of the Technical Memorandum for Allocation of Emission Allowances in respect of Specified Licences; and

Action - 4 -

(b) Public participation in taking forward the Framework Agreement on Hong Kong/Guangdong Co-operation - Environmental protection and ecology conservation

<u>Members</u> also agreed that deputations should be invited to take part in the discussion on item (b).

IV. Designation of Special Areas for the Hong Kong National Geopark

(LC Paper No. CB(1) 2324/09-10(03) — Administration's paper on Designation of Special Areas for the Hong Kong National Geopark

LC Paper No. CB(1) 2324/09-10(04) — Paper on the Geopark in Hong Kong prepared by the Legislative Council Secretariat (background brief))

- 5. The <u>Under Secretary for the Environment</u> (USEN) explained that the proposed designation of Double Haven Special Area, High Island Special Area, Sharp Island Special Area, Ung Kong Group Special Area and Ninepin Group Special Area ("the five proposed special areas") was for protecting the geological resources within the Hong Kong National Geopark (the Geopark).
- 6. While supporting in principle the designation of the five proposed special areas, Mr Albert CHAN opined that apart from banning development in these areas, the Administration had not done enough to protect areas of high ecological value, including wetlands under the Ramsar Convention. He enquired about the plans to protect and conserve the five proposed special areas upon designation. There was also a need to enhance public awareness on the types of activities which were allowed in these areas. Miss Tanya CHAN echoed that the existing legislation had not provided the needed protection for conservation areas. Members' attention was drawn to some photos taken recently at Bride's Pool where a large number of trees had been felled to make way for large-scale construction works for the development of a Buddhist park and a themed garden. While the works were carried out on private land, she considered it necessary that more measures should be put in place to prevent environmental degradation.
- 7. The Assistant Director of Agriculture, Fisheries and Conservation (Country & Marine Parks) (ADAFC(C&MP)) said that with the proposed designation, the five proposed special areas would be subject to the statutory protection and control under the Country Parks Ordinance (Cap. 208) (CPO). <u>USEN</u> added that concerted efforts from the community as well as enforcement actions were required to protect and conserve areas with high ecological value. In addition to posting notices to inform visitors of the places which were of special interest, publicity would be stepped up to enhance public awareness on the ecological and geological importance of the special

Action - 5 -

areas. As regards the construction works at Bride's Pool, <u>USEN</u> said that the Administration had been monitoring the works which were carried out on private land situated within the country park area. The project proponent had submitted an application on change of land use which would be carefully scrutinized to ensure that the development would not contravene existing requirements on the protection and control of country parks. Meanwhile, enforcement actions would be taken as appropriate to prevent damages to neighbouring areas. The <u>Assistant Director of Environmental Protection (Nature Conservation & Infrastructure Planning)</u> (ADEP(NCIP)) supplemented that applications for large-scale developments on private land within country parks were subject to approval from the Lands Department, which would consult the Agriculture, Fisheries and Conservation Department on the developments within country parks. Applications which would cause adverse environmental impacts would not be approved.

- Miss Tanya CHAN emphasized the need to review the existing legislation to enhance protection of conservation areas. Educational efforts and enforcement actions should also be stepped up to prevent these areas from environmental degradation and destructive activities. Noting that there were 22 geological parks in the Mainland which had been graded global geopark status according to their geological value, she enquired whether a similar grading system would apply to the Geopark in an attempt to better conserve the landscapes and geodiversity. She also enquired about the supporting facilities for the Geopark, and whether guided tours would be provided. USEN said that while the existing legislation had accorded the necessary statutory protection to conservation areas, more efforts could be done to protect these areas. Visitors were encouraged to report any destructive activities that would cause damages to conservation areas. Information pamphlets would also be made available at the geological education centres to educate visitors on the need for protection of geodiversity. However, it would be for the courts to decide the levels of penalty to achieve the desired deterrent effect. To this end, more evidence would be required to convince the courts on the severity of the offence. As regards the five proposed special areas, USEN said that these were of high geological value and they would be accorded the same statutory protection and control as country parks after the proposed designation under CPO. Given that these special areas would be managed for educational and nature conservation purposes, no recreational facilities such as barbecue and camping sites would be provided within these areas.
- 9. geopark Noting that the Geopark had obtained national Professor Patrick LAU enquired about the difference between national and global status, and whether the Geopark was eligible to becoming a global geopark and if so, whether the provision of facilities such as educational centres and parking facilities was a pre-requisite factor in the application for upgrading to global geopark status as in the case of other global geoparks overseas. USEN said that an application to upgrade the Geopark to global status would be submitted to the United Nations via the Mainland within this year. The application and approval process would take about nine months. There was a good chance that the Geopark would be accorded global geopark status, given its geological importance as confirmed by international geological experts. Besides, the application was well supported by the Central

