

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 15 December 2004

The Council met at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, G.B.S., J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.

THE HONOURABLE ALBERT HO CHUN-YAN

IR DR THE HONOURABLE RAYMOND HO CHUNG-TAI, S.B.ST.J., J.P.

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE MARTIN LEE CHU-MING, S.C., J.P.

DR THE HONOURABLE DAVID LI KWOK-PO, G.B.S., J.P.

THE HONOURABLE FRED LI WAH-MING, J.P.

DR THE HONOURABLE LUI MING-WAH, J.P.

THE HONOURABLE MARGARET NG

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, G.B.S., J.P.

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

THE HONOURABLE MRS SOPHIE LEUNG LAU YAU-FUN, S.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG, G.B.S.

THE HONOURABLE WONG YUNG-KAN, J.P.

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE HOWARD YOUNG, S.B.S., J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

THE HONOURABLE LAU WONG-FAT, G.B.S., J.P.

THE HONOURABLE MIRIAM LAU KIN-YEE, G.B.S., J.P.

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE CHOY SO-YUK

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE TIMOTHY FOK TSUN-TING, G.B.S., J.P.

THE HONOURABLE TAM YIU-CHUNG, G.B.S., J.P.

THE HONOURABLE ABRAHAM SHEK LAI-HIM, J.P.

THE HONOURABLE LI FUNG-YING, B.B.S., J.P.

THE HONOURABLE TOMMY CHEUNG YU-YAN, J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE FREDERICK FUNG KIN-KEE, J.P.

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LI KWOK-YING, M.H.

DR THE HONOURABLE JOSEPH LEE KOK-LONG

THE HONOURABLE DANIEL LAM WAI-KEUNG, B.B.S., J.P.

THE HONOURABLE JEFFREY LAM KIN-FUNG, S.B.S., J.P.

THE HONOURABLE MA LIK, J.P.

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, S.B.S., J.P.

THE HONOURABLE ALAN LEONG KAH-KIT, S.C.

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

THE HONOURABLE CHEUNG HOK-MING, S.B.S., J.P.

THE HONOURABLE WONG TING-KWONG, B.B.S.

THE HONOURABLE RONNY TONG KA-WAH, S.C.

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE PATRICK LAU SAU-SHING, S.B.S., J.P.

THE HONOURABLE ALBERT JINGHAN CHENG

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE DONALD TSANG YAM-KUEN, G.B.M., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE ELSIE LEUNG OI-SIE, G.B.M., J.P.
THE SECRETARY FOR JUSTICE

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.
SECRETARY FOR HOUSING, PLANNING AND LANDS

THE HONOURABLE STEPHEN IP SHU-KWAN, G.B.S., J.P.
SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR

DR THE HONOURABLE SARAH LIAO SAU-TUNG, J.P.
SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

DR THE HONOURABLE YORK CHOW YAT-NGOK, S.B.S., J.P.
SECRETARY FOR HEALTH, WELFARE AND FOOD

CLERKS IN ATTENDANCE:

MR RICKY FUNG CHOI-CHEUNG, J.P., SECRETARY GENERAL

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

The following papers were laid on the table pursuant to Rule 21(2) of the Rules of Procedure:

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Schedule of Routes (Citybus Limited) Order 2004	201/2004
Schedule of Routes (Citybus Limited) (North Lantau and Chek Lap Kok Airport) Order 2004	202/2004
Schedule of Routes (Kowloon Motor Bus Company (1933) Limited) Order 2004.....	203/2004
Schedule of Routes (Long Win Bus Company Limited) Order 2004.....	204/2004
Schedule of Routes (New Lantao Bus Company (1973) Limited) Order 2004	205/2004
Schedule of Routes (New World First Bus Services Limited) Order 2004	206/2004
Food and Drugs (Composition and Labelling) (Amendment) (No. 2) Regulation 2004	207/2004
Telecommunications (Designation of Frequency Bands subject to Payment of Spectrum Utilization Fee) (Amendment) Order 2004	208/2004
Telecommunications (Method for Determining Spectrum Utilization Fees) (Third Generation Mobile Services) (Amendment) Regulation 2004	209/2004
Telecommunications (Level of Spectrum Utilization Fees) (Second Generation Mobile Services) Regulation.....	210/2004

Registration of Persons (Application for New Identity Cards) (Amendment) Order 2004	211/2004
Application for New Identity Cards (Persons Born in 1943 to 1951 or 1970 to 1973) Order	212/2004
Employees' Compensation Ordinance (Amendment of Second Schedule) Order 2004	213/2004
Occupational Safety and Health Ordinance (Amendment of Schedule 2) Order 2004	214/2004

Other Papers

- No. 32 — Queen Elizabeth Foundation for the Mentally Handicapped
Report and Accounts 2003-2004
- No. 33 — Estate Agents Authority
Annual Report 2003/2004
- No. 34 — The Accounts of the Lotteries Fund 2003-04
- No. 35 — Report of the Chinese Temples Committee on the administration of the General Chinese Charities Fund for the year ended 31 March 2004
- No. 36 — Grantham Scholarships Fund
Annual Report for the year ended 31 August 2004
- No. 37 — Report of the Chinese Temples Committee on the administration of the Chinese Temples Fund for the year ended 31 March 2004
- No. 38 — The Sir Murray MacLehose Trust Fund Trustee's Report for the period from 1 April 2003 to 31 March 2004

- No. 39 — Report of the Brewin Trust Fund Committee on the Administration of the Fund for the year ended 30 June 2004
- No. 40 — Audited Statement of Accounts of the Director of Social Welfare Incorporated together with the Director of Audit's Report for the year ended 31 March 2004
- No. 41 — Forty-third Annual Report on the Social Work Training Fund by the Trustee of the Fund for the year ending on 31 March 2004
- No. 42 — Hong Kong Housing Authority
Annual Report 2003/2004
- No. 43 — Hong Kong Housing Authority
Financial Statements for the year ended 31 March 2004
- No. 44 — Hong Kong Sports Development Board
Annual Report 2003-2004
- No. 45 — Police Welfare Fund
Annual Report 2003/2004
- No. 46 — Annual Report on the Police Children's Education Trust and the Police Education and Welfare Trust for the year 2003/2004

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. We have only three oral questions today. As the three other oral questions are all related to the Hunghom Peninsula, the Members concerned have already withdrawn their questions in view of the recent development of the incident. Therefore, we have only three oral questions today.

First question.

Potable Water Supply to Hong Kong

1. **MR ABRAHAM SHEK:** *Madam President, it has been reported that Guangdong Province is experiencing a 1-in-50 years drought. So far, 65% of the land in the Province has been adversely affected, leading to severe curtailment of agricultural production. The mainland authorities have indicated that potable water supply to Hong Kong can be maintained at the agreed level only for the first half of 2005 but there is no guarantee thereafter. In this connection, will the Government inform this Council:*

- (a) of the actions it has taken or will take to address the imminent reduction in potable water supply to Hong Kong; and*
- (b) whether it will explore other sources of potable water supply; if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS:
Madam President,

- (a) The Government adopts a "Total Water Management" policy which encompasses an efficient and reliable potable water provision, conservation and protection of water resources and the water environment, and water reuse and recycling as far as reasonably practicable. The supply of Dongjiang water to Hong Kong can be traced to the mid-1960s when the mainland authorities, under their highest level of leadership, made the provision of fresh water to Hong Kong a priority such that this supply shall be secure and guaranteed. This promise has persisted in the past four decades and will be continued as reiterated by Premier WEN. The Guangdong authorities have also recently assured us of the secure and guaranteed water supply.

This said, as water is a precious natural resource, the Government, as well as each and every citizen, should have the duty to conserve the use of water. Whilst we have maintained the reservoir storage in Hong Kong at a healthy level of about 82% full as at 6 December

2004, we have taken the following actions to address the issue in view of the current drought and shortage of water supply in Guangdong:

- (i) through established channels, we will continue to convey to the Guangdong side our concern about the present drought in Guangdong, with a view to closely monitoring and reviewing the supply situation;
 - (ii) we have continuously conveyed the message of "Save Water" to the public through education and publicity. We are preparing television and radio advertisements to raise the public's awareness of the importance of saving water;
 - (iii) we have a tariff structure in place which encourages the public to save water; and
 - (iv) we have made use of seawater for flushing purpose, as far as it is cost-effective, to reduce our reliance on fresh water for flushing.
- (b) From a sustainable development perspective, exploring additional water resources is of strategic importance to Hong Kong. As development of new water resources would need a long lead time, the Water Supplies Department (WSD) started a series of feasibility studies in the late 1990s on the development of alternative water resources to meet the future needs of Hong Kong. In 2002, the WSD concluded that three different options, namely, extension of water gathering grounds, seawater desalination and wastewater recycling, are technically feasible to provide an appreciable amount of additional water resources.

As extension of water gathering grounds involves the highest unit development cost and would cause major environmental impacts, this resource would not be given a high priority for the time being. On seawater desalination, a detailed investigation study has already commenced. Through the establishment and operation of a pilot

desalination plant, the primary objectives of the study are to find out the technologies which are most suitable for the coastal waters of Hong Kong and their unit costs. The pilot plant has been in operation since last month, and we expect that preliminary results would be available in the second half of next year.

For wastewater recycling, the Government is focusing on the use of advanced technologies to "reclaim" usable water from effluent of sewage treatment works for various non-potable uses. Gaining public support and acceptance will be essential to ensuring the success of this "reclaimed water reuse". We will therefore carry out pilot schemes to test out the technologies and gauge public perception of reclaimed water.

The first pilot scheme for reclaimed water reuse after tertiary treatment is being implemented in conjunction with the cable car project in Ngong Ping. This pilot scheme, which would reclaim water for flushing purpose, is scheduled for commissioning in late 2005 in conjunction with the operation of the sewage treatment plant thereat to tie in with the opening of the cable car project. Another reclaimed water reuse scheme is at the planning stage. This scheme will provide further treatment to the effluent from the secondary sewage treatment plant at Shek Wu Hui. The reclaimed water will be supplied to nearby users for toilet flushing and landscape irrigation, and possibly other non-potable reuse purposes, such as street cleansing. Its operation is scheduled to commence in 2006 upon completion of necessary planning and detailed design.

In order to build up public confidence in reclaimed water reuse, comprehensive sampling and testing will be carried out in the two pilot schemes to monitor water quality and health-related data. Various publicity and education programmes will also be launched and views of the general public will be collected.

With the results from the above various pilot schemes becoming gradually available in the coming year or so, the Government will be able to review its long-term water resource plan for securing adequate water supplies for the future of Hong Kong.

MR ABRAHAM SHEK: *Madam President, with the detailed reply given by the Secretary, Hong Kong citizens would have their minds relieved of the problem of a water supply shortage. But would the Secretary advise us when the PR television and radio advertisements will be aired?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS: Madam President, we are now preparing the APIs and the television programme. They should be ready by early 2005.

MR CHAN KAM-LAM (in Cantonese): *Madam President, in the main reply, the Secretary said that reclaimed water undergone tertiary treatment would be used for flushing purpose. Will the Secretary inform us of the amount of fresh water that can be saved by using reclaimed water for flushing purpose, and whether reclaimed water can be extended to other more general purposes?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, at present, the only project that involves the reuse of waste water undergone tertiary treatment is the one in Ngong Ping. However, the total volume of water reclaimed is limited, ranging only from about 600 tons to 900 tons. In addition to flushing purpose, reclaimed water can also be used for car washing and watering of plants. We have no plans to extend the scheme on reclaimed water reuse to the entire territory. Though our sewage treatment plants can generally provide secondary treatment of wastewater, we have not conducted any detailed analysis on the introduction of reclaimed water undergone secondary treatment into households and the number of districts ready for implementation of such. Besides, we have to consider the costs involved in the alteration of the pipes network to cater for the need of the scheme, and the costs required for water pumping. We have classified reclaimed water into two categories. One category is for outdoor usage, such as irrigation, which human contact is prohibited. The other category can be transmitted indoors, but only for flushing purpose. Certainly, apart from the two situations mentioned above, I think we have to ensure that human contact with reclaimed water is safe before we can promote the extensive use of reclaimed water. Moreover, we need some time for promotion and education to gain public acceptance. As regards assurance of the water quality, we must know clearly that the water supplied is up to standard.

MR FRED LI (in Cantonese): *Madam President, it is stated in the main reply that the reservoir storage in Hong Kong has been maintained at a level of about 82% full. This is very satisfactory. If Guangdong Province continues to supply water to Hong Kong according to the water supply agreement, given the substantial storage level of our reservoirs, will it be likely that our reservoirs will not have the capacity to hold the Dongjiang water supplied to Hong Kong and that excess water from Dongjiang has to be discharged into the sea, causing wastage? The Mainland is now experiencing a drought, but we are wasting potable water on the contrary. This is very inappropriate. Has the said situation ever happened?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): *Madam President, I can answer Mr Fred LI categorically that such a situation has not happened. Last year, we implemented an automatic reduction plan for water supply. According to our agreement with Guangdong Province, 820 million tons of water will be supplied to Hong Kong annually. However, our actual demand for water is below that level, which in fact is less than 690 million tons. Though we have an agreement, we do not want to discharge the excess supply of water into the Shenzhen River. Therefore, we have ceased the arrangement on fixed supply, and instead Guangdong Province will supply water to us according to our actual demand. This year, Guangdong Province has a drought, so they will naturally find water resources very precious.*

MR WONG TING-KWONG (in Cantonese): *Madam President, Hong Kong has once run the Lok On Pai desalting plant. However, owing to the exorbitant cost, the plant had ceased operation for a long period of time, and was subsequently demolished. Will the Government inform this Council of the difference between the desalination plant now in trial and the Lok On Pai desalting plant in the past?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): *I am very familiar with the Lok On Pai desalting plant. A "white elephant" it is. I can tell Members that the "white elephant" did not operate for even one day before its demolition. Given the technology at that time, distillation, a method we have studied in our primary and secondary*

education, was used for the desalination of seawater. In the distillation process, saline substances in seawater will precipitate at the bottom. Pure water is collected after distillation. Condensation process is applied to turn pure water into reusable water. The entire process is very expensive, for a large amount of electrical power is consumed in the process of distillation, where energy loss during the process is substantial.

The method we have adopted now employs a different kind of desalination technology. In the past, we used the filtration method, where various layers of sand or specific solids of different size were used. However, with advances in materials, we can now use a kind of membrane to filter tiny particles in seawater. After that, reverse osmosis technology which makes use of a very special kind of membrane is adopted. Why do we have to conduct reverse osmosis? Osmosis — sorry, Madam President, I do not know the term in Chinese — is the natural form of reverse osmosis. In reverse osmosis, electrical power is applied to exert pressure to force seawater to pass through the membrane in a reverse direction. Tiny particulates, like H_2O , that compose water can be filtered by the membrane to produce pure H_2O , enabling us to separate salt from water. In recent years, the cost of this membrane is decreasing, in particular when the membrane has started to be manufactured in the Mainland. Therefore, this is a very good method. Now, the cost of applying this desalination technology has almost reached an acceptable level. We are now conducting a rather large-scale trial scheme, and the plant has started production. Members may be interested in visiting the seawater desalination plant in future.

MR WONG KWOK-HING (in Cantonese): *Madam President, at present, the public are very concerned about the question of potable water supply, in particular when Guangdong Province is facing a drought. However, in a lot of households, potable water is still used for flushing purpose. Therefore, may I ask the Secretary via the President when the situation can be altered? Does the Secretary know the number of flats using potable water for flushing purpose? This is obviously a waste of potable water.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, toilet flushing is one of the many uses of potable water, and I do not absolutely agree that this is a kind of wastage, for it is

impractical to use seawater for flushing in many places. For example, the energy required for pumping seawater uphill may not offset the merits of using seawater for flushing purpose. We consume 820 million tons of water annually. Including the water stored at our reservoirs, around 950 million tons of water is consumed in total of which 2.4 tons are seawater used for flushing. At present, 20% of our flats use seawater for toilet flushing. These flats are situated along the coast, and as mentioned earlier, this makes it cost-effective for those flats to use seawater for flushing. In future, in drawing up plans in this respect, we have to be cautious, for using seawater for toilet flushing also has shortcomings, for example, parts of the facilities involved may break more quickly. Moreover, if seawater is used for toilet flushing, the wastewater generated will become non-reusable despite further treatment, be it secondary or tertiary treatment, because it contains seawater. Therefore, if sewage in the entire territory is to undergo further treatment, we have to consider whether the use of seawater should be continued, for the seawater carried will greatly restrict the uses of fresh water produced by desalination. Given that, we have to strike a balance.

PRESIDENT (in Cantonese): Mr WONG Kwok-hing, has your supplementary question not been answered?

MR WONG KWOK-HING (in Cantonese): *No, Madam President. The Secretary has not given an answer on the number of flats still using seawater for flushing purpose. My supplementary question asked for the number of flats involved. Why do I need to know it clearly? For this involves*

PRESIDENT (in Cantonese): You need not go into it, I know what you mean. I think you want to ask about the number of flats using potable water for toilet flushing. Secretary, please answer.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): I am sorry, Madam President, we do not have the number of flats concerned. I said just now that 20% of our flats use seawater for flushing purpose; in other words, 80% of the flats use potable water for flushing purpose — sorry, it should be 80% of flats using seawater for flushing purpose.

MR WONG KWOK-HING (in Cantonese): *Madam President, will the Secretary provide the information in writing after the meeting?*

PRESIDENT (in Cantonese): Secretary, you may make your own decision.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): We do not have the information on each flat at the moment.

DR LUI MING-WAH (in Cantonese): *Madam President, reverse osmosis is different from other form of osmosis. As the Secretary said earlier, reverse osmosis refers to the flow of substance from the side of low solute concentration to the side of high solute concentration. This is a state of the art method which is quite popular in the United States, and the production cost ranges from \$3 to \$4 per ton. However, according to the speech made by the Secretary last year in response to my motion debate, Hong Kong once tried this method before, but the production cost was \$10 per ton. At that time, I said the method used by Hong Kong was problematic. I do not know the capacity of the plant involved in the trial this time around and whether complementary arrangements for the facilities are available. If no complementary arrangement has been put in place, the depreciation of the facilities will be very high. I am greatly interested in visiting the plant. May I ask the Secretary whether we can visit the plant?*

PRESIDENT (in Cantonese): You would like to ask the Secretary whether you can visit the plant. You do want to visit the plant, do you not?

DR LUI MING-WAH (in Cantonese): *My first question is*

PRESIDENT (in Cantonese): Dr LUI, your supplementary question was very long, and I only heard that you asked the Secretary whether you could visit the plant. Is this the question you want to ask? *(Laughter)*

DR LUI MING-WAH (in Cantonese): *I asked the Secretary whether complementary arrangements had been put in place, for this is very important. Regarding the visit to the plant, this may be discussed later. (Laughter)*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, Dr LUI Ming-wah is most welcome to visit the seawater desalination facilities. Under the trial scheme on seawater desalination, 240 cu m of water can be processed each day. The capacity of the present facility is larger than that of the previous one, and its cost-effectiveness has been enhanced, lower than the previous cost of \$10 per ton. However, we do not have the specific figure yet. More tests have to be conducted, and we are just at the beginning now. Regarding the availability of complementary arrangements, I believe there should be such arrangements. With advances in technology, the facilities come in a full set, from the membrane used for initial filtration to the membrane used for reverse osmosis, they come as a package. We will definitely give a detailed report after all the tests are completed. Despite this, Members are more than welcome to visit our plant now.

PRESIDENT (in Cantonese): We have spent more than.....Dr LUI Ming-wah.

DR LUI MING-WAH (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. My question is whether complementary arrangements have been made in respect of the production level. As a plant of larger capacity is used, is the design of the plant commensurate with the level of production?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Our plant is designed for processing 240 tons of water daily, and there is no wastage.

PRESIDENT (in Cantonese): We have spent more than 19 minutes on this question. Last supplementary question.

MR MA LIK (in Cantonese): *Madam President, may I ask the Government to provide the cost of water produced by desalination. Comparing with direct purchase of water from water sources like Xijiang or Heyuan, which method incurs higher costs?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): Madam President, we have not purchased water from Xijiang, we only purchase water from Heyuan. At present, the price of water from Heyuan is \$3.085, which is the price for raw water. However, the water supplied to Hong Kong needs further treatment, costing about \$3 in addition. As for desalination of seawater, as mentioned by Dr LUI Ming-wah, the previous cost is \$10, but it has been reduced to 70% of the previous cost now. Certainly, transmission cost has yet to be included in both cases.

PRESIDENT (in Cantonese): Second question.

Enhancing Co-operation with Airports in Pearl River Delta Region

2. **MR WONG TING-KWONG** (in Cantonese): *Madam President, while the Hong Kong Airport Authority (AA) stated in March this year that it would negotiate with the other four major airports in the Pearl River Delta (PRD) Region (namely the Shenzhen Baoan International Airport (Shenzhen Airport), Zhuhai Airport, Guangzhou Baiyun International Airport (Guangzhou Airport) and Macau International Airport (Macau Airport)) in order to enhance co-operation, no specific plans or progress have been made so far. On the other hand, it has been reported that the operators of Shenzhen Airport and Guangzhou Airport intended to put forward expansion plans in the near future. In this connection, will the Government inform this Council:*

- (a) *whether it knows the details of the negotiations between the AA and the above four airports on the co-operation plans, as well as the progress of such negotiations; whether the AA has encountered any difficulties in the course of the negotiations; if it has, of the details;*
- (b) *whether the Hong Kong and mainland authorities have explored ways to enhance their communication and exploit more benefits of*

collaboration regarding the joint development of the above five airports; and

- (c) *whether it knows the details of the expansion plans for Shenzhen Airport and Guangzhou Airport; and whether the relevant authorities have assessed the impact of such expansion on Hong Kong's air transport industry?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, the AA has been liaising with the other four airports in the PRD including Shenzhen Airport, Guangzhou Airport, Zhuhai Airport and Macau Airport to promote the development of the PRD aviation industry through multilateral or bilateral co-operation. In mid-2001, the AA pioneered the setting up of a "PRD A5 Forum" as a platform for the PRD airports to explore areas of co-operation and create greater synergy. The forum has since reached a consensus on closer co-operation in a number of areas including enhancement of airport co-ordination in the event of emergencies and joint promotion of the PRD air passenger and cargo services. The AA will continue to take advantage of this platform to pursue more co-operation opportunities.

In addition, the AA has also been liaising closely with individual PRD airports to explore co-operation opportunities. In this regard, the AA signed Letters of Intent with Shenzhen Airport and Zhuhai Airport in February and August last year respectively, providing solid foundation for strengthening co-operation with the airports concerned.

To foster better airport co-operation and co-ordination is an ongoing task. Like other commercial negotiations, the discussion of airport co-operation involves complicated investment issues as well as development strategies of the airports concerned and would thus be a time-consuming exercise. As discussion among airports is still ongoing and commercially sensitive information is involved, the AA cannot disclose details of the discussion at this stage. Discussions on co-operation with other airports are undertaken by the AA under prudent commercial principles, and the Government has not participated in such commercial discussions.

Both Shenzhen Airport and Guangzhou Airport have plans for expansion. Shenzhen Airport is planning for the construction of a second runway, a new cargo terminal and a new terminal for domestic passengers; whereas Guangzhou Airport has since October this year commenced its planned second phase development. In assessing the possible impact of these expansion plans on Hong Kong, we must not lose sight of the overall market situation of the PRD, and should bear in mind that the aviation market is not a static, zero-sum game.

The PRD Region is experiencing phenomenal economic growth. Coupled with the implementation of the Closer Economic Partnership Arrangement and Pan-PRD co-operation initiatives, the demand for air services within the PRD Region is expected to grow significantly, thereby providing tremendous business opportunities for all PRD airports. According to the AA's consultancy study, the average annual growth rate of air passenger and cargo in Guangdong Province in the medium to long term will exceed 10%. The strong market growth will benefit all PRD airports, including the Hong Kong International Airport (HKIA).

The AA is well-prepared to cater for the promising development of the PRD aviation market and also the competition posed by neighbouring airports. Against the backdrop of the Government's policy of progressive liberalization of our air services regime, the AA is implementing various initiatives set out in the HKIA Master Plan 2020, including enhancing the airport hardware (for example, development of SkyPlaza and building more cargo aircraft stands) and software (for example, launching Airport Customer Service Excellence Programme with airport service agents), expanding the catchment areas of cross-boundary passenger and cargo traffic, and strengthening land and sea transportation links between the HKIA and the PRD. Given the long-established competitive advantages of Hong Kong's aviation industry, including our flexibility, operational efficiency and service reliability, we are well-positioned to secure a large market share in this burgeoning PRD aviation market, thereby strengthening Hong Kong's status as a leading international aviation hub in the region.

MR WONG TING-KWONG (in Cantonese): *Madam President, it has been reported that a number of foreign airlines would expand their passenger and cargo services in China, whereas Shenzhen Airport would develop its international air cargo business and Guangzhou Airport would implement a*

streaming system in order to facilitate its passenger and cargo services. Has the Government assessed the intensity of the impact of the air passenger and cargo development of these airports on Hong Kong?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, just now I have explained in the final part of my main reply that we understand that the air traffic volume in the PRD is growing tremendously, no matter in air passenger or cargo service. Besides, just now Mr WONG also said that other airports would make a lot of efforts to attract air cargo business by opening more air cargo routes. Certainly, our airport is also working on various initiatives. As I mentioned just now, we are currently working on the development of SkyPlaza and building more cargo aircraft stands. Moreover, the DHL-Sinotrans International Air Courier Limited has enhanced its investment in the express cargo service, while the number of our flights are increasing, now we have 140 international points. In fact, we have been competing with other airports through the improvement of facilities, services, increase of flights and routes. I have explained earlier that with regard to land and sea transportation, we have sea links between the HKIA and the PRD cities, and we have recently established the link between the HKIA and Zhongshan. In addition, some 200 coach trips are made every day to link the HKIA with 45 towns and cities in the PRD. We will keep on enhancing the service.

I also wish to take this opportunity to explain that this is not a zero-sum game, as it does not mean that when Shenzhen and Guangzhou enhance their competitiveness, Hong Kong will suffer a loss of patrons. Madam President, I wish to elaborate on the figures. The new Guangzhou Airport, for example, after coming into service has seen constant growth in the passenger and cargo throughput. As of August this year, the passenger and cargo throughput of the new Guangzhou Airport is 1.8 million person trips and 50 000 metric tons respectively. Compared with the figures of the same period last year, it represents a 11% increase and 2% drop respectively. In Hong Kong, despite the commissioning of the new Guangzhou Airport, the passenger and cargo throughput plus the passenger transit volume this November have achieved a double-digit growth when compared with the same period last year, and they are 14%, 11% and 15% respectively. We also estimate that the cargo and passenger throughput of the HKIA this year will reach a record high, in which

the passenger and cargo throughput can surpass 3.7 million person trips and approximately 3.1 million metric tons respectively, all of these being record highs.

MS MIRIAM LAU (in Cantonese): *Madam President, concerning the Government's policy of progressive liberalization of our air services regime which he explained in the last part of the main reply, may I ask the Secretary to explain whether we will refuse nobody, or we will still adhere to the principle of reciprocal treatment?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I wish to thank Ms Miriam LAU for her question. As far as air service negotiation is concerned, everybody knows that it involves two sides, so when we negotiate the liberalization of air rights with another place, of course we consider reciprocity a major principle while the first and foremost principle concerns the benefits to both sides after liberalization. I think if we adhere to that principle, a multi-win situation will certainly be achieved. We should also consider the overall benefit brought by various airlines to Hong Kong. In the past two years, we have been conducting discussion with approximately 20 air service partners about liberalization. In fact, the air service market has been liberalized by a greater extent now, for example, restrictions on third and fourth freedom rights have been totally lifted in Malaysia and Thailand. Now we can also see the opening of many new air routes, such as flights from Australia to London may stop over in Hong Kong. We signed a new arrangement in September with the Mainland to significantly increase the number of new routes and flights.

MR BERNARD CHAN (in Cantonese): *Madam President, may I ask the Secretary whether the "PRD A5 Forum" pioneered by the AA in mid-2001 would only be held once, or it would be held on a regular basis? Since the Secretary explained in the latter part of the main reply that the AA would continue to take advantage of this platform to pursue more co-operation opportunities. May I ask whether the Forum would be held regularly after this one?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, we hope this Forum can be held annually or regularly. In fact, this platform allows regular meetings of the management of those five airports to share experiences, so that we can see what could be done to improve passenger and cargo services according to the experience of each other. This co-operation involves no investment, I therefore separated this point from others points. It is completely different from investment being made in individual airport or investment being made under commercial principles separately.

PRESIDENT (in Cantonese): MR CHAN, has your supplementary question not been answered?

MR BERNARD CHAN (in Cantonese): *Madam President, has this Forum been held just once?*

PRESIDENT (in Cantonese): Secretary, is the Forum a regular one or it has been held only once?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, this Forum has been held not just once, we hope we can convene this Forum annually.

MISS TAM HEUNG-MAN (in Cantonese): *Madam President, the main reply mentioned co-operation between airports in the PRD Region, will it cause any impact on the privatization plan of the AA; and what benefits will the co-operation bring to a privatized AA?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, discussion and consultation on the privatization of the AA is being carried out right now. If the co-operation initiatives are implemented, I believe they will help strengthen Hong Kong's status as a leading international or regional aviation hub in the long run. The investment that we

are talking about is an investment made from the commercial perspective. I believe, if both sides agree to co-operate, it could bring commercial benefits to both sides. The co-operation is favourable to our airport from this perspective, for it will enhance our status as the international aviation hub in the region. I believe this will strengthen co-operation in other areas between the AA and airports in the region, and will also help us to explore ways to increase revenue. So I believe this is good.

MR JASPER TSANG (in Cantonese): *Madam President, the Secretary explained in the main reply that the Government had not participated in the discussions between the AA and three mainland airports on co-operation. Considering the difference in the two systems, may I ask the Secretary whether local governments on the Mainland have joined mainland airports in the discussion about co-operation? If local governments on the Mainland have participated in the discussion of co-operation, while the SAR Government has not, will it undermine the status of the AA in the negotiations?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I believe Mr TSANG also understands the principle of "one country, two systems" very well. The AA is responsible for matters concerning airport management and development, and this is the reason why we let the AA take charge of the discussion. I wish to emphasize that this is an investment, and when the AA makes an investment, the consideration will only be made under prudent commercial principles. I have explained earlier that as far as business or commercial co-operation is concerned, after a deal is struck, I believe both sides will anticipate a profitable co-operation and a win-win situation can be achieved. For that reason, I consider that it is inappropriate for the Government to take part in such kind of commercial negotiations. Of course, if the investment exceeds a certain limit, according to the legislation regulating the AA, the approval of the Financial Secretary is required. With regard to the question raised by Mr TSANG on whether local governments on the Mainland were involved in the discussions between mainland airports and their Hong Kong counterpart, I believe they will more or less have their standpoint or certain influence on the discussions, but we have not participated in the negotiations.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, just now the Secretary mentioned the liberalization of the third and fourth freedom rights. May I ask the Government or the Secretary whether it is necessary to speed up or even step up the liberalization of the fifth freedom rights?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I wish to thank Mr SIN Chung-kai for his supplementary. In fact I have not mentioned first, second, fifth, sixth, seventh or other freedom rights, for I know Members are concerned about the fifth freedom rights. With regard to fifth freedom rights, we will adopt an open attitude. In the past two or three years, we have actually endorsed a number of fifth freedom rights, and I believe that many countries have not fully utilized the fifth freedom rights after the grant. If necessary, we would be happy to discuss these questions with our air service partners. We will discuss not only the third and fourth freedom rights, but also the fifth rights.

MR HOWARD YOUNG (in Cantonese): *Madam President, there are examples of co-operation with neighbouring airports in other parts of the world, the most widely known co-operation being the one between Heathrow, Gatwick and Stansted with each airport serving a specific function. The characteristic of the three airports I have just mentioned is that they are connected by highways, but it seems that no such arrangement is made with regard to the co-operation with our neighbouring airports now under discussion. Although the Government has not participated in the discussion on the co-operation with these airports, has it pointed out that the possible influence on co-operation in view of the absence of a complementary road network? Has this question been raised?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, as far as I know, this is not the core of their discussions. They mainly dealt with issues concerning development strategy and investment from both sides, and they seldom brought up the issue just now raised by Mr YOUNG.

PRESIDENT (in Cantonese): We have spent more than 17 minutes on this question. Last supplementary question.

MR ALBERT CHENG (in Cantonese): *Madam President, it was mentioned in the main question that the AA would negotiate with the other four major airports in the PRD Region in March this year. May I ask the Secretary whether the progress of the discussion has been affected by the privatization plan of the AA, which is the issue I am most concerned about, or due to the fact that the authorities wish to continue the discussion only after the listing of the AA? May I ask the Secretary to answer this supplementary?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, I think I can give Members a straightforward reply. It has nothing to do with the privatization of the AA. I have explained earlier that our airport has been discussing co-operation with our neighbouring airports in the region. Since we are located in the same region, of course we hope that there would be many co-operation opportunities, thus we will make the effort continually. Members could see that besides regional co-operation, there is also co-operation of different extents, such as our co-operation with airports in Shanghai and Beijing. In this respect, the AA will pursue more co-operation opportunities. I wish to tell Mr CHENG that it has nothing to do with the privatization of the AA, and the privatization will not impede the progress.

PRESIDENT (in Cantonese): Third question.

