

1. Our responses to the concerns expressed by the deputations are as follow –

Impact of test fee increase on vehicle owners

(a) and (b)

It is always the vehicle owner's fundamental responsibility to repair timely and properly maintain his vehicle. As long as the owner discharges his responsibility, his vehicle will not cause excessive emissions affecting public health. He needs not to pay for the emission test. Under the polluter-pays and user-pays principles, there is no ground for the government to pay the testing fee for the vehicle owner.

Since the launch of the remote sensing scheme in September 2014, the Environmental Protection Department (EPD) has detected the emissions of about 400,000 vehicle counts up to end of April 2015, out of which less than 1% or about 3,100 vehicles have been found with excessive emissions. It shows that most of the vehicles can fulfill the requirements and increasing the test fee will not cause any burden to vehicle owners who maintain their vehicles properly.

All the designated vehicle emission testing centres (DVETCs) are now privately-run. There is a need to set the testing fees at a reasonable level to sustain their operation. The existing testing fee was set in 1998 based on cost recovery of the then idling smoke emission test. Since then, EPD has introduced in 2000 and 2014, dynamometer-based emission test for diesel and petrol/LPG vehicles respectively. While the DVETCs have to bear the extra capital cost and operating expenses for the new equipment; and the test also takes longer time to complete, the testing fee has not been increased. There is a practical need to increase the testing fee payable to DVETCs to a more reasonable level.

Emission test arrangements

(c)

The Government is working on the inclusion of dynamometer-based emission test as part of the annual examination of petrol/LPG taxis and public light buses to align with the policy of reducing vehicular emissions and improving roadside air quality. Though this proposal has yet to be implemented, vehicle owners are still obliged to properly maintain and repair their vehicles to avoid them causing excessive emissions. As long as a vehicle owner fulfils his responsibility to properly repair and maintain his vehicle, he needs

not pay the emission test fee.

(d)

In deploying remote sensing equipment, EPD has made reference to similar international practices and guidelines. The equipment is set up at locations with smooth traffic including flat road and lower end of steep road to detect emissions from vehicles under normal driving condition. If vehicles' parts (including emission reduction device) are operating normal, they will not be detected with excessive emissions. We will not deploy remote sensing equipment at down slope road section because vehicles' engines are not under loading when going downhill and the emissions cannot reflect whether the vehicles' parts or emission reduction devices are functioning properly.

Replacement of catalytic converters for LPG taxis and public light buses

(e), (f) & (g)

From August 2013 to April 2014 the Government launched, a one-off scheme (the Scheme) to subsidize all owners of petrol/LPG taxis and public light buses in Hong Kong to replace their vehicles' catalytic converters and oxygen sensors. About 17,000 or 80% of taxis and public light buses participated in the scheme. EPD adopted Government's standing open tendering procedures in procuring the catalytic converters and oxygen sensors as well as arranging for their replacement services. Also as a standard practice, EPD has specified in the tender, objective technical performance standards of the products without considering their make of origin.

To ensure the quality of the products, EPD has requested tenderers of non-proprietary products to provide third-party emission reduction performance testing reports to prove that their products comply with the specifications; and also a 12-month product warranty. Comparing with the usual trade practice which offers no warranty for parts, this can indeed provide greater protection to vehicle owners. We have also established procedures for handling warranty claims, including checking if the precious metal content (which is critical to the emission reduction) of the catalytic converters can meet the standards, requiring the manufacturing to investigate into broken converters. If the investigation finds no quality problem, we will invite experts from the Vocational Training Council to review and provide third-party opinion to ensure the investigation results are fair and protect the interests of the vehicle owners. We will also inform the vehicle owners of the results. Under such arrangement, we received about 230 complaints from vehicle owners against the replaced parts or replacement services which is about 1% of the about 17,000 owners whom participated in the Scheme.

Supply of LPG taxis

(h)

EPD welcomes and encourages the introduction of more environment friendly vehicles. We also encourage different LPG taxi brands into the local market. There are now three LPG taxi brands, one petrol hybrid model and one electric model running in Hong Kong. For diesel taxis, despite the advancement in emission reduction technology, nitrogen oxides emissions from diesel vehicles could still be four times higher than those from petrol or LPG counterparts. Given that roadside air pollution remains serious, we do not consider it opportune to relax control on the use of diesel taxis.

2. The information requested by Members are as follows –

(a) the number of petrol/LPG taxis and public light buses participating in the Scheme:

	Taxi	Public light bus
LPG	15	Not applicable
Petrol	13,636	2,957

(b) the number of emission testing notices ("ETNs") issued between September 2014 and end of April 2015:

	No. of ETNs issued	No. of vehicles with convertor replaced under the Scheme *	No. of vehicles required to be re-tested for an ETN issued
Private car	1028	Not applicable	270
Taxi	180	148	36
Public light bus	1862	1086	339
Light goods vehicle	13	Not applicable	6
Total	3083	--	651

*For those vehicles which still have excessive emissions, it is mainly because they still have not fixed the other vehicle parts (e.g. mixers, evaporators and exhaust gas recirculation device). After these defective parts are fixed, the vehicles can pass the emission tests.

3. Our responses to the suggestions from Members are as below –

(a) postponing the date on which the new test fee for DVETCs will come into operation

The test fee has not been adjusted over the past 17 years albeit the increase in operation costs, including rental, salary and the expenses associated with the introduction of dynamometer and related ancillary equipment. All the DVETC operators indicate that their operations are not sustainable. As a matter of fact, only a very small fraction of those vehicle owners that have not properly maintain and repair their vehicles will be affected by the new test fee. We consider that the test fee proposal should not be amended for such few vehicle owners who have not properly maintained their vehicles.

(b) earmarking spaces at public facilities under planning for lease to DVETC operators at affordable rental level, with a view to enhancing the sustainability of their operation

The DVETCs are operating under the market mechanism. We think we should not interfere with business operation so as not to invite criticisms of the Government giving favor to a particular business. It has all along been the Government policy to recover fees for services on a full cost recovery basis.