Action - 6 -

Government. As regards the provision of educational centres, <u>USEN</u> said that geological educational centres had been set up in Yan Chau Tong, Tai Po, and Sai Kung. <u>ADEP(NCIP)</u> added that a nature educational centre had been set up at Tsiu Hang, Sai Kung to help visitors in appreciating the geological treasures and to educate them on the importance of preserving geological resources. Cooperation had also been sought from non-governmental organizations in promoting geo-conservation, public education and sustainable development of geological resources. Meanwhile, the visitor centre at Pak Tam Chung would be re-developed into a geological education centre to make geowalks at the High Island Reservoir more informative and interesting.

10. In response to Professor Patrick LAU's further enquiry on the accessibility of the Geopark, <u>USEN</u> said that many of the Geopark areas were accessible by car. If the Geopark was found to be well received, consideration would be given to providing more convenient modes of transport, in an attempt to promote eco-tourism in these areas. At members' request, <u>the Administration</u> agreed to provide information on the measures and the manpower resources required in protecting and conserving the five proposed special areas, as well as the means of access to these areas and the facilities to be provided.

Noting that both the North and the Sai Kung District Councils (DCs) had given full support for the proposed designation, Mr CHEUNG Hok-ming sought elaboration on the details of consultation. ADAFC(C&MP) said that he had participated in the consultation sessions with the two DCs during which some DC members had raised concerns about the possible impact of the designation on commercial fishing. Administration had explained that the proposed special areas were not within the fishing areas and hence the designation would not affect fishing activities. Both DCs were also informed of the educational facilities to be provided within the Geopark. Mr CHEUNG was concerned that with the designation of more marine parks following the establishment of the Geopark, there would be more restrictions on commercial fishing in these areas. Mr WONG Yung-kan echoed that once designated as special areas, fishing and other recreational activities would be prohibited in these areas, many of which were of much interest to tourists. He was also concerned about the ineffective enforcement against illegal fishing in marine parks and stealing of rare species of plants and trees from country parks in Hong Kong. He urged the Administration to step up enforcement actions for the protection of country and marine parks. USEN clarified that the Administration had no immediate plans to further designate or extend the marine parks. Consultation would be held with affected fishermen on any extension of coverage of marine parks. She added that the proposed five special areas were all situated on land and their designation would not Framework affect fishing activities. Under the Agreement Kong/Guangdong Co-operation, joint efforts would be made to combat illegal fishing activities. ADAFC(C&MP) supplemented that locals and tourists were welcome to visit some of the special areas like Yan Chau Tong and Ap Chau which were excellent venues for studying breccia in the field and with good visitor facilities. However, landing on some of the remote islands such as Un Kong and Ninepin were not encouraged because of the rugged terrain and lack of proper landing facilities which

Admin

could pose a safety threat to visitors landing there. Instead, visitors could better appreciate the geological landscape by touring around these islands in their vessels.

12. While acknowledging that the five proposed special areas were all on Government land, Mr CHEUNG Hok-ming asked if the designation would affect the neighbouring developments on private land, and whether there were plans to further designate the neighbouring land as special areas. <u>USEN</u> said that the five proposed special areas were all on Government land, covering a total area of 235 hectares. There were no plans to further designate the neighbouring land as special areas.