Construction of Canopy for West Kowloon Cultural District

3. **MR LEE WING-TAT** (in Cantonese): *Madam President, one of the mandatory requirements stipulated in the Invitation For Proposals for the development of the West Kowloon Cultural District (WKCD) is the provision of the canopy proposed in the Foster scheme, covering at least 55% of the development area. The Government has pointed out that the scheme, which won the West Kowloon Reclamation Concept Plan Competition, is well received by the public and has attracted little adverse criticism. In this connection, will the Government inform this Council:*

- (a) *whether systematic and comprehensive consultation has been conducted on the above requirement; if so, of the details and results of the consultation; if not, the reasons for that;*
- (b) *whether it has assessed if a canopy covering over half of the WKCD is required to serve as a landmark of Hong Kong; if it has, of the assessment results; and*
- (c) *of the respective quoted prices for the construction of the canopy in the proposals submitted by the three screened-in proponents, and whether any assessment has been made on the annual repair and maintenance costs of the canopy; if so, of the assessment results; if not, the reasons for that?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese):

Madam President, my reply to the three-part question is as follows:

- (a) In 2001, the Government held the Concept Plan Competition for the WKCD. A total of 161 entries were received. A jury with 10 members, including internationally acclaimed figures in the field of architecture, was formed to assess these entries. In early 2002, the jury named the winners of the first and second prizes as well as three honourable mentions. The first-prize winner, Foster and Partners, has come up with a design that features the canopy as the signature design and centrepiece of the development. As mentioned by the Chief Secretary for Administration in the Legislative Council motion debate last November, the Legislative Council were briefed of the results of the competition and the details of the design of the first-prize winning entry in May 2002. After the announcement of the results, both the Home Affairs Bureau and the Leisure and Cultural Services Department conducted a series of consultations on the cultural facilities of the WKCD to collect views from the arts and cultural sector. At the same time, we held exhibitions for the public in various parts of the territory displaying the first-prize winning design between March and October 2002. We have been getting support for the winning submission and very little criticism.

- (b) Having taking into consideration the assessment results of the international jury and the views of the public on the design, the Steering Committee for the Development of the WKCD, chaired by the Chief Secretary for Administration, announced in October 2002 that the design would be adopted in principle as the basis of the masterplan for WKCD. I would like to point out that the canopy is not only an icon. It is also an indispensable part of the WKCD for its many merits and functions. We have taken into account these merits, the views of Members and the public, as well as other relevant factors before adopting this design.

In the papers submitted to the Panel in May 2002 and July 2003, as well as in my oral reply to the question raised by the Honourable WONG Sing-chi on 19 May 2004, it was pointed out that the canopy is the key feature of the first-prize winning design of the Concept Plan Competition. The distinctive canopy will produce an impressive and captivating visual effect and become an icon around the world. It can attract the public and tourists to visit the WKCD, thus bringing us actual economic benefits. Moreover, the canopy is essential to the overall layout and design of the WKCD for it will link various facilities in the district and integrate different kinds of land use. Providing an open yet comfortable environment for the outdoor cultural facilities and the extensive open space in the WKCD, the canopy makes it possible for the public and arts and cultural groups to enjoy the facilities even during inclement weather. It can also reduce the noise generated by outdoor activities in the WKCD, thus minimizing the impact on nearby residents. The unique advantages of the canopy cannot be replaced by other designs. We therefore consider it an indispensable element in the WKCD.

- (c) According to the Invitation for Proposals for the development of the WKCD, proponents' financial proposals should cover the estimated expenses for constructing and maintaining the canopy. The assessment of proposals has not been completed. I do not take part in the assessment, so I have no knowledge of the estimates made by the proponents. The Chief Secretary for Administration explained through his letter to all Members last week why the Government cannot make public the financial information in the proposals at this

stage. However, we understand that Members and the public would like to know more about the financial proposals. As long as the negotiation position of the Government will no longer be affected, we will disclose all relevant financial information after seeking proponents' consents before signing the provisional agreement.

MR LEE WING-TAT (in Cantonese): *Madam President, according to a financial analysis done by the University of Hong Kong, the quoted prices for the construction of seven music halls and museums in the WKCD are \$7 billion. But the construction cost of the canopy alone is \$4 billion with an annual maintenance cost of over \$50 million. I would like to ask the Government: Does it consider that the \$4 billion should be spent on the construction of a canopy requiring an annual maintenance cost of \$50 million or on the formation of an arts and cultural fund for the artistic training and development of our next generation?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, the estimations are made by Mr LEE in consultation with the relevant parties in the university. But in fact, regarding the construction costs of the canopy and the construction and maintenance costs of other museum clusters to be borne by the three proponents, I have no idea yet. As I said in the main reply, we hope to disclose, after the work has been completed, the relevant information on the premise that our negotiation position will no longer be affected. When relevant information is disclosed, Members will be able to see the expenditure ratios of these facilities in the screened-in proposals. I think only under such circumstances can a fair comment be made. Since I have yet to get hold of the relevant information, I think it is not an appropriate time to comment on this.

PRESIDENT (in Cantonese): Members, a total of 12 Members are waiting for their turns to ask supplementary questions. Members who have the opportunity to ask questions please be brief, so that more Members can raise their supplementary questions.

MR RONNY TONG (in Cantonese): *Madam President, I would like to ask a follow-up on the Secretary's answer to Mr LEE's supplementary question. We are aware that the construction cost of the canopy will be undeniably high and ultimately passed onto the public, may I ask the Government whether it has assessed that the future maintenance costs will have to be borne by the actual users of these facilities, such as those ticket buyers for music entertainment, visiting the museums or car parking, who will bear a great proportion of the relevant maintenance costs? Has the Government considered this point?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, all facilities certainly have a cost which should ultimately be borne by some people no matter how much the cost is. However, Madam President, I think this depends on the financial arrangement of the entire development plan. Now I have no idea of the future operation arrangements of the proponents. Since the mode of operation is also part of the proponents' proposals, my colleagues concerned are now considering this part of their proposals and I have no idea of the details. Of course, this matter can be dealt with by different methods and we cannot simply say that the relevant expenditure will certainly be reflected in the pricing or other aspects. We should not forget that the construction of some commercial and residential buildings is permitted in the plan, thus allowing the generation of more revenue by the proponents to subsidize the operational expenditure. As regards the relationship between these two, we have no idea for the time being. Neither do we know the exact amount. We hope Members will wait for the outcome with patience. Members will be able to make a fair comment when all information has been scrutinized and disclosed.

MR RONNY TONG (in Cantonese): *Madam President, can I follow up? The Secretary's answer seems to imply that he is not involved in the matter. Should the Government have a stance on this matter and request that*

PRESIDENT (in Cantonese): Mr TONG, sorry, it is the question time of the Legislative Council which is different from the general panel meetings. The follow-up you have just raised must be related to your previous question.

Which part of your supplementary question has not been answered by the Secretary? You need only point out that part of the supplementary question.

MR RONNY TONG (in Cantonese): *Madam President, I just want to ask the Secretary: Have the developers been requested to exclude the huge maintenance costs of the canopy when fixing the prices of the facilities? Was such a requirement made by the Government?*

PRESIDENT (in Cantonese): Your previous supplementary did not mention such a requirement. As there are many Members waiting for their turns to ask questions, I do not wish to be entangled in this point any longer. I will ask the Secretary to answer you, fine?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, we have not imposed such a detailed requirement on the proposals of the developers. The developers themselves have to assess their own financial revenue from various aspects and determine how to inject capital. This is one of the possible arrangements. However, as I have just said, I have not taken part in the work. But this does not mean that the Government does not have any stance on this matter. Nor does it imply that no one among the colleagues in the Government is taking care of the problem. We must be patient and will be able to see the whole result in the future.

MR CHEUNG HOK-MING (in Cantonese): *Madam President, in part (b) of the main reply, the Secretary mentioned that the unique advantages of the canopy could not be replaced by other designs. So the Government considers that the canopy is an indispensable element in the WKCD. Recently, the canopy design is highly controversial among members of the community and the voice of objection is also very strong. May I ask the Government whether it will withdraw this design if all sectors of the community object to it during the consultation period?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, since the consultation period has just commenced today, I

think it is inappropriate to assume the views of the public too early. We hope that the public can have the opportunity to see the proposals on exhibit during the consultation period. We also hope that the public will actively express their views during the consultation period. We will make a decision having regard to what people have reflected after hearing their views.

MR JAMES TO (in Cantonese): *Madam President, the main reply mentioned that the relevant design had been accepted in March 2002 with little adverse criticism. But that is the situation related to the design and concept. The Government announced in October 2002 that the canopy design would be adopted in principle. I would like to ask the Government: Since the whole project is apparently subsidized by land premium, which is public money, has the Government completely failed to consider the construction cost of the canopy and make any assessment? Or the Government still considers that the canopy should cost several billions of dollars after assessment? Has the Government consulted the public on this basis? Had the Government consulted the public whether they were willing to accept that several billions of dollars in land premium, which was public money, would be used as subsidy when the relevant design was accepted in principle in October 2002 or before?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): *Madam President, since we had not decided which design would be adopted at that time, we could not consult the public on the price of an individual design. We did not conduct such a consultation. However, since we now have the design, as I have just said, and the consultation period has just begun, people can see the overall situation. As regards the construction price, if the proponents in the exhibition can provide the relevant information, people can make assessment themselves.*

MR JAMES TO (in Cantonese): *Madam President, the Secretary has not answered my supplementary question. Had he consulted the public and pointed out that the construction cost of the canopy would be subsidized by land premium, which is public money, when he announced that the canopy design was adopted in principle in October 2002? Has the Government completely failed to consult the public on the costs of the concept?*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, we did not consult the public on the canopy. However, as we all know, in our whole concept, not only the canopy but also other facilities and the museum cluster will be subsidized by public money — no, not public money, but revenue generated from these facilities. So the costs for constructing the canopy and other facilities are not separated and no individual consultation on the canopy alone has been conducted.

MR JAMES TIEN (in Cantonese): *Madam President, in part (c) of the main question, Mr LEE Wing-tat asked whether or not the three screened-in proponents had assessed the maintenance costs of the canopy. In part (c) of the main reply, the Secretary mentioned that an assessment had been made but he had no knowledge of the estimates because he had not taken part in the assessment. May I ask the Chief Secretary for Administration — certainly he has taken part in the monitoring of the assessment, if he can tell us the estimates of the annual maintenance costs as provided in the three proposals?*

PRESIDENT (in Cantonese): Which government official would like to reply? Chief Secretary for Administration.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, I have not taken part in the work either. The relevant estimates on maintenance are particularly for the information of the senior civil servants and organs which are involved in the work. However, just now the Secretary assured Members that the relevant information would be clearly provided to the public in due course after we have completed the scrutiny. Having said that, concerning the canopy, we should not look at the design from one perspective only, rather, we should understand that a design will affect and even enhance the value of the surrounding properties. Besides, how the facilities are to be operated will also boost the utilization rate. Insofar as I understand it, the microclimate design adopted can adjust the whole temperature, which will be lower in hot summer and higher in cold weather. Thus, there will also be gains in terms of maintenance. As regards the overall figures, we will give Members an account in due course.

MR ALBERT HO (in Cantonese): *Madam President, insofar as I understand it, the relevant sector has severely criticized the Government's decision, particularly the decision-making process, of constructing the canopy at a cost of several billions of dollars, regardless of the method of funding. In their opinion, the Concept Plan Competition is only the first stage and there was a saying at that time that a concept design competition would be held in the second stage. In other words, the first stage is related to planning and the second stage is related to construction design. However, in the first stage, the Government has chosen the proposal of a contestant which is construction design oriented. So they consider it unfair. In this connection, does the Government agree that there is unfairness in the process? Besides, the abolition of the second stage competition has made many people feel that they have been denied fair participation.*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese):
Madam President, we do not agree.

MR ALBERT HO (in Cantonese): *Of course, Madam President, justifications should be included in his reply, right? My question clearly implies this.*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese):
Madam President, in view of the fact that a proponent is working on this matter at the present stage, he will submit concrete proposals including those relating to various facilities. This is another stage of work.

MR ALBERT HO (in Cantonese): *Madam President, my supplementary question is that originally there were two stages of design competition, but now the second-stage competition has been abolished and it is unfair. It seems that the Secretary has not given a specific reply to this question. Is the Government reluctant to answer it?*

PRESIDENT (in Cantonese): Is there still..... Chief Secretary for Administration.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, as regards the second-stage competition concerning the design of the whole canopy and the entire project as mentioned by the Member, it had been discussed in the Legislative Council and relevant information, including the design of the whole canopy, had been fully disclosed for consideration by Members in the relevant panels last year, and it was endorsed. So, as far as this issue is concerned, full consultation has been conducted at different stages and the views of various parties in the community, including those of the Legislative Council Members, have been fully listened. In July last year, the panel concerned urged us to invite proposals on this project as soon as possible.

PRESIDENT (in Cantonese): We have spent more than 20 minutes on this question. Last supplementary question.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, as regards the repairs, maintenance and cleaning of the canopy, I would like to ask a question about the workers' safety. If the component parts of the canopy fall down, they may hit the pedestrians. It may also cause dangers to workers when they perform repairs and cleaning duty. Had the proponents taken the workers' safety into account in designing the canopy?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Cantonese): Madam President, in fact, we are also very concerned about the cleaning and maintenance of the canopy. So, the proponents are required to make suggestions in the Invitation For Proposals to ensure that the relevant problems, including the workers' safety as mentioned by Mr TAM just now, can be addressed properly in the future. But for the time being, we cannot disclose how these problems will be addressed as the proposals are still under consideration. However, I can assure Members that the proponents are required to give an answer and they have already done so.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS

Applications by Hong Kong Residents for Setting up Individually Owned Businesses on the Mainland

4. **MR JASPER TSANG** (in Chinese): *Madam President, according to the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA), Hong Kong residents can apply to the mainland authorities for setting up individually owned businesses in the Mainland. The Administration has informed this Council that about 300 applications for setting up individually owned businesses had been approved as at the end of March this year. In this connection, will the Government inform this Council:*

- (a) *whether it knows the latest number of approved cases and the details concerned, including the number of cases in which the business operation has commenced, with a breakdown by the education, age and work experience of the Hong Kong residents concerned and the type of trade being operated (such as retail, beauty services and catering);*
- (b) *of the government assistance available to Hong Kong people when they encounter difficulties in their applications for setting up individually owned businesses; and*
- (c) *whether it will regularly enquire with the Guangdong authorities the latest situation on applications for setting up individually owned businesses by Hong Kong people and release the information so obtained?*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Chinese): *Madam President, pursuant to CEPA, as from 1 January 2004, Hong Kong permanent residents with Chinese citizenship may set up, in accordance with the relevant laws, regulations and administrative rules of the Mainland, individually owned stores in Guangdong Province to provide retailing services, without being subject to the approval procedures applicable to foreign*

investments. After consultation, the Central People's Government and the Government of the Hong Kong Special Administrative Region (SAR) signed the supplementary agreement to CEPA on 27 October this year to further liberalize a number of sectors. In respect of individually owned stores, as from 1 January 2005 Hong Kong people will also be allowed to set up such stores in the provinces and cities outside Guangdong Province, and to provide retailing services; food and beverage services; hair dressing, beauty treatment and health care services, bathing services and repair services of home electrical appliances and other goods for daily uses under residents and other services.

Regarding the specific parts of the question, the reply is set out below:

- (a) According to the figures provided by the Guangdong authorities, up to now there are more than 1 100 Hong Kong people who have been approved to set up individually owned stores in Guangdong to provide retailing services. Total investment exceeds RMB 49 million yuan. The Guangdong authorities have not provided other information of the operators of such stores such as their conditions of operation, education background, age and working experience.
- (b) When Hong Kong residents encounter problems in applying to relevant government departments of the Mainland for operating individually owned stores, they may seek assistance from the SAR Government, including its Economic and Trade Office in Guangdong. Depending on the circumstances of the cases, we will follow up by providing information, referring the cases to the relevant government departments of the Mainland or liaising with the relevant departments direct or other means.
- (c) Through the CEPA Expert Group on Services Implementation under the Guangdong/Hong Kong Cooperation Joint Conference and other channels, the Government is in constant touch with the Guangdong authorities with a view to seeking information pertaining to the operation and progress of individually owned stores set up by Hong Kong people. The SAR Government has also been disseminating information on applications for individually owned stores and related issues by a number of means, including websites, publications and regular newsletters. At the same time, the Trade

and Industry Department and the Economic and Trade Office in Guangdong of the SAR Government have organized or co-organized seminars with small and medium enterprises and individually owned stores as targeted audience since CEPA came into force. Arrangements have been made for officials of the Guangdong authorities to speak at the seminars to provide information and to answer questions of interested Hong Kong people with the relevant information uploaded onto the websites of the SAR Government after the seminars for reference by the public.

Dependent Parent Allowance

5. **MISS CHAN YUEN-HAN** (in Chinese): *Madam President, regarding the dependant parent allowance, will the Government inform this Council:*

- (a) of the number of taxpayers granted dependant parent allowance in each of the past three years;*
- (b) of the respective numbers of currently working and non-working persons who are aged 50 or above; and*
- (c) whether the authorities will consider granting a new allowance to taxpayers who support the livelihood of non-working parents aged 50 or above or relaxing the current minimum age requirement for dependants in relation to dependant parent allowance from 60 years old to 50 years old; if they will, of the details, and whether they will consider making use of the information concerning Mandatory Provident Fund contribution, valid documentary proofs provided by taxpayers or other means to investigate if the parents of the taxpayers concerned are working or not, so as to facilitate the arrangement for granting the allowance; if they will not consider granting the new allowance or relaxing the minimum age requirement, the reasons for that?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): Madam President,

- (a) The numbers of salaried taxpayers granted dependent parent allowance in the past three years of assessment are as follows:

<i>Year of assessment</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>
Number of taxpayers granted the allowance	300 318	305 376	304 637
Number of dependent parents	385 921	392 679	393 314

- (b) According to the results of the General Household Survey for the third quarter of 2004, the employment situation of persons aged 50 or above is as follows:

<i>Age Group</i>	<i>Number of employed persons</i>	<i>Number of unemployed persons</i>	<i>Number of persons not engaged in economic activities^{Note}</i>	<i>Total</i>
50 - 59	499 500 (59.0%)	44 600 (5.3%)	302 700 (35.7%)	846 800 (100%)
≥ 60	101 100 (9.9%)	5 300 (0.5%)	918 200 (89.6%)	1 024 600 (100%)
Total	600 700	49 900	1 220 900	1 871 400

Note: Those who are not engaged in economic activities are neither employed nor unemployed persons, for example, retirees and full-time homemakers.

- (c) Under the Inland Revenue Ordinance, a taxpayer is eligible to claim dependent parent allowance if he/she maintains a parent who is aged 60 or more or, being under the age of 60, is eligible to claim an allowance under the Government's Disability Allowance Scheme.

The main reason for setting the minimum age requirement for dependents in relation to the dependent parent allowance at 60 is that the normal retirement age is 60 in Hong Kong. This allowance is introduced to encourage people to take care of their dependent parents.

The figures listed in Part (b) show that the vast majority of people aged 60 or above are not working, while most of the people aged between 50 and 59 are still working. We consider it appropriate to set the minimum age requirement for dependent parents at 60.

If the Inland Revenue Department has to ascertain whether the dependent parents are working, it will have to rely on the proofs submitted by the taxpayers, because the mobility of the labour market is very high. The Mandatory Provident Fund Schemes Authority does not have information on all the employees who have joined the Mandatory Provident Fund Schemes or Recognized Occupational Retirement Schemes. The Government would have to invest many further resources in verifying the relevant documentary proofs to ensure that only eligible taxpayers are granted the allowance and to deter people from making false claims. This would be a difficult condition to enforce from the taxation point of view.

Nevertheless, the Financial Secretary will consider all the proposals relating to taxation in preparing the Budget.

Promoting Use of Wireless Services and Technologies

6. **MR SIN CHUNG KAI** (in Chinese): *Madam President, with regard to promoting the use of wireless services and technologies, will the Government inform this Council:*

- (a) *how it has implemented the recommendations made by the Ad Hoc Working Group on Promotion of Wireless Services and Technology in November last year;*
- (b) *of the pilot projects on wireless and mobile services and technologies recommended to the Government by the Task Force on the Promotion of Wireless Services and Technology, which is responsible for following up the work of the said Working Group; the projects that have been launched in response to these recommendations and their results; and the pilot projects to be launched next year; and*
- (c) *given that the Taiwan authorities are going to pursue the objectives of the "M-Taiwan Plan" by allocating Taiwan \$7 billion to develop wireless Internet access infrastructure and applications, whether it*

will make reference to the plan and take measures to encourage public and private enterprises to set up wireless broadband Internet access infrastructure at locations with high pedestrian flow, such as shopping malls, MTR stations, railway stations, large housing estates and commercial areas, to promote the widespread adoption of Worldwide interoperability for Microwave Access (WiMAX) and to provide diversified e-government services for the public through wireless technology so as to promote the use of wireless services; if it will, of the details; if not, the reasons for that?

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Chinese): Madam President,

- (a) The Office of Government Chief Information Officer (OGCIO) has formed a Task Force to follow up on the recommendations made by the Working Group on Promotion of Wireless Services and Technology in 2003. The Task Force has been working on eight areas and the progress is summarized at Annex 1.
- (b) The Task Force has been co-ordinating the implementation of the recommendations made by the Working Group to encourage and support various departments in identifying and implementing trial projects on wireless and mobile services and technology. These include the use of mobile and speech technology on government websites, mobile email, transmission of multimedia messages through the office email system and deployment of radio frequency identification (RFID) technology for asset management.

There are also other planned pilot projects for the coming year. The Leisure and Cultural Services Department (LCSD) plans to adopt the RFID technology to manage the library of heritage resources and to install wireless hotspots at its Hong Kong Heritage Resource Centre. The Electronic Service Delivery (ESD) Scheme will provide support for a number of services via mobile phone and Personal Digital Assistant (PDA), and the Judiciary plans to adopt RFID for case file management. For details of the abovementioned initiatives, please refer to Annex 2.

The Government will continue to monitor the development of wireless and mobile services and technology and to explore further opportunities for testing and deploying wireless and mobile technology, with due regard to cost-effectiveness and other feasibility considerations.

- (c) To encourage the industry to provide multi-faceted services through local area networks and to promote the wider adoption of wireless and mobile services and technology in the community, the Office of the Telecommunications Authority (OFTA) has established class licences on public wireless LAN (PWLAN) services since January 2003. We aim to facilitate the provision of PWLAN services (for example, wireless surfing on the Internet) through a simple licensing mechanism. The application for licensing does not incur any fees and in order to be a licence holder, a service provider just need to register with the OFTA before commencement of business operation. As of October 2004, the OFTA had already registered 23 service providers providing PWLAN services at over 200 locations. The OFTA will issue a public consultation paper later this month on the introduction of class licences on Broadband Wireless Access services (including services based on the WiMAX standard). We hope this will facilitate network operators in implementing the new broadband access infrastructure so that consumers can enjoy a wider coverage of wireless broadband service.

Annex 1

Summary of Progress made by the Task Force
in following up on the recommendations made by
the Working Group on Promotion of Wireless Services and Technology

- (i) *Enhance enterprise awareness of application opportunities, business benefits, capabilities (including the security aspects) and service offerings of wireless solutions*

Under the auspices of the Task Force, the Hong Kong Wireless Development Centre (HKWDC) has been working closely with the Hong Kong Productivity Council (HKPC) and other trade associations to promote wireless technologies and demonstrate wireless e-commerce solutions to the public and the industry through various means. Since December 2003, we have organized more than 20 seminars covering various relevant technology topics, participated in the ICT Expo 2004 in April 2004 and the IT Roadshow for Public Housing Estates 2004 from July to December 2004, and broadcast two series of radio episodes in February and March 2004.

To better understand the adoption level of the wireless services and technology in the trade and industry sectors, relevant questions were added to the "2004 Annual Survey on Information Technology Usage and Penetration in the Business Sector" and the "e-Business Adoption Survey 2004". The Census and Statistics Department has published the result of the former survey on 6 December 2004; the HKPC is conducting the latter survey. The HKWDC has also conducted survey on the adoption of wireless technology in the logistics, tourism, financial services and entertainment sectors in Hong Kong, mainland China, Taiwan, Japan and South Korea. The survey report has been published on the Internet for reference by the industry and the public.

- (ii) *Continue to promote wider use of wireless services within the Government in line with established e-Government policy*

The OGCIO has been promoting the wireless services and technology to government departments through seminars, theme pages on the government internal portal, the ITSC Newsletters, and so on. It has organized more than 20 seminars since December 2003. The OGCIO and departments have also identified and conducted trial projects on wireless services and technology. For more details, please refer to the reply to Part (b) of the question.

- (iii) *Encourage and facilitate development of seamless end-to-end Chinese language processing capabilities for enterprise information systems with wireless extension to mobile users*

The OGCIO is participating in the "International Ideographs Core (IICORE)" initiative of the International Organization for Standardization (ISO). The initiative aims to develop the technology to facilitate the use of wireless devices for cross-region transmission of some 9 800 commonly used Chinese characters in the ISO/IEC 10646 character set. The OGCIO has incorporated the IICORE into the Government's Interoperability Framework Version 3.0. The OGCIO, together with the HKWDC are also liaising with Chinese software vendors to discuss the feasibility and details of implementing the IICORE in their products. The HKWDC has conducted research on the issues concerning Chinese character input and display on wireless and mobile devices in July 2004 and has reviewed the test results to facilitate further technology development.

- (iv) *Encourage and facilitate the continuous development and enhancement of information security technologies and solutions*

The Government has set up a Wireless Security theme page in the InfoSec website (< infosec.gov.hk >) to promote public awareness, to educate and to share with the public the relevant security guidelines and best practice. The HKWDC is also conducting tests on the Mobile Virtual Private Network (Mobile VPN) solutions for PDA.

- (v) *Foster closer co-operation and encourage information sharing among various ICT sectors*

The HKWDC organized the 3G Developer Forum in March 2004 to foster the partnership between the wireless system developers, the network operators and the equipment suppliers. The HKWDC also organized

overseas and mainland study missions, such as the ICT Mission to South Korea in September 2004 and the China-HK SP Collaboration Forum in October 2004, to promote co-operation between local companies and their counterparts outside Hong Kong. The HKWDC has also entered into co-operation agreements with its counterparts in Canada, Australia and South Korea.

- (vi) *Encourage development of generic products, technical design models and interface protocols based on open interoperable and device — independent standards*

The HKWDC has launched two system and service development platforms that support Short Message Service (SMS), Wireless Application Protocol (WAP) and Multimedia Messaging Service (MMS) technologies. These facilities enable the industry players to lower their development costs and shorten the time to market of their products and solutions. So far, more than 20 product suites have completed testing using the facilities.

- (vii) *Forge industry-wide collaboration for the creation of a branding effect that demonstrates Hong Kong's strength in innovation, technology explication and supply of wireless services*

The Hong Kong Wireless Technology Industry Association (WTIA) and the HKPC are making preparations for the first Hong Kong Wireless Technology Excellence Award (HKWTEA) in 2005. This will give recognition to outstanding and innovative wireless applications developed locally and help to promote Hong Kong's best-in-class wireless applications overseas.

- (viii) *Encourage development of innovative service models (for example, subscription-based application service provision)*

The WTIA and the HKWDC launched the Cyberport 3G Project to provide a 3G enabling environment to support the development of 3G contents and application systems and will focus on the research and testing of various service and business models for different user segments.

Details of the wireless and mobile services and technologies pilot projects:

<i>Bureaux and Departments</i>	<i>Initiatives and Results</i>
OGCIO	<p data-bbox="496 562 874 600">Mobile Speech Websites</p> <p data-bbox="496 669 1386 1256">In May 2004, the OGCIO launched the mobile speech websites for bureaux and departments to access and listen to government information from three government websites on the fly through mobile devices. The pilot service would enhance the work efficiency of government field staff and can demonstrate the convenience of providing mobile government information to the citizens, especially the elderly and visually impaired person. The pilot will end in February 2005. The OGCIO will evaluate the effectiveness of the pilot system and study the related content management issue.</p>
OGCIO	<p data-bbox="496 1267 820 1305">Mobile email service</p> <p data-bbox="496 1375 1386 2072">In April 2003, the OGCIO launched a mobile email service for some of its management staff to access their emails through mobile handheld devices. A review of the pilot confirmed that the service was able to enhance the work efficiency of the staff and their responsiveness to urgent matters. As a result, starting from November 2003, the OGCIO extended the mobile email service to other bureaux and departments. Over 60 government users have subscribed to this service. The OGCIO will continue to promote the service to bureaux/departments in the coming year, with a view to leveraging on wireless and mobile technologies to enhance the overall efficiency of the Government.</p>

<i>Bureaux and Departments</i>	<i>Initiatives and Results</i>
OGCIO	<p>MMS</p> <p>The OGCIO and the HKWDC jointly provided a trial service of using office email systems to send MMS to B/Ds. This service facilitates the users to send MMS in a more convenient way. B/Ds will find it much easier and faster to compose and send MMS using the email system. The OGCIO will evaluate the effectiveness of the trial service when the pilot completes in end March 2005.</p>
OGCIO	<p>Tracking of asset items using RFID</p> <p>The OGCIO adopted RFID for tracking of valuable equipment of its IT Development Centre since mid 2004. It will share its experience on this project with other government departments.</p>
LCSD	<p>RFID based Library System</p> <p>The LCSD plans to adopt RFID technology for the Hong Kong Heritage Resource Centre to automate the manual workflow of managing inventory control, cataloguing, borrowing, returning and sorting of materials, so as to enhance overall efficiency. The library system will be launched in 2005.</p>
LCSD	<p>Wireless Hotspot</p> <p>The LCSD plans to provide wireless hotspot service at the Hong Kong Heritage Resource Centre. This will facilitate the visitors to access its website and search information in the Internet. It will be launched in 2005.</p>

<i>Bureaux and Departments</i>	<i>Initiatives and Results</i>
ESDlife	<p data-bbox="496 344 836 383">Wireless ESD Service</p> <p data-bbox="496 461 1390 1106">Since August 2004, ESDlife has rolled out a number of wireless services for users of mobile phone and PDA. The services include local weather forecast, report of air pollution index, appointment booking for registration of HKID card, appointment booking for Hong Kong Smart ID Card replacement exercise and quota checking, marriage register quota checking, government press release, news announcement, and so on. The wireless ESD services being planned for rollout in the first quarter of 2005 include request for immigration applications forms, Leisure Link activity enrollment and facility booking.</p>
Judiciary	<p data-bbox="496 1128 1182 1167">Tracking of Criminal Case Files using RFID</p> <p data-bbox="496 1245 1390 1771">The Judiciary plans to set up a Case File Tracking System using RFID technology in early 2006. The system will support instant tracking of criminal case files for searching and locating case files in the High Court Clerk of Court's Office. It also provides check-in, check-out and inventory management of case files amongst the Clerk of Court's Office and other office locations in the Judiciary premises. This system will enhance the accuracy of the file records and the efficiency of the file movement in the Judiciary.</p>

SFC's Investigations on Cold Calls

7. **MR CHAN KAM-LAM** (in Chinese): *Madam President, it has been reported that the Securities and Futures Commission (SFC) said earlier that there*

had been an increase in the number of cases in which intermediaries made cold calls on the public illegally with an intent to induce them into transacting in futures contracts with overseas exchanges, especially the Commodity Exchange in Japan. In this connection, will the Government inform this Council:

- (a) of the following over the past three years, listed in table form: the number of cases regarding the above activities investigated by the SFC, the investment vehicles and products involved, the number of transactions actually processed and the amounts of money involved, the number of investors who suffered from losses and the amounts of money involved, the number of cases in which intermediaries received payments from the investors but did not process the transactions concerned and, among them, the number of cases in which the investors could receive full or partial compensation, the respective numbers of cases in which prosecutions were instituted or sanctions imposed after investigation, the results of prosecutions and the penalties imposed;*
- (b) whether it knows the number of cases being investigated by the SFC at present and the respective numbers of investors and amounts of money involved in each case; and how the characteristics of these cases compare to those in the past three years; and*
- (c) whether it knows if the SFC has studied the causes of the substantial increase in the number of the above activities recently; if it has, of the findings, and whether the SFC plans to step up publicity and education efforts shortly, informing the public that such cold calls are illegal and advising them not to participate in transactions of investment products involved in such promotion and sales activities?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): Madam President, on the issues raised in the question, the information provided by the SFC is as follows.

- (a) Information on investigation in cold-calling cases relating to commodities futures completed by the SFC in the past three years is set out in the table below:

<i>Number of cases</i>	<i>Investment vehicles and products concerned</i>	<i>Amount invested* (HK\$)</i>	<i>Number of investors who suffer losses</i>	<i>Amount of losses (HK\$)</i>	<i>Number of cases in which an investigation is followed by prosecution</i>	<i>Number of cases in which an investigation is followed by disciplinary action</i>
5	Futures contracts on red bean, rubber, corn and gold	1,302,000	6	724,502	2 (five people convicted with a fine ranging from \$2,000 to \$5,000)	4 - two cases have already been completed with all of the four registered persons/entities being imposed a fine of \$195,000, three-month suspension or public reprimand. - Disciplinary procedures are still in progress in the other two cases.

* The SFC does not keep information regarding the actual number of transactions conducted.

All of the five cases are related to trading of futures contracts on commodities exchanges in Japan.

There was no incident in which an intermediary had received payment from an investor but did not conduct the relevant transactions.

The SFC does not have information on whether the investor was fully or partially compensated.

- (b) Information on investigation currently conducted by the SFC in cold-calling cases relating to commodities futures is set out in the table below:

<i>Case</i>	<i>Number of investors suffering losses</i>	<i>Amount invested (HK\$)</i>	<i>Amount of losses (HK\$)</i>
Case 1	3	Investor 1: 314,300	314,300
		Investor 2: 79,969	44,070
		Investor 3: 1,228,000	1,001,680
Case 2	1	Investor 1 11,482,326	6,580,777
Case 3	3	Investor 1: 1,472,881	1,472,881
		Investor 2: 114,750	109,961
		Investor 3: 99,012	57,225
Case 4	2	Investor 1: 1,340,000	989,171
		Investor 2: 1,352,726	505,401
Case 5	1	Investor 1: 956,674	322,486
Case 6	4	Investor 1: 399,846	366,034
		Investor 2: 150,000	147,605
		Investor 3: 348,682	348,682
		Investor 4: 19,603,153	18,782,057
Total:	14	38,942,319	31,042,330

All the current cases are related to trading of futures contracts on commodities exchanges in Japan. The SFC notes that the current cases bear similar characteristics as those of the past three years. Typically, clients are recruited via cold calling and would incur huge losses within a short period of time (usually a few months) as a result of excessive churning of the accounts by account executives.

