APPENDIX 12

本署檔號
OUR REF: (   ) in EP 351/A12/2
來函檔號
YOUR REF: CB(4)/PAC/R59
電 話
TEL. NO.: (852) 2594 6300
圖文傳真
FAX NO.: (852) 2827 8040
電子郵件
E-MAIL.:
網址：
HOMEPAGE: http://www.epd.gov.hk

Environmental Protection Department

Headquarters
33/F, Revenue Tower,
5 Gloucester Road,
Wan Chai, Hong Kong.

環境保護署總部

香港
灣仔告士打道五號
稅務大樓三十三樓

28 December 2012
(By fax 2840 0716)

Miss Mary SO
Clerk, Public Accounts Committee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Miss SO

Public Accounts Committee
Consideration of Chapter 2 of the Director of Audit's Report No. 59
Implementation of air quality improvement measures

Thank you for your letter dated 17 December 2012 on the captioned.

Please find enclosed our responses to the questions. If you have any question, please feel free to contact me or our Mr. K.W. Fong at 2594 6412.

Yours sincerely,

(PANG Sik-wing)
for Director of Environmental Protection

Encl. (4 pages)

c.c. (w/encl.)
Secretary for Development (fax no. 2151 5303)
Secretary for Transport and Housing (fax no. 2537 6519)
Commissioner for Transport (fax no. 2598 5575)
Director of Marine (fax no. 2854 9210)
Secretary for Financial Services and the Treasury (fax no. 2147 5239)
Director of Audit (fax no. 2583 9063)

Public Accounts Subcommittee
Consideration of Chapter 2 of the Director of Audit's Report No. 59
Implementation of air quality improvement measure

(a) The number of liquefied petroleum gas ("LPG") stations which will come on stream in the next few years and the location of these stations.

At present, there are 12 designated LPG filling stations and 49 petrol-cum-LPG filling stations throughout the territory. We are going to increase the proportion of LPG nozzles in petrol-cum-LPG filling stations up to 25% where the site conditions and safety requirements permit upon the expiry of the current lease of such stations. The number of petrol-cum-LPG filling stations or petrol filling stations with current land leases to be expired up to 2017 that are also suitable for provision of LPG refilling services are tabulated below:

Year of the expiry of current land lease	Districts	No. of Petrol-cum-LPG Filling Station
2013	Kowloon	1
	New Territories	1
2014	Hong Kong	1
2015	New Territories	1
2016	Kowloon	1
	New Territories	2
2017	New Territories	1
2018	Kowloon	1
	New Territories	1
Total		**10**

In view of the shortfall of LPG filling facilities on Hong Kong Island, we have identified two potential sites for setting up petrol-cum-LPG filling stations, at Fung Mat Road, Western District and Tin Wan, Southern District respectively. The Central and Western District Council has objected to the former due to the development of waterfront consideration. As for the latter, it is currently used as a temporary works area for a sewage project and will be available around 2014. Subject to the support of the Southern District Council, the site can be developed into a petrol-cum-LPG station in 2016 the earliest.

(b) Reasons why only 66% of public light buses are fuelled by LPG, and the measures which will be taken by the Administration to turn the remaining 34% of public light buses into LPG or Euro V ones and the time targets for implementing these measures.

Public light buses, especially green minibuses, are operating on fixed routes and/or schedules. Some of them are operating in areas not serviced by LPG filling stations and hence have greater difficulties in using LPG vehicles. Hence, only two-third of public light buses are fuelled by LPG.

The Government has a standing policy since 2000 to expand the LPG filling network. We require the provision of LPG refilling nozzles at the petrol filling stations in the land sales programme subject to the fulfillment of safety requirements. Under this policy, the number of LPG filling stations has increased from 53 in 2005 (when the LPG public light bus incentive scheme ended), to 61 as at today. During this period, the proportion of LPG vehicles in the public light bus fleet has increased from 54% to 66%. We will continue to expand the LPG filling network subject to the fulfillment of safety requirements, so as to further encourage public light buses to use LPG.