V. District Cooling System at the Kai Tai Development

(LC Paper No. CB(1) 2324/09-10(05) — Administration's paper on District Cooling System at the Kai Tai Development)

- 13. The <u>Chairman</u> said that the subject was included to replace "2009/2010 progress report on Cleaner Production Partnership Programme" at the request of the Administration and after consultation with members. She added that the funding proposal on District Cooling System (DCS) at the Kai Tak Development (KTD) had been discussed by the Panel and subsequently approved by the Finance Committee (FC). Given that the returned tender prices of both the project and operating costs had far exceeded the original estimates, the Administration considered it necessary to adjust the procurement strategy. Subject to returned tender prices under the alternative procurement strategy, the Administration would seek separate approval from the Public Works Subcommittee (PWSC) and FC for increasing the approved project estimate (APE).
- 14. <u>USEN</u> briefed members on the latest development of DCS at KTD and the revised procurement strategy by highlighting the salient points in the information paper.

Alternative procurement strategy

said that unlike Patrick LAU the conventional consultant-design-contractor-build procurement mode where contractors were only required to build according to the design specifications, the Design-Build-Operate (DBO) procurement mode required contractors to design, construct and operate the facilities concerned. As a result, contractors would tend to include a very high risk premium in the tender prices to cater for possible uncertainties. This had not only pushed up the project costs but also undermined the cost-effectiveness of the projects. While he had earlier expressed his concerns on the viability of the DBO procurement mode at a PWSC meeting, the Administration had not taken heed of these concerns and insisted to apply the DBO approach to many projects which were later found to be problematic. Mr CHAN Kin-por was also concerned about the viability of the DBO approach given that the two sewage treatments works at Lamma Island had to change

Action - 8 -

from DBO to the conventional consultant-design-contractor-build procurement mode. He said that if Professor Patrick LAU, the Member returned from the Architectural, Surveying and Planning constituency, was unconvinced of the viability of the DBO approach, he would have difficulty in supporting the revised procurement mode using the DBO approach for Phase II works. He suggested that the Administration should endeavour to convince Professor LAU who might be able to convince other members to support the revised procurement mode.

- Ms Cyd HO noted that in his recent report, the Director of Audit had criticized that the use of DBO approach in the development of EcoPark had transferred the management risk to private contractors. Given that many environmental projects were new to Hong Kong, tenderers would tend to include a very high risk premium in the tender prices as evidenced by the high returned tender prices for DCS to cater for uncertainties associated with the long operation period of 17 years and unexpected site constraints. She said that she was not prepared to support the revised procurement mode before a comparison on the project costs of DCS between the conventional consultant-design-contractor-build procurement mode and DBO procurement mode Mr KAM Nai-wai was dissatisfied that the Administration had time and again applied for hefty increases in APE for many works projects, including the sewerage projects in North District, Yung Shue Wan and Sok Kwu Wan. He added that members would need more information on the costs of different phases of the revised procurement mode before they could decide to support the proposal or not. The Administration was requested to provide information on how far the original estimates had been exceeded, the cost of each of the three phases of the project, the justifications for adopting the DBO approach, and whether there were other alternative procurement options to choose from.
- 17. In response, <u>USEN</u> said that the original procurement strategy to carry out DCS under a single DBO contract spanning over 17 years was meant to ensure design integrity and seamless control of different phases of the project. In view of the returned tender prices of both the project costs and the operation costs had far exceeded the original estimates, the Administration proposed to adjust the procurement strategy using a phased approach in procuring DCS. Phases I and II of the project would be invited as soon as possible to ensure timely availability of DCS to meet the cooling demand of various developments in KTD, in particular the Cruise Terminal which was due for commissioning in 2013. The Administration would closely monitor the progress of DCS which aimed to provide air-conditioning for developments in KTD. The Deputy Director of Electrical and Mechanical Services (Regulatory Services) (DDEMS(RS)) explained that the phasing approach under the revised procurement strategy would reduce the risk premium over the extended project period, as well as provide greater flexibility and improved adjustments to better cater for changes in the development schedule of KTD. However, there was imminent need to proceed with Phase I of DCS to provide part of the pipe laying works in the North Apron to tie in with the ongoing roadwork construction programme in the area to avoid subsequent re-opening of roads for installing DCS pipes at a later stage. To reduce the uncertainties associated with the long operation period of 17 years, it was decided to split the operation contract into