- (c) In investigating reports of wrongdoing by futures brokers, the SFC has noted that there has been an increase in illegal cold calling of members of the public by intermediaries trying to induce them to trade futures contracts on overseas exchanges. The SFC is receiving more complaints regarding such activities as a result of its continuous efforts to encourage investors to report such misconduct. It is also possible that the intermediaries concerned are trying to recruit more new investors by cold calling.

It has always been part of the SFC's ongoing efforts to remind investors to be aware of illegal cold calling practices and risks of trading commodity futures on overseas exchanges. For example, the SFC issued a press release as well as investor education materials in November 2003 to remind investors of the risks and costs of trading in commodity futures. It warned investors about cold calling through its investor portal, eIRC, by issuing a press release and publishing an article in its bimonthly newsletter in June, September and October 2004. From time to time, the SFC puts out education materials in the printed media to carry advice on cold calling and trading of commodity futures.

The SFC plans to put out publicity within the next two months to warn investors against the risk of "locking", which is a technique commonly employed in leveraged forex and commodity futures trades and very often leads to huge losses to investors. At the same time, the SFC will continue its ongoing investor education efforts to warn investors of cold calling and trading commodity futures on overseas exchanges and will encourage investors to report market misconduct through publicity work.

Cracking of Concrete Slab at HOS Estate

8. **MR JAMES TIEN** (in Chinese): *Madam President, on 26 October this year, a concrete slab for holding an air conditioner cracked and fell down from the external wall of a flat in Kwong Ming Court, a Home Ownership Scheme estate in Tseung Kwan O completed only seven years ago. Staff of the Housing Department (HD) subsequently inspected other flats of the court and found that similar concrete slabs on the external walls of 12 flats needed repairing. In this connection, will the Government inform this Council:*

- (a) of the causes of the cracking of the concrete slab;*
- (b) of the current number of public housing flats with similar concrete slabs, and the follow-up actions the authorities have taken in respect of these flats;*
- (c) whether the HD deploys staff to inspect the execution of outsourced repair works on a regular basis;*

- (d) *how the HD monitors the quality of public housing construction works; and*
- (e) *given that building construction works of the Hong Kong Housing Authority are not subject to the regulation of the Buildings Department (BD) under the existing legislation, whether it will consider amending the relevant legislation to bring such works into the regulatory purview of the BD?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Chinese):
Madam President, my reply to the five-part question is as follows:

- (a) The HD's preliminary investigation into the collapse of an air-conditioner hood in Kwong Ying House of Kwong Ming Court (Tseung Kwan O) indicated that the collapse was not associated with the hood's design, but might be caused by problems in the process of its construction. The HD will need to conduct a detailed investigation on site to verify the actual cause and is liaising with the Incorporated Owners of Kwong Ming Court on the arrangements.
- (b) There are 78 Harmony-type public housing blocks with about 10 000 flats which adopt the same air-conditioner hood design as that in Kwong Ying House of Kwong Ming Court.

Following the incident, the HD immediately liaised with the flat owners concerned on repair arrangements. The contractor was also asked to inspect the air-conditioner hoods in Kwong Ming Court and other public housing blocks using the same design constructed by this contractor between 1996 and 2000. About 2 600 flats will be inspected. The contractor has arranged repair works for 11 flats with signs of minor concrete spalling.

- (c) Designated HD staff patrol public rental housing estates every month and carry out random inspection to monitor the quality of works conducted by maintenance contractors. In addition, upon receipt of complaints or reports on maintenance problems, the contractors concerned will be asked to take follow-up actions expeditiously. In the case of unsatisfactory performance, sanctions will be taken according to contract provisions, including warnings, downward adjustment of performance appraisal scores to reduce the

contractor's chance for contract renewal and future tenders, or even termination of contracts.

- (d) Under the contract, we require contractors to provide full-time supervision to ensure compliance with the quality standards stipulated in the contract. In terms of supervision exercised by the HD, we deploy site supervisors to inspect all construction sites and to assist architects and engineers in monitoring contractors' performance and quality of work against contract requirements. We have also deployed resident engineers to some of our projects.

Since the Quality Housing Reform in 2000, we have strengthened site supervisory resources for all projects in terms of both number of staff and expertise, and we have deployed resident engineers to all piling sites. We have also clearly defined the duties of all site staff. We have further aligned our supervisory practice with the "Quality Supervision Plan" promulgated by the BD which included the requirement for a technically competent supervision team with clear delegation of power and responsibilities. Besides, we have streamlined the inspection procedure and allowed more flexibility for project teams in their documentation work. We have reinforced the risk awareness among staff through training and strengthened monitoring to enable earlier identification of potential problems that may arise on site. We have also intensified the induction and refresher training for site staff and enhanced their professional skills to ensure that they possess adequate skills and experience to effectively monitor the work of contractors.

- (e) The Government is now examining ways to bring public housing construction and maintenance works within the ambit of the Buildings Ordinance (Cap. 123). A number of options on the application of the Ordinance to public housing projects and the legal, administrative, staff and resource implications arising are being considered. In the interim, the Independent Checking Unit was established in the HD in November 2000 to conduct third-party building control over public housing projects. The approval, consent and supervision mechanism being applied to new public housing projects are consistent with the BD's practices to ensure compliance with the technical and safety standards of the Buildings Ordinance. The Independent Checking Unit is also extending the building controls to the stock of existing public housing in accordance with the standards and procedures adopted by the BD.

Employment of Ethnic Minorities by Government Departments and Public Bodies

9. **MR ALBERT HO** (in Chinese): *Madam President, regarding the employment of ethnic minorities by government departments and public bodies, will the Government inform this Council:*

- (a) *whether there is a policy of employing ethnic minorities on a necessity basis, such as the employment of ethnic minorities by the Social Welfare Department to assist in handling matters concerning application for social welfare and receipt of social services by ethnic minorities;*
- (b) *of the number of persons of the ethnic minorities currently engaged in government departments and public bodies (including the Police Force, Social Welfare Department, public hospitals, and so on) as well as their ranks; and*
- (c) *whether it will consider employing ethnic minorities up to a certain proportion in individual essential public service areas (such as medical, security and social welfare), so that those persons of the ethnic minorities who are unable to communicate with the Chinese due to the language barrier can obtain suitable and essential public services?*

SECRETARY FOR THE CIVIL SERVICE (in Chinese): Madam President, for the purpose of replying to this question on the position of public bodies, given the limited time available, we have only been able to obtain the required information from a few public bodies providing public services in the areas of housing (for example, Hong Kong Housing Authority), medical services (for example, Hospital Authority) and educational services. The following reply sets out the position of government departments and the above public bodies.

My reply to the specific questions is as follows:

- (a) The Government seeks to promote equal opportunities employment in the community among persons of all races. In 1998, the Home Affairs Bureau published a Code of Practice against discrimination

in employment on the ground of race with a view to facilitating self-regulation on the part of employers and employees in eliminating discriminatory practices in employment.

As the largest employer, the Government is committed to eliminating discrimination in employment. Appointment to the Civil Service is based on the principle of open and fair competition. Civil service vacancies are filled through a competitive selection process on the basis of merit of eligible candidates.

The Government, as an equal opportunities employer, does not discriminate or make any distinction on the basis of race in its recruitment to the Civil Service. It is our policy to set entry requirements for civil service posts on the basis of academic or professional qualifications, technical skills, work experience, language proficiency and other relevant qualities and attributes. Whilst Article 99 of the Basic Law provides that new recruits to the Civil Service save for certain specified exceptions must be permanent residents of the Hong Kong Special Administrative Region, ethnic origin is never a consideration in civil service appointments. The same principle is adopted by the above public bodies providing essential public services.

As an equal opportunities employer, when a department or a public body sees the need to recruit persons with a special language ability for delivery of public service to ethnic minorities, it would specify the language requirement in the recruitment but would not confine eligibility to candidates of a particular ethnic origin. To supplement the provision of public service to ethnic minorities, front-line departments and public bodies such as the Hong Kong Police Force, Social Welfare Department and public hospitals also keep lists of part-time interpreters who work on an "on call" basis to assist them to communicate with their clients of ethnic minorities. On occasions, patients or other enquirers may also be accompanied by friends or relatives who can act as their interpreters.

- (b) In accordance with the Personal Data (Privacy) Ordinance, the Government, as an employer, will only collect information which is absolutely essential for employment-related purpose. Since

persons with different ethnic origin are treated on an equal basis in accordance with our appointment policy, we do not collect or keep information on the race of civil servants. Therefore, we are unable to provide information on the number of ethnic minorities employed in the Government. The same principle applies to the above public bodies providing public services.

- (c) Appointment to the Civil Service is based on service need. As explained in part (a) above, in case there is a need to recruit persons with a special language ability for delivery of public service, as an equal opportunities employer, we would specify the language requirement in the recruitment rather than confine the eligibility to candidates of a particular ethnic origin.

Likewise, for the above public bodies providing public services, they will also determine whether there is a need to recruit persons with special language ability (rather than of a particular ethnic origin) according to their service needs.

Appointment of Members of Ethnic Minorities to Advisory and Statutory Bodies

10. **MR JAMES TO** (in Chinese): *Madam President, regarding the appointment of members of ethnic minorities to advisory and statutory bodies (ASBs), will the Government inform this Council of:*

- (a) *the ASBs whose terms of reference cover issues relating to various ethnic groups and racial harmony and thus require members of ethnic minorities to serve as members of those bodies;*
- (b) *the number of members of ethnic minorities who serve as members of ASBs at present, and the percentages of them in the respective membership of those bodies, broken down by the ASBs they belong to; and*
- (c) *the ASBs to which the Government plans to appoint more members of ethnic minorities, the number of additional members to be*

appointed to each of such bodies, as well as the timetable for such appointments?

SECRETARY FOR HOME AFFAIRS (in Chinese): Madam President,

- (a) The terms of reference of the Committee on the Promotion of Racial Harmony includes the promotion of racial equality and communal harmony, as well as public education and publicity on equal opportunities for ethnic minorities. Of the 14 appointed non-official members currently serving on the Committee, nine are members of ethnic minorities.
- (b) We have not asked members of ASBs to inform us of their ethnic origin. As such, the Government does not have readily available information on the number of members of ethnic minorities serving on ASBs. Responsible bureaux and departments could only supply information for 476 out of the 508 ASBs on the basis of their perception of the ethnic origin of the ASB members concerned. Based on the incomplete information available to us, we estimate that members of ethnic minorities accounted for about 4% of the appointed non-official members of ASBs.
- (c) We shall bring in more talents from different backgrounds (including ethnic minorities) to enhance the representativeness of ASBs. We shall also consider appointing more ethnic minorities members into our ASBs on a need basis. We intend to appoint more members of ethnic minorities to the Equal Opportunities Commission in view of the impending introduction of anti-racial discrimination legislation.

Commercial Credit Reference Agency

11. **DR DAVID LI:** *Madam President, the Commercial Credit Reference Agency (CCRA) established by the Hong Kong Association of Banks and the DTC Association with the support of the Administration, started operation on 1 November this year. The CCRA has been established to enhance the credit assessment infrastructure in Hong Kong and, over time, it is hoped that the*

CCRA will benefit well-run small and medium-sized enterprises (SMEs) by improving access to credit. In this connection, will the Government inform this Council:

- (a) whether the relevant authorities have carried out surveys of SMEs' views on the CCRA; if so, of the results of such surveys; and*
- (b) of the publicity and other efforts which the relevant authorities have made to encourage SMEs to give consent to their lending institutions for disclosing their credit data to the CCRA?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY:

Madam President,

- (a) One of the main objectives of establishing a CCRA in Hong Kong is to enhance the credit transparency of the corporate sector, in particular SMEs, thereby improving its access to bank funding. The Administration recognizes that SMEs' support and active participation is crucial to the success of the CCRA. In this regard, the Hong Kong Monetary Authority (HKMA) and the banking industry have engaged the leading chambers of commerce, which represent the interests of the corporate sector including SMEs, in the process of establishing the CCRA, and have taken into account their comments concerning the design of the scheme.

While no formal survey of SMEs' views has been conducted, the HKMA has been surveying the progress of authorized institutions (AIs) in seeking the consent of their SME customers to the disclosure of their credit information to the CCRA. The latest results show that, by the end of October 2004, AIs have sought consent from a total of 98% of their SME customers, of which 83% have responded. Of those who have responded, 93% have given their consent. These results suggest clearly that the SME sector is generally supportive of the establishment of the CCRA, and the benefits of the scheme are widely recognized by the sector. The Administration will continue to monitor the operation of the scheme and would welcome any feedback from the corporate sector.

- (b) The HKMA, in collaboration with the banking industry and the appointed CCRA operator, has taken the following actions to promote the SME sector's understanding and participation in the scheme:
- (i) in seeking consent from their SME customers to the disclosure of their credit information to the CCRA, AIs are required to explain the benefits of the CCRA to such customers and answer any question they may have about the scheme;
 - (ii) a leaflet about the key features of the CCRA was issued jointly by the industry associations and the HKMA, and has been distributed to SMEs by AIs and also through the Support and Consultation Centre for SMEs of the Trade and Industry Department;
 - (iii) presentations and seminars about the CCRA have been given to SMEs and their representative bodies, including the Hong Kong Chamber of Small and Medium Business and the relevant committees of various chambers of commerce;
 - (iv) articles about the CCRA have been published in the regular journals of various chambers of commerce to explain the benefits of the scheme to SMEs and encourage their participation; and
 - (v) the CCRA operator has developed a website to provide information about the CCRA to SMEs through the Internet.

The HKMA, the banking industry and the CCRA operator will continue to work together to promote SMEs' understanding and support of the CCRA.

Cross-district Transport Services for New Territories West Residents

12. **MR DANIEL LAM** (in Chinese): *Madam President, upon the opening of the East Rail Tsim Sha Tsui (TST) Extension of the Kowloon-Canton Railway*

Corporation (KCRC), residents in the New Territories East can make use of this convenient mass transit line to gain direct access to the urban area, which not only saves them the trouble of interchanging but also reduces their travelling expenses. Nevertheless, residents in New Territories West (NTW) do not enjoy any similar benefits and fare concessions at all. In this connection, will the Government inform this Council whether it will rationalize urban Kowloon's public transport networks, particularly the networks connecting the TST Extension, and deploy idle modes of transport to ply NTW routes, so as to meet the increasing demand of NTW residents for cross-district transport services?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President, when planning for public transport services, the Transport Department (TD) needs to take into consideration a number of factors, such as the change in population in the area concerned, passenger demand, adequacy of the existing public transport services, traffic conditions and geographical settings, anticipated effectiveness of the proposed service and the implications of the proposed service on other transport services.

According to the TD's assessment, the commissioning of the East Rail TST Extension has little impact on the public transport services provided in Kowloon. We therefore consider there is no apparent need at the moment for adjusting the public transport networks of Kowloon. The West Rail is at present providing residents in NTW with direct and efficient railway service to Kowloon. In addition, the construction of Kowloon Southern Link which connects the West Rail with the East Rail will soon commence. Upon its completion, our railway network will be further enhanced to provide safe and reliable mass transport service. There are also at present 127 bus routes providing cross-district transport services for residents in NTW.

The TD will continue to monitor passenger demand in Kowloon and NTW. When necessary, it will adjust the respective public transport service plans for these areas.

Applications for Rezoning Land for Residential Developments

13. **MR ALAN LEONG** (in Chinese): *Madam President, given that some private lands have been zoned for provision of communal facilities and the land*

leases concerned have stipulated that the Government may resume the lands on grounds that they have ceased to be used for the permitted uses for over 12 months, will the Government inform this Council of the respective numbers of applications made, since 1 July 1997, by the owners of such lands:

- (a) to the Town Planning Board (TPB) for rezoning these lands for residential uses; the respective numbers of applications approved and rejected by the TPB, the location and area of the land involved in each application as well as the date on which the TPB made the relevant decision; and*
- (b) to the Lands Department for lease modifications to allow residential developments to be undertaken; the respective numbers of applications approved and rejected, the location of the land involved in each application and the floor area of the residential project, as well as the amount of land premium required?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Chinese):
Madam President, my reply to the two-part question is as follows:

- (a) Since 1 July 1997, the TPB has altogether received two applications for rezoning land to residential use, with respect to two sites designated for the provision of public utilities, and the lease conditions stipulate that the Government can take back the sites if these have ceased to be used for the permitted uses. One application has been rejected by the TPB while consideration of the other by the TPB has been rescheduled at the request of the applicant, and a date has yet to be fixed. Details of the rejected application are as follows:

Lot No.:	New Kowloon Inland Lot Nos. 5218 and 5934
Location:	Yuet Lun Street, Lai Chi Kok
Site Area:	6 433 sq m
OZP No.:	S/K16/6
Original Use:	Telecommunications Building
Request:	To be Rezoned to "Comprehensive Development Area"
TPB Date of Meeting:	3 March 2000

The applicant intended to carry out residential development on the site in Yuet Lun Street. However, the rezoning proposal was not in line with the planning intention of the zone, and the site would be required to provide telecommunications expansion services to cater for the needs of the neighboring areas and the future development of West Kowloon. Moreover, the TPB considered the traffic impact arising from the rezoning unacceptable.

Details of the other application are as follows:

Lot No.:	Ap Lei Chau Marine Lot No. 63
Location:	Lee Nam Road, Ap Lei Chau
Site Area:	9 892 sq m
OZP No.:	S/H15/20
Original Use:	Liquefied Petroleum Gas and Oil Products Transit Depot
Request:	To be Rezoned to "Residential (Group A)"

- (b) Since 1 July 1997, the Lands Department has received only one application for lease modification to allow residential developments to be undertaken, with respect to a site granted for the provision of public utilities, and the lease conditions stipulate that the Government can take back the site if it has ceased to be used for the permitted uses. Details of the application are as follows:

Lot No.:	New Kowloon Inland Lot No. 5572
Location:	Pak Tin Street, Shek Kip Mei
Site Area:	1 115 sq m
Term:	up to 28 June 2025
Grantee:	PCCW (formerly the Hong Kong Telecom)
Permitted Uses:	Telephone exchange, ancillary office and staff quarters

It was the intention of the grantee to carry out comprehensive development of the site. The site was situated in an area zoned "Residential (Group A)". In 1999, the grantee submitted a planning application to the TPB for the proposed comprehensive development. In September of the same year, the grantee submitted an application for lease modification which was rejected by the Lands Department on 6 August 2001, based on the ground that there was still demand for the telephone exchange.

In order to reflect the actual intention of the existing land use of the site, the TPB later rezoned the site from "Residential (Group A)" to "Government, Institution or Community". According to the amended Outline Zoning Plan, an application for planning permission should be submitted to the TPB for any proposed residential development on the site. The TPB will process and consider any such application in accordance with the Town Planning Ordinance.

Judgement on Appeals for Right of Abode

14. **DR FERNANDO CHEUNG** (in Chinese): *Madam President, regarding the judgement handed down by the Court of Final Appeal (CFA) on 10 January 2002 about the appeals for right of abode of the people born in the Mainland to Hong Kong residents, will the Government inform this Council, among the appellants whose cases had been dismissed, of the number of people who were later granted Permits for Proceeding to Hong Kong and Macao for Settlement in Hong Kong on grounds of reunion of spouses and the need to take care of parents, as well as the number of people who are still staying in Hong Kong although the Recognizance Forms issued to them by the Immigration Department have expired?*

SECRETARY FOR SECURITY (in Chinese): Madam President, the CFA handed down judgements on three right of abode cases on 10 January 2002. They are NG Siu-tung and others (FACV 1/01), LI Shuk-fan (FACV 2/01) and SIN Hoi-chu and others (FACV 3/01). The three cases involve 5 117 applicants.

The cases of most of the 5 117 applicants taking part in the above proceedings have been disposed of in accordance with the CFA judgement. Of these, the appeals of 4 327 applicants have been dismissed, 418 withdrawn and 208 allowed. The remaining 164 involve disputes on facts and are awaiting the Court's determination. The Government does not have statistics on the number of appellants whose appeals had been dismissed or withdrawn who were subsequently granted "Permit for Travelling to Hong Kong and Macao" for settlement in Hong Kong (commonly known as "One-way Permits") on grounds of reunion with spouses or taking care of parents.

Of the above appellants, 143 persons are still remaining in Hong Kong even though the validity of their recognizance forms have expired.

Non-civil Service Contract Staff

15. **MR KWONG CHI-KIN** (in Chinese): *Madam President, will the Government inform this Council:*

- (a) of the respective expenditures on salaries and benefits for non-civil service contract (NCSC) staff and civil servants, and their respective percentages in the gross expenditure of government departments in each of the past three years;*
- (b) whether guidelines on the recruitment of NCSC staff issued by the authorities to heads of government departments include arrangements for increments for such staff; if so, of the details;*
- (c) since the recruitment of NCSC staff in 1999, of the government departments in which the employment contracts of such staff stipulate that they enjoy the salary increments linked to the salary points of civil servants, the number of such employees and whether such increments have been cancelled; if so, of the times and reasons for cancellation;*
- (d) of the respective amounts of Mandatory Provident Fund (MPF) contributions made by each government department for NCSC staff over the past three years; and*
- (e) of the reasons for deducting MPF contributions made by the Government for NCSC staff from the contract gratuity of such staff?*

SECRETARY FOR THE CIVIL SERVICE (in Chinese): Madam President, the Non-Civil Service Contract Staff Scheme is a standing scheme introduced in 1999 to enable Heads of Department (HoDs) to employ staff on fixed term contracts outside the civil service establishment to meet service needs which are short-term, part-time or under review. HoDs have full discretion to decide on the appropriate employment packages for their NCSC staff, subject to the

guiding principles that the terms and conditions for NCSC staff should be no less favourable than those provided for under the Employment Ordinance and no more favourable than those provided to civil servants in comparable civil service ranks.

Against the above background, my reply to the specific questions is as follows:

- (a) The respective expenditure on salaries and benefits for NCSC staff and civil servants and their respective percentages of the operating expenditure of the Government in each of the past three years is set out below:

	<i>2001-02</i>		<i>2002-03</i>		<i>2003-04</i>	
	<i>Amount (\$million)</i>	<i>% of the Government's Operating Expenditure</i>	<i>Amount (\$million)</i>	<i>% of the Government's Operating Expenditure</i>	<i>Amount (\$million)</i>	<i>% of the Government's Operating Expenditure</i>
NCSC Staff	1,664	0.84%	2,313	1.15%	2,463	1.21%
Civil Servants	69,678	35.06%	67,903	33.90%	67,626	33.27%

- (b) and (c)

NCSC staff are appointed under fixed term contracts. The level of pay is determined by HoDs having regard to the prevailing market conditions. Hence, no arrangement for increment is provided for the NCSC staff during the contract period. However, if necessary, HoDs may decide to offer a pay adjustment according to the cost of living during the contract period but such adjustment must not exceed the rate of any applicable civil service pay adjustment.

- (d) The amount of MPF contributions made by bureaux/departments in the past three years is at Annex.
- (e) HoDs have full discretion to determine whether or not to offer contract gratuity to NCSC staff having regard to the recruitment situation and the condition of the employment market. Where

HoDs decide to offer contract gratuity, the guiding principle is that the gratuity provided, plus the Government's MPF contributions, should not be more than:

- (i) 15% of the total basic salary for staff engaged in skilled jobs (that is, requiring skills in managerial, professional, technical, or other specialized fields); and
- (ii) 10% for staff engaged in non-skilled jobs.

These terms are clearly set out at the time of recruitment and subsequently specified in the employment contract. Contract gratuity as well as MPF contributions made by the Government are paid from government fund. There is no question of the Government deducting the employer's contributions from the contract gratuity.

Annex

MPF Contributions made by bureaux and departments in the past three years

<i>Bureau/Department/Office</i>	<i>Amount (\$)</i>		
	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>
Agriculture, Fisheries and Conservation Department	1,873,289	2,845,124	6,208,842
Architectural Services Department	296,728	382,883	340,118
Audit Commission	55,844	65,000	66,000
Auxiliary Medical Service	4,617	7,500	7,819
Buildings Department	2,536,000	4,160,000	4,591,000
Census and Statistics Department	1,037,000	923,000	566,000
Chief Executive's Office	15,600	21,965	26,150
Chief Secretary and Financial Secretary's Office	686,846	1,148,951	1,318,158
Civil Aviation Department	114,072	131,556	141,450
Civil Engineering and Development Department ⁽¹⁾	614,931	1,347,232	1,649,344
Civil Service Bureau ⁽²⁾	416,202	554,880	344,826
Commerce, Industry and Technology Bureau	21,403	36,832	30,037

<i>Bureau/Department/Office</i>	<i>Amount (\$)</i>		
	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>
Companies Registry	210,000	364,000	372,000
Constitutional Affairs Bureau	903	2,541	11,295
Correctional Services Department	253,682	308,444	276,522
Customs and Excise Department	298,000	378,000	325,000
Department of Health	3,645,648	6,479,952	6,691,777
Department of Justice	555,744	674,613	602,920
Drainage Services Department	1,085,455	1,892,594	1,891,153
Economic Development and Labour Bureau	58,651	101,999	111,642
Education and Manpower Bureau	4,675,000	6,285,000	6,842,000
Electrical and Mechanical Services Department	3,425,803	6,108,651	7,065,090
Environment, Transport and Works Bureau	44,000	76,288	70,721
Environmental Protection Department	687,000	1,025,000	954,000
Financial Services and the Treasury Bureau	43,077	45,761	58,930
Fire Services Department	589,229	558,665	411,366
Food and Environmental Hygiene Department	2,228,000	3,522,000	4,084,000
Government Flying Service	63,367	69,388	74,984
Government Laboratory	435,875	266,505	366,852
Government Logistics Department ⁽³⁾	320,000	448,000	410,000
Government Property Agency	38,604	51,956	43,741
Health, Welfare and Food Bureau	38,922	135,888	182,970
Highways Department	891,282	1,700,679	1,717,285
Home Affairs Bureau	189,650	281,309	186,515
Home Affairs Department	2,741,787	4,414,768	3,845,125
Hong Kong Observatory	91,000	180,000	218,000
Hong Kong Police Force	1,577,332	1,747,421	1,434,449
Housing, Planning and Lands Bureau	0	0	10,135
Immigration Department	1,036,469	1,137,092	953,281
Information Services Department	72,000	131,000	256,000
Inland Revenue Department	378,979	311,040	385,521

<i>Bureau/Department/Office</i>	<i>Amount (\$)</i>		
	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>
Innovation and Technology Commission	195,072	222,670	254,986
Intellectual Property Department	367,017	276,333	236,700
Invest Hong Kong	231,678	346,659	494,877
Judiciary	967,245	1,023,757	657,103
Labour Department	537,208	1,231,138	1,409,732
Land Registry	221,485	383,240	288,731
Lands Department	491,861	1,085,491	894,941
Legal Aid Department	149,508	192,663	156,127
Leisure and Cultural Services Department	17,413,000	20,872,000	21,212,000
Marine Department	266,632	490,067	414,046
Office of the Government Chief Information Officer ⁽⁴⁾	358,000	391,000	301,000
Office of the Telecommunications Authority	591,000	770,000	793,000
Official Receiver's Office	158,450	316,575	299,457
Planning Department	187,295	223,999	145,962
Post Office	6,611,441	6,947,924	6,574,921
Radio Television Hong Kong	1,930,000	1,890,000	1,880,000
Rating and Valuation Department	259,957	413,292	454,175
Registration and Electoral Office	109,820	289,308	1,259,907
Security Bureau	128,646	132,795	129,405
Social Welfare Department	3,238,000	4,261,000	5,049,000
Student Financial Assistance Agency	723,852	1,533,568	1,472,826
Television and Entertainment Licensing Authority	109,492	205,906	396,364
Trade and Industry Department	211,093	452,853	495,257
Transport Department	467,022	1,061,027	1,110,322
Treasury	161,410	302,398	366,533
University Grants Committee Secretariat	61,233	78,628	86,498
Water Supplies Department	1,734,078	2,743,542	2,629,159
Total:	71,229,486	98,461,311	104,606,048

Notes:

- (1) The Civil Engineering Department and the Territory Development Department were reorganized to form a new department, the Civil Engineering and Development Department on 1 July 2004. The figure represents a consolidated expenditure of the two departments before the reorganization.
- (2) The Official Language Agency and the Civil Service Training and Development Institute merged with the Civil Service Bureau on 1 July 2003 and 1 January 2004 respectively. The figure represents a consolidated expenditure.
- (3) The Government Land Transport Agency, the Government Supplies Department and the Printing Department were reorganized to form a new department, the Government Logistics Department, on 1 July 2003. The figure represents a consolidated expenditure of the three departments before the reorganization.
- (4) The Information Technology Services Department was re-named as Office of the Government Chief Information Officer and merged with the Commerce, Industry and Technology Bureau on 1 July 2004.

Fare Concessions for West Rail

16. **MR TAM YIU-CHUNG** (in Chinese): *Madam President, as a number of fare concessions currently offered to West Rail passengers will expire shortly and some of them will not be extended, will the Government inform this Council whether:*

- (a) *it knows the number of West Rail "One-Month Pass" sold in each month since the introduction of the monthly pass, and how the average monthly ridership of the West Rail compares to that before the introduction of the pass;*
- (b) *it will request the West Rail to allow all passengers to buy an "One-Month Pass" at the price of \$300 so that new users of the pass need not pay \$400 for it, and to cancel the requirement that only those who continuously purchase the monthly pass can enjoy the concessionary price of \$300; if so, of the implementation timetable; if not, the reasons for that;*
- (c) *it will request the West Rail to extend the following fare concessions upon the expiry of their effective periods, and conduct a review of these concessions only after the commissioning of the Kowloon Southern Link:*

- (i) *a further 10% fare discount to passengers travelling from the North West New Territories to urban Kowloon (that is, the second 10% discount on West Rail fares);*
 - (ii) *the "One-Month Pass"; and*
 - (iii) *the interchange discounts between the West Rail and Mass Transit Railway at Nam Cheong and Mei Foo Stations;*
- if not, the reasons for that; and*
- (d) *it will request the West Rail to reduce the fares so as to alleviate the burden of travelling expenses on passengers and to increase the ridership; if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): Madam President, according to the Kowloon-Canton Railway Corporation (KCRC), since the commissioning of the West Rail in December last year, its average daily patronage has grown steadily from 100 000 passengers to the present level of 170 000. About half of these passengers were commuters travelling within the Northwest New Territories and half of them (42 500 passengers) travelled by monthly passes. According to the KCRC's analysis, the growth in patronage in the past few months was attributed to a combination of factors including the enhancement of feeder services and the introduction of various promotional and concessionary schemes.

Under the Kowloon-Canton Railway Corporation Ordinance, the KCRC shall operate under prudent commercial principles and has the power to determine its service charges including railway fares. The Government has all along conveyed the concerns relating to the KCRC's fares by Members of the Legislative Council and the general public to the Corporation for its consideration.

The KCRC announced to extend the expiry date of West Rail One-Month Pass offer in December 2004 for six months to June 2005. While the Corporation considers the current monthly pass at a price of \$400 very competitive, it has decided to offer a special price of \$300 to passengers who

travelled by monthly passes from September through December 2004. This arrangement will not be applicable to all passengers.

The KCRC indicated that it would continue to review the effectiveness of its concessionary schemes before deciding on whether to make them permanent. In this connection, after considering all the relevant factors, the Corporation decided that the additional 10% discount to West Rail passengers travelling between the Northwest New Territories and urban Kowloon would expire on 19 December this year.

The KCRC and the MTR Corporation Limited are also reviewing the effectiveness of the present interchange discount between the West Rail and the MTR with a view to deciding whether the discount would be extended upon its expiry on 1 January 2005.

The KCRC pointed out that it had taken into account a number of factors such as market competition, project costs, prevailing economic conditions and its own financial position when determining the fare level for the West Rail in order to ensure its competitiveness and consistency with prudent commercial principles. The Corporation considers that the fare level of the West Rail is already very competitive and that there is little room for downward adjustment.

The Government has asked the KCRC to closely monitor any change in West Rail patronage and encouraged the Corporation to consider introduction of other concessionary schemes if necessary.

Public and Cultural/Recreational Facilities in Tin Shui Wai

17. **MR CHEUNG HOK-MING** (in Chinese): *Madam President, it has been pointed out in the report released by the Review Panel on Family Services in Tin Shui Wai (the Report) last month that the population in Tin Shui Wai has increased sharply in recent years and the living environment in the community is very crowded. Moreover, its population profile is seriously imbalanced, with more than 80% of the population living in public housing estates. The public as well as cultural and recreational facilities such as playgrounds, libraries, football fields and swimming pools in the community are not sufficient to meet the demand of the residents, and the situation is particularly serious in Tin Shui Wai North. As a result, the residents in the community have difficulty in finding*

facilities for leisure activities, and they have no way to relieve the pressure of life. In this connection, will the Government inform this Council:

- (a) whether it has studied if the acute shortage of public as well as cultural/recreational facilities in Tin Shui Wai has brought about negative impacts on the mental health of the residents in the community; if it has impacts, of the details of such impacts; if not, the justifications for that;*
- (b) whether it will, in the light of the recommendations set out in the Report, expeditiously provide additional public as well as cultural/recreational facilities in Tin Shui Wai, so as to improve the living environment of the residents; if so, of the amount of resources to be injected, the works to be carried out as well as their commencement dates; and*
- (c) as the Administration provided a note for the Public Works Subcommittee (PWSC) of this Council last month, giving an overview of the 76 potential capital works items to be submitted to the PWSC for consideration in the current Legislative Session, yet none of them is related to the provision of public or cultural/recreational facilities in Tin Shui Wai, whether the Administration can explain the reasons for that?*

SECRETARY FOR HOME AFFAIRS (in Chinese): Madam President,

- (a) There has not been any study on the impact of insufficient facilities in Tin Shui Wai on the residents' mental health.
- (b) The Leisure and Cultural Services Department (LCSD) has been conscious of the demand for leisure and cultural facilities in relation to the population development in Tin Shui Wai. In view of the increasing population and the aspiration in the district, the LCSD has deployed resources for the active planning in the provision of various leisure and cultural facilities to ease the demand.