(c) Reasons why the participation rates of the 2007 one-off grant scheme to subsidise the replacement of pre-Euro and Euro I diesel commercial vehicles into Euro IV vehicles ("the 2007 Grant Scheme") and of the 2010 one-off grant scheme to subsidise the replacement of Euro II diesel commercial vehicles into Euro IV or V vehicles are much lower than those of the 2000 one-off grant scheme to subsidise the replacement of diesel taxis onto LPG ones and of the 2002 one-off grant scheme to subsidise the replacement of diesel public light buses into LPG ones.

The high take-up rates under the LPG taxi incentive scheme and LPG public light bus incentive scheme as compared with those of heavily polluting diesel commercial vehicles are mainly due to the substantial savings in fuel costs after the taxis and public light buses switch from the use of diesel to LPG. In the case of taxis, the annual saving could be over

$40,000 when the incentive scheme was launched in 2000. Besides, we have also mandated since August 2001 that all new taxis will have to use LPG or petrol vehicles. The above fuel cost saving incentives and mandatory measure together had prompted virtually all taxi owners to make use of the subsidy to replace their diesel taxis with LPG ones.

(d) Reasons why no consideration were given to further extending the 2007 Grant Scheme (which expired on 31 March 2010) and to improving the attractiveness of the Scheme, such as increasing the level of the subsidy, given that only 29% of the pre-Euro and Euro I diesel commercial vehicles were replaced under the Scheme.

During the implementation of the 2007 Grant Scheme for pre-Euro and Euro I diesel commercial vehicles, we had been monitoring closely the participation rate and the feedback from the vehicle owners. The participation rate was low because it was a voluntary scheme and there was no “sticks” to support the scheme. In November 2008, we concluded that the voluntary replacement scheme could not be effective without disincentives and hence proposed to the Legislative Council’s Panel on Environmental Affairs (EA Panel) to increase the licence fees of old diesel commercial vehicles. However, the proposal was not supported by the LegCo and the transport trade. In March 2010, we also put forward a proposal to the LegCo Subcommittee on Improving Air Quality with a view to introducing disincentives but the proposal was also not supported. We are now examining how to phase out more effectively heavily polluting diesel commercial vehicles and will consult the relevant stakeholders once a proposal is worked out. We believe that a regulatory-cum-incentive approach is necessary to make the exercise successful.

(e) Whether consideration would be given to re-introducing the 2007 Grant Scheme.

We are examining how to phase out more effectively heavily polluting diesel commercial vehicles and will consult the relevant stakeholders when a proposal is worked out. We believe that a regulatory-cum-incentive approach is necessary to make the exercise successful.

(f) Lessons learnt to effectively reduce emissions from diesel commercial vehicles, including the implementation of the four schemes for replacing high-polluting diesel commercial vehicles referred to in paragraph (c) above, the measures that have been/will be taken by the Administration to replace high-polluting diesel commercial vehicles, in particular pre-Euro, Euro I and Euro II diesel commercial vehicles, and the time targets for implementing these measures.

To phase out more effectively heavily polluting diesel commercial vehicles, we need a combination of incentives and disincentives. We are now devising a new regulatory-cum-incentive strategy, having regard to the prudent use of public finance, the polluter pays principle, experiences in the previous exercise and the need to bring early improvement of roadside air quality for better protecting public health. We will consult the relevant stakeholders once a proposal is worked out.

(g) Measures that will be taken by the Administration to monitor the compliance of the new air quality objectives to be adopted in 2014 by government projects.

When the proposed new Air Quality Objectives (AQOs) come into operation, they will become statutory criteria for assessing air quality under the Environmental Impact Assessment Ordinance (Cap.499) (EIAO). Once the new AQOs are in force, all designated projects from the public and private sectors must follow the statutory requirements under the EIAO based on the new AQOs.