Admin

two 8+8 periods (i.e. the operation of DCS would be up to 2018/2019, with an option to extend the operation period to end in 2026/2027). As regards information on the returned tenders, the <u>Deputy Secretary for the Environment</u> said that tender prices were commercially sensitive information which could not be disclosed prior to completion of the tender exercise. Besides, premature disclosure might prompt other tenderers to manipulate tender prices which would not be in the interest of the public. The Administration planned to invite tenders for the works under Phases I and II of the revised procurement mode as soon as possible. If the returned tender prices for Phases I and II as well as the estimated contract sum for Phase III were expected to exceed the original APE, the Administration would update the Panel on the tender returns and seek PWSC/FC's approval for implementing Phases I and II before awarding the respective contracts. It would seek separate PWSC/FC's approval for increasing the APE to cover Phases III after the return of relevant tender.

- 18. Mr CHAN Hak-kan expressed concern that if funding for Phases I and II was approved, members would have no choice but to approve the funding for Phase III. USEN said that the revised procurement strategy of commencing with Phases I and II in parallel would allow greater flexibility and improved adjustment in developing Phase III.
- 19. Noting that the DCS contract would span over a period of 17 years, Mr CHAN Kin-por opined there might be new cooling technologies emerging within the period which would make the investment in DCS not worthwhile. The contractors might also withdraw from the project if it was found to be non-profitable. Hence, there might be a need to review the procurement mode to decide whether the conventional consultant-design-contractor-build or DBO approach should be adopted. DDEMS(RS) explained that the operating cost of DCS would be paid for by the Government while the operator would collect the air-conditioning tariff on behalf of the Government.

Subscription for DCS service

- 20. Noting that DCS would be the first water-cooled air-conditioning system of such an extent in Hong Kong, Mr CHAN Hak-kan was concerned about its financial viability given that mandatory subscription to DCS service was only applicable to public developments and not privates ones. Private developments might not opt for DCS service if the tariff was not competitive with conventional cooling systems. The investment on DCS would be wasted if the system was under-subscribed. He asked whether consideration could be given to requiring mandatory subscription for DCS service by private developments within KTD to increase the subscription rate on one hand and to shorten the pay-back period on the other.
- 21. In response, <u>USEN</u> said that the implementation of DCS in KTD would bring about significant environmental benefits. Given its high energy efficiency and significant savings in electricity consumption, DCS would be more competitive than conventional cooling systems and was expected to attract a high demand. Moreover, all public projects in KTD, including the Cruise Terminal and shopping centres in

public rental housing estates, were mandated to subscribe for DCS service. She added that DCS was targeting at commercial buildings rather than residential developments as the former usually adopted central air-conditioning systems which could be connected to DCS. Besides, demand for cooling services by residential developments was mostly confined to evenings and summer months. While commercial users would be encouraged to subscribe for DCS service, the Administration was open about the proposal to require mandatory subscription for DCS service by private developments. DDEMS(RS) supplemented that DCS was commonly adopted in overseas countries, including Europe and the United States, which had been proved to be very successful with high subscription rate from the private sector.

22. Mr Jeffrey LAM enquired about the tariff to be charged for DCS service and the basis upon which the tariff was set. DDEMS(RS) said that the operator would be responsible for collecting the tariff which would be determined by the Government to cover staff costs and operating expenses. The operating and maintenance requirements as well as the services to be provided to customers would be set out in the tender documents. The Electrical and Mechanical Services Department would be tasked with the responsibilities to monitor the delivery and operation of DCS.