Tin Shui Wai currently has one public swimming pool, one sports centre, one sports ground, one major park, one district library and one mobile library stop.

Other facilities under construction or planning include:

- (i) An indoor recreation centre in Area 17, Tin Shui Wai at a cost of about \$119.6 million is under construction. It is scheduled to be completed in 2007 for the use of residents;
 - (ii) A sum of \$66 million has been earmarked to implement the local open spaces at Area 25, 25A and 25B, Tin Shui Wai;
 - (iii) The LCSD has planned for the construction of a 7-a-side soccer pitch by way of minor building works project in Area 107, Tin Shui Wai; and
 - (iv) The LCSD is actively pursuing the preliminary planning work of district open space in Area 107, Tin Shui Wai as well as the Tin Shui Wai public library cum indoor recreation centre.
- (c) The Government has earmarked funding for the projects including a community hall in the housing site at Area 103 and local open spaces at Area 25, 25A and 25B in Tin Shui Wai. It is planned to submit the two projects to the PWSC and the Finance Committee of the Legislative Council in early and mid-2005 respectively for funding approval. Subject to such approval, construction works will commence in late 2005 and early 2006 for completion in early 2008 and 2007 respectively.

STATEMENTS

PRESIDENT (in Cantonese): Statements. The Chief Secretary for Administration and the Secretary for Constitutional Affairs will make statements respectively on The Fourth Report of the Constitutional Development Task Force and Electoral Affairs Commission Final Report on the 2004 Legislative Council Election.

In accordance with Rule 28(2) of the Rules of Procedure, no debate may arise on the statements but I may in my discretion allow short questions to be put to the Public Officers for the purpose of elucidating their contents.

First statement. Chief Secretary for Administration.

The Fourth Report of the Constitutional Development Task Force

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, the Fourth Report of the Constitutional Development Task Force will be published today, ushering in a new phase of the discussion of our constitutional development.

The Task Force published the Third Report on 11 May 2004, setting out the areas which might be considered for amendment in respect of the methods for selecting the Chief Executive in 2007 and forming the Legislative Council in 2008 (the two Methods). This was immediately followed by a consultation exercise spanning over five months to solicit public views until 15 October this year.

During the consultation period, the Task Force has received more than 480 submissions from organizations and individuals through various open channels, such as emails, posts and facsimiles. The Task Force has also organized a number of seminars and focus group discussions. The participants came from different backgrounds and sectors, including, among others, Members of the Executive Council, Members of the Legislative Council, members of the District Councils, members of the Election Committee, as well as representatives from professional bodies, chambers of commerce, academic institutions, women groups, youth organizations, labour organizations and kaifong associations. A total of about 870 people participated in the seminars and focus group discussions. They represent nearly all sectors and all classes with different political views and background in the local community. Except some submissions which wish to remain anonymous, all views collected have been incorporated in Appendices 1 and 2 of the Fourth Report for public inspection.

For easy reference by the public, Chapter Three and Chapter Four of the Fourth Report set out respectively the views and the relevant justifications often put forward by people. The Task Force has also summarized the views collected and on this basis raised some issues which need to be followed up. We hope that these follow-up questions may help focus discussions in the community on specific ways to amend the two Methods.

Madam President, public opinions are still divided on how to amend the two Methods. However, there emerged one relatively clear basic direction from the consultation and that is, the general public expect that we will

eventually move towards the goal of universal suffrage, have more say, and more channels to participate, in the election of the Chief Executive and the Legislative Council, and that the representativeness of the Chief Executive and the Legislative Council could be further enhanced. We will proceed to deal with this issue along this line.

Madam President, during the consultation period there are many views that the selection of the Chief Executive to be held in the year 2007 should be by means of universal suffrage and the selection of the Legislative Council in the year 2008 should also be by means of an election of all the Members by universal suffrage. The Task Force understands their aspirations but these proposals are inconsistent with the Decision made by the Standing Committee of the National People's Congress (NPCSC) on 26 April. That decision was a most authoritative and solemn decision made by the Central Authorities after careful considerations. It is impractical to press for universal suffrage in the years 2007 and 2008. This will only bring more misunderstanding and endless disputes. Therefore, the Task Force will not take any further actions with regard to these proposals.

The Task Force has also received quite a number of views on issues other than those concerning the two Methods. The Task Force appreciates that some organizations and individuals who made the submissions wish that a timetable should be set and organization made in preparation for elections by universal suffrage. Such issues are very important but also very complex. We think that they should better be dealt with at a later stage. The immediate task now is to decide on the changes to be made in respect of the two Methods in 2007 and 2008.

It should also be noted that some of the views collected have touched on issues of more fundamental principle, including the roles and future of functional constituencies as well as possible modes and methods of holding universal suffrage. The Task Force considers that these issues deserve wider discussions in the community.

The Task Force sincerely hopes that the public would study the Fourth Report carefully and continue to seek common ground with an open mind and be more tolerant. We hope that people would listen to others' views and review their own position, and make sober reflections on ways to narrow differences of opinion.

The Task Force hopes that round about mid-2005, a consensus will emerge within the community. By then, the Task Force will issue a fifth report setting out a mainstream proposal. The Task Force calls on members of the public to seize the opportunity and put forward, by 31 March 2005, a package which is most acceptable to all parties concerned and, at the same time, in accordance with the Basic Law and the NPCSC Decision.

The Task Force will continue to gauge views and proposals from the community through extensive, open and public channels. We welcome submissions from the public through various established channels. On top of this, we will also strive to take the public pulse by collecting views in the coming months through other means such as public forums, group discussions and meetings with various District Councils.

Madam President, in addition to views from the general public, we would certainly like to listen to the views of Members of this Council. Indeed, it is stipulated in Annexes I and II to the Basic Law that any amendments to the two Methods must be made with the endorsement of a two-thirds majority of all the Members of the Legislative Council. I hope that Members of this Council, irrespective of your political affiliation, will exercise your constitutional obligations conferred by the Basic Law and endeavour to reach a consensus to take forward constitutional development in Hong Kong towards the ultimate goal of universal suffrage.

Thank you, Madam President.

PRESIDENT (in Cantonese): Eleven Members have indicated their wish to seek brief elucidation. Mr CHEUNG Man-kwong.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, in the ninth paragraph of the statement, the Task Force proposed to carry out consultation on policies with an open mind and tolerance and yet, at the same time, unilaterally ruled out the possibility of universal suffrage in the years 2007 and 2008, which has gained the greatest public support, and considered this impractical. May I ask the Government to clarify whether such a bird-cage consultation, having rejected the mainstream public opinion and universal suffrage in 2007 and 2008, can still be considered truly open-minded and tolerant?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): The Decision made by the Standing Committee of the National People's Congress (the NPCSC Decision) has provided a framework for the two selection methods in 2007 and 2008 (the two Methods). Before making its decision, the Standing Committee of the National People's Congress (NPCSC) has fully considered all factors in various aspects, including the aspirations of Hong Kong people for universal suffrage. I think we should now make optimal use of our time by making proper preparations for the options of amending the two Methods to lay a more solid foundation to enable us to move towards the ultimate goal of universal suffrage. It is inappropriate to waste time on meaningless disputes, for this would only stifle our progress and do nothing helpful at all to our constitutional development.

MR JAMES TO (in Cantonese): *Madam President, in the last sentence of the sixth paragraph of the statement, the Government pointed out that the Task Force would not take further actions with regard to the proposals, despite the fact that there were many views that universal suffrage should be implemented in 2007 and 2008. Yet, in the 10th paragraph, the Task Force expressed the hope that round about mid-2005, a consensus would emerge within the community. Does it imply that the consensus to emerge within the community in future must definitely rule out universal suffrage in 2007 and 2008? May I ask the Government how it can, or whether there are ways to, prevent the consensus of implementing universal suffrage in 2007 and 2008 from emerging within the community?*

PRESIDENT (in Cantonese): Mr James TO, what you have raised is undoubtedly a question. As far as I am aware, members of the Panel on Constitutional Affairs will convene a meeting next Monday

MR JAMES TO (in Cantonese): *Madam President, may I*

PRESIDENT (in Cantonese): Mr TO, please let me finish first. You need not hurry. I will definitely give you an opportunity to raise your question. As a meeting will be convened by the Panel on Constitutional Affairs, and Honourable Members may raise questions on this report and the other one referred to in the

next statement, Mr TO, can you reconsider the question you wish to elucidate and let me ask another Member to raise his or her question first?

MR JAMES TO (in Cantonese): *Madam President, I have got it.*

PRESIDENT (in Cantonese): Have you? In that case, please raise your question.

MR JAMES TO (in Cantonese): *Madam President, I only wish to elucidate the last sentence of the sixth paragraph of the statement.*

PRESIDENT (in Cantonese): Fine.

MR JAMES TO (in Cantonese): *In the sixth paragraph, it was pointed out that the Task Force would not take any further actions with regard to these proposals. It is most obvious that "these proposals" refer to universal suffrage in 2007 and 2008. Does this imply that these proposals will never be dealt with again? Will it include actions taken to reflect to the Chief Executive that many people support universal suffrage and then request him to reflect this view to the Central Authorities with a view to altering the decision made on 26 April?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I have made it very clear that in the course of preparing the Fifth Report and listening to the views of the general public, we will not further consider any views inconsistent with the Decision made by the NPCSC on 26 April this year. For me, the arrangement for implementing universal suffrage in 2007 and 2008 is inconsistent with the Decision made at that time. As such, we find it pointless to take further actions in this respect.

Of course, I very much believe that Hong Kong people are pragmatic. Under the present circumstances, the current proposals still have room for amendment. I hope all of us can seek a consensus on this and pool ideas to make it possible for a mainstream opinion to emerge around spring next year.

MR LEE WING-TAT (in Cantonese): *Madam President, the Chief Secretary pointed out in the 12th paragraph that it is stipulated in Annexes I and II to the Basic Law that any constitutional changes must be made with the endorsement of two thirds of all colleagues. I believe the Chief Secretary is aware that we have 25 Members supporting universal suffrage in 2007 and 2008. With regard to the endorsement of a two-thirds majority of all Members in this Council, can the Chief Secretary elucidate whether he has already had a plan in his mind to persuade our colleagues to support him so that the consensus proposed by him can be achieved next year?*

PRESIDENT (in Cantonese): Mr LEE Wing-tat, I consider this not a point of elucidation. I would suggest you to think it over how you should phrase your question. This is because the scenario described by you has not yet happened, and your question is about what would be done should that happen. Therefore, I do not consider this a point of elucidation.

MR LEE WING-TAT (in Cantonese): *I would like to thank the President for giving me a chance to explain. As it is pointed out in the 12th paragraph that "..... must be made with the endorsement of a two-thirds majority of all the Members of the Legislative Council", may I ask the Chief Secretary, since it is pointed out in the document that the endorsement of a two-thirds majority of all the Members of the Legislative Council is required, how he can secure the endorsement of a two-thirds majority of all Members, given that so many Members disagree?*

PRESIDENT (In Cantonese): This is not a point of elucidation either, as this is already set out in the Basic Law. What do you want the Chief Secretary to elucidate? Do you want the Chief Secretary to elucidate what will happen should he fail to secure the support of a two-thirds majority of Members, or whether he has any plan?

MR LEE WING-TAT (in Cantonese): *Madam President, your approach is quite remarkable. I shall follow your example (Laughter)*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I am fully confident in Members of the Legislative Council. Like every citizen in Hong Kong, they will tackle these issues in a pragmatic manner.

MR ALBERT HO (in Cantonese): *Madam President, what is mentioned in the 10th paragraph has actually been raised by the Government before and that is, a consensus will emerge within the community. Can the Chief Secretary elucidate once again what it means by "consensus"? Will it be determined by the number of people, by quality or the Government's preference, or by other factors?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Members can actually note from the Third Report and Fourth Report the so-called methods of enabling a consensus to emerge. There has been a discussion process among the public. We are in the course of focusing our efforts to set out in the Fourth Report the public views on ways to amend the two Methods. In every area where amendment is possible, we can already see a spectrum which is narrowing. Despite the fact that there is still a divergence of views, I hope efforts can be made amid the divergent views along the basic line — towards the goal of universal suffrage as mentioned by me earlier — to enable us to, in the hope of enhancing the representativeness of the two Methods, express our views as far as possible while listening to the views of others. It is my goal to gradually narrow the differences in this area in pursuit of a consensus.

MR ALBERT HO (in Cantonese): *Here is my another question: Can the Chief Secretary further specify the standard for the consensus, as he has merely elucidated how it can be reached?*

PRESIDENT (in Cantonese): Chief Secretary, do you have anything to add?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, my standard is the views of the majority of the public and the consent of two thirds of Members of the Legislative Council. This is indeed my ultimate standard.

DR KWOK KA-KI (in Cantonese): *Madam President, to start with, I am disappointed by the speech delivered by the Chief Secretary. I would like to seek elucidation on two points. In the 10th paragraph, the Chief Secretary pointed out that "..... hopes that round about mid-2005, a consensus will emerge within the community". In the first line of the 11th paragraph, however, it was pointed out that "the Task Force will continue to gauge views and proposals from the community through extensive, open and public channels", whereas in the third paragraph, the Chief Secretary proposed a variety of methods, including submissions from 480 organizations and numerous meetings — though only 870 people have expressed their views. May I ask the Chief Secretary whether he thinks that these submissions from 480 organizations and views from 870 people can represent the consensus of the majority of Hong Kong people? Is he very satisfied with this approach and does he intend to continue with this approach in the Fourth Report, thinking that this is tantamount to seeking or reaching a consensus?*

PRESIDENT (in Cantonese): Excuse me, Dr KWOK Ka-ki, this is not a point of elucidation. By raising a point of elucidation, you should seek to elicit more information about a fact. However, you are asking the Chief Secretary to express his personal opinion. Therefore, I consider this not a point of elucidation.

DR KWOK KA-KI (in Cantonese): *No, Madam President*

PRESIDENT (in Cantonese): Do you want me to give you some time to think about it?

DR KWOK KA-KI (in Cantonese): *Excuse me, I would like the Chief Secretary to elucidate this point: What extensive, open and public channels will he use to enable a consensus to emerge among us?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): I have pointed out in the main body of the statement that we have met with many people, not simply those 870 people. Dr KWOK, we should also look at what people

they are representing and who they are. Some of them are Members of the Legislative Council too — I very much believe the representativeness of Members of the Legislative Council. Furthermore, the meetings were attended by several Members from different political parties and factions, as well as members of the District Councils and representatives from other sectors. Of course, we cannot say that they can represent the views of all Hong Kong people. Yet, I believe the scope of the consultation is already quite extensive, open and fair.

Insofar as the next consultation effort is concerned, we will learn from the experience of the consultation conducted in connection with the Third Report. Apart from this, we hope to enrich the content of our consultation. As mentioned earlier, we might organize public forums, an attempt never made before. I hope to listen to views from even more aspects by various means and seek the views of the community on the two Methods within the next few months as far as possible in order to reach a genuine consensus.

DR KWOK KA-KI (in Cantonese): *Madam President, may I ask the Chief Secretary to elucidate whether he will consider using extensive public opinion polls in order to reach a certain consensus?*

PRESIDENT (in Cantonese): I guess elucidation is unnecessary. This is your suggestion. Perhaps we should leave it to the Chief Secretary for consideration. You may raise this question in the meeting to be held next Monday since other Members have been waiting for a long time.

MR CHAN KAM-LAM (in Cantonese): *Madam President, in the sixth paragraph of his statement, the Chief Secretary pointed out that although he appreciated that it was the hope of many that the two Methods could be conducted by universal suffrage, the Task Force would not take any further actions with regard to these proposals. One of the major reasons was that the decision was a most authoritative and solemn one made by the Central Authorities after careful consideration. However, I note that the Chief Secretary has not mentioned a single word in this paragraph about the divergence of views in the community on the implementation of universal suffrage in 2007 and 2008. May I ask the Chief Secretary to elucidate whether it is the*

case that the Task Force of the Special Administrative Region Government has made its decision merely on the basis of the NPCSC Decision without considering the divergent views in Hong Kong?

PRESIDENT (in Cantonese): Excuse me, Mr CHAN Kam-lam, but I consider this a question, not a point of elucidation. By raising a point of elucidation, you should seek to elicit further information about a fact stated in the statement. However, I cannot see how the question raised by you just now can be related to the statement. Do you want to raise another question now or do you want me to let you raise another question later?

MR CHAN KAM-LAM (in Cantonese): *Madam President, the Chief Secretary pointed out in his statement that the Task Force appreciated the aspirations of some people. However, as these proposals were inconsistent with the Decision made by the NPCSC, the Task Force would not take any further actions with regard to these proposals. Regarding these aspirations and decision, may I ask whether or not the Task Force's decision not to take any further actions with regard to these proposals was made solely on the basis of the NPCSC Decision in disregard of the fact that many people in Hong Kong were divided on the implementation of universal suffrage in 2007 and 2008? This is why I hope the Chief Secretary can elucidate.*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Regarding the issue of whether or not universal suffrage should be implemented in 2007 and 2008, we will surely receive a lot of diverse views. Different voices can indeed be found in the submissions received by us. In the summaries of the Third Report and Fourth Report, we have indeed clearly pointed out that with regard to any views received by us, we will not immediately rule out certain parts or summarize other parts. Yet, we do have one standard and that is, proposals truly contravening the Decision made by the NPCSC on 26 April will definitely not be considered. In the event of contravention, we will definitely stop taking follow-up actions; if not, we will be willing to further study every suggestion. The support rates for individual views have been made very clear in the two Appendices of the Report, and the aspirations of individuals have been set out as well. I can tell Mr CHAN Kam-lam, in unequivocal terms, that there are voices opposing universal suffrage in 2007 and 2008 in the submissions we have received.

MR RONNY TONG (in Cantonese): *Madam President, in the 10th paragraph of his statement, the Chief Secretary mentioned that a mainstream proposal would be put forward in mid-2005, but then he added that public consultation would continue. May I ask the Chief Secretary to elucidate the difference between the consultation to be conducted shortly and the one which has completed? Why is it necessary to conduct consultation in two different stages? Will he consider discussing the Government's mainstream proposal in the upcoming consultation to give members of the public an opportunity to discuss the proposal?*

PRESIDENT (in Cantonese): Chief Secretary, what is the consultation to be conducted shortly?

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): The entire process of consultation is conducted progressively and handled very carefully. We will not make any deliberate effort to expedite the pace of consultation. However, I do have a timetable, because the election of the Chief Executive will be held in 2007. As such, in collating all the views in preparing the Third Report, the Task Force merely summarized the views without making any special comments.

We very much hope to give Hong Kong people an account of the views collected during the consultation in respect of the areas which we see amendment is possible, as well as the spectrum of the views. It is also hoped that we can work together to narrow the spectrum until it becomes one point. This is what I hope to accomplish. Should divergence remain in certain circumstances, I believe the Task Force will make some value judgement and present the views considered very likely to win the support of two thirds of Members of the Legislative Council and public support in the Fifth Report as the mainstream views. Of course, everything can be discussed, and there is always scope for amendment. However, as time is running out, we hope only minor amendment will be made after the presentation of the mainstream views in the Fifth Report. This is because, if we continue to make amendment, our schedule will become even tighter.

I hope all of us, including Members of the Legislative Council, can make the best possible use of the coming months to consider the views we can

ultimately accept in the light of the views expressed by the general public on each of the areas which may be considered for amendment. By listening more to the views of others and expressing our own can help us narrow our differences in this area as far as possible. There is still ample time for us to discuss this matter. Actually, we still have more than three months.

MR RONNY TONG (in Cantonese): *Madam President, may I follow up? The Chief Secretary has not answered my question. What is the difference between the consultation to be conducted shortly and the one which has been completed?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, the difference lies in that no proposals whatsoever have been put forward in the consultation which has just been completed. In the Fifth Report to be published in the future, however, we will come up with a mainstream proposal. The problem is different

MR RONNY TONG (in Cantonese): *Madam President, the report*

PRESIDENT (in Cantonese): Mr TONG, you need not hurry. Let us deal with the questions one by one. You will surely be given an opportunity to raise your question.

MR RONNY TONG (in Cantonese): *I am sorry, Madam President, I feel that the Chief Secretary did not understand my question, though I had not raised my question properly. My question is about the point raised in the document, that the consultation will last until 31 March next year, before the Fifth Report is published. So, what is the difference between the consultation to be conducted shortly and the one which has just been completed, and why is there a Fourth Report in between?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, it is because in the nine areas where amendment is possible, we feel that the general public have submitted some views to us. Of the public views

we have seen and heard, some concern a particular area, and some concern all of the nine areas. Some views are very specific, but some are not. I very much hope that the Fourth Report can give Hong Kong people an account of these divergent views. In other words, other than one's view, other people in the territory have also expressed theirs. In addition to the spectrum of one's view in each area, the views of other people are also set out in a systematic manner. I believe this step is very important. In doing so, Hong Kong people will know the extent of the differences among them and they have been given an opportunity to conduct focus discussions in order to narrow the differences. This is what will be done from now until the end of March. This approach is entirely different from the past practice. In the past, we merely said that amendment could be made without saying to what extent that could be done. Now, in addition to making amendment, each of the areas which may be amended has been narrowed down to a certain spectrum. Our step is to narrow the distance as far as possible. We are doing this in the hope of gradually achieving a widely-recognized consensus with the public as well as preventing any mismatch and misunderstanding in the process.

MS EMILY LAU (in Cantonese): *Madam President, the Chief Secretary stated that, the Fifth Report, in which the mainstream proposal would be raised, would be published in mid-2005 and no consultation would be carried out thereafter, implying that the proposal would be almost final. May I ask the Chief Secretary to elucidate whether it is the case that this arrangement was made with the expectation that members of the public, should they have very strong responses, could merely take to the streets to express their views?*

PRESIDENT (in Cantonese): What do you want to elucidate?

MS EMILY LAU (in Cantonese): *May I ask whether the Chief Secretary had considered this when he made the suggestion? Even though 800-odd people have been consulted on this report — a point raised by many colleagues just now, further consultation on this report can still be done. However, no consultation will be carried out after the publication of the report in mid-2005, because the report is already considered the mainstream proposal. The only thing the Chief Secretary is required to do is to try to secure the endorsement of a two-thirds majority of Members of the Legislative Council. May I ask the Chief Secretary*

to elucidate whether he has considered, in conceiving this proposal, the point that the public will not be able to express their views by then? In the event that a lot of people express strong opposition, as in the case of the enactment of legislation on Article 23 of the Basic Law, can they only take to the streets to protest?

PRESIDENT (in Cantonese): Do you want the Chief Secretary to elucidate through what channels the public can express their opinions after the mainstream proposal is put forward?

MS EMILY LAU (in Cantonese): *Yes. Thank you, Madam President.*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Hong Kong people are certainly very enthusiastic about this matter. I believe the general public will still have ample opportunities to express their opinions before the publication of the Fifth Report. I very much hope that the Fifth Report can reflect the wishes of most people. I also hope that it will not be completely out of step with the public opinions and, as a result, members of the public are forced to take to the streets to protest, as suggested by Ms Emily LAU earlier. Radical actions like this are indeed unwarranted for, at the end of the day, the proposal has to be approved by Honourable Members, not me. The ultimate power of deciding not to approve the proposal rests in the hands of Honourable Members, not mine.

Therefore, we will strive to seek co-operation with Honourable Members in the next couple of months in the hope of identifying the best proposal acceptable to the general public. We also hope to communicate with the Central Authorities to make the proposal acceptable to them. I suppose this is the best approach. I think we should put aside such issues as taking to the streets, disputes, and so on. It is most important for us to examine how we can persuade Ms Emily LAU to join us in the search for the best proposal, and it will be most satisfactory for this proposal to be acceptable to her and her colleagues.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, actually I am interested in the ninth, 10th and 11th paragraphs. Apart from indicating that*

consultation will be carried out during this period, the Chief Secretary has clearly indicated that the final proposal will be put forward in mid-2005 for further consultation. My question is: Should the consultation conducted during this period or the period after the submission of the mainstream proposal differ from the consultation we have today? We have the feeling today — Madam President, this is not a question. I merely want to elucidate the approach of the consultation. Madam President, I see that you look very puzzled. (Laughter)

PRESIDENT (in Cantonese): I am most confused by the elucidation, consultation, and so on, you have mentioned. Anyway, you may continue. I am listening.

MISS CHAN YUEN-HAN (in Cantonese): *Are you? This is because consultation will be conducted in a number of stages. I really want to clarify with the Chief Secretary whether a major consultation exercise will not be conducted until the mainstream proposal is submitted. Or will a major consultation exercise be held from now until May next year?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): The scale of each consultation exercise is very large. Efforts have been made in connection with the Third Report published on the last occasion too. Subsequent to the publication of the Fourth Report today, consultation will be carried out through a variety of channels and ways. This Report will be more extensive in scope than the Third Report. In particular, discussion will be held with Honourable Members. After the mainstream views are formed and set out in the Fifth Report, we will target mainly at Honourable Members. We should also make a decision by then.

The Task Force will have spent more than two years working on this issue by then. I hope to find out, through repeated discussions, where a consensus can be reached and difficulties are encountered. The public at large can surely continue to express their opinions to enable us to accommodate more views in the course of codifying the proposal. Nevertheless, the Fifth Report will definitely target at Members of the Legislative Council. I believe they have the most important part to play.

MS AUDREY EU (in Cantonese): *Madam President, I would like to seek elucidation from the Chief Secretary with respect to the seventh paragraph. In the third line of this paragraph, he mentioned that some people expected the Government to provide a general timetable for universal suffrage. In the seventh paragraph, he referred to the problem with the handling of the timetable by pointing out that "such issues are very important but also very complex. We think that they should better be dealt with at a later stage". Madam President, may I ask the Chief Secretary to elucidate whether or not the expression "we" refers to the conclusion reached by the Special Administrative Region Government and the Central Government after discussion? By the expression "at a later stage", what did the Chief Secretary imply in connection with the timing for dealing with the timetable for universal suffrage?*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, had Members had the time to read the appendices, they should have found that public opinions are considerably divided on the timetable for the implementation of universal suffrage. After prudent consideration, we have come to the view that the priority task we should now deal with urgently is to decide on the changes to be made in respect of the two Methods in 2007 and 2008.

The formulation of a timetable for universal suffrage is an important and complicated issue. We consider that it should be dealt with at a later stage. As regards the aspirations of the public in general, we have submitted to the Central Authorities all the relevant documents. The Central Authorities do know, and understand, the public opinions in various aspects including the timetable. The Central Authorities also agree with and share our view that we should strive to listen to more views on this subject. Our first and foremost mission is to decide on the changes to be made in respect of the two Methods in 2007 and 2008. This is indeed the paramount task.

MS AUDREY EU (in Cantonese): *Sorry, Madam President, the Chief Secretary has not answered my question. Madam President, the first part of the question I want the Chief Secretary to elucidate is whether or not the expression "we" covers discussions with the Central Government. I do not know whether or not the Chief Secretary was implying that he had discussed with the Central Authorities on the timetable for the implementation of universal suffrage and that*

the conclusion reached was that the issue should be dealt with at a later stage. Second, may I ask the Chief Secretary to elucidate what he meant by "at a later stage"? He has not answered these two parts.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): First of all, "we" refers to the Task Force. As mentioned by me earlier, we have communicated with the Central Authorities concerning this issue. During the communication process, the Central Authorities agreed that priority had to be given to dealing with changes to be made in respect of the two Methods in 2007 and 2008. I think the issue of how universal suffrage should be implemented after successfully tackling these two aspects should be dealt with at a later stage, which shall depend on the political environment at that time. It is most preferable for us to come up with a more positive proposal acceptable to all after discussing these issues. For the time being, proposing issues of less importance and thereby affecting our paramount task of amending the two Methods is not necessarily our best and most appropriate course of action.

MR FREDERICK FUNG (in Cantonese): *Madam President, I would like to seek elucidation from the Chief Secretary with respect to the third and 11th paragraphs of his statement. Actually, the methods of consultation are mentioned in both paragraphs. In the third paragraph, it is pointed out that the consultation efforts made before the publication of the Fourth Report included the collection of views through emails, posts and facsimiles, and seminars and focus group discussions attended by 870-odd participants from different sectors. All these reflect the methods adopted during the last round of consultation. In the 11th paragraph, it is mentioned that the future consultation methods will be even more extensive, open and public, and some of them, such as public forums, group discussions, meetings with various District Councils, and so on, are set out therein. In other words, the methods of consultation might be even more numerous. However, do these additional methods include some of those that allow public participation, such as scientific public opinion polls or non-binding referendums?*

PRESIDENT (in Cantonese): You were seeking elucidation, not making a suggestion, right?

MR FREDERICK FUNG (in Cantonese): *I was not making a suggestion. I only wish to clarify whether the expression "and so on" includes public opinion polls or referendums.*

PRESIDENT (in Cantonese): Were you asking whether these methods would be included?

MR FREDERICK FUNG (in Cantonese): *Right.*

PRESIDENT (in Cantonese): Your question is actually the same as the one asked by Dr KWOK Ka-ki.

MR FREDERICK FUNG (in Cantonese): *However, I want to clarify the meaning of the expression "and so on" now.*

PRESIDENT (in Cantonese): You want to clarify the meaning of the expression "and so on"? *(Laughter)*

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Let me be more specific. What the expression "and so on" means *(laughter)* is that the Task Force does not rule out the possibility of conducting public opinion polls through independent, professional organizations.

PRESIDENT (in Cantonese): We have spent a total of 27 minutes for Members to seek elucidation on this statement. However, it took the Chief Secretary only six minutes 15 seconds to deliver his whole statement. I know that several Members still want to seek elucidation, but I am sorry that I have to draw a line here. I hope Members will have the opportunity to follow up this matter in the meeting to be held by the Panel on Constitutional Affairs next Monday, that is, 20 December.

PRESIDENT (in Cantonese): Second statement. Secretary for Constitutional Affairs.

Electoral Affairs Commission Final Report on the 2004 Legislative Council Election

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, the third term Legislative Council Election was held on 12 September. In view of the public concern on various problems regarding the practical arrangements for polling day, the Electoral Affairs Commission (EAC) made public the Interim Report on the 2004 Legislative Council Election in November to give an account of the progress of the Commission's investigation into the problems regarding the arrangements on the polling day and its findings. The Interim Report affirms that the electoral process was conducted in an open, fair and honest manner. The problems which occurred on polling day had not affected the integrity of the election.

The EAC continued its investigation into the uncompleted complaint cases as well as other outstanding issues after the submission of the Interim Report. The Final Report made public by the EAC today gives a detailed report on the findings of those issues and sets out the EAC's recommendations on improvement measures for future elections.

The EAC has just held a press conference to give a briefing on the findings of the Final Report. I will now briefly explain its main findings and the follow-up action that will be taken by the Government.

The EAC mentioned in the Interim Report that it would continue its investigation into the problems occurred on polling day relating to the Interactive Voice Response System (IVRS) which was deployed to collect voter turnout figures and counting results from polling stations, and would set out its findings in the Final Report. After in-depth investigation, the EAC is of the view that the shortfall in the design of the software programme of the system, the deficiencies in the testing approach, and the lack of a suitable contingency plan are the main factors leading to the failure of the IVRS.

The findings of the Final Report indicate that although the failure of the IVRS had given rise to the delay in the compilation of voter turnout statistics and

announcement of election results, the integrity of the election has not been affected.

The experience of this election reflects that there is room for improvement in the management, planning and conduct of elections. The Chief Executive has earlier announced the setting up of the Independent Committee of Experts. The Committee will conduct a review of the relevant issues and will make recommendations on improvement measures.

In the light of the experience of this election and taking into account the views received by the Commission from different parties, the EAC has put forth in the Final Report a number of recommendations to improve the arrangements for future elections. Some of the recommendations are on operational arrangements, while some concern long-term electoral arrangements. For example, if decentralized counting arrangement was to discontinue, we could consider whether a counting centre could be set up in each of the 18 districts or in each of the five geographical constituencies, and whether these arrangements would enhance efficiency and co-ordination. Further, apart from the existing voting arrangement, we could consider whether advance polling be adopted to facilitate electors who are not in Hong Kong on polling day to exercise their voting rights.

Bureaux and departments concerned will consider carefully the recommendations put forth in the report and, where necessary, will further discuss with the EAC. At the same time, we welcome the public to put forth their views on these recommendations. If we have any plan to introduce changes to the arrangements for future elections, there will definitely be prior consultation with the Legislative Council and the public.

The Chief Executive has announced earlier today the appointment of Dr Daniel TSE, the President Emeritus of the Hong Kong Baptist University, as the Chairman of the Independent Committee of Experts. Other members of the Committee include Mr Philip CHEN, Mr Daniel LAI and Mr Herbert TSOI. They are experienced members in management and logistics, information technology and legal fields. With their knowledge and experience, the Committee members will offer views and make recommendations on the management, planning and conduct of elections.

The Committee will collect through different channels the information necessary for the conduct of the review. Apart from the EAC's Interim Report and Final Report, the Committee will listen to the views of the public and other parties concerned including Legislative Council Members.

Relevant departments and organizations, including the EAC, the Registration and Electoral Office and Constitutional Affairs Bureau, will co-operate fully with the Committee and will provide information for the Committee's consideration as required.

The EAC will be serviced by an independent secretariat in taking forward its work. We expect the EAC to start work in early January, and will take about three months to complete its work and report.

Thank you, Madam President.

PRESIDENT (in Cantonese): Members may now raise questions to seek elucidation. Dr KWOK Ka-ki.

