For information on 13 May 1999

Legislative Council Revenue Bills Committee

Christine Loh's Proposed amendment
Briefing note

The proposed amendment

1.   In Clause 25 of the Revenue Bill, the Government has proposed increases in all Fixed Penalty Fines in line with inflation. Such Fixed Penalty Fines can be issued by any patrolling Police officer. Item 29 in clause 25(c) refers to Regulation 31(1)(a) which describes an offence of excess smoke or visible vapour for which a Fixed Penalty Fine of HK$450 is currently levied. I propose increasing the fine for this particular offence to HK$5000.

2.   Note that the current system of Fixed Penalty Fines for Excessive Smoke is independent of the Smoky Vehicle Spotting scheme administered by the Environmental Protection Department. In the latter, smoky vehicles spotted by EPD's registered spotters are called in for emission testing. There is no fine but any vehicle failing an emission test 3 times in a row will have its licence cancelled.

3.   I consider that the current fine is out of line with the severity of the offence. Until now the offence of emitting excess black smoke has been regarded as concomitant with that of, for example, picking up/setting down passengers in restricted zone, or failing to comply with road markings. The difference between these[1] and the offence of excess smoke emissions is that a smoky vehicle is a persistent offence rather than an occasional one, and one that is a certain public health hazard.

4.   In terms of the costs to society, studies conducted by the Government confirm that the annual health costs associated with air pollution are equivalent to 0.3-0.5% of GDP[2] (equivalent to $1.3 to $1.5 billion in 1996 prices) and confirm that the number of premature deaths resulting from air pollution may be as high as 2000 per year[3]. Others have estimated that the loss in tourism could cost in the order of $4.5 billion a year[4]. Diesel vehicles are a major source of that air pollution, and badly maintained diesel vehicles are a disproportionate source of pollution.

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[1]   However, the Government may also wish to consider increasing the Fixed Penalty Fines for other traffic safety offences to a more appropriate level

[2]   EHS Consultants. Study of Economic Aspects of Ambient Air Pollution on Health Effects. Report for the Environmental Protection Department, April 1998

[3]   Robert Law, Director of Environmental Protection Department. End of Year Press Briefing. 23/2/99

[4]   Friends of the Earth "What Price Clean Air? Research Report on the Economic Costs of Air Pollution" July 1997, Friends of the Earth Hong Kong

5.   There is no reason why a well maintained diesel vehicle needs to emit black smoke. However, the current fine gives no incentive for drivers to maintain their vehicles properly to avoid emitting excess black smoke. It is estimated that the annual cost of maintenance for a taxi in the first four years of its life is HK$25,000[5]. Clearly it is cheaper to pollute and pay the fine than avoid pollution by proper maintenance. This gives the wrong signal and incentives to vehicle owners.

Delayed Commencement Date

6.   Although the provisions of the Revenue Bill would not come into effect until 1 August 1999, I have specified a delayed commencement date of 1 November 1999. This is to tie in with EPD's introduction of advanced emission testing equipment for light duty diesel vehicles in September. The introduction of this equipment will assist the trade in determining the maintenance requirements of their vehicles. I believe a grace period of 3 months, to allow commercial drivers time to have their vehicles tested and fixed before the increased penalty comes into effect, is sufficient.

7.   I do not see any reason to wait any longer than this. The Government has known about the problem of poor maintenance and excessive smoke emissions for over 20 years.

Christine Loh
13 May 1999

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[5]   W.T. Hung and C.S. Cheung. Report on the Investigation of switching diesel to petrol for taxis and public light buses in Hong Kong", the Hong Kong Polytechnic University, 1995