Way forward

- 23. Noting that the Administration intended to invite tenders for the works under Phases I and II as soon as possible, the Chairman sought members' views on the way forward as the Administration had yet to provide the information requested by USEN said that the Administration would endeavour to provide the members. requisite information as far as possible, and hoped members would agree to allow the tenders to proceed as proposed. DDEMS(RS) reiterated that there was imminent need to proceed with the tender for Phase I works to tie in with ongoing roadwork construction programme in North Apron to avoid subsequent re-opening of roads for installing DCS pipes at a later stage. The Phase I and II works would provide for the basic and necessary pipe laying works in the North Apron, as well as the core facilities for DCS which had to be provided in a timely manner to meet service needs. urged members to support the tenders for Phase I and II works to ensure that DCS would be able to meet the cooling demand of various developments in KTD. Administration would report to the Panel the tender returns and seek PWSC/FC's approval for implementing Phases I and II before awarding the respective contracts.
- 24. <u>Ms Cyd HO</u> said that members would have difficulty in supporting the proposal in the absence of information on the funding for DCS. She enquired about the timeframe for the Administration to consult PWSC/FC. <u>USEN</u> said that the Administration intended to submit the proposal to PWSC/FC for consideration at the start of the next legislative session.
- 25. <u>Mr Albert CHAN</u> remarked that as the Administration had spent much time in revising the procurement strategy, it should also allow equally sufficient time for members to examine the proposal. Given that the Administration had the

responsibility to convince members of the viability of the revised procurement strategy, he considered that another meeting should be arranged in July 2010 to discuss the DCS project. Besides, revising the procurement strategy at this stage might not be fair to tenderers who had already taken much effort in participating in the original tenders. Mr CHAN Hak-kan also agreed to hold another meeting in July 2010 for the Administration to apprise members on the expenses to be incurred from works under Phases I and II. Noting that the proposal would be submitted to PWSC/FC at the start of the next legislative session, Mr LEE Wing-tat said that there should be ample time for members to discuss the project in July 2010. Professor Patrick LAU also supported to hold another meeting in July 2010 to discuss the DCS project. DDEMS(RS) however said that as the original tender was still valid, the Administration was not able to disclose the returned tender prices. Mr KAM Nai-wai failed to understand why information on the cost of the different phases could not be disclosed as otherwise PWSC/FC could not approve the funding. To facilitate disclosure of sensitive information, he suggested that a closed meeting could be arranged before holding another meeting to discuss the DCS project in July 2010.

26. Taking into account members' views, the <u>Chairman</u> decided to include the subject in the agenda for the next regular Panel meeting on 21 July 2010. In the meantime, she suggested that the Administration should consult different political parties with a view to reaching a consensus on the proposal. Subject to the Administration's view, a closed meeting would be arranged for the Administration to present any sensitive/confidential information. <u>USEN</u> agreed that it might be more desirable to hold a closed meeting to discuss information relevant to the tender of DCS at KTD.

(*Post-meeting note*: An informal meeting to be held in camera had been scheduled for Monday, 12 July 2010, at 2:30 pm for the Administration to present any confidential/sensitive information relevant to the tender of DCS at KTD.)

VI. Findings of public consultation on Review of Air Quality Objectives

(LC Paper No. CB(1) 2324/09-10(06) — Administration's paper on Findings of public consultation on Review of Air Quality Objectives

LC Paper No. CB(1) 2324/09-10(07) — Paper on review of Air Quality Objectives prepared by the Legislative Council Secretariat (updated background brief))

27. Before commencing discussion, the <u>Chairman</u> drew members' attention to a submission from Greenpeace expressing concerns on the findings of public consultation on Review of Air Quality Objectives (AQOs).

(*Post-meeting note*: The submission was circulated to members vide LC Paper No. CB(1) 2408/09-10(01).)

<u>Action</u> - 12 -

28. The <u>Under Secretary for the Environment (USEN)</u> briefed members on the key findings of the public consultation on the Review of AQOs by highlighting the salient points in the information paper.