DR KWOK KA-KI (in Cantonese): *Madam President, may I seek elucidation from the Secretary about the Independent Committee of Experts (ICE) to be set up by the Government? I would like to know about the major tasks of the Committee. Will they include making further recommendations on the proposals in the Final Report as stated in the seventh paragraph, for example, setting up a counting centre in each of the 18 districts or in each of the five geographical constituencies and making arrangements for advance voting?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, the Final Report is only part of the information to be considered by the ICE. The Terms of Reference of the ICE are set out in the paper tabled to the Legislative Council. On the whole, the committee members have to assess the management responsibilities of this election, and they also have to conduct a review and make recommendations, for example, on ways to improve and perfect the arrangements for future elections. Therefore, they will not be restricted by the Final Report in any way.

MR ALBERT HO (in Cantonese): *Madam President, I note that the statement mentioned that it was affirmed in the Interim Report that the integrity of the election had not been affected, but this point was not stated in the conclusion of the Final Report. Therefore, may I also seek elucidation from the Secretary whether the assessment of the integrity of the election, which was claimed to be unaffected, had taken the impression of the public into consideration?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, the election this time was conducted according to the stipulations set down in the ordinances on elections of Hong Kong and fully in compliance with the principle and spirit of openness, fairness and honesty. We understood that members of the public have misgivings and feelings of disappointment about the practical arrangements of the election. However, on the whole, the public still maintained their confidence in the election and representatives returned from the election.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, the ICE has actually not acquired any statutory status by law, vis. the status of a Commission of Inquiry. May I seek elucidation on whether it has no statutory status at all? If not, how can it ensure all relevant departments and institutions including the Electoral Affairs Commission (EAC), the Registration and Electoral Office and the Constitutional Affairs Bureau will co-operate fully and provide information? There is the possibility that no information can be obtained at all because the ICE has no statutory status.*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, Members could note from the Interim Report as well as the Final Report that all parties concerned were willing to provide information and offer their opinions on electoral issues. A great many important facts and information were contained in the Interim Report and the Final Report. Mr LEE Cheuk-yan mentioned the EAC just now. In fact, the EAC, chaired by Mr Justice WOO Kwok-hing, had stated that it was prepared to work with the ICE. As regards the relevant departments of the Government, we have been handling issues which need to be handled over the years with professionalism. We will certainly support the work of the ICE in a fair and open manner.

MS MARGARET NG (in Cantonese): *Madam President, given that there is apparently no mention in the Terms of Reference of the Independent Committee of Experts (ICE) stated in the Annex of any investigation into the responsibilities for the severe disorder this time, or any follow-up action on the complaints and problems revealed, will the Secretary elucidate whether that is the true picture? Although there is no apparent mention in the Terms of Reference, is it true that the ICE will not be following up these two issues?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, Ms Margaret NG was referring to the Annex to the paper which we tabled at the meeting of the Panel on Constitutional Affairs today. The Terms of Reference of the ICE include the assessment of the electoral arrangements and management responsibilities which are not restricted to any particular department, but all participating departments, including the EAC. The ICE will make an assessment of their management responsibilities.

Insofar as individual complaints are concerned, we believe the majority of them need to be investigated and followed up and such tasks were included and covered in the follow-up work of the EAC over the last three months. We have specifically stated in item (2) of the Explanatory notes of the Terms of Reference that the ICE will invite the public and other parties concerned to provide information in relation to the problems regarding the practical arrangements for the 2004 Legislative Council Election. Therefore, if the public, Honourable Members and their supporters wish to provide any further information, they can by all means do so.

MS MARGARET NG (in Cantonese): *Madam President, the Secretary has not answered my first question, possibly because it was not clear enough. My first question was about who was responsible for the severe disorder, not where the management responsibilities lie, as the Secretary said. To put it in simple language, who made the mistakes and who had done it wrong? Will there be no follow-up on this question?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, management responsibilities include the responsibilities of the departments and persons-in-charge concerned and the standard of the electoral

arrangements reached this time. I believe we have to leave these questions to the ICE to follow up, for it is part of their job. Certainly, besides following up the assessment of management responsibilities, the ICE will also have to study on ways to improve electoral arrangements in future.

DR LUI MING-WAH (in Cantonese): *Madam President, the ICE set up by the Government this time includes logistics experts and legal professionals. In fact, we noticed that the problems in the last election were not macro, but such details as matching problems of the ballot paper and boxes. Why did the Government not invite engineers or production engineers to do the job? Logistics experts do not actually have this kind of knowledge. Will the Government please answer this question.*

PRESIDENT (in Cantonese): Excuse me, Dr LUI Ming-wah, yours is not a point of elucidation, but a question. Can you wait until next Monday, 20 December and ask the question in the meeting of the Panel on Constitutional Affairs?

DR LUI MING-WAH (in Cantonese): *Very well.*

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Two motions with no legislative effect. I believe Members are all very familiar with the recommendations of the House Committee on speaking time, so I will not repeat them here. I only wish to remind Members that I am obliged to direct any Member speaking in excess of the specified time to discontinue.

First motion: Vigorously reducing air pollution. Mr James TIEN.

VIGOROUSLY REDUCING AIR POLLUTION

MR JAMES TIEN (in Cantonese): Madam President, many motions debates in a number of meetings of the legislature of late were rather controversial and

Members also held diverse views. I am glad to see that this topic on reducing air pollution has aroused a great deal of interest among Members of various parties and the overwhelming majority of the opinions expressed, including the contents of the amendments, are all supportive and a consensus has also been reached with me.

Madam President, although the air quality in Hong Kong now has significantly improved since the '90s, we also notice that due to a greater need to develop the economy in the Pearl River Delta (PRD) area, the air quality over there has deteriorated, which caused corresponding deterioration of the situation here in Hong Kong. This is readily perceptible. For example, as of November, at the roadside monitoring station in Central, 766 hours of "very high" level of pollution were recorded, and in October alone, 228 hours of "very high" level of pollution were recorded. The 228 hours recorded in October already exceeded the 226 hours recorded in the full year of 2003. From this, it can be seen how much the air pollution problem has deteriorated within one year.

Furthermore, we also found that this situation in Hong Kong had drawn the attention of overseas media and even our international image has been affected. For example, unknown to me when I proposed the motion and by sheer coincidence, the *Time* magazine published a picture of Hong Kong on the cover of its 13 December issue. That was only two days ago. The *Time* magazine used "Bad Air Days" as the title and the cover featured a photograph of Hong Kong taken for this purpose. We can see that the international community has also noticed the air pollution problem in Hong Kong.

A recent survey conducted by the Hong Kong Chamber of Commerce also found that although the business sector is optimistic about the Hong Kong economy, a lot of people (as high as 81.2%) are dissatisfied with the pollution problem and the percentage is much higher than that in the past. We believe that since foreign businesses have expressed such concern, it is imperative for the Hong Kong Government to strengthen its co-operation in environmental protection with governments in the PRD Region, otherwise, not only will foreign businesses be discouraged from investing in Hong Kong, they will also be discouraged from investing in the PRD Region. We do not wish to see a situation in which our air quality problem makes foreign businesses choose to invest in Shanghai (that is, in the Yangtze Delta) rather than in the PRD Region.

On the impact on the general public, Members can see that I have asked the Government in an oral question on 1 December about the losses society sustained as a result of air pollution. My question was most direct, that is, how much money had been spent. Secretary Dr Sarah LIAO also gave me an answer, saying that according to the assessment conducted in 2000, the economic losses (including hospital charges) resulting from such diseases as respiratory and heart diseases stood at \$1.7 billion annually. That was the estimate for 2000. I believe that if a calculation is done based on the air quality of last year and that of this year, in particular, given the far worse situation this year, the money spent in this area will be even higher. Prevention is of course better than cure. Therefore, the incidence of health problems should be prevented as far as possible. This is always better than to wait until problems and symptoms have emerged and then seek treatment.

Madam President, in view of the serious air pollution problem, I have made 10 proposals in my motion today. The first four are related to Guangdong Province. I will focus on these four proposals and discuss how in our opinion we can proceed with them.

It is evident in the information provided to us by the Government recently that about 80% of the air pollution in Hong Kong originates in the Mainland. As to the remaining 20%, the Hongkong Electric Company Limited (HEC) and the CLP Power Hong Kong Limited (CLP) accounted for over 30% of it and another 30% is created by the Hong Kong public and the sources include our motor vehicles and a handful of factories. It can be seen from this that the bulk of the problem has to do with Guangdong Province and the PRD.

Of the several proposals, the first point that I wish to raise is achieving the emission reduction targets at an earlier date. Although we began to discuss with Guangdong Province as early as 1999 about how much pollution could be reduced by 2010, and I do not wish to dwell on the detailed breakdowns, we can see that given the drastic aggravation of the air pollution problem, we have the grounds and the need to achieve the emission reduction targets earlier than planned. First, we believe it is indeed necessary for us to step up co-operation with Guangdong Province to tighten the emission standards for factories, power stations, vehicles, and so on. Although we are aware that the Mainland has established a so-called three-tier system for air quality, we also notice that their enforcement is slack. Of course, in this connection, we can only conduct

exchanges and discussions with them, in the hope that they can step up enforcement. Otherwise, it will be difficult for Hong Kong and even the PRD Region to solve the air pollution problem.

In addition, we also notice that in recent years, since the economic development in Guangdong Province is very good and there is a spike in electricity consumption, even some of the so-called "xiao huo dian", that is, small power stations, which had been shut down or were about to shut down, were also re-commissioned. Most of them use coal as fuel and the air has become more polluted as a result. Moreover, a lot of illegal power stations also continue to operate because electricity supply in China is actually inadequate.

Madam President, the second point I wish to raise is that we believe the emission standards and monitoring systems of the two places should be standardized, that is, it is not possible for us to mind our own business and they theirs. Let me show Members this *Time* magazine, which has a very apt heading which reads, "One country, One Sky" in English. It did not occur to me that one can put it this way. It means in terms of air pollution, we are in fact living in the same country and under the same sky. This photograph shows how the situation is like in the area around the PRD and I believe the Secretary must also have a chance to look at it.

It is impossible to solve the problem if we merely look at the problem in Hong Kong. The standards adopted in the PRD in this regard are different from ours because the economic development there is not as advanced as ours. For example, the sulphur content in the diesel we use is very low, whereas the sulphur content of the diesel used on the Mainland, given their economic situation, is extremely high. Of course, we understand the background, however, we also hope that Guangdong Province can co-operate with our Government as far as possible, if not, when the fumes spewed by their motor vehicles are blown to Hong Kong, it is useless no matter how good the quality of our diesel is.

Besides, since the two places are collaborating in the preparation of a handbook and the establishment of a monitoring network, I hope the measures can be implemented as soon as possible and the same code of practice can be adopted for implementation, that is, it is not advisable for us to use our own code and they theirs. Otherwise, this will not help solve the problem.

Thirdly, I wish to talk about the emissions trading pilot scheme. The Secretary has spoken to us about this scheme before. However, when she initially mentioned this scheme, we in the Liberal Party expressed some reservations because we were not sure if it would be feasible. If this scheme is implemented, it will involve using the money of taxpayers in Hong Kong to engage in trading with the Mainland and pay the Mainland to solve its problems. In the long run, no amount of money will be enough for this purpose. There are tens of millions of people living in the PRD Region and they have so many power stations there. It is possible that when their vehicles use better quality diesel, we also have to pay for it. This will not do. However, we now think that in view of the present circumstances and the seriousness of the air pollution, the Government may as well give it a try. If it can be done, then we can proceed. The Mainland has already given its approval and its policy is to support the incorporation of Guangdong Province and Hong Kong as test points of the emissions trading scheme. Of course, the Government has said that it could propose the details for discussion only in three years' time, however, I still hope that the Government can disclose the details as soon as possible.

The fourth point that I wish to raise is that I found many factory owners in Hong Kong had established factories in the PRD. I learned from the information of the Federation of Hong Kong Industries that 63 000 Hong Kong factories were involved in manufacturing on the Mainland. Of these, 59 000 have already established factories and installed facilities and 53 000 of them are located in Guangdong Province. Of course, after the investments have been made on the Mainland, the machinery will depreciate. In view of the state of pollution in Hong Kong and the fact that the pollution generated by the factories established by Hong Kong factory owners in the PRD is the pollution that we are subjected to, we propose that consideration be given to whether it is possible to allow factory owners to enjoy tax relief in Hong Kong for air pollution control facilities purchased. In the past, only factory owners installing such facilities in Hong Kong were entitled to tax relief on depreciation. However, if it can be proven that the equipment is installed by factory owners in their factories in the PRD, is it also possible for Hong Kong to offer tax relief to them as well? Such a move will encourage more Hong Kong factory owners to invest in less polluting machinery on the Mainland (for example, in factories in the PRD). I hope the Government can consider this.

Madam President, I notice that apart from the Mainland, there are also a number of major sources of pollution in Hong Kong, for example, power stations

and motor vehicles. Of course, I also have to praise the two power companies because as they have pointed out, in the 12 years from 1990 to 2002, although our electricity consumption had increased 60%, the pollution was reduced by 45%. This indicates that they have been doing a good job and they should be given a pat on the back. We also notice that scrubbers, that is, desulphurization devices, can also bring improvements to the situation. In particular, if the HEC which provides service to Hong Kong Island can install additional desulphurization devices, the situation will be even better. There is hardly any need to mention the CLP, which has not installed any desulphurization device on the Kowloon side. However, the CLP claimed that as far as its ways of power generation are concerned, one third of its electricity is generated by means of nuclear energy, one third with liquefied petroleum gas (LPG) and only the remaining one third uses coal. Therefore, its problem is not as serious as that of the HEC. However, I hope the two power companies can do even better. I also noticed that they had asked who would pay the bill for installing the desulphurization devices. Can the electricity tariffs be increased? If the figures on this aspect can be transparent, then it will be up to the public to consider if they will be allowed to increase the tariffs or whether, in view of the handsome profits they are making, it would be possible to make the improvements without increasing the tariffs. I think what matters most is to ameliorate air pollution and discuss the money issues later since, judging from the present circumstances, even if the tariffs are increased, the rate will be limited.

On vehicles, at present, taxis and minibuses running on LPG are being used and the result has been very good. If the scheme can be extended to the 40 000 light goods vehicle throughout Hong Kong, we believe this will also be helpful to improving the situation. Madam President, other Members of the Liberal Party will elaborate in greater detail the actual situation relating to the transport industry, Hong Kong-owned factories and power companies later.

Concerning the amendments proposed by other Honourable colleagues, Madam President, I am aware of the procedures and that later, I will have five minutes to respond, so I am not going to dwell on them in detail now. I only want to add one point. From the angle of the sustainable development of society as a whole, there is a host of things that we have to deal with and one very important matter is the air quality. Apart from the opinions of foreign businesses, we also notice that if the business sector in Hong Kong think that they will encounter undesirable conditions of this nature in making investments

in Hong Kong, they will move away and invest in other places on the Mainland. This will be unfair to the general public in Hong Kong, in particular people at the grass-roots level or "wage earners" who cannot leave Hong Kong whenever they please. No matter what factions or parties people belong to, be it rich people, professionals, people at the grass-roots level, they all breathe the same air in Hong Kong. Therefore, for our own sake and for the overall economic development in Hong Kong, as well as the health of all members of the public, we hope that the Government, apart from attaching importance to this issue itself, will also discuss this matter as actively as possible with Guangdong Province, since we are living under "one country, one sky", and this is particularly the case in the PRD area, where we really look up to the same sky. Thank you, Madam President.

Mr James TIEN moved the following motion: (Translation)

"That, since air pollution remains severe in Hong Kong in recent days, which not only poses a health hazard to Hong Kong people, but also discourages foreign businesses from investing in Hong Kong, this Council urges the Government to expeditiously discuss with the Guangdong authorities the adoption of vigorous tackling measures to improve the situation, including:

- (a) strengthening co-operation with the Guangdong authorities to tighten the emission standards for factories, power plants and motor vehicles, etc, and achieving the emission reduction targets for 2010 at an earlier date;
- (b) endeavouring to unify the emission standards and regulatory systems in Hong Kong and Guangdong;
- (c) expeditiously implementing the emissions trading pilot scheme in collaboration with the Guangdong authorities;
- (d) providing Hong Kong business operators in the Pearl River Delta who have installed air pollution control systems in their plants with tax relief on depreciation of the relevant machinery;
- (e) striving to reduce pollutants such as sulphur dioxide emitted in the process of power generation by the two power companies in Hong

Kong, and increasing the use of more environmentally-friendly energy;

- (f) further promoting the incentive scheme for liquefied petroleum gas (LPG) light buses and extending it to light goods vehicles;
- (g) considering the provision of additional sites for setting up LPG filling stations;
- (h) actively engaging in research and development on the utilization of renewable energy;
- (i) expediting the introduction of a registration system for vehicle repair technicians and garages; and
- (j) vigorously introducing other types of environmentally-friendly vehicles and related incentive measures,

with a view to minimizing emissions, thereby enabling residents of the whole Pearl River Delta to enjoy clean fresh air."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr James TIEN be passed.

PRESIDENT (in Cantonese): Ms Emily LAU, Miss CHOY So-yuk and Mr LEE Wing-tat will move amendments to this motion respectively, and Mr Andrew LEUNG will move an amendment to Mr LEE Wing-tat's amendment. Their amendments have been printed on the Agenda. The motion and the amendments will now be debated together in a joint debate.

I now call upon Ms Emily LAU to speak first, to be followed by Miss CHOY So-yuk, Mr LEE Wing-tat and Mr Andrew LEUNG; but no amendments are to be moved at this stage.

MS EMILY LAU (in Cantonese): Madam President, I believe Hong Kong people have a keen interest in the question under discussion today. As Mr

James TIEN said just now, regardless of whether we are rich or poor, everyone of us must breathe. And the gravity of the air pollution problem, I believe, has already become intolerable to many members of the public. Therefore, several weeks ago, when we met with the Chief Executive, I had already suggested to him that the Hong Kong Government should work together with the Mainland, especially the Guangdong authorities, to make their best efforts to do something about this issue.

Madam President, several years ago, the eight political parties in the Legislative Council joined together to do something. Mrs Lily YAM, the Secretary at that time, and Mr Edward HO of the Liberal Party, the convenor of the coalition, had reached a number of consensuses, which were subsequently implemented one after the other, and as a result, the problem was slightly alleviated. Perhaps Members may recall that, such consensuses included the introduction of LPG taxis and ultra low sulphur diesel; financing vehicle owners to replace their old vehicles with LPG or electric vans; retrofitting heavy vehicles with catalytic converters and stepping up enforcement against smoky vehicles. I still remember we said that vehicles that had been prosecuted for emitting black smoke twice or thrice consecutively should be given heavier penalties which could be as much as several thousand dollars. Today, I very much hope that a consensus can also be reached by the various parties in the Legislative Council now. This would convey a message to the Secretary, who can bring this message to the Chief Executive and the officials of Guangdong Province, so that they can discuss the issue and realistically deal with the problem, thereby benefiting everyone in the region.

Madam President, the amendment proposed by me seeks to add some extra ideas to the wordings of the motion proposed by Mr James TIEN. I mainly support the various points he has proposed, but I wish to make them more specific. That is why I propose to draw up a definite timetable. Madam President, Mr James TIEN proposed that the Government should urge the Guangdong authorities to tighten the emission standards for factories, power plants and motor vehicles, and so on, and he hoped that the emission reduction targets could be achieved before 2010. I definitely agree to all this. Madam President, perhaps you may recall that, actually our SAR Government already reached a consensus on this issue with Guangdong in April 2002, in which the emission reduction target was elevated from 20% to 55%. At that time, a plan called the Pearl River Delta Regional Air Quality Management Plan was also formulated. Actually, the Secretary had also mentioned this plan during the past two months when she answered questions raised in this Chamber.

With regard to the actions to be taken by Hong Kong, a timetable has already been set out. For example, with effect from 1 January next year, we shall tighten the motor petrol standard to Euro IV; by the first quarter of next year, we shall implement the new legislation to require the installation of vapour recovery systems at petrol filling stations; by 2006, we shall apply the Euro IV emission standards to newly registered vehicles; and we are also conducting a consultation on the volatile organic compound (VOC) content of products, and so on. All these measures will be implemented with specific dates. Madam President, I can also see that many actions will be taken in the Mainland, such as establishing diversified clean energy production and supply systems, restricting the use of high sulphur fuels, closing down small power generation units, phasing out coal-fired boilers with inefficient energy consumption and causing serious pollution, reducing VOC emissions and developing green transport, and so on. However, Madam President, I cannot see any timetable on their side. Maybe I have overlooked it when I read the papers. If so, will the Secretary please tell me later when she delivers her speech. My amendment also aims at setting the mid-term targets and an interim review timetable. If the targets are originally scheduled to be achieved by 2010, I hope the Secretary can provide us with an interim report in 2005 or 2006, so as to report to us how much of the work just mentioned by me has actually been done.

Besides, I also strongly support Mr James TIEN's suggestion of conducting studies on renewable energy because generating power by petrochemical fuels will definitely cause massive pollution. Madam President, you may also be aware that the Council for Sustainable Development, chaired by the Chief Secretary for Administration, held a full-day meeting on Monday. The meeting was attended by more than 200 persons. On that day, renewable energy was a subject of vigorous discussion. Some consensuses were reached at the meeting. Madam President, the participants of the meeting were of the opinion that the Government should formulate a policy on renewable energy, and it should set a target for using renewable energy to meet part of the local power demand. They also proposed that the Government should open up the electricity market to suppliers of renewable energy, and that the power companies should streamline the procedures for facilitating the connection of small renewable energy facilities with the electricity networks.

Today, I put my amendment right after the motion of Mr James TIEN because I hope, in the course of negotiating with the two power companies on the Scheme of Control Agreements, the Government can require them to follow the

Government's policy on renewable energy (of course, the Government must have such a policy in the first place), and stipulate that they have to use a certain proportion of renewable energy in power generation in future.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

Madam Deputy, I would also like to extend my thanks to some representatives from the CLP who came to the Legislative Council yesterday evening to have a discussion with me. Of course, they were concerned about the debate to be held in this Chamber. I also told them directly that I very much hoped the CLP could use renewable energy and reduce using coal for generating electricity. The response I got was: the CLP's original target was, by 2010, it could use renewable energy up to 5% of the gross amount of fuel to be used in generating electricity. On hearing this, I was really overjoyed. But after some clarification, I found that this was just a global target. Madam Deputy, they were saying that certain countries, such as the Mainland and Australia, would strive to achieve that target. But for Hong Kong, they found that there was a shortage of land here. Therefore, according to the CLP, how much renewable energy can be used in generating electricity in Hong Kong? What they could envisage was 0.1%, that is, not even 1%. Some green groups hope that the utilization rate can reach 1%; some more aggressive ones have even proposed 5%. However, the CLP said that it would face very major difficulties even with 0.1%. Therefore, Madam Deputy, I feel very miserable again.

However, I also notice that the authorities have requested the power companies to start experimenting on generating electricity by using wind power. I hope they can do it to the best of their abilities. I definitely do not accept their immediate replies of "not possible" whenever they are confronted with such situations. Of course, if the power companies in Australia and the Mainland can achieve the target, it is still helpful for the world as a whole. However, in Hong Kong, especially when the two power companies have made such huge profits, I hope they can also understand their social responsibility.

Madam Deputy, as the CLP representatives had come here, of course I had to discuss the present problems with them. As a matter of fact, we all know that the CLP uses natural gas for generating electricity. They had used natural

gas as much as 37.8% in 2002, but the figure dropped to 29% last year. The reduced use of natural gas simply means that they have to use more coal in generating electricity — that explains why the air pollution of Hong Kong has worsened. According to their explanation, their natural gas is supplied by Guangdong. They have signed a contract with a validity period of 20 years. However, they found that the supply of natural gas is not as much as originally envisaged. So they prefer to spread the supply over a longer period of time, in order not to exhaust the supply so soon. Otherwise, the supply would become inadequate. However, they are now considering the possibility of using liquefied natural gas, as the supply of which will be more stable, and it will not be necessary to import from Guangdong because there are overseas supplies of it. They hope that this could be implemented by 2011. We all know that it is never easy to find sources of supply. If they can really implement this, we do not have to worry anymore. I told the CLP representatives that of course we had to weigh the pros and cons, but as the present pollution problem was so serious, I felt that they had a responsibility to do something about it with their greatest effort. I hope we can convey a message to the two power companies in today's meeting to the effect that we support the many recommendations made at the summit meeting of the Council for Sustainable Development.

Lastly, Madam Deputy, I would like to propose some incentive measures. We all know that, at present, LPG light buses, electric vans or electric vehicles are exempted from the first registration tax. I know that the Secretary has also conducted trial runs of a hybrid vehicle powered by electricity and petroleum. I wonder whether the Government can slightly extend the applicability of the concessionary measure. If we can give other environmentally-friendly vehicles some incentives, so as to create the demand for them in the market, then more people will be willing to conduct such research and development. I hope we can make use of whatever methods to think about and examine all kinds of possible ways of dealing with the issue.

I hope the message we can convey in today's meeting is: We in the Legislative Council are concerned not just about the issue of \$1.7 billion. Our concern is the effects on the entire territory of Hong Kong, or even the entire region. I hope the Secretary can convey this loud and clear message to the Chief Executive and the Guangdong authorities, in the hope that they can employ all realistic measures to deal with this problem as soon as possible. I so submit.

MISS CHOY SO-YUK (in Cantonese): Madam Deputy, the clear blue sky and the snowy white clouds are drifting further and further away from us now! Since the introduction of the Air Pollution Index, this year has been the worse year of air pollution. The poor air quality is not exclusive to Hong Kong. In Shenzhen, our close neighbour, industrial pollution and other forms of pollution have brought about approximately 140 gloomy days so far this year, breaking all previous records.

A dull and gloomy weather not only affects the mood of the people, but also jeopardizes our health and will cost a high price to society.

Madam Deputy, the Democratic Alliance for Betterment of Hong Kong (DAB) fully supports the various proposals on improving air quality as put forward in the original motion. However, since there is still room for supplementing the coverage of the motion, I have proposed an amendment to make up for the inadequacies in the original motion. I shall next proceed to discuss the major points of my amendment now.

First of all, promoting the use of renewable energy with a view to reducing emission of pollutants is so widely accepted that it has become nearly a global consensus. The SAR Government has expressed support for it verbally, but when it comes to achieving certain specific goals, it leaves us with the feeling that the Government "does not practise what it preaches". According to the existing targets set by the SAR Government, by 2012, the amount of electricity generated by renewable energy will account for 1% of the total electricity demand, which is actually just one fifteenth of the European Union standard, or just one third of that of Shenzhen. With such a surprisingly low target, it is inevitable for people to cast doubts on the sincerity of the SAR Government in promoting the use of renewable energy. The DAB believes that, in order to demonstrate our determination in maintaining the air quality, we should adjust upward our target utilization rate of renewable energy. We hope that the Government can consider raising the target rate to 5% by the year 2012. This should be a more reasonable level. In fact, the green groups are proposing a target rate of 10%.

While advocating the extensive use of renewable energy, we should not overlook other forms of environmentally-friendly fuels. Bio-diesel, for example, has been widely used in many overseas countries, and there is ample

evidence to prove that it can help reduce the production of pollutants. However, the Government all along has not formulated a comprehensive preferential policy for environmentally-friendly fuels. Furthermore, it has delayed substantially in releasing the results of emission tests on bio-diesel. As a result, environmentally-friendly fuels have not been introduced to Hong Kong on a greater scale. In this regard, the DAB urges the Government to formulate incentive measures for promoting environmentally-friendly fuels.

Madam Deputy, in order to encourage bus companies to operate in a more environmentally-friendly way, franchised buses have all along been given fuel duty exemption. But until now, the bus companies still keep in their fleets many buses that can only meet the minimum standards required by law. As a large number of buses are running on the busy roads of our city, the level of pollution caused by the emissions of these vehicles has a significant impact on our air quality. As such, we think that the bus companies should expeditiously renew their fleets and announce the relevant timetable to the public, so that the people can monitor their progress more effectively. In the short term, the bus companies should deploy buses that comply with Euro III emission standards (that is, more stringent environmental standards) to serve routes along busy roads, and more bus-bus interchange discount schemes should also be introduced to reduce the number of buses running on the roads, with a view to minimizing air pollution on busy roads.

Furthermore, the Government has launched a series of incentive measures in recent years in a bid to alleviate the problems caused by vehicle emissions. These measures include the provision of subsidies for the introduction of LPG taxis and light buses, installation of exhaust purifiers or particulate traps, and tax concession for ultra low sulphur diesel, and so on. Under such circumstances, if car owners or drivers continue to allow the black smoke of their vehicles to damage our environment, they have to be held responsible. It has come to our attention that since a heavier fine against smoky vehicles was levied in 2000, the number of smoky vehicles has reduced significantly; therefore, the DAB is of the opinion that the Government should study the feasibility of increasing the fines against smoky vehicles as an effective measure for achieving immediate results.

While requiring bus companies, vehicle owners and drivers to be more responsible in protecting our environment, the Government should also act as a

role model and take the lead in improving the air quality, such as installing solar energy devices in government buildings, implementing energy conservation measures in various departments, and promoting community-wide involvement in energy conservation. We must bear in mind that if the households and the offices all over the territory could work together and adjust their air-conditioners from 22.5 degrees Celsius to 25.5 degrees Celsius, and if we could all use electrical appliances with a Level I or Level II Energy Efficiency Label, our annual consumption of electricity could be reduced by 400 million units. This will not only reduce our expenditure on electricity, but also reduce emissions from power plants by 5%. In this way, we can play a part in improving the air quality.

Besides, many overseas studies have discovered that volatile organic compounds (VOCs) are detrimental to our health. For example, it can seriously affect our respiratory system and trigger asthma, and so on. Therefore, regarding the Government's plan to regulate VOC-emitting products through a labelling system, the DAB is keenly interested, and we support the use of appropriate means to regulate such products as paints, construction materials and decoration materials, and so on. We hope that the Government and the industries concerned can reach a consensus on the implementation of a more effective regulatory scheme for industrial and commercial VOC products, and look for a feasible approach suitable for the environment of Hong Kong.

Madam Deputy, apart from the above details of my amendment, I would also like to discuss the issue of cross-boundary co-operation between the two Governments of Hong Kong and Guangdong.

Yesterday, several members of the DAB visited Guangdong to hold a discussion with the Environment Protection Bureau of Guangdong on the issue of air quality on both territories. Part of our discussion may throw some light on some of the questions raised by Ms Emily LAU just now. Targeting at the major sources of different kinds of air pollution, such as electricity generation facilities and emissions from factories and vehicles, and so on, we put forward a number of recommendations, for which active responses were given by the Government of Guangdong. They pledged to work on measures to reduce pollution that will affect neighbouring regions. For the purpose of improving air quality, they plan to reduce the sulphur dioxide content in the air by 30% by

2006. They also said that they would not issue any new power plant licence in the Pearl River Delta Region. In Dongguan, all brick plants and cement plants have been evacuated, whereas brick plants and cement plants in Guangzhou will be relocated elsewhere with compensation. Furthermore, licences for motorcycles will not be issued in Guangzhou anymore. We have reached a consensus on several issues, such as striving for the implementation of the emissions trading pilot scheme in 2006, proceeding with cross-boundary co-operation in expediting the studies on environmental issues, and stepping up the promotion of corporate social responsibility and environmental responsibility among business enterprises, and so on.

As a matter of fact, since the power plants are the major source of pollution for Hong Kong, they should be subject to highly stringent regulation. Regrettably, the regulatory measures adopted by Guangdong are more advanced than those of Hong Kong in many different aspects. For example, in Guangdong, 10% of the power generation employs desulphurization and this capacity will increase to 30% by 2006. By 2009, all major power plants will be fully equipped with desulphurization facilities. In Hong Kong, while we have a much higher ratio of desulphurization facilities than the Mainland, we do not have a timetable requiring when the power companies should install desulphurization facilities. Meanwhile, in Guangdong, the electricity network has been opened for priority connection by renewable energy generation. But here in Hong Kong, after years of debate, the entire electricity market is still monopolized by the two power companies, thus causing great hindrance to the further development of "green energy". I have to mention in passing that, while the Government keeps encouraging the power companies to use more environmentally-friendly fuels, such as natural gas, in generating electricity, no provision has been stipulated in the agreements executed between the Government and the power companies on the proportion of natural gas to be used in generating electricity. Therefore, even if the power companies fail to implement the measures, there is nothing the Government can do at all. With regard to the question raised by Ms Emily LAU just now, in fact, the CLP may release the amount by proportion, and when it comes to the last two years, if it is insufficient, then it may (*the buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Miss CHOY So-yuk, your time is up.

MR LEE WING-TAT (in Cantonese): Madam Deputy, the problem of air pollution in Hong Kong is a common concern for all sectors and trades across the community. I think the issue must have been debated in the Panel on Environmental Affairs of this Council a number of times and many questions have been raised on this issue during the oral question time as well.

I would not repeat the various views expressed on this, but I would like to raise one important point again, and that is, our pollution problem is caused not just by exhaust emissions from our power plants and vehicles alone, but also by the emissions from power plants and other facilities in the Pearl River Delta, that is, in Guangdong Province. This is a most worrying thing.

In the Panel on Environmental Affairs I have asked the Secretary on two occasions why we are confident that we can achieve the common targets stated by both sides by 2010 or thereafter and reduce emissions to a reasonable level. Where does the greatest problem lie? As we all know, the greatest problem is the numerous small factories and power plants in Guangdong Province. These factories and power plants place the greatest emphasis on gains from economic development. To them, the most important thing is economic growth. And so at times they would ignore the advice from the provincial government, the county government and the Environmental Protection Bureau and so on. Many examples show that even though they have been repeatedly urged by the Environmental Protection Bureau of Guangdong Province to adopt environmentally-friendly procedures, but given the primary consideration of economic development, they will take steps which blatantly or secretly go against such advice. They will re-commission some small power plants which emit huge amounts of pollutants. These things are not made up by me, and I think the Secretary must have received such information as well. Many environmentalists have seen with their very own eyes that such things are done, that whenever there is a high demand for electricity, these plants which cause serious pollution will be re-commissioned notwithstanding the admonition from the provincial or county governments.

I am sorry to say that to date I have not heard of any proposals from the Secretary to tackle this problem. Both the Government and the Secretary should feel that our past development has been an unpleasant experience, that is, ours has been development first and remedies later. In other words, efforts are made in environmental protection only later. It is only when society has

reached a certain stage of development and when the environment is polluted and a lot of troubles have been caused, that a search is conducted for remedies. We find that many developing countries share this kind of painful experience, for when certain problems have reached a state beyond remedy, no environmental protection measure may set it right again.

I am not sure whether or not the Secretary could answer this question which I have just raised. If the Secretary thinks that she cannot handle the problem, I hope she could refer it to Mr TUNG. On the economic front we have got CEPA, why can there not be something like CEPA in environmental protection? Can Mr TUNG talk to the Guangdong Provincial Government or the Environmental Protection Bureau in the Central Government that Hong Kong cannot afford to sit back and allow small factories and small power plants in Guangdong to cause pollution? Do their actions accord with the terms in the co-operation agreement?

Of course, I wish to point out that we are not forcing the mainland units to follow our targets and practice in environmental protection. We think that many ideas can complement each other. Perhaps we may also help them reduce their pollutants so that they do not have to produce so much pollution. I have heard about the suggestion of an emissions trading scheme in many panels of this Council. As many environmentalists have pointed out, helping Guangdong Province reduce emissions will definitely have a greater effect than putting in the same amount of money in Hong Kong for the same purpose.

Certainly, I think that it is right for Hong Kong to spend money on environmental protection, especially in solving the problems caused by the two power plants in Hong Kong. So now I would like to turn to another subject, and that is, the problem of emission in Hong Kong. I agree that within the territory, the emission problem of the power plants here warrants our concern. I have met the management of the CLP, and they told me that it was expensive to install desulphurization facilities which were sizable and highly effective. As far as I know, we are beginning to review the Scheme of Control which will last for two years and to be entered into by 2008. The Scheme has often been criticized as not cost-effective, for regardless of the rate of growth in asset value, the company's profits will be guaranteed. I hope the Secretary, that does not mean Dr Sarah LIAO but her colleague, Mr Stephen IP, would add in terms and conditions requiring the installation of environmental protection facilities when a review is conducted on the Scheme of 2008. Another issue which should be

considered is whether or not all the assets should be included in the Scheme of Control.

Madam Deputy, I have proposed a number of amendments to the motion today. Actually, I do not have any objection to Mr James TIEN's motion. But I do not know why he has emulated Mr Andrew CHENG's practice and included an extremely lengthy list to his motion. There are altogether 10 items. I have no idea how many items there are after the amendments. Ms Emily LAU has added one. Miss CHOY So-yuk has added a few. I have added yet some more. I hope that the contents I have added are not in conflict with theirs. My additions are also about environmental protection. The first one is to step up the testing of vehicle emissions which is a more advanced practice. Second, it is about a network of pedestrian walkway systems. I would like to devote some time to discussing that.

Given the small area of Hong Kong, I do not think people should be encouraged to ride more in taxis and cars. This is because, firstly, this is not good to the environment as a lot of pollutants will be emitted. Secondly, more walking is good to our body. Dr York CHOW, Secretary for Health, Food and Welfare, wants us to walk 10 000 steps every day. He says that each day we walk to and fro in our office and the number of steps will add up to about 3 000 to 4 000. Perhaps later on Joseph could teach us how we can walk 10 000 steps within the Legislative Council Building. Does this mean that when we are to talk with the Secretary or try to lobby him we will walk with him from the ground floor to the second floor and then from the second floor back to the ground floor again? After doing this for 10 minutes, perhaps we would have walked 2 000 steps.

In the year 2003-04 the Democratic Party conducted a very comprehensive survey and we submitted the findings to the Commissioner for Transport, Mr FOOTMAN. I do not know if the Secretary has a copy of the findings, if she does not have one, I can send her a copy later. Our study is focused on one district and I hope that other bureaux may also conduct studies of this kind. Our study is on the feasibility of building a network of pedestrian walkway systems from Western District to the end of Causeway Bay or Fortress Hill. Actually, such a network is already in existence but it is very scattered. On the western side, the farthest we can walk is to the Hong Kong-Macao Ferry Terminal in Sheung Wan. As for the eastern side, we can walk as far as to about the end of Causeway Bay. What we ask now is to build some connection systems to link up the various pedestrian precincts. Now as we walk to Admiralty, there is

some problem with the system linking up Causeway Bay. How should the footbridges run and can some works be done so that we can walk on the flyover all the way to Fortress Hill? I think that in the urban areas, the problem of traffic congestion being so serious, the same goes with air pollution, so I hope that the Secretary could undertake some study on these.

The third amendment which I propose is on the management of indoor air quality. The management of air quality in many offices is bad and as far as I know, some large companies have become aware of this problem because of the incidence of Legionnaires' disease in the office. Often times if this management of indoor air quality in offices is bad, the indoor air quality may not be any better than the air outdoors. I hope as a first step encouragement should be given to government offices and large companies to pay attention to this problem, as we do not want to enact laws on this so fast. These places should have some relevant rules and regulations or some officers may be appointed to take care of such matters. Like I said, now many offices have safety officers, green managers or a person is appointed to take charge of work in this aspect. I hope that such encouragement measures may serve to improve air quality in offices by and by.

Madam Deputy, this is all I wish to say. I beg to move my amendment. Thank you.

MR ANDREW LEUNG (in Cantonese): Madam Deputy, we agree with what Mr LEE Wing-tat's proposal in his amendment, that is, to further promote the Indoor Air Quality Management Programme, especially in the office. This is because people work at least eight or nine hours in the office every day, so if the place has stuffy air and fumes of smoke, this will seriously endanger their health. Therefore, the Liberal Party has always supported further promoting the Indoor Air Quality Management Programme. However, I think that relying on legislation to regulate the users and impose penalties are not enough. A better way is for the Government to join hands with the business sector to take active measures to promote the Programme. Through encouragement given to promote the Programme, the people can benefit ultimately.

Apart from the problem of indoor air quality, we are more concerned about the overall air quality. In fact, air pollution has become a subject of great public concern in recent years. As Mr James TIEN has said, there is a close

link between air quality in Guangdong and Hong Kong. This is especially so since as early as in the 1990s, Guangdong has become the most popular place for Hong Kong industrialists to set up factories. Mr TIEN has pointed out also that as at 2002, there were 53 000 factories which had set up plants in Guangdong Province. And Guangdong has become the place with the greatest amount of outbound investments by Hong Kong businessmen.

It is inevitable that pollutants like sulphur dioxide and suspended particulates will be emitted in the process of industrial production. According to government estimates, close to 80% of the pollutants in the air in Hong Kong comes from the Pearl River Delta. It is clear that the people of Hong Kong and Guangdong are living under the same sky and breathing the same air.

As a representative of the industrial sector I have been very much concerned about the issue of environmental pollution. During my tenure as the chairman of the Federation of Hong Kong Industries, I set up Group 26 as one of its scheduled groups. Group 26 is on environmental industries. I actively followed up the issue of emission reduction by the factories set up by Hong Kong businessmen on the Mainland. However, environmental protection is a daunting task, a kind of protracted war and it cannot be solved in a matter of days. An effective policy to pursue is to induce more members of the industrial sector to invest in more technologies to reduce emission.

I would like to point out that environmental protection and industrial production are not necessarily mutually exclusive. On the contrary, the environmental protection industries have become an international trend. A report compiled by the Hong Kong Productivity Council points out that the turnover in the environmental protection market on the Mainland is as much as US\$85 billion. It is estimated that growth in this market will accelerate by 2010. I think that Hong Kong must work hard to catch up and more efforts must be made on enhancing development in this aspect.

Environmental improvement engineering is a hi-tech industry, but it is apparent that Hong Kong is in lack of comprehensive policies and technical support which can contribute to development in the industrial sector. The result is that many industrialists and small and medium enterprises with few resources are left with a passion for environmental protection and a mind full of ideas in green technology but no support from the Government. I therefore suggest that

the Government should enhance communication between the governments of both places and the industrial sector. This will enable the relevant messages be struck home to the front-line factories and that apart from formulating policies, the small and medium enterprises can be enabled to tap the technical support from the related parties.

Madam Deputy, the Liberal Party is of the view that one of the incentives is, as Mr TIEN has mentioned, to offer tax concessions to Hong Kong parent companies which have set up factories on the Mainland, so that these companies can act on the strength of their air pollution regulation devices in their factories and apply for depreciation concessions in Hong Kong tax. This will induce these companies to step up their control of emissions from their factories on the Mainland. As these applications will involve tax concessions in Hong Kong, so I think that independent organizations or universities approved by the Government may undertake certification of air pollution control systems. I also look forward to seeing active measures from the Government to foster co-operation between the academia and the business sector in R&D efforts in applied technology transfer. This will no doubt provide a great deal of business opportunities to Hong Kong while also solve the problem of technical support for Hong Kong businessmen on the Mainland.

Madam Deputy, I very much support environmental protection and sustainable development. We have great expectations for joint efforts made by Hong Kong and Guangdong to tackle air pollution in the region. To enable Hong Kong businessmen to gain a better understanding of environmental protection, the Federation will launch a series of measures and activities to encourage self-discipline in factories on the Mainland as well as taking an active part in the green industries. We also plan to launch a green Q Mark certification scheme. All these will be done in the hope of providing Hong Kong people and our next generation with an ideal environment and a land free from pollution. I also hope that the discussions today will build a green bridge between the industrial sector and the Government so that we can take a big step forward closer to a world of unpolluted air and azure sky.

Madam Deputy, Christmas is around the corner and the chairman of the Liberal Party has brought a green Christmas tree and Members from all parties have hung beautiful decorations on it. I would like to grace it by hanging a star of hope. I wish all Members of this Council can send this message of a green Christmas tree to all the people of Hong Kong. Thank you, Madam Deputy.

DR JOSEPH LEE (in Cantonese): Madam Deputy, the past few weeks have seen bright and sunny days. Despite the sunshine, we do not have a clear sky. The sky is hidden behind a veil of smog. That is why it is actually self-contradictory to say that we have bright and sunny days. The sky used to be clear and the air fresh in autumn. But now, as Honourable colleagues said, air pollution indices have remained high over the past few weeks, testifying that air pollution in Hong Kong is now a grave problem.

There are two major causes of air pollution in Hong Kong: first is exhaust emission from vehicles; second is largely emission from power plants. On top of these is the problem of cross-boundary pollution, that is, pollution coming from the Pearl River Delta and places outside Hong Kong. This accounts for the poor air quality here over long periods of time.

Hong Kong is a tiny place. Most people do not just work, but live and play here in this tiny place. People living for a long time in this place with such a bad air quality will see their health being harmed direct. Government forecasts are that air quality will only go from bad to worse and it will not get better.

Madam Deputy, on this question of air pollution, apart from the serious implications which many Honourable colleagues have mentioned, there is still one point which must not be overlooked. This is the fact that if we live in a place with severe air pollution on a long-term basis, this will cause the malfunctioning of our respiratory and circulation systems and other chronic illnesses. In the worst cases, this will mean death. For this reason, I hope Members will do more than just keeping a keener interest by also taking active steps to tackle air pollution at root. This is because air pollution has such a great impact on us that it can even endanger our health.

A survey on primary school students in two communities shows that children living in communities with serious air pollution obviously suffer from a greater incidence of upper respiratory tract syndromes such as coughing, shortness of breath, phlegm in the mornings and sore throats than children living in communities with fresher air. Findings of another survey show that children living in an environment with severe air pollution are more prone to bronchitis reactions or allergies which could be signs of the onset of asthma.

Not just will children be affected by air pollution, even policemen on patrol duty will also be affected. A survey conducted in the late 1990s on the health of policemen show that officers on outdoor duties, if they often work in places with poor air quality, stand greater chances of an incidence of complications in the respiratory system. I once joked that policemen stationed in the reservoirs will be healthier than those stationed in Mong Kok.

In addition, a survey on the hospitalization rate of patients with respiratory problems shows that the recent levels of volatile chemicals in the air, such as ozone has remained high, has led to a high hospitalization rate of these patients. During the past two years, it was found that more than 3 000 people had been hospitalized because of this situation. Another survey shows that long-term exposure to air pollution will lead to heart diseases and chronic diseases in the respiratory tract. A survey conducted by a university points out that over the past couple of years, about 7 000 people have been hospitalized because of the two abovementioned diseases caused by air pollution. The amount of financial loss incurred was in the region of \$1.5 billion.

Madam Deputy, it is the common wish of the people that they can lead a healthy life and live in a place with good air quality. We all know that bad air will jeopardize our health and over time this will cause us to contract chronic diseases and require treatment. This will add to the burden of our health care system which is already beset with the problem of scarce resources.

Prevention is always better than cure. A promotion of primary health care will enable us to live a healthy life. In addition, we should have good conditions of living. Good air quality is essential to such a living environment. That is why we think that the Government should play an active role to improve the air quality in Hong Kong. On this question of improving air quality, much remains to be done.

The original motion and the amendments have suggested various sources of pollution and many solutions are also offered. An obvious thing is that if all these suggestions can be put into practice, air quality is likely to improve greatly and hence our health will be protected. I hope the Government can adopt more measures to protect our health. I look forward to concerted actions by the Government and the relevant institutions both here and on the Mainland to work hard for the furtherance of public health so that everyone can live in a healthy environment.

Madam Deputy, I so submit.

DR KWOK KA-KI (in Cantonese): Madam Deputy, first of all, I would like to thank Mr James TIEN for proposing this motion so that we can have a chance to discuss a problem which has beset Hong Kong for a long time.

There are not many occasions when Hong Kong is covered by world-famous magazines. Recently, this happens in *Time*. But there is no cause for jubilation, for the cover of the magazine depicts Hong Kong as one of the places in Asia with the worst air pollution. We have always been saying that the harbour should be saved. I also am in favour of saving our harbour too. But chances are that it is becoming harder and harder for us to savour the scenery of our harbour in the future.

The year 2004 is one with the worst air pollution readings ever recorded in Hong Kong. If this trend is not arrested, in no time we will become the most polluted city in Asia. Some time ago, many Honourable colleagues expressed much concern about the West Kowloon project. The Government has plans to build a fabulous landmark there, one with a giant canopy. But just imagine if we are to face this acute air pollution problem for a long time to come, even though we may have spent billions of dollars to build this landmark in West Kowloon, most people will only see this infrastructure shroud in a mist of noxious smog. It will only be hidden from sight and no one will be in the mood of admiring it.

We all know that we used to have good air. But with the opening up of China, especially in the Pearl River Delta (PRD) and the economic activities mushrooming in Guangdong Province, air in the PRD and Hong Kong is polluted. The problem is deteriorating too. Now we inhale about 100 organic substances from the air every day, 30 of which are harmful to our health. The list may go on with more and more studies undertaken.

Air pollution is like SARS. It is not confined to any race, land or country and everyone living on this planet earth may be affected. We may never have thought that the problem of air pollution is so acute that Hong Kong is not only affected by air pollution from China or other places for the extent of the problem has also reached inter-continental proportions. Recently, some environmentalists in Britain conducted a study and found that air quality in Asia was affected by polluted air blown as far as from Britain. We know that some places in Asia close to China, such as South Korea, Japan and Singapore, and so on, have recorded rising air pollution and acid rain.

As a medical doctor, I think the most important thing is to study the impact of air pollution on the human body. Such impact may include that on the respiratory system, the cardiovascular system and the eyes. Medical research also shows that exhaust emission from diesel used by vehicles will cause shortness of breath and other respiratory diseases in people who are otherwise healthy. Some toxic suspended particulates will make children more prone to incidence of asthmatic attacks and the elderly persons to heart attacks.

Members must have heard more than once the Government advising the people to stay at home at times of severe air pollution and not to engage in rigorous exercise. If air quality goes on deteriorating, I think in future we will not be able to take part in any outdoor activities most of the time. By then it would be futile if we give such health advice as urging people to walk 8 000 or 10 000 steps a day.

No one will like a smog and dirty air. Neither will anyone like carbon dioxide which is a source of pollution, including the acid rain it creates and irritation it causes to the eye. However, in a city, tonnes of garbage and pollutants are affecting us every day. As Mr Andrew LEUNG has said, many Hong Kong manufacturers have set up factories on the Mainland and relocated many procedures which cause severe pollution outside China. I wish to take this opportunity to appeal to the industrial sector that besides proposing this motion and suggesting measures to ameliorate air pollution, the sector should act as a role model and put in more resources to combat air pollution and on other initiatives related to environmental protection. It should not just propose a motion for debate and think that it has done all it should do.

There is a lot of information on the issue from other countries. The environmental protection authorities in France disclosed that each year 5 000 people would die because of air pollution in the country. We learn from studies done in London that each year there are 1 600 premature deaths related to air pollution. Canada has made many studies and it is found that there are more and more carcinogens around, such as poly-aromatic hydrocarbons. They are a major cause leading to more incidences of cancer. Perhaps Members are aware that the World Health Organization has conducted a study recently and the findings show that 800 000 people all over the world died prematurely because of pollution. Of these people two thirds live in Asia and most of them are affected by air pollution.

Mr James TIEN and other Members have mentioned many other causes as well and they hope to see more co-operation with the PRD Region. But there is one thing that I wish to urge the Government again and that is, as we appeal to our neighbours to adopt environmental protection control measures, we should see why the two power companies in Hong Kong are still allowed to use coal as the principal fuel, hence causing great amounts of emission and polluting the air. This is not in line with our calls to urge our neighbouring provinces and cities in China and other places to take effective steps of environmental protection. My view is that we must do our level best to protect our environment before other people can feel convinced and co-operate with us. I hope the Government can address the issue and that the two power companies can be required to use more natural gas and less diesel to generate power.

With these remarks, I support the original motion and all the amendments.

MR ALBERT CHAN (in Cantonese): Madam Deputy, the problem of air pollution in Hong Kong can be considered critical. Now the environment is in a mess, and the city is blanketed by heavy smog. This is like the Government and our economic situation — everything is messed up and it is so confusing.

Basically, pollution in Hong Kong comes from two major sources. One is pollution made in Hong Kong itself. The other is produced as a result of the economic development of our great Motherland. Our Mr TUNG loves to say that when things go well in China, Hong Kong will go well too. But he has never said that pollution created in China will put Hong Kong at risk. The people of Hong Kong, especially the Chinese people in Hong Kong, should be proud of themselves, for the Chinese blood is flowing in their veins and they are drinking water from China — though much of this water is polluted. More so should they be proud of another thing and that is, the air they breathe most of the time is air blown from China. Unfortunately, the air blowing from the north carries lots of pollutants. This is because the problem of the illegal burning of coal still exists on the Mainland.

I know that in this respect the Hong Kong Government and the Mainland have formed a task force to discuss and follow up the issue, with a view to improving the situation. But I do not have much expectation for liaison in this

respect. I know of course that the Secretary has done her best, but there are lots of difficulties before her. This is because the colossal interests of provinces, cities, towns and villages are at stake. Often times the Central Authorities may have formulated some policies but people at the local levels may have their ways of circumventing them. This can be seen in anti-corruption, taxation and anti-vice issues. So with respect to the air pollution issue, problems in the joint action between the governments at the provinces, cities, towns, counties and villages, as well as with co-ordination work and value judgements, have prevented an early amelioration of the problem. For still some time to come, the people of Hong Kong will have to bear with air blowing from the north, air which contains many toxic substances. I hope in future we can have more southerlies and breezes from the sea. This will prevent the air in Hong Kong from becoming too much polluted.

Since I do not harbour much hope for the Mainland to make improvements in the near future, all I can do is to hope that the situation in Hong Kong can be improved. As a matter of fact, many Members here are producers of pollution, for most of them are car owners. As for me, it will be difficult for me even if I want to ride a bicycle. It is impossible to ride a bicycle all the way from Tsuen Wan to Central and bicycles are not allowed on highways. Maybe the Secretary could consider constructing a cycle track in each of the highways when roads are designed in future. Many years ago, I made a request in the former Legislative Council to construct a cycle track in the Tsuen Wan to Tuen Mun section of the Castle Peak Road. Though the official at that time accepted my proposal, it was destroyed by Nicholas NG, former Secretary for Transport single-handedly.

Coming back to the question of air in Hong Kong, I know that the Bureau has done a lot of work in vehicles as a source of pollution. However, when it comes to power generation, I think that Hong Kong is still very backward in using natural gas to generate power. Many countries and cities have power generated by wind or they may have hydro-electric power, but there are no concrete developments in these areas in Hong Kong. Though much has been said, very few actual examples can be seen and there are no concrete results. To really ameliorate this problem, the Bureau must break the monopolization of HEC and CLP. If these companies are left to link their interests, investments and expenses with costs, we can never expect to see any full-scale, concrete and thorough improvement.

Business is business. We have seen too many examples of this in Hong Kong. Businessmen will often care about their own purse and they will turn a blind eye on the lives of other people. Such examples are readily found in foreign countries as well. In Europe, Britain and even the United States, there are lots of cases where industrial wastes are dumped into water which should be used for drinking. Hence a lot of people are made victims. There is also serious pollution caused by toxic gases in the air. All these are not made public. Therefore, I do not harbour much hope for the giant conglomerates in Hong Kong. I only hope that more competition will reduce their monopolization and enable a wider application of natural gas in power generation, hence the problem of air pollution can be ameliorated.

Another cause of air pollution does not fall within the portfolio of the Environment, Transport and Works Bureau but in that of the Housing, Planning and Lands Bureau. The Housing, Planning and Lands Bureau can rightly be said to bear the greatest responsibility for pollution in Hong Kong. It is because when vetting the construction of many buildings, especially a few years ago, approval was given to the construction of many screen-like buildings. These buildings are fatal to air circulation in the urban areas. Many such buildings can be found in Central and Wan Chai. In addition, one can find the same situation in Tung Chung new town. If we travel by car to the airport on the Lantau Link to Tung Chung, before we reach the airport, we can see blocks after blocks of screen-like buildings on the right facing the sea. This results in very poor air circulation in an entire area, especially in a densely populated residential area. In Hung Hom, the entire area is like that. The Bureau has totally ignored the needs of air circulation in developing the urban areas and this has made the air pollution problem serious. To improve this situation, joint efforts should be made by a number of Policy Bureaux in issues not just confined to fuels, but also others like land use and lowering the plot ratios, and so on. I oppose the single-tender method in the West Kowloon Cultural District project. But I agree that density must be reduced to enable better air circulation in the entire Kowloon Peninsula. I hope with improvements made to the air, the mess in Hong Kong society and in the Government will also clear up. As a matter of fact, I do not know if it is the confusion in the Hong Kong Government or the confused Government that we have that has messed up the air *(the buzzer sounded)*

DEPUTY PRESIDENT (in Cantonese): Mr Albert CHAN, your time is up.

MR JEFFERY LAM (in Cantonese): Madam Deputy, Christmas is around the corner and Hong Kong has taken on a new look, marked by glamorous decorative lightings flashing with festive happiness along both sides of the Victoria Harbour. However, as we look across the harbour, either from the Hong Kong side or over there from the Kowloon side, we always get an obscure view. The real cause is none other than the air pollution in Hong Kong.

A major source of pollution within the territory is of course the power companies that are behind all such glamorous decorative lightings. When I am saying this I certainly do not mean to call for putting out all these decorative lightings lining both sides of the Victoria Harbour and deny Hong Kong people the joyous festive atmosphere. I just wish to point out some problems related to power generation which warrant our attention. Electricity generated by fuel-burning creates nitrogen oxide, sulphur dioxide and suspended particulates and is conducive to the formation of toxic vapour, which will cause serious damage to the functions of our heart and lung.

Undoubtedly, the two power companies in Hong Kong are aware of the environmental pollution problems caused by electricity generation, and they have in fact taken multi-barreled measures to ameliorate them. For example, the Hongkong Electric Company Limited is now using anthracite which has a lower sulphur content for power generation, and it has also installed desulphurization facilities for its generation units. On the other hand, the CLP Power Hong Kong Limited (CLP) has reduced its reliance on coal-fired power generation with the introduction of nuclear energy and nature gas as fuels, so it is now generating electricity with three types of fuels. As a result, despite the fact that the volume of power consumption has increased by more than 60% over the past few decades, the pollutants emitted from power generation has reduced by 45%.

Yet, the issue remains that conventional coal-fired power generation still causes harm to the environment after all. This was especially so during the past year when the CLP faced an insufficient supply of natural gas. As a result, it had to rely more heavily on coal-fired power generation, and consequently this caused greater damage to the environment.

Such being the case, the Liberal Party welcomes the statements made by the two power companies recently in indicating separately that they would strive

to contain pollution, and that they would introduce the new liquefied natural gas to generate power in a more environmentally-friendly way. Nevertheless, with all these environmental efforts, there are prices to pay. Both power companies, and even Secretary for the Environment, Transport and Works Dr Sarah LIAO, were quick to state that the additional costs in power generation brought about by environmental protection measures may have to be transferred to members of the public. Secretary Dr Sarah LIAO even said that if only natural gas were to be used, the electricity bill would have to increase by 9%.

As a member of the business sector, I certainly understand that investments have to yield returns. At the same time, I am also a consumer, and just like the general public, I do not like to know that my electricity bill may go up. In particular, even though Hong Kong has witnessed a deflation over the past few years, our electricity charges have not been adjusted downwards. Therefore, the Liberal Party hopes that when the Government negotiates with the two power companies on the new Scheme of Control Agreements, it can make downward adjustment to the maximum rate of return, which is currently set at 13.5%. We also hope that the charging mechanism can be reviewed and its transparency enhanced. As a result, whenever the power companies propose increases to their charges, they must give a clear explanation of the reasons for the increase and provide supporting data to justify their actions, so as to convince the people into acceptance.

Madam Deputy, next I would like to discuss the research and development on renewable energy. The shortage in supply of natural gas from Hainan Province to the CLP last year reminded us that natural resources such as coal and natural gas are bound to deplete. To reduce our reliance on petrochemical fuel and to minimize the greenhouse effect inevitably caused by coal-fired power generation, the Liberal Party advocates that we should actively conduct studies on the use of renewable energy.

The Government suggested in a research report released recently that by 2012, renewable energy will constitute 1% of the total amount of required energy. However, this target is still a long way behind the average target of 12% among the European countries. Even if we compare this against those of other Asian regions such as Japan, Taiwan and India, and so on, this target rate is still far behind their targets of 7% to 10% set for the next 10 years. We certainly understand that Hong Kong does face many limitations, such as limited availability of land and immature technologies in related fields, and so on, but

there is no reason that the Government should not take a more pro-active and aggressive approach in handling this issue.

Madam Deputy, Hong Kong's rapidly deteriorating air quality will definitely affect the tourist industry in Hong Kong. The reputation of Hong Kong as the Pearl of the Orient is at stake. The Hong Kong General Chamber of Commerce had recently interviewed 281 companies and found that while those company were optimistic about the economic prospects of Hong Kong, as many as 81.2% of the respondents said that they were dissatisfied with the pollution problems. The figure shows a 10% increase in the number of respondents expressing dissatisfaction over that of the preceding year. In the long run, there is no guarantee that the investment intention of foreign investors would not be affected. Now if the air quality of Hong Kong is even poorer than that of developing countries in South America, who will feel comfortable to bring their families along to live and work in Hong Kong? At any rate, I believe the business sector is more than willing to work with the Government for a better sky in Hong Kong.

With these remarks, Madam Deputy, and in the interest of Hong Kong people's health, I support the original motion and all the amendments. Thank you, Madam Deputy.

MR WONG TING-KWONG (in Cantonese): Madam Deputy, environmental pollution is a product of social progress and prosperity. After learning the experience and lessons of advanced countries, we have come to realize that environmental protection should be carried out the earlier the better. It is not impossible for environmental protection and social progress and industrial development to co-exist, only that environmental protection is an ongoing exercise, whereas pollution problems will emerge from time to time. This is what we must face and improve.

The Government of the Hong Kong Special Administrative Region (SAR) and the public have come to realize that air pollution is worsening in Hong Kong. In recent years, a number of initiatives have been launched in the territory to reduce the emission of pollutants. The initiatives targeted particularly at vehicles include the introduction of LPG taxis and light buses, installation of exhaust purifiers or particulate traps for diesel vehicles, tightening the standards

for newly registered diesel and petrol vehicles in compliance with the Euro III requirements, and so on. In 2003, the number of smoky vehicles dropped substantially by 70%. Furthermore, roadside respirable suspended particulate (RSP) and nitrogen oxide reduced by 30% and 23% respectively. During the same period, however, the level of RSP recorded by general air quality monitoring stations rose by 4%, with the ozone level risen by 18%. All these reflect the growing impact of regional air pollution on our air quality subsequent to the Mainland's economic development.

The fact that the sky of Hong Kong has often been found to be dusky is reportedly attributed to the robust economic development of our neighbouring Pearl River Delta (PRD). It has been described that the industrial development of the PRD has at the same time blatantly damaged the environment. We believe the Guangdong Provincial Government has taken a series of environmental protection initiatives because it is also aware of the severity of the problem. In April 2002, an agreement was reached between the SAR Government and Guangdong Government in which it was explicitly stated that both parties would do their utmost to reduce emissions of sulphur dioxide, nitrogen oxide, RSP and volatile organic compounds (with reference to 1997) by 40%, 20%, 55% and 55% respectively by the year 2010.

From the commercial angle, can the Government consider offering incentives to businessmen and the commercial and industrial sectors in requiring them to carry out environmental protection in the course of production so as to enhance the effectiveness of environmental protection? For this reason, the Democratic Alliance for Betterment of Hong Kong (DAB) once made the proposal of "emissions trading". Under this proposal, the market operates as an adjustment mechanism, and the difference between the amount of discharge of enterprises and the statutory discharge standard can be turned into a commodity to be sold to other enterprises at a money price. One of the more talked-about proposals is that the Government should, in the light of the actual situation of a region, determine an upper ceiling for pollution emissions beyond which the total amount of pollution emissions of an enterprise cannot exceed. At the same time, the total amount of pollution emissions, regarded as the private property right of individual enterprises, can be traded freely on the market. In other words, should an enterprise succeed in reducing its pollution emissions by means of new environmentally-friendly technology, the reduced amount can be sold on the market to other enterprises in need.

Let me cite the United States as an example. In the '90s, the Environmental Protection Agency launched an acid rain programme by way of emissions trading. The objective of the programme was to reduce emissions of sulphur dioxide in 2010 to 50% of the level recorded back in the '80s. Since the implementation of the programme in 1995, 100% of the participants have managed to comply with the emission standard of sulphur dioxide. Between 1995 and 1997, enterprises managed to achieve the target of reducing emissions to below the established amount of emissions with less than 50% of the anticipated cost.

The emissions trading programme, if implemented, involves a lot of technical problems. They include, for instance, the setting of the total amount of emissions, the distribution of emission quotas, the design of the trading platform for emission rights, the monitoring and punitive mechanisms, and so on. Furthermore, should this programme be implemented in Hong Kong and its neighbour, it is necessary to discuss ways to enter into an agreement on the standard jointly formulated by both places, as well as examining issues pertaining to the enforcement of law. As such, this programme can definitely not be implemented shortly. Furthermore, it has to hinge on the determination of the authorities concerned, and whether they can actively study and implement the programme.

The DAB has reservations about the proposed "city of elevated corridors" mentioned in the amendment proposed by Mr LEE Wong-tat of the Democratic Party, because of our consideration that, if all pedestrians use elevated footbridges, even fewer pedestrians will walk past street shops, and the business of these shops will naturally be affected seriously. Furthermore, owing to geographical limitations, large-scale development of elevated pedestrian links may be technically difficult. Furthermore, the construction cost thus incurred will be quite high.

Environmental protection is a long-term effort. In particular, on the education front, the Government (*the buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Mr WONG Ting-kwong, your time is up.

MR WONG TING-KWONG (in Cantonese): Madam Deputy, I so submit.

MS AUDREY EU (in Cantonese): Madam Deputy, I wonder if it is because Christmas is approaching that motions described by me as "Christmas trees" have appeared again. With each of these "Christmas tree" original motions or amendments carrying so many components, we have found it very difficult to state our position on each and every item. I have some reservations about the "city of elevated corridors" proposed by the Democratic Party and mentioned by Mr WONG just now. However, it has always been the belief of the four Members of the Article 45 Concern Group that, except when there are really significant reservations, we will render our support as far as possible. For this reason, we will not oppose the original motion and any of the amendments.

Today's question is air pollution. Actually, every Hong Kong citizen is entitled to breathing fresh air. However, this basic entitlement seems to be increasingly difficult to come by lately. It is evident from the Hung Hom Peninsula incident that there is a growing awareness of environmental protection among members of the public. While the public generally acknowledge the importance of economic development, they are also determined to strive for sustainable development in the overall interest of society, particularly from the angle of environmental protection.

In all fairness, the Government has come to realize the importance of air pollution in recent years, and a lot of efforts have been made in this connection. However, the efforts can still not offset the impact of the regional pollution brought about by the Pearl River Delta (PRD). The source of air pollution in Hong Kong is predominately the power plants and factories located in the vicinity of the PRD. The air pollution index recorded by general monitoring stations has increased substantially from 140 hours in 2001 to 540 hours in 2003. Furthermore, the fact that the index for measuring air quality was formulated in 1987 has been censured by numerous green groups a long time ago.

The Government has all along stressed that an agreement has been reached with the Guangdong authorities that both parties will strive to reduce by the best effort the amount of pollutants emitted by 2010. Now that the target has been set, but how will the plan be implemented and what does it mean by "the best effort"? Without a medium range index or monitoring mechanism, there is no assurance that the objective can definitely be achieved. Furthermore, we have learnt from numerous reports that the local leaders of the Mainland are very often concerned merely about economic development in disregard of the life or death of workers, which was evident from coal mine accidents. Furthermore,

their awareness of the rule of law and environmental protection is extremely poor. Some highly polluted small and medium coal-burning power plants are still allowed to operate. As such, it is actually extremely difficult to require the Mainland to reduce its utilization of coal in favour of more expensive green fuels for electricity generation.

To thoroughly resolve the problem, I think the Government of the Hong Kong Special Administrative Region (SAR) should work in collaboration with the Central Authorities to actively tackle the matter at a higher level. We are now blessed with the highly praised CEPA. I always believe that we should have an arrangement similar to CEPA in the area of environmental protection. However, the "E" in this CEPA should represent environmental protection instead. If we care about environmental protection as we do for the economy, I believe the results would be much better.

The recent increase in the proportion of coal burning in generating electricity by power companies in Hong Kong is another key factor contributing to our worsening air pollution. Of course, the Government should encourage the development of renewable energy in the long run. Moreover, I hope the Government can take expeditious action to stipulate an upper ceiling for the amount of emissions for power plants. Actually, the Government does not necessarily have to wait until the expiry of the Scheme of Control Agreement in 2008 before action can be taken to reduce pollution by power plants. The Government can negotiate with the two power companies to reduce the proportion of coal burning for the generation of electricity as far as possible. Reference can even be made to meteorological data to reduce the proportion of coal burning in generating electricity when wind force weakens and accumulation of pollutants becomes easy.

Madam Deputy, the Government can actually invoke section 9 of the Air Pollution Control Ordinance in its discussions with power plants about reducing pollution. Section 9 provides that the Secretary may "issue air pollution abatement notices for air pollution caused, or contributed to, by the operation of a polluting process". Section 12 requires that the owner of any premises used for the conduct of any specified process, including power plants, shall use the "best practicable means" to prevent air pollution. However, we really cannot see what active steps the Government and the power plants have taken to reduce air pollution by the "best practicable means".

In the medium-to-long term, we still have many ways to reduce the burning of coal to generate electricity. The liquefied natural gas project will be launched in Guangdong in mid-2006. During a recent meeting between the representatives of the CLP and me, the representatives expressed great concern about their need to identify a new source of natural gas supply after 2010. I hope that the Government can engage in more active discussions with the CLP. I believe, in the long run, the Government should consider leveraging on the utilization of natural gas for generation of electricity to introduce more competition and supply to the power market after 2008, using the gas supply market as a start.

In addition, the Government should, in the light of the slower-than-expected population growth, conduct another review of the needs for the planned infrastructural projects, and implement measures to reduce roadside pollution caused by the use of road surface by vehicles to tie in with our railway-dominated transport strategy.

Madam Deputy, I support the original motion and all the amendments.

MR WONG KWOK-HING (in Cantonese): Madam Deputy, regarding the original motion and the amendments today, I have read them once very carefully. Then I read them all over again and found that although the theme is to reduce air pollution in Hong Kong, a word is missing in both the original motion and the amendments and that is, the word "trees". In fact, in this concrete jungle of Hong Kong, the colour green is lacking. Concrete is most commonly found but two elements, namely, trees and grass, are lacking. Although the motion and the amendments have made many proposals to restrict the emission of pollutants and even suggested various types of penalty, if there are no trees and grass in such a developed concrete jungle and if nothing is done to increase the natural elements, then honestly speaking, the proposals would still be getting us nowhere. Having said that, however, I support a great majority of the proposals made in the motion and the amendments. Nevertheless, I very much would like to ask the Government, particularly the Secretary, to respond to the issues to be raised by me concerning greening, trees and grass slopes.

In the current urban design of Hong Kong, there is very little planning for public squares. Last year, I had the opportunity to visit Tianjin as a tourist and found that Tianjin is worthy of its reputation as a city of public squares. In the

city of Tianjin, there are over a hundred public squares where people will feel very comfortable. As there are many public squares, air circulation is certainly better, thus making people feel very comfortable. No wonder it is renowned as the Pearl of the North.

I think Hong Kong, being the Pearl of the Orient, should indeed follow the example of Dalian. It is worthwhile for the Secretary to pay a visit to Dalian and do some observation there should an opportunity arise. Many public squares can be found everywhere in Dalian, but in Hong Kong, public squares are lacking. The most precious public square in Hong Kong is the Chater Garden and other than that, there is the Victoria Park. If there are too few public squares in a city, the air circulation will be stifled.

Another point that I wish to talk about is the design of buildings. Buildings in Hong Kong, particularly the newly completed ones, are mostly built with glass curtain walls. Glass curtain walls will, in fact, lead to an increase in temperature in the urban areas, because their radiation is too strong and too many repetitive reflections are involved, thus affecting the air quality in the urban areas. Recently, the Government has proposed to construct a canopy in the West Kowloon Cultural District at a cost of billions of dollars. I think money consideration is just secondary. For a canopy as huge as such, although the layout in the project does take account of air circulation, is it a good idea from the environmental viewpoint? This, I think, is worthy of public attention. Since this also concerns the overall urban planning, the Secretary should actually consider the project from this angle.

Moreover, the proportion of greening is very low in Hong Kong, and we are very unsatisfied with the situation of greening. It appears that the public is unsatisfied with the work carried out by the Government to promote greening in the construction of public facilities or roads. An example is the highway from the urban area to the new airport. On both sides of the highway (excluding the flyovers), how many trees have we seen over the years? What I have seen there is just isolated low scrub. Although the highway has been completed for a long time, few trees can be found there. Added to this is the hill fire on Lantau and the rural areas nearby a week ago. Hong Kong has again lost many trees. Under such circumstances, what plan does the Government have to step up efforts in afforestation and compensatory planting of trees? What plan does it have in this regard for the future? We need a reply from the Secretary and we

hope that the Secretary will give us a reply on all these issues. Besides, with regard to the construction of roads in particular, will it also take account of the need to plant more trees?

(THE PRESIDENT resumed the Chair)

Over the years, Hong Kong citizens have hoped that legislation can be enacted on the protection of trees. But so far, we still have not seen any measure or step taken by the Government to legislate on the protection of trees. I know that in the last term of the Legislative Council, a Member proposed a motion on this issue for debate. But we have yet seen any progress made by the Government. If the Secretary can respond to this issue later, I very much would like to know what the Government has done for the protection of trees and for the enactment of legislation on the same.

Finally, I would like to say that there are many government sites in Hong Kong and normally, these sites are just left to idle before there is a definite development plan for them. But I know that a very good method was introduced in Shanghai a few years ago for the protection of trees. It is stipulated that no undeveloped site should remain "bald", which means that grass or plants must be grown there. This has led to considerable changes in the cityscape of Shanghai in recent years. But let us look at Hong Kong. As we do not have this measure, we have seen such sites as the Kai Tak Airport being left vacant. Every time when we pass it, we can only see dust and earth, and the site is completely bare. So, had the Government taken measures to order owners of these vacant sites to do something or had the Government taken the lead to grow grass there, I think that would be..... (*the buzzer sounded*)

PRESIDENT (in Cantonese): Mr WONG, your time is up.

MR WONG KWOK-HING (in Cantonese): an effective way to improve the air, and I hope the Secretary can respond to this issue.

Thank you, Madam President.

MR PATRICK LAU (in Cantonese): Madam President, I would like to thank Mr James TIEN for moving this motion, as well as several Honourable colleagues for proposing various amendments. They have all put forward constructive suggestions, so all of them have my support.

The air pollution problem in Hong Kong is really very serious, and it is posing a direct threat to the health of all the people in the territory. We must think of some remedial solutions, and meanwhile, we must also formulate some measures to actively prevent the further deterioration of the air pollution problem. I agree that if we can strengthen our co-operation with Guangdong, it would definitely help reduce air pollution at source. However, I think first of all we should do our part well, which is even more important. I feel that Hong Kong should take the lead in this regard by formulating suitable policies to solve the air pollution problem completely. Through setting ourselves as an example, we can apply some positive pressure on our neighbouring areas, so as to encourage them to take corresponding measures to work together with us to enhance the air quality, thereby enabling everyone to take a good breath of fresh air.

Madam President, Honourable colleagues have mentioned various measures for reducing air pollution, such as developing renewable energy sources, increasing natural gas facilities, encouraging the people to use environmentally-friendly vehicles and fuels, conserving energy, improving the environment and promoting walking among the people. Apart from these, I think it is also important for building designs to blend well with town planning. Therefore, I very much agree with the important measures suggested by Mr WONG Kwok-hing just now, such as organizing more green projects and building more squares. However, I hope that, when we discuss the issues of Hong Kong, we would not draw examples from the Mainland.

As I moved the motion "Developing town planning and urban designs featuring local characteristics for the 18 districts" in an earlier meeting in this Council, I said that Hong Kong had not had good planning during the past few decades; and most important of all, we did not have an urban planning design, thereby resulting in a high density of buildings which were very close to each other. According to the existing Buildings Ordinance, each construction site can erect a five-storey building with 100% coverage, consequently, no space is left among the pavement, the building itself and the road. As there is not enough air, and the issue of air circulation has not been given adequate

consideration in the stage of building design, so vehicle emissions are trapped within the densely populated urban centre with no outlet, thereby causing the serious air pollution problem. Causeway Bay, where the air pollution index has always maintained at a high level, is a typical example. Therefore, I have all along advocated that the Government should formulate some incentives, especially in the aspect of building design because we can really do something in this regard. We can amend the Ordinance to actively promote the adoption of designs with prime emphasis on environmental friendliness and reduction of air pollution, so as to blend the designs with such factors as the geographical conditions of surrounding buildings and wind flow, thereby striving to maximize air circulation and reduce the accumulation of pollutants.

The headquarters of the HSBC, which stands opposite to the Legislative Council Building, is a good example. The building is restricted by the geographical conditions of the neighbouring area, and is blocked by the small slope at the back. Therefore, it is very easy for vehicle emissions to accumulate within the narrow road in the middle. However, as the building has adopted the design with a through passage on the ground floor, so it enables free air exchange between the vehicle emissions on the road and the air from the sea, and the pollutants in the air are diluted, thereby minimizing the accumulation of pollutants, and at the same time, this design does not affect the floor area of the building in the project.

Apart from building design, town planning is also very important. I find many major development projects have adopted the design of a large wall. This is a major problem. Therefore, we should match the buildings with the natural environment, so as to reduce air pollution.

While the planning of new town is important, planning for the redevelopment of old districts cannot be ignored, especially in densely populated urban centres. Let us take Wan Chai as an example. The redevelopment projects in old districts should give due regard to how a proper balance can be struck between the preservation of older buildings (for their lower density) and the reduction of air pollution in new development projects. In order to implement more effectively measures for reducing air pollution, we may consider the following suggestions. If we can incorporate into the city design guideline some factors for enhanced consideration for air pollution and introduce some quantitative and qualitative indices for encouraging the implementation of

town planning and building designs, then we should be able to reduce air pollution. I feel that we should use environmental protection as the main focus and advocate the adoption of such designs as keeping a through passage on the ground floor, "hanging gardens", streamlined designs, and so on. All these can help the planning and achieving sustainable development and also help reduce the gravity of the air pollution problem positively.

I know that several universities, by making use of equipment at their wind engineering laboratories, have now commenced studies on the practical application of wind power engineering and the prevention of the proliferation of pollution. I believe that if we can effectively make use of the results of such scientific and academic research, we will be helped in great measure in applying the quantitative and qualitative indices to help reduce the pollutants in the city.

With these remarks, I support the motion. Thank you, Madam President.

MS MIRIAM LAU (in Cantonese): Madam President, for about 10 years in the past, the transport sector has been giving active support to government initiatives with concrete action. As a result, air quality in Hong Kong has been greatly improved. However, in recent years as a result of the impact produced by the Pearl River Delta (PRD), air quality in Hong Kong has deteriorated and this has offset much of the hard work done by Hong Kong in the past.

In 1996, representatives from the transport sector self-financed a tour to Japan to study the operation of liquefied petroleum gas (LPG) taxis. After returning to Hong Kong, they suggested to the Government that LPG be used in taxis and minibuses. As a result of money and efforts paid by the sector, the trial scheme for LPG taxis was completed in 1998. Now almost all taxis are using LPG. About 1 200 minibuses have converted into LPG vehicles and more minibuses are bound to follow. In addition, the sector formed the Preparation Committee of the New Millennium Environmental Protection Actions of the Transport Trade and made 21 recommendations, such as the expeditious introduction of ultra low sulphur diesel (ULSD). Then in 2000 ULSD was introduced into Hong Kong by the Government. It can be seen that the sector has not just made suggestions but also spent a lot of time, money and effort to look into various practicable ways with the Government to reduce exhaust emission of diesel vehicles. In 1999, chassis dynamometers were

introduced for the test of smoky emissions in vehicles under 5.5 tonnes. In 2000, this test was extended to heavy diesel vehicles. In 2001, after the transport sector had completed a one-year trial scheme with the Government, all pre-Euro light diesel vehicles were fitted with particulate traps. At the initial stages of developing the particulate traps, the taxi trade even financed the research efforts. The transport industry also joined hands with the Government to develop catalytic converters for use in medium and heavy vehicles. In the course of the study which spanned over one and a half years, the industry devoted a lot of time on it and offered vehicles for testing purposes. Thereafter, all pre-Euro medium and heavy diesel vehicles have installed catalytic converters. I would like to take this opportunity to thank the Government for providing financial assistance for the installation of particulate traps and catalytic converters.

The only point I wish to make after talking so much about history is that, insofar as reducing vehicle emission to improve air quality is concerned, the industry has made a lot of efforts in the past decade and as a result, the problem of air pollution caused by the traffic has been ameliorated in great measure. Since 1999, suspended particulates and nitrogen oxide levels in the air by the roadside have dropped by 13% and 23% respectively. The number of smoky vehicles prosecuted has dropped by 74%.

Though the proposal to increase fines for smoky vehicles is backed up by objective data and convincing arguments, for some people, this remains no more than an attractive slogan. Miss CHOY So-yuk requests the Government to take active steps to study the feasibility of increasing fines for smoky emissions. I wish to point out that if imposing fines on smoky vehicles alone can really improve air quality, then the sector and the Government would not have to spend almost 10 years of hard effort to study various practicable solutions. Now when the problem of smoky emissions in vehicles has been alleviated by a large extent, this is the result of a package of measures of which fines are only one of them.

It is everyone's duty to improve air quality. According to the findings of a report on air quality in the PRD compiled by the Environmental Protection Department, though 80% of the source of air pollution in Hong Kong comes from the PRD and that suspended particulates produced by traffic in Hong Kong only accounts for 2% of the total, I am convinced that the transport industry will strive to further improve air quality in a pragmatic and sensible manner. As a

matter of fact, there are many measures which the industry wishes to adopt to further reduce emissions, but unfortunately the Government has rejected them. Among the 21 recommendations made by the transport sector at that time, there is one item which has not been implemented and that is the vehicle repairs and maintenance trade registration scheme. It must be noted that when vehicles are maintained properly, it would greatly help to reduce emissions. This is indisputable. The registration scheme for car mechanics may raise the standard of vehicle maintenance, assure the quality of maintenance and minimize emissions by vehicles. However, government response to this recommendation is appallingly slow. Now the Government plans to launch a voluntary registration scheme as a start, but this runs counter to the mandatory registration scheme supported by most people in the industry. However, it is better to get something started that having nothing at all. So the industry will lend its support to the launch of a voluntary registration scheme as a first step, on the condition that some time after this voluntary scheme is in place, a mandatory scheme will be launched in its place. This scheme should be implemented as soon as possible and there must be no more delay.

As a further step, the Government can work on van-type light goods vehicles because in places like Taiwan and South Korea, LPG van-type light goods vehicles have been introduced. This shows that the idea is practicable. The Government has once studied the feasibility of introducing LPG van-type light goods vehicles. The study shows that if LPG van-type light goods vehicles are introduced, a total of about 230 000 tonnes of LPG is required each year and that 153 LPG filling stations will have to be built over a five-year span. The Government then concludes that the plan is not feasible. But I do not think the assumptions made are justified. LPG taxis and minibuses, for example, have seen no overnight change at all. For the 18 000-plus taxis in Hong Kong, it took four years to convert all of them into LPG taxis. The Liberal Party is convinced that if only the conversion of van-type light goods vehicles is implemented in a gradual and orderly manner, the matching facilities should be able to cope with the change.

In addition, the Government should take active steps to look into the feasibility of using more environmentally-friendly fuels such as natural gas in medium and heavy vehicles. I agree very much with the idea raised by Ms Emily LAU earlier, that the Government should give serious thoughts to introducing hybrid vehicles and to offer incentives to encourage the use of hybrid

vehicles. If efforts can be made by the Government to look into how emissions can be reduced from the perspective of vehicle performance, that would be a lot more effective than merely shouting slogans and imposing fines.

Madam President, I always say that environmental protection is action, not slogans. What we should do now is to take action together with the people of the PRD.

Madam President, I so submit.

MR LI KWOK-YING (in Cantonese): Madam President, air pollution has all along been an issue of public concern. Insofar as Hong Kong is concerned, the sources of pollution are mainly roadside pollution and regional air pollution. To mitigate the problem of air pollution, it is a general trend to make use of renewable energy. Besides, we have to further explore ways to foster co-operation with the mainland authorities, in order to tackle the problem of cross-boundary air pollution.

We often hear about the use of renewable energy, such as wind power and hydro power, to generate electricity in many countries. Despite the scarcity of natural resources in Hong Kong, the application of renewable energy is no longer impossible. It is learned that vigorous preparations for the first wind energy power plant in Hong Kong is underway, and this power plant is expected to come into operation in early 2006 to provide environmentally-friendly electricity to the public.

We are indeed very pleased to hear this news, for it proves that there is room for the development of renewable energy for application in Hong Kong. However, the scale of this project is very small and it will benefit only a small number of residents on Lamma Island. Since the electricity supplier has proactively conducted the relevant studies which have demonstrated the viability of promoting the use of renewable energy in Hong Kong, the Government should assume a leading role and actively promote the construction of solar energy and wind energy power generation facilities, so that the application of renewable energy can be extended to all citizens of Hong Kong.

Certainly, all initiatives relating to renewable energy must include a careful assessment of their environmental impact. Take the construction of a

wind energy power plant as an example. We must make sure that the project will not cause any adverse or cumulative impact on the environment. When choosing the site for the plant, places with high ecological value and a dense population should be excluded from consideration. Meanwhile, we also have to maintain the stability of wind energy power generation. It is also necessary to maintain the quality of electricity supply while having regard to environmental protection.

Moreover, I propose that the Government should study the development of the power plant into an education gallery on wind energy power generation where information on the technology and operation of wind energy power generation is provided, with a view to enhancing the knowledge of the public and students about this. Certainly, the Government should at the same time develop a range of courses on sustainable and renewable energy, so as to enhance students' knowledge of renewable energy in the context of science, environmental protection, and also in the socio-economic aspect. A more aggressive approach is for the Government to incorporate topics related to renewable energy into the curriculum of Liberal Studies.

To encourage the application of renewable energy among the public, it is most practical for the Government to take the lead in the application of renewable energy. For example, the Government can install solar energy power generating equipment in government buildings or introduce such equipment for use at government facilities in the rural areas.

Cross-boundary co-operation is a way to further extend the application of renewable energy. Subsequent to the rapid economic development in Guangdong Province, there have been enormous changes in the structure of the electricity market in recent years and the demand for electricity has also risen tremendously. Given that the supply of electricity in Guangdong Province will continue to be tight in the next few years, there has been great concern over the liberalization and application of energy to support the development of the Province. This has precisely provided an opportunity for co-operation between Guangdong and Hong Kong. The Government of the Hong Kong Special Administrative Region (SAR) can co-operate with the Guangdong Provincial Government in the development of renewable energy. Collaborative efforts will facilitate exchanges of talents and capital, which will in turn help the SAR Government accumulate experience and hence facilitate the further promotion and application of renewable energy in Hong Kong.

Some people may think that given a shortage of energy in the Mainland, despite co-operation with the Guangdong Provincial Government in developing renewable energy, there is still very little potential for renewable energy to be exported to Hong Kong at this stage. However, if we hold onto this view, we would remain in situ. It is indeed far from forward-looking if we do not promptly open negotiations with the mainland authorities for co-operation.

In fact, apart from renewable energy over which negotiations and collaboration are possible between Hong Kong and Guangdong, mutual co-operation can also be extended to the control of air quality. For example, the Government has begun to work with The Hong Kong University of Science and Technology in the use of satellite imaging to assess regional air pollution. Nevertheless, there has not been any involvement from mainland organizations. Since we already know that the causes of air pollution are mainly of a cross-boundary nature, the Government should work in concert with the Guangdong Provincial Government. Even though the Mainland may lack expertise in this area, the relevant technologies can still be introduced to the Mainland with the assistance of the SAR Government.

Regarding the policy on the application of renewable energy, the Government should raise the target for the use of renewable energy in the next two decades by, among other things, stipulating that 5% of the demand for electricity shall be met by renewable energy in 2012. This proportion is by no means harsh compared with the stipulations in many developed countries. During the Earth Summit at Johannesburg, the European Union reached an unofficial agreement requiring the use of renewable energy resources in the world to reach 15% by 2012.

All in all, we must understand that air pollution is not a problem peculiar to Hong Kong, for it is also a cross-boundary issue. If we continue to stick to the old rut and refuse to proactively co-operate with other organizations or groups, I am afraid that those who will ultimately bear the brunt would only be the general public of the SAR.

Madam President, I so submit.

MR VINCENT FANG (in Cantonese): Madam President, recently, when it comes to air pollution, Members may think of three alphabets — VOC, which

means volatile organic compound. Colleagues in my party have even teased me, saying that I have recently been blended with these three alphabets of VOC, for I have mentioned them rather frequently.

The Environment, Transport and Works Bureau plans to take steps to reduce the emission of sulphur dioxide, nitrogen oxide, suspended particulates and VOC, which are said to be the four major sources of pollution causing the smog problem in Hong Kong, on the ground of improving the air quality of Hong Kong and returning a clear blue sky to Hong Kong people. It has also set the target of reducing these four types of pollutants by 20% to 50% by the year 2010.

Although some representatives of the industry and I have repeatedly made enquiries with the Bureau about the proportions of these four substances in air pollution, the Bureau has not provided any statistics to tell us the percentage of VOC from consumer products in causing air pollution.

However, in a proposal in October, the Secretary set out a series of regulatory measures against products containing VOC. They include conducting consultation on mandatory registration and labelling of products containing VOC, requiring 40 types of consumer products to be tested for VOC and labelled for their VOC content, and restricting the sale of products with high VOC contents in Hong Kong ultimately.

No one will find a blue sky with white clouds unappealing. A smoggy Victoria Harbour on the cover of the *Time Magazine* is definitely not an honour. Worse still, it may affect the international image and business environment of Hong Kong. However, is the reduction of the VOC content in consumer products the most important measure to help improve the air quality? I hope that the Government will set out clear objectives and will not lightly adopt a broad-brush approach, which is easier to administer, purely for convenience's sake and with a get-the-job-done mentality. In Hong Kong, pollutants in the air mostly come from the Pearl River Delta (PRD) Region. As we all know, if we target actions only at improving the air in this small enclave of Hong Kong without addressing the problem in the wider and broader context of the PRD Region, all the efforts would ultimately become futile.

In fact, I do not intend to purposely pass the buck to the Mainland. Although many people are concerned that in the Mainland, for every measure

from above, there will always be a counter-measure from below and as a result, the relevant measures may not necessarily be implemented effectively, the Guangdong Provincial Government is actually working very hard to mitigate the air pollution problem, and I think they are working in the correct direction. They have closed down small coal-fired power plants on the one hand and introduced natural gas for power generation on the other. They have closed down the seriously polluting cement plants, improved the quality of automobiles, reduced suspended particulate emission from motor vehicles, and introduced many standards for clean factories.

But when we look at the measures adopted by the Hong Kong Government, they appear to have put the cart before the horse. Hong Kong has chosen the least effective and most intrusive approach by targeting actions at the reduction of VOC, which means targeting actions at all personal care products and daily necessities of families and individuals.

I have asked the industry whether there will be substitutes for cleaning products in the market if they are banned. The answer is no. Moreover, Hong Kong has been under the threats of Japanese Encephalitis recently. To Hong Kong people who have experienced SARS, they will certainly pay more attention to their health as well as hygiene in their households. Advertisements on television have kept on telling people to use mosquito repellent lotion and patches in the countryside. But have we ever thought that mosquito repellent patches would contain VOC and that too low the VOC content would render the repellent ineffective to repel mosquitoes?

The industry and I support environmental protection and improving the air quality in Hong Kong. But we hope that the Government can start with "highly effective and less intrusive" initiatives. I hope the Government can set priorities for curbing the sources of pollution in Hong Kong and adopt measures for their improvement one by one. The installation of desulphurization facilities in power plants can certainly brook no delay. Given that VOC may easily turn into ozone under sunlight, we therefore encourage builders to use paint with less VOC content for the outer walls of buildings and we also encourage cleaning companies to use detergents with less VOC content in cleaning the buildings. In the meantime, the Government should, through education, encourage members of the public to participate in environmental protection in their daily lives and to choose environmentally-friendly products.

This will be conducive to environmental protection and enable us to breathe fresh air again early.

I so submit. Thank you, Madam President.

MR TAM YIU-CHUNG (in Cantonese): Madam President, the air pollution problem in Hong Kong is very serious. According to a report of the Faculty of Medicine of The Chinese University of Hong Kong, among 50 000 people seeking medical treatment at private clinics, 70% had contracted respiratory diseases. From this we can see that air pollution has directly threatened the health of the public.

Apart from the local power plants and motor vehicles, the major sources of air pollution in Hong Kong also include industrial and vehicle emissions from the Pearl River Delta (PRD) Region. For this reason, the air quality in New Territories districts directly affected by air in the Mainland, such as Tung Chung and Yuen Long, has deteriorated drastically in recent years. The number of times that a high Air Pollution Index (API) is recorded in Tung Chung by the Environmental Protection Department (EPD) has been increasing, and the API has also increased continuously. In 1999, an API exceeding 100 was recorded in Tung Chung on five days only; in 2002 and 2003, there were 25 such days each, but as of October this year, the number already surged to 40 days. In September alone, a very high level of air pollution was recorded on 28 days in a single month, with the API reaching an all time high of 201.

According to a survey conducted jointly by the Coalition of Associations in Tung Chung and the Democratic Alliance for Betterment of Hong Kong (DAB) among residents in Tung Chung earlier, 25% of the interviewees considered the air quality in Tung Chung poor, 30% of the interviewees considered the air quality extremely poor, and over 50% of the residents stated that they or their family members had contracted diseases due to air pollution. The level of air pollution in Tung Chung is indeed worrying.

While air pollution is endemic in Hong Kong, it is also a regional problem. Both Hong Kong and Guangdong Province must make an effort to address this environmental hazard. The DAB met with officials of the Environmental Protection Bureau of the Guangdong Provincial Government yesterday and we asked the Guangdong Province to implement various emission reduction

measures, including the installation of desulphurization facilities for power generation units fired on oil and coal, expediting the construction of natural gas power generation units, imposing regulatory control on power generation by individual industries on their own and giving effect to the Euro III vehicle emission standards, with a view to reducing the emission of sulphur dioxide and nitrogen oxide. We hope that the SAR Government can continue to foster co-operation with the Mainland, in order to achieve the targets of emission reduction as soon as possible.

As for the efforts made in Hong Kong, although the Government has implemented a myriad of measures over the past few years to mitigate the problem of pollution caused by vehicle emission and these measures have achieved some degree of success, no progress has been made in the reduction of emission from power plants. Emissions from power plants have nevertheless increased, resulting in further deterioration of the air pollution problem in such districts as Yuen Long and Tuen Mun.

According to the list of air pollutant emission data in Hong Kong collated by the EPD, of the air pollutants emitted in Hong Kong, 90% of the sulphur dioxide, 50% of the nitrogen oxide and almost 40% of the suspended particulates come from the power plants of the two power companies. While the pollutants emitted from vehicles have continued to drop, we have nevertheless seen a substantial increase of 80% in the consumption of coal by the CLP between 2001 and 2003, resulting in a surge of such pollutants as sulphur dioxide, nitrogen oxide and suspended particulates.

The Environmental Protection Bureau of the Guangdong Provincial Government has stated that at present, desulphurization facilities have been installed in the 255 GWh power generation units in the PRD Region and that the construction of oil-fired or coal-fired power plants has also been banned in the region. While Hong Kong is comparatively more developed economically, the regulation of emissions from power generation nevertheless lags behind that in the PRD Region. At present, the eight power generation units of the CLP in Castle Peak are not equipped with desulphurization facilities, and five of the eight power generation units of the Hongkong Electric Company Limited also have no desulphurization facilities. The installation of desulphurization facilities and catalytic converters is one of the ways to reduce the emission of pollutants and this can reduce up to 90% of sulphur dioxide and 80% of nitrogen oxide. The two power companies are the major air polluters in Hong Kong.

Therefore, before a total conversion to natural gas by the two power companies, the Government must require the two power companies to install desulphurization facilities, but the cost incurred should not be passed onto members of the public. In the long term, the Government should actively promote the use of natural gas for power generation, with a view to reducing air pollution.

To solve the air pollution problem in Hong Kong, sincere co-operation between Hong Kong and Guangdong is certainly necessary, and Hong Kong should make a greater effort to expeditiously eliminate the sources of pollution. Only in this way can we see a clear sky more often.

I so submit.

MR ABRAHAM SHEK: Madam President, Hong Kong's pollution problem is no good, there is no doubt about it. But probably to everybody's surprise, our air is quite breathable — or even clean — by the standards of most Asian cities, including those in nearby Guangdong, according to a recent magazine article on pollution in Asia. There is however no guarantee. Air pollution sees no boundaries and will travel with the wind. When it blows our way, it will be just as hard to breathe here as it is in Guangdong. Indeed, as much as 80% of our air pollution comes from the north.

To tackle this regional problem, it is increasingly clear that we need more than cross-border co-operation. But political will and economic sacrifices also count. This is precisely where public concerns arise: does our neighbour, Guangdong, have the will as well as the budget to live up to the agreed environmental pledges by 2010?

The concern is understandable: the progress of those initiatives requiring joint action (such as an emissions trading pilot scheme) or unilateral actions on the part of Guangdong (for example, the closing down of old power plants) has not been satisfactory. The general impression is that the Guangdong authorities are not as keen to make clean air a priority as they are in economic growth. Moreover, it does not help that Hong Kong and Guangdong are two separate jurisdictions, with two economies striding at a different pace of development.

I, therefore, agree with the Honourable James TIEN's proposals and all the amendments: closer co-operation as well as tougher emission standards and

enforcement are needed, especially in the energy sector which is one of the fastest-growing but also highest-polluting sectors on the Mainland.

True, it is beyond our reach to request the Guangdong side to shut down its power plants or introduce cleaner combustion technologies. But our Government should at least strive for an early launch of the emissions trading pilot scheme, especially since Beijing has already endorsed the proposal. Admittedly, if the trading scheme is to be fully operational in the long term, it hinges on several other factors — including the completion of a plan to transmit electricity from west to east — which remain undecided at the moment. But these only make a pilot scheme more desirable and urgent. Such a test, after all, can help both sides better assess their respective demand and supply of electricity, which is crucial in the deliberations of any long-term plan.

As things stand, we may have jointly drawn up emission reduction targets with the Guangdong authorities, but unfortunately, the plan does not specify how the reduction should be phased in over the next few years. The result is that there are no tools for the public to check its progress. The Government also lacks a mutually recognized mechanism through which it can jointly initiate a review with the Guangdong authorities and revise the reduction targets as appropriate.

In making the region's air breathable again, it is apparent that our Government cannot merely rely on the goodwill of the Guangdong authorities. I feel that the Honourable Emily LAU's proposal is worth pursuing. The Government should immediately explore, with its Guangdong counterparts, the possibility of setting up mid-term targets and an interim review timetable. In addition, the joint monitoring network which will be brought into full operation in 2005 would provide such a review with the necessary emissions data.

Here at home, our Government has implemented programmes to cut harmful substances from car exhaust and factory emissions. Also, it has a mandatory labelling scheme for VOC products in the pipeline. Meanwhile, the one area which many people feel that the Government has not done enough is the minimizing of the emissions from public utilities, such as power companies and bus operators. The Administration is often criticized for not being tough enough with them. I believe this is the reason why both the Honourable Emily LAU and the Honourable CHOY So-yuk have raised amendments relating to this area. On this point, I must reiterate one important principle: while the

Government should not be lax in monitoring the public sector's performance in cleaning up our air, it must always respect the rights of these commercially-operated entities in a free market economy like Hong Kong.

Although I support the Government's formulation of a policy on renewable energy, I feel that it must seek the full support of the two public utility companies before introducing any such measures. However, perhaps it is still too early to decide whether we need to stipulate in the Scheme of Control Agreements the proportion of renewable energy to be created in electricity generation. Such a proposal, after all, requires modifications to the Scheme of Control Agreements. Since the Agreements have yet to expire, the Government should allow more time for the discussion of the issue with the two companies.

By the same token, I urge the Government to encourage, rather than force, the three bus companies to adopt cleaner technologies in their bus fleets.

With these words, I support the motion and the amendments.

DR RAYMOND HO: Madam President, a clear day with blue sky is the exception rather than the rule in Hong Kong nowadays. Hazy skies with smog have become the order of the day. The deterioration of air quality is a cause of great concern to us. There is also a fear that poor air quality in Hong Kong could prove a lasting deterrent to investors.

Air pollution transcends administrative boundaries. Some people in Hong Kong have simply put the blame on our neighbouring cities in the north. They believe with some justifications that the rapid increase in electricity demand, motor vehicle use and industrial activities in the Pearl River Delta (PRD) Region has worsened the problem of air pollution. However, accusing one another will not help solve the problem. Full co-operation with our neighbouring cities in the PRD Region and Guangdong Province is the lasting solution to the problem of air pollution in the region.

I understand that the Government of the Hong Kong Special Administrative Region (SAR) has been working with the mainland authorities on the subject. For instance, a regional air quality management plan has been drawn up between the SAR Government and the Guangdong Provincial

Government to reduce the regional pollutant emissions by 20% to 55% by 2010, taking 1997 as the base year. A Joint Working Group on Sustainable Development and Environmental Protection was also set up in 2000.

As air quality in the region has yet to be improved, the SAR Government must strengthen its communication with the mainland authorities at all levels with a view to broadening both the scope and the depth of co-operation. These may include the adoption of more vigorous measures to reduce emissions, and the unification of the emission standards and regulatory systems in Hong Kong and Guangdong.

On the other hand, we must do our homework too. The Government should continue to introduce measures to reduce motor vehicle emissions. With almost all taxis in Hong Kong and nearly 80% of the newly registered public light buses running on liquefied petroleum gas (LPG), it is time for the Government to consider extending the incentive scheme to encourage the early replacement of diesel light goods vehicles with LPG ones. While tighter emission control of vehicles should also be imposed, the Government should also introduce incentive measures to promote the use of environmentally-friendly vehicles.

Meanwhile, the Government should also give priority to railway development. At present, a lot of people travel by bus and minibus. These public transport vehicles emit a large quantity of nitrogen oxide, respirable suspended particulates and carbon dioxide. If we have a more complete railway network running throughout Hong Kong, more commuters will switch to railway service which is pollution-free at street level. It will also be of help if the Government could enact legislation requiring drivers to switch off engines while the vehicles are idling.

To further improve our air quality, the Government must seriously promote the use of renewable energy. The Government ought to review the existing energy policy and devise a long-term one. The expiry of the Scheme of Control Agreements with the two power companies in 2008 will provide the best opportunity to do so. It is essential for the Government to give necessary incentives to encourage more companies to invest in the development of renewable energy which will help reduce the impact of our power generation on air quality.

Madam President, we must work together with our neighbouring cities to tackle the air pollution problem. Hong Kong alone cannot solve the problem. Each party in the area, including Hong Kong, must make its best efforts to clear up its own air.

With these remarks, I so submit.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR ALBERT CHENG (in Cantonese): Madam President, the motion moved by Mr James TIEN today is very meaningful. With a number of amendments proposed by several Honourable colleagues, it becomes even better. I think it is intended to convey a message, that is, we hope the Government can attach greater significance to the quality of the environment of Hong Kong because it really has become poorer and poorer. In fact, not only has the *Time* magazine used this as its cover story, but the *South China Morning Post* has also frequently featured headline reports on how the environment of Hong Kong has been affected by pollution, which will invariably make us sigh with sadness. However, the most important point is, when we urge our neighbouring regions to improve their environmental protection measures, I think we must play the role of an example and demonstrate our determination in this regard. Insofar as the vehicles of Hong Kong are concerned, especially after the introduction of LPG vehicles, the relevant measures still have not been fully implemented. I hope the Government can expedite the implementation of such measures.

Besides, I have recently received many complaints from taxi drivers, who said that they had to wait in queues for a long time at LPG stations for refuelling. Is the Secretary aware of this situation?

I believe the original motion in its entirety, together with all the amendments, will surely be passed. However, most important of all, the Government must seriously consider the opinions of the Legislative Council and proceed to implement the relevant suggestions as soon as possible.

I so submit. Thank you, Madam President.

(Mr Albert CHENG remained standing after delivering his speech)

PRESIDENT (in Cantonese): Mr CHENG, you must sit down before I can invite other Members to speak.

DR FERNANDO CHEUNG (in Cantonese): Madam President, in recent years, Hong Kong has been beset by the cross-boundary air pollution, which is attributable to the development in the Pearl River Delta (PRD) Region. This year, we have recorded 80 days with Air Pollution Index over 100, which is considered "quite high". When compared with last year's record of only 53 days with such an air pollution level, the figure reflects a drastic increase of 30 days. The Asian edition of the *Time* magazine has featured a photograph of a foggy Victoria Harbour to highlight the cover story of a current issue, indicating that the visibility in the Harbour is very low on certain days when the air pollution is most serious. However, from this photograph, I can see something more than just the air pollution problem — I can see a ridiculous picture of globalization.

In the '50s of the last century, the United States and European countries had witnessed very rapid industrial development in their countries, resulting in serious devastation of the environment. In many heavily industrialized cities, the rivers and lakes were seriously polluted by industrial waste water and the air was very bad. At that time, Pittsburg, the famous steel production city in the United States, was invariably trapped in heavy toxic smog. Later, these countries reflected on their failings and implemented stringent environmental protection measures, so as to enable their people to enjoy a living environment of higher quality and air of better quality. However, in the meantime, with globalization, certain backward production technologies together with capital moved to some developing countries where the costs were low and the laws loose. Core capitalist countries exported technology and capital, and at the same time, they also exported offensive pollutants.

At the end of '70s, Hong Kong also participated in this game of globalization of capital. Taking advantage of the opening and reform of the Mainland, Hong Kong industrialists relocated their manufacturing facilities to the PRD Region, exploiting the cheap and abundant supply of labour in order to maximize their profits. However, the situation was slightly different from those in the United States and European countries. The place to which Hong Kong capital was relocated was geographically very close to Hong Kong. So the pollution associated with industrial production was not, once and for all,

exported to the Mainland. Instead, the contrary has happened — much of the pollution in the PRD Region, partly caused by Hong Kong capital, flew "back" to Hong Kong with the aid of gusts of wind.

The absurdity of the situation is, while a small group of people has made a lot of money from the process of globalization of capital, all the people in Hong Kong are made to bear the bad consequences of environmental pollution. For the workers and the grass-roots people, their sufferings are twofold: The relocation of factories has rendered them unemployed, and they have to breathe in the exhaust emissions from the factories which damage their health. What is the rationale behind all these? At a time when some people in society blindly boast of the advantages of globalization, these issues do warrant our prudent deliberation.

Cross-boundary pollution problems can no longer be solved unilaterally by Hong Kong. As a matter of fact, the Government has made co-operative efforts with the mainland authorities. For example, the SAR Government reached a consensus with the Guangdong Government in 2002 to strive to reduce by best effort the quantity of emissions of four major categories of pollutants by 20% to 55% respectively in or before 2010, with reference to the 1997 figures as the benchmarks.

The direction of working in co-operation with the Mainland is correct. However, we can also see that the progress of improving air quality is still not satisfactory. After all, the situation in the Mainland is very complicated. Even if Guangdong officials are really sincere in tackling the problem, junior officials at different levels of the hierarchy may simply stand by with folded arms in order to protect themselves or their own vested interests. For example, the environmental protection legislation in the Mainland is actually far more stringent than that of Hong Kong, but out of the consideration of tax revenue, district officials may simply impose a penalty on industrialists for violations of such laws. They may adopt a lenient attitude towards the enterprises just because of their intention of striving for economic development and seeking to make political achievement during their terms of office. In all these problems, the Hong Kong Government absolutely cannot intervene at all.

So while working jointly with the Mainland, the Hong Kong Government may take the initiative to implement some creative follow-up measures. I

personally hope to promote the development of a civil society. Therefore, I suggest that the Government may consider financing certain non-government organizations to conduct studies on the environmental pollution situation in the Mainland, so as to bring the people power into play in monitoring the situation. In fact, some green groups are already doing similar work now. For example, the Green Peace had uncovered that a battery factory operated by a Hong Kong industrialist in the Mainland had been discharging sewage with carcinogenic heavy metals. The discharging location of the factory is very near the catchment point of the closed aqueducts carrying Dongjiang water. The incident had aroused the concern of our Government and brought considerable pressure to bear on the mainland authorities. If the Government can finance the non-government organizations to conduct more such studies, they may uncover more hidden problems, and the information so obtained can be used by the Governments of both Hong Kong and Guangdong as reference in monitoring the pollution problems.

Madam President, I so submit.

MR HOWARD YOUNG (in Cantonese): Madam President, the air pollution problem has haunted Hong Kong for a long time. Although the Government has adopted various measures to reduce the emission of pollutants, the problem so far has shown no improvement at all. Instead, it has become increasingly serious. If this trend is allowed to develop into a long-term one, it will not just tarnish the international image of Hong Kong, but will also impact negatively on the local tourist industry.

Affected by the air pollution problem, Hong Kong is frequently clad in a layer of thin fog, which blurs our visibility. In early November, the worldly renowned French Air Force Aerobatic Team, Patrouille de France, visited Hong Kong to stage an air show, which eventually drew a crowd of nearly 20 000 spectators. Unfortunately, affected by the low visibility on that day, one of the aerobatic stunts was cancelled. For other aerobatic feats, though performed smoothly, their artistic effects was undermined to a great extent because of the blurred visibility caused by air pollution in Hong Kong.

The magnificent view of the Victoria Harbour is a favourite attraction to many tourists. In the past, when one stood at a viewing point on the Peak, the

Lion Rock would be distinctly visible. Yet, plagued by the increasingly severe air pollution in the territory, tourists up on the Peak now find it very difficult to have a clear full view of Hong Kong. Even for the spectacular multimedia light and sound show "A Symphony of Lights" presented by the Hong Kong Tourism Board, complemented by the towering skyscrapers along the shores of the Victoria Harbour and the night view, its otherwise impressive effect has been offset to a large extent by the low visibility. The visual impact of this stunning multimedia light and sound show has been substantially spoiled.

Recently, the number of tourists to Hong Kong has exceeded 20 million persons. However, tourists from our major traditional markets such as Europe, United States, Australia, New Zealand and Japan, and so on, still have not resumed the usual level. This is especially so with Japan, which ranked third among our major tourist markets after the Mainland and Taiwan. The Japanese attach great significance to health and hygiene. After the SARS outbreak, though the environmental hygiene of Hong Kong has been improved, the air is still badly polluted, posing a serious threat to the health of the people. With such poor conditions, how can we make the tourists regain their confidence and come to Hong Kong again? If tourists choose not to visit Hong Kong as often as before just because of its poor air quality and negative image, then the loss suffered by Hong Kong will be too great to be estimated.

The quality of our environment will not just affect the quality of people's life and thus reduce the incentive of tourists to visit Hong Kong, but it will also affect the investment of foreign businessmen as well as the intention of foreign business travellers to come to work or hold conferences in Hong Kong. In April 2000, a European organization cancelled its decision to hold an international conference in Hong Kong, citing the poor air quality of the territory as one of the reasons. This decision made Hong Kong lose a group of high-spending business travellers, and hindered Hong Kong from further promoting conference and exhibition tourism. This is just an isolated example, but if this trend should continue, I am afraid it will damage Hong Kong's international reputation, thereby threatening the local economy as well as the status of Hong Kong as an international financial centre.

The Liberal Party agrees in principle with Mr LEE Wing-tat's amendment, which suggests that the relevant government departments should establish more pedestrian precincts in densely populated areas that have a high pedestrian flow,

thus separating vehicular and pedestrian traffic. In addition, the Government should plan for the construction of more pedestrian hillside escalator projects just like the Hillside Escalator Link between Central and the Mid-levels. In this way, we may reduce not just the chances of the people using different modes of transport, but also substantially reduce vehicular emissions. But in doing so, we must avoid causing negative impact on the commercial activities in the neighbourhood.

Let us take the improvement project in Tsim Sha Tsui District as an example. With a public consultation under way, the project proposes to establish pedestrian precincts in the tourist and hotel areas of Nathan Road and Canton Road. I worry that by then the traffic may become too concentrated. With fewer roads for vehicular traffic, it may cause even greater congestion to roads that are already highly congested. On the other hand, the parking locations reserved for tourist coaches may not be near hotels in which tourists stay. Therefore, when establishing such pedestrian precincts, the Government must also pay attention to such factors, so as to avoid causing inconvenience to tourists.

Therefore, the Liberal Party thinks that, in implementing the pedestrian precinct scheme, the authorities concerned must proceed with prudence and conduct comprehensive consultations, thereby minimizing unnecessary impact on the commercial activities in the neighbourhood.

I so submit.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR ALAN LEONG (in Cantonese): Madam President, in the past week or so, the developments revolving around the Hung Hom Peninsula saga have demonstrated that Hong Kong people are gradually discarding the mentality of "urban development above all else and environmental protection to give way". They have made efforts to set a good example in environmental protection and to educate the next generation to value resources.

Hong Kong people have the ability and determination to improve the air quality. We all love Hong Kong and cherish being able to breathe fresh air.

However, ironically, the air quality in Hong Kong is becoming increasingly hazardous to health and the Victoria Harbour shrouded in smog has become a Hong Kong icon. The Government has the ultimate responsibility and should be determined to formulate a fair and effective environmental protection policy, rather than being feeble and merely saying that it will exert its "best effort".

Today, I wish to use my constituency, Kwun Tong, as an example to illustrate how harmful air pollution can be. In 2001, the Environmental Protection Department had recorded a total of 18 hours of very high air pollution in Kwun Tong, however, by 2002, the number of hours more than doubled to 64 hours. In 2003, it again doubled to 136 hours. Up to the third quarter this year, the number of hours in which air pollution stood at a "very high" level is already 84. In addition, the two types of air pollutants found to have exceeded the air quality objectives repeatedly in the monitoring conducted in Kwun Tong in 2003 were nitrogen dioxide and respirable suspended particulates. According to a number of studies conducted by the medical schools of the two universities, these two pollutants have a significant impact on the number of cases involving upper respiratory tract illnesses such as influenza, bronchitis and even cardiovascular diseases, such as ischaemic heart disease, and elderly people in particular are vulnerable.

Madam President, the proportion of elderly people in Kwun Tong is quite high and it ranks third in Hong Kong as a whole. The steady deterioration of air quality has definitely brought an additional burden on the already strained medical resources in the district. I am worried that the situation in which the medical ward of the United Christians Hospital was crammed to rafters with patients will occur repeatedly. In fact, Kwun Tong is no longer a major industrial area in Hong Kong and the vacancy rate of the factories there is as high as 60%. In that case, where do the pollutants come from? The major sources of the pollutants the levels of which were found to have exceeded the objectives — nitrogen dioxide and respirable suspended particulates — are road traffic and power generation using coal. In the past few years, the Government has committed resources to target motorists or polluting industries in the manufacturing sector and significant improvements have been made to air pollution caused by road traffic. Of the four emission reduction targets which the Governments of Guangdong Province and Hong Kong have agreed to attain by 2010, up to 2002, a trend towards meeting three of the targets could be observed, so it can be seen that the policy on improving air quality has yielded some results. However, the air quality still continues to deteriorate. If we

delve into the core of the matter, we would find that the Government has overlooked the need to secure the co-operation of large corporations that provide services to the public, in particular, the co-operation of the power companies, when formulating its overall policy.

Many documents and studies have pointed out that power generation is the major culprit of air pollution in the Pearl River Delta Region. The target set by the CLP is to generate about one twentieth of the total electricity generated by it using renewable energy sources, whereas the Hongkong Electric Company Limited (HEC) is also installing a wind turbine on Lamma Island. These are steps in the right direction. However, compared with the goal set by China to generate one tenth of its electricity by renewable energy sources, the pace in Hong Kong is in comparison much too slow. Since the CLP fell back on large-scale coal-fired power generation in 2003, the emission of nitrogen oxides that year increased by 60% compared to a year ago and that of particulates also increased by 40%, whereas the HEC still insists on generating 99% of its electricity using coal. The achievements made after implementing the measures aimed at reducing nitrogen oxide and particulate emissions generated by road traffic in Hong Kong have been diluted by the lack of willingness to co-operate on the part of the two power companies.

Madam President, the Administration should understand that if the air quality in Hong Kong and the South China Region is to be substantially improved, the Government cannot merely offer advice to the power companies but has to exert substantial pressure to force them to change their mode of operation and set an effectual timetable that shows sincerity in using renewable energy sources. It is only by targeting the greatest source of air pollution and administering the right cure that the problem can truly be eradicated and fresher air and health be returned to the Hong Kong public.

With these remarks, Madam President, I support the motion.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr James TIEN, you may now speak on the amendments. You have up to five minutes to speak.

MR JAMES TIEN (in Cantonese): Madam President, I am grateful to the several Members who have proposed amendments to my motion. I have made 10 proposals in my motion, of these, items (a) to (d) are all related to such issues as co-operation with the Pearl River Delta, carrying out co-ordination with the environmental protection departments over there and setting standards, and so on. I also noticed that the amendments proposed by the other Members are intended to add items (k) to (m), as set out in pages 12 and 13 of the appendix. The Liberal Party supports all of these proposals.

Since I support all the contents of the amendments proposed by the Members concerned, I do not wish to waste Members' time anymore. Instead, I wish to listen and see if the Secretary can give some positive responses to the views expressed by us today, in particular, on the discussion being held with the officials in Guangdong Province and when the work in this area can be implemented, and so on. This is because I believe it is no longer necessary for us to conduct too many studies or convene too many meetings over this problem and it is now high time that we acted. Thank you, Madam President.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Madam President, first of all, I must point out that ever since my assumption of office, the improvement of air quality has been a major policy objective of the Environment, Transport and Works Bureau. We hope that by formulating effective policies and measures, enacting legislation, stepping up enforcement and making the best use of clean high technologies, we can avoid and reduce pollution in the conduct of all our economic activities. Apart from seeking to achieve this objective locally, we are also co-operating actively with the relevant authorities of Guangdong Province, in the hope of making joint efforts to improve the air quality of the region.

However, we cannot possibly improve air quality overnight, nor can we rely solely on government policies and appeals to achieve success. All sectors of society, including the industrial and business sectors and the general public, must join hands to make this possible. Today, I am very glad to hear of Members' valuable opinions and their support for the various measures on improving air quality.

I must first mention *Time Asia*, for most Members have referred to the smoggy Victoria Harbour depicted in the cover photograph of its current issue.

This really reminds me of the saying that good news goes on clutches but bad news flies apace. But I do not know whether Members have also read an earlier issue of *Time Asia* (I have been trying hard to promote Hong Kong though, of course, I have also mentioned to journalists the many pollution problems in Hong Kong). I do not know whether Members have also read this earlier issue about "Asia's Best". We are ranked top on the list of "Asia's Best". In this issue, there is a picture of Cape D'Aguilar from the Dragon's Back Trail that straddles the country parks in Hong Kong. The magazine describes Hong Kong as the most beautiful and attractive place in the world, because such a magnificent spot is just 20 minutes from the hustle and bustle of the downtown heart. I also advise the general public and Members to appreciate the beauty of our country parks. And, I hope that no matter what happens in the future, Members will still do their utmost to protect the country parks against any damage.

To give the matter its fair deal, I must say that the Government has already invested huge resources and made very great efforts to improve air quality. Many Members have mentioned this earlier in the debate, so I shall make no repetition here. But I still wish to talk about the difficulties encountered by us, in the hope that Members can pitch in and explore how they can possibly help. It is hoped that this can enable us to proceed faster, achieve better results and improve the regional co-operation on this.

Our difficulties stem from our high density of population and vehicles, and such is compounded by the rapid economic growth in the Pearl River Delta (PRD) Region. I have read lots of academic literature and books on what caused the air pollution in the eastern United States and California in the past and how it was dealt with at different stages. Our prevailing problem is that the rapid economic development in the PRD Region has led to the co-occurrence of pollution in both places. The pollution problem in the United States was caused by sulphur dioxide at the very beginning, then by nitrogen oxide and subsequently by photochemical reaction, in that order. That was why the United States could tackle these problems one by one. However, in the case of Hong Kong, all the pollutants are of high concentration, and there is also the problem of co-occurrence. In other words, our pollution problem has not followed the simple pattern of having just one type of pollutants at any one time, say, only a surge of pollutants caused by electricity generation at the very beginning and then only the emissions from an increasing number of vehicles later on. All the pollutants are affecting us simultaneously. Consequently, to tackle our

pollution problem, a multi-pronged approach must be adopted. Mr Vincent FANG has earlier criticized us for pinpointing our efforts on volatile organic compounds (VOCs). But this is not the case in reality. We do understand that VOCs are a major pollutant playing a significant role in the pollution equation. If we do not eliminate these pollutants, all our efforts will be in vain. But this does not mean that we do not see the need to reduce the emission of sulphur dioxide and nitrogen oxide. We still see the need to do so, and we have indeed tightened our regulation in this respect. We also hope that there can be improved co-operation.

Let me first say a few words on our co-operation with the PRD Region. We frequently talk about the need for a complementary partnership between Hong Kong and Guangdong, about the mutual benefits and assistance and about the interdependence. We have been talking so much about all these. But when we want to get things done, we must establish co-operation and some sort of partnership. Many Members do not have too much trust in this type of partnership, nor do they think that there is a clear-cut timetable and regulatory scheme. They do not believe that the targets laid down in the emissions reduction agreement of 2002 can ever be achieved. Naturally, a relationship of co-operation is not the same as a governance relationship, because in the case of the former, the two sides must understand the operation of each other and know how best to achieve the ultimate objective — the improvement of air quality.

In regard to the Pearl River Delta Regional Air Quality Management Plan (the Management Plan), I have repeatedly mentioned that the city of Hong Kong is at a much more advanced stage of development compared with many cities in the PRD Region. As pointed out by Members just now, the environmental awareness of Hong Kong people is much stronger than before, and they will directly demand improvement of air quality. But in Guangdong, environmental protection is not yet a focus of public concern. The sole concern of the people there may still be economic improvement. Understandably, the problem may be even more serious in smaller counties or localities, and many factories have moved to these relatively backward places. This has made it even more difficult to control pollution and led to an ever increasing demand for electricity in these places. A dilemma has thus emerged — on the one hand, it is necessary to reduce the emission of pollutants, but on the other, there is also a need to rely more heavily on electricity generation using petrochemical fuels, which will inevitably produce air pollutants.

Some Members have advised that since even the Secretary for the Environment, Transport and Works finds it difficult to deal with this issue, it may be a good idea to upgrade the level of handling. As a matter of fact, environmental protection has already been upgraded to the level of the Hong Kong-Guangdong Co-operation Joint Conference led by the Chief Executive and the Governor of Guangdong, Mr HUANG Huahua, and it is now an agenda item that will be brought up for discussions in their meetings every year. Besides, the Hong Kong-Guangdong Joint Working Group on Sustainable Development and Environmental Protection has also been set up under me and the Director of the Environmental Protection Bureau of Guangdong Province. Both sides will brief the Working Group on its relevant efforts on a yearly basis. But all these efforts must be founded on mutual co-operation and trust. Guangdong Province in fact highly appreciates some policies of Hong Kong, such as the public transport policy that I frequently mention. With the development of public transport, the number of vehicles can be appropriately controlled, and the pollutants produced by traffic and transport can be correspondingly reduced. Speaking of the reduction of pollutants caused by transport, I must point out that this also involves the quality of vehicles and the promotion of clean high-tech vehicles. Earlier this year, Guangdong Province already upgraded its emissions standard for newly-manufactured vehicles from Euro I to Euro II, and in 2006, the standard will be further upgraded to Euro III. All these policies are the outcome of our negotiations and supported by the Central Authorities.

As for the timeframes of medium range targets and reviews, Guangdong Province and Hong Kong have in fact set up a monitoring panel. A series of tasks which both sides have agreed to undertake are set out clearly on the website of the Bureau, complete with the relevant target indicators for 2004, 2005, 2006 and 2007. In regard to the timetables for power plants, the relocation of cement plants and the adoption of Euro II and Euro III emissions standards, there is also a clear list on the website. If Members still wish to know more details, we will have to negotiate further with Guangdong Province, hoping that it will also be willing to release the project details and face the resultant pressure because we are also under public pressure to launch the projects. Currently, there is just one meeting every year, so both sides can accept the arrangement. But further negotiations will have to be conducted if the frequency of meeting is to be increased.

We have also installed a regional air quality monitoring network with 16 monitoring stations in the PRD Region. This is an online, or fully automated, network that provides real-time monitoring of air pollution. We are now conducting acceptance tests on the monitoring stations, and it is hoped that they can start collecting data early next year, so that we can have direct, online, access to the air pollution indicators of the PRD Region. Guangdong Province has agreed to do so, thus greatly enhancing data transparency. Access to pollution indicators will enable us to ascertain the effectiveness of existing measures and also the results of emission and pollutant reduction. It has been exactly one year since the implementation of the Management Plan. A report will be submitted to the Hong Kong-Guangdong Joint Working Group on Sustainable Development and Environmental Protection, which will hold a meeting next week. We shall brief the Legislative Council Panel on Environmental Affairs and the Advisory Council on the Environment on the contents of the report.

Mr James TIEN proposes the adoption of uniform emission standards and a common monitoring system for both sides. Emission standards and monitoring systems are more complex issues, and as I have repeatedly said, they must tie in with local laws, with due emphasis on their practicability in the local context — characteristics of emission, technological levels, prevention strategies, socio-economic impacts, and so on. Unattainable standards will only be reduced to nominal standards. Thinking that it is simply impossible to attain these standards, nobody will ever treat them seriously. The environmental protection laws of the Mainland are very strict, but both the level of compliance and the conduct of such work in accordance with the conditions mentioned by me are open to question. Consequently, we should adopt an attitude of compassionate understanding and accept the fact that we must seek to improve the air quality of the entire PRD Region step by step, instead of expecting to achieve the ultimate objective in one single stride. Both sides must join hands to monitor air quality under the Management Plan, with a view to reducing the emission of pollutants.

The environmental protection authorities of both sides are now working jointly to compile a Handbook on Preparation of Air Emissions Inventory in the PRD Region, with the aim of drawing up uniform standards before making any comparison. It is hoped that common standards for Hong Kong and Guangdong can be formulated, so that there can be common yardsticks for making annual assessments of pollutant emissions and reduction in the region. With the

Handbook, a common monitoring system for both sides can be established. Besides, there are also exchanges and training programmes relating to laws, regulations, policies and technologies. And, study tours are also conducted to make it possible for personnel of both sides to benefit from each other's experience.

We very much agree that the technologies of monitoring the air quality of the region must be upgraded. Mr Alan LEONG has commented that the Government must enhance its efforts. I also hope that Mr LEONG, as the Chairman of the Hong Kong Productivity Council, can likewise make more efforts. As a matter of fact, the Government is already providing subsidies and technical assistance to small and medium enterprises for the implementation environmental protection measures, because we understand that these enterprises may not have the means to set up their own research teams. We hope that all industries in Hong Kong and the PRD Region can enhance their application of technologies to abate pollution through various channels.

Since last year, The Hong Kong University of Science and Technology (HKUST) has been providing the Environmental Protection Department with satellite images and remotely sensed data on the distribution of suspended particulates in the PRD Region. We also strongly supported the satellite remote sensing surveillance project submitted by HKUST to the Innovation and Technology Commission last year, in hope that we can better monitor the distribution of and changes in air pollution. In early November last year, air pollution occurred over vast areas in the PRD Region. At that time, from satellite images, we managed to see clearly the distribution and movements of suspended particulates and their impact on Hong Kong. The satellite images were released in newspapers and seminars for the purpose of illustrating how air pollution could cross an area and affect another.

HKUST obtained all these satellite data from the National Aeronautics and Space Administration of the United States (NASA). The transmission of these data, however, takes quite some time, and images can be available only after the passage of two to three days. Recently, the Hong Kong Observatory has purchased some satellite receivers which can directly receive data from the relevant satellites and provide same-day images. With the aid of these images, the Environmental Protection Department can swiftly monitor the distribution and movements of suspended particulates over the PRD.

Over the past 10 years, The Hong Kong Polytechnic University has been working with NASA to conduct regular aircraft pollution tracking in the region. The photographs obtained can clearly indicate the distribution of air pollution in the entire region. Recently, together with the Environmental Science Centre of Beijing University, I am studying the air test findings of the Centre, and I am also interested in the topic of suspended particulates. In simple terms, suspended particulates are the fog we frequently see. Sometimes, it is also called smog. The topic is indeed a very complex one. Large suspended particulates, such as those formed in construction sites or by construction works, will not be blown too far because of their sizes, and they will usually settle more quickly. In contrast, minute particulates, such as those measuring less than 2.5 microns, will remain suspended in the air for a very long time, and they are mostly formed by chemical reactions. Many scientists are in fact trying to ascertain how the first particulate is formed and the conditions under which gases are turned into particulates. The accumulation of particulates will lead to the formation of smog, which nobody probably like to see. I think no one will be happy as long as the problem of smog remains unsolved. That is why we are working so hard with experts and academics to study this problem.

In regard to emissions trading, the Governments of Guangdong and Hong Kong have agreed to conduct some pilot schemes in the PRD, and we have also obtained the support of the State Environmental Protection Administration. I am very glad to hear that the Liberal Party also endorses the idea of emissions trading. Our specific role is to find out which pilot schemes are the most effective and to help the provinces and cities in the PRD understand the workings of emissions trading, so that they can reduce their emissions at an earlier time. We have to make them understand that there is an emissions quota, and we must also explain to them the impacts they will sustain once Hong Kong is accorded the emissions right. At present, this is the key problem because many organizations, provinces and cities all wish to construct more power plants to cope with their economic growth. But the construction of power plants will necessarily involve emissions quotas. If the emissions quota has already been used up, no new power plant can be constructed. Currently, the State Environmental Protection Administration is responsible for approving the construction of all large-scale power plants, and if the remissions quota has been used up, it will not approve the construction of any new power plants. Alternatively, existing power plants may be required to reduce emissions by improving their facilities. And, the construction of new power plants will be approved only if there is any available quota after that. This is a very clear-cut

policy, and the State Environmental Protection Administration has already announced that starting from 2005, all new power plants must generate electricity by using liquefied natural gases. This will be a very good scheme. In Hong Kong, all new power plants have been required to use natural gas instead of coal or petroleum since 1997. Naturally, from commercial perspectives, we must allow old power plants to operate till the end of their service life instead of replacing them all immediately. In the meantime, we will require power plants to carry out desulphurization, adopt low-nitrogen combustion technology and install particulate screening devices. Steps are being taken in these directions, and I shall deal with them later in my speech.

As for the provision of tax concessions, I believe it is a rather complicated issue. The idea is to offer tax deduction only to expenditure incurred as a result of activities generating taxable profits. But I am no expert on this, so I will leave it to the Financial Secretary. I shall render my total support, but I must let the Financial Secretary decide how fairness and equity can be ensured.

The pollution caused by power plants is certainly a concern to many members of the public, and, it is also a major concern to us. Some of the older power plants in Hong Kong are still firing coal, and the new large-scale power plant at Black Point is the only one that uses natural gas, a less polluting fuel. Since the reserve of natural gas has been less than expected over the past one or two years, the power company concerned has stopped the operation of its gas-fired units and used coal instead. Under the existing Specified Process Licence of the power company, it is not permitted to exceed a certain level of emissions concentration. But since its power plant in Castle Peak is of an older model, there is a separate level of concentration for it. The power company is now making use of the Castle Peak power plant, and since its emissions concentration does not exceed the specified level, we cannot do anything even when the total volume of emissions is very great. However, the Specified Process Licence will expire very soon, and we are already holding negotiations with the power company on the designation of a total emissions quota as a condition of licence renewal. We will also require the power company to raise its consumption of natural gas back to the level in 2002. And, it is not allowed to use coal as fuel until desulphurization facilities are installed in its coal-fired plants and unless its total emissions do not exceed the quota. Since the matter involves quite a number of factors, such as the Scheme of Control Agreements and electricity tariffs — I have already said that there will be some impacts on electricity tariffs — we must consider the impacts on various sides in the course

of negotiations. For this reason, the Economic Development and Labour Bureau has also been participating in the negotiations. The total emissions volume of local power plants was already reduced by as much as 60% during the period from 1993 to 2002. That is why it is totally unacceptable for the power companies to increase their reliance on coal this year, for this will directly affect our air quality. We will therefore continue to negotiate with them. But things will be different in 2008 because new agreements will be signed. We will insist on requiring the power companies to increase their proportions of natural gas fuel.

In regard to renewable energy resources, we have requested the two power companies to experiment a 1-MW, commercial-scale wind turbine. We are of the view that even the development of small-scale renewable energy resources will be equally good. Members may now think immediately of wind power electricity generation. But as a matter of fact, we have long since been holding discussions with the two power companies on power generation using the methane from landfills, because the power thus generated can be transported back to the grids of the power companies. Currently, the cost of electricity is \$1. In foreign countries, members of the public are willing to use renewable or less polluting energy even if they have to pay higher prices. But local power companies may just be prepared to pay 10 cents instead of \$1. We are still negotiating with the power companies because the grids are after all their properties. Since we must respect their commercial principles, we do not have too much bargaining power in the negotiations. For this reason, in the new agreements, we must set down a condition requiring the power companies to accept electricity from landfills or some specified energy mixes. Without such a condition, or if this type of electricity cannot be connected to the grids, what more can we possibly do? The point is that it is very difficult to store this type of electricity. Batteries can only store very small amounts of electricity, so it is not cost-effective to adopt this method. Connection to the grids is thus the only meaningful solution. Moreover, in sewage treatment, digesters will produce methane which can be used for power generation. Currently, we cannot utilize all the electricity generated by our sewage treatment plants. This is also a problem we must tackle.

Another issue that concerns everybody is Demand Size Management (DSM). Members have just talked about the beauty of the decorative lightings on both sides of the Victoria Harbour. In many cities, people accept the practice of switching on lights at night. The reason is that while the peak of

electricity consumption is in the morning, the generation of electricity just cannot be shut down at any time we like. There is a pre-set volume of electricity generation, and even if there is no consumption at night, electricity will still be generated up to the pre-set level. In other words, by switching on lights at night, we are just consuming something that has already been produced. The rationale behind DSM is precisely to encourage manufacturers and large commercial organizations to consume electricity at night to cater for their needs in the day time. For example, the water cool systems of air-conditioning systems can be activated at night to produce cool water. The water can then be stored for day-time use. I know that several factories in Hong Kong are already doing so. However, the installation of the necessary equipment will require investments and there is sadly no financial incentive. The situations in foreign countries are markedly different, as different levels of tariffs are charged for day-time and night-time consumption of electricity. There are thus financial incentives to encourage users to reduce consumption during the peