

COUNCIL FOR SUSTAINABLE DEVELOPMENT

Way Forward on the Priority Area of Better Air Quality

Purpose

This paper invites Members to note the Council's Report on Better Air Quality, and consider how best to take forward the public engagement process.

Background

2. At the last meeting on 2 May 2006, Members noted the Study Group Report on Better Air Quality and agreed to elaborate on the implications of various proposed initiatives.

Council Report on Better Air Quality

3. The Council Report on Better Air Quality, prepared in consultation with the Council Vice-Chairman and Study Group members, is at *Annex A*. The Council Report was submitted to the Council Chairman in early October 2006.

4. The Council's recommendations to the Government on the way forward are set out in Chapter 7 of the Report. Section 7.2 outlines recommended measures that the Council has identified for the Government's consideration and implementation. These recommendations involve the electricity generation, transport and industry sectors. Indeed, the 2006-07 Policy Address has announced a number of measures that correspond to some Council's recommendations. These include encouraging owners of old diesel commercial vehicles to replace their old vehicles by offering one-off grant, encouraging the use of environment friendly private cars by providing tax incentives, as well as commissioning a comprehensive study in early 2007 to review Hong Kong's Air Quality Objectives and develop a long-term strategy on air

quality management. In addition, the Government will also introduce legislation to mandate the installation of catalysts by long-idling pre-Euro heavy diesel vehicles, and to restrict volatile organic compounds in printing materials, paints and selected consumer products.

5. In section 7.3 of the Council Report, the Council also identifies a number of issues that require further public debate and hence form the basis of a new round of public engagement.

Proposed Way Forward

6. Members are invited to task the Strategy Sub-committee (SSC) to implement a new round of public engagement process on the priority area of Better Air Quality. Having regard to the issues identified for this purpose in section 7.3 of the Council Report, this engagement process is proposed to cover the following areas –

- (a) appropriate actions to be taken during days with high Air Pollution Index, such as discouraging vehicle usage by premium road pricing fees, reducing the use of oil-based paints, solvents and cleaners, and stopping the use of diesel-powered equipment;
- (b) demand side management to foster energy efficiency and conservation measures through, for example, 25.5°C settings for all offices and schools in the private sector, or more use of off-peak electricity through suitable incentives or tax penalties. As the demand for electricity is price inelastic, this may be done through a mixture of legislation or incentives. Other possible means include mandatory energy codes and mandatory green building codes for new buildings etc.; and
- (c) congestion charging mechanisms such as road pricing to reduce traffic congestion.

7. The other issue also proposed in section 7.3 of the Council Report is whether to ban idling vehicles. As the Government has

already undertaken in the 2006-07 Policy Address to consult the public on whether to legislate against idling engines, the Council's engagement process will not cover this area to avoid duplication of work. However, with a view to facilitating a fruitful discussion on this priority area, other related issues that are also of stakeholders' concern, such as how the general community can contribute to the improvement of air quality in their daily lives, may also be covered under the engagement process.

8. Building on the past experience in public engagement, the SSC will set up a new Support Group on Better Air Quality to help implement the engagement process. This Support Group will be responsible for preparing a new Invitation and Response (IR) document and the rollout of the public involvement stage. In line with the established practice, the SSC Chair, in consultation with the SSC members, will be responsible for forming this Support Group, which will commence work as soon as possible. The proposed composition and terms of reference of the Support Group are at *Annex B*.

B

9. We aim to kick off the public engagement process around April 2007. The indicative milestones are as follows –

Time	Event
Nov/Dec 2006	Establishment of Support Group
Dec 2006 – Mar 2007	Preparation of Invitation and Response document
Apr – Aug 2007	Public Involvement Stage
Sep – Oct 2007	Analysis of stakeholder views & Drafting of Council Report
Nov 2007	Release of Council Report

10. Based on the experience of the engagement process on

population policy^(Note 1), we will set aside in the 2007-08 financial year a budget of around \$2.7 million for the upcoming engagement process. Of this \$2.7 million, around \$1.7 million will be financed by the SD Fund^(Note 2) and will cover the printing of the IR document, organization of engagement events and independent reporting services, etc. The remaining \$1 million will be financed by other sources of Government funding and will cover the various publicity arrangements of the engagement process, such as the TV/radio Announcements of Public Interest and roving exhibitions.

Views Sought

11. Members are invited to note the Council Report at *Annex A* and endorse the proposed scope, timing and indicative budget for the forthcoming engagement process on the Priority Area of Better Air Quality, as set out in paragraphs 6 to 10 above.

Council Secretariat
November 2006

^(Note 1) For the engagement process on population policy, a total of around \$2.6 million will have been spent during 2006-07 and 2007-08 financial years. Of this total amount, about \$1.45 million is financed by the SD Fund in this financial year and spent on the printing of the IR document, organizing engagement events and independent reporting services. Around \$0.15 million of the SD Fund will be set aside in the next financial year for the printing and related arrangements for the Strategy document. The remaining \$1 million is financed by other sources of Government funding in this financial year and spent on publicity arrangements such as Announcements of Public Interest and roving exhibitions.

^(Note 2) The Council for SD reconfirmed via Paper 06/05 its earlier decision that the Council could use \$2 million from the SD Fund every year to carry out tasks in relation to its SD activities.