Overall responses

- 29. Mr CHAN Hak-kan noted that the general feedback from the four-month consultation revealed that many respondents had indicated willingness to bear some of the costs arising from the implementation of the proposed measures, while others had called for the Government to bear part of the costs so as to reduce their impacts, particularly on the low income families. He held the view that the costs for implementing the measures to improve air quality should be borne by the community as a whole, including the trades and the Government. He also enquired about the timeframes for adopting the new set of AQOs and the ultimate targets set out in the World Health Organization's Air Quality Guidelines (WHO AQGs). explained that the extent of cost sharing would differ with different measures. While most respondents had indicated willingness to bear some of the costs arising from the implementation of the proposed measures, their views on the extent of cost sharing There was a need to prioritize the 19 proposed emission reduction measures and garner support for their implementation before deciding on the timeframe for adopting the new set of AQOs, which represented a combination of the interim and ultimate air quality targets set out in WHO AQGs. In reply to Mr CHAN's further enquiry on the share of the Government in increasing the use of natural gas for power generation, the Deputy Director of Environmental Protection (3) (DDEP(3)) said that it had all along been the Government's energy policy to ensure a safe and stable supply of electricity without subsidy from the Government. As natural gas was much more expensive than coal, the electricity tariff was expected to rise if the ratio of natural gas in the local fuel mix for electricity generation was increased.
- Mr Jeffrey LAM enquired whether a steering committee would be set up 30. within the Government to monitor the implementation of emission reduction measures. By way of illustration, there should be closer rapport between the Transport Department and the Environmental Protection Department in taking forward initiatives to encourage early replacement of polluting vehicles. He also asked if consideration would be given to requiring polluters to shoulder the expenses incurred from improving air quality in line with the polluter-pays principle. <u>USEN</u> pointed out that as stated in the 2009/2010 Policy Address, the Chief Secretary for the Administration would coordinate efforts from the community, including the trades and the Government, in implementing air quality improvement measures. She agreed that more co-ordination and co-operation were required in implementing the emission In fact, the Panel on Transport and the Panel on Environmental reduction measures. Affairs had recently held two joint meetings to discuss "Rationalization of bus routes to improve air quality". This type of meetings would help achieve consensus on the implementation of emission reduction measures. On the cost-sharing mechanism in taking forward the emission reduction measures, USEN said that some of the measures did not incur any costs but might cause inconvenience to those living or carrying out businesses in the affected districts.

31. Referring to Annex B to the information paper on the result of questionnaires, Mr CHAN Kin-por noted that the views coordinated by Clean Air Network and Greenpeace were very different from those returned from individuals. He asked how the Administration would analyze these divergent views to reach a decision. <u>USEN</u> said that the Administration was processing the views gathered from the public consultation and members' input would be useful. It was hoped that Members from different political parties could reach a consensus on the new AQOs.

Way forward

- 32. Ms Cyd HO was disappointed that the Administration had only set out the views collected from the consultation exercise without any preliminary outlook on the She held the view that the Administration should resolve any differences with a view to striking a balance between the cost and environmental benefits. It should also shoulder some of the expenses in taking forward the proposed She considered that thorough discussion on each of the emission reduction measures. proposed measures was required, taking account of the views received during the consultation exercise. Expressing similar concerns, Mr KAM Nai-wai was dissatisfied that the Administration had failed to brief the Panel on the outcome of consultation which had ended in November 2009. He requested the Administration to set a time table to discuss the different proposed measures, and to advise how the new AQOs should be formulated. He also considered it inappropriate for the Administration to divide the views received into Group I and II. More discussion would need to be held with the trades to gauge their concerns.
- 33. In response, <u>USEN</u> said that the Administration would need more time to analyze the divergent views received, and to coordinate actions in implementing the proposed measures. Consensus was required on the implementation of these measures. The Administration would report back to the Panel at the start of the next legislative session. On the new AQOs, <u>USEN</u> said that members' views on whether the new AQOs should be a combination of interim and ultimate air quality targets set out in WHO AQGs, or whether the ultimate targets should be adopted immediately were welcomed. She added that the timeframe for introducing the new AQOs had to tie in with that for implementing the 19 proposed emission reduction measures. For example, it would be futile to set an AQO for sulphur dioxide if the relevant emission reduction measures could not be implemented.
- 34. The <u>Chairman</u> suggested and <u>members</u> agreed to refer the subject to the Subcommittee on Improving Air Quality for follow up in late July 2010. She requested the Administration to provide a paper explaining the actions to be taken to resolve the divergent views collected during the public consultation before reaching a consensus on the timeline on implementation of the proposed measures for attaining the proposed new AQOs, the cost-sharing mechanism as well as the need for legislation in taking forward these measures.

(*Post-meeting note*: The meeting of the Subcommittee on Improving Air Quality to continue discussion on the subject would be held on 27 July 2010 at 10:45 am.)

<u>Action</u> - 14 -

VII. Any other business

35. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 1
<u>Legislative Council Secretariat</u>
4 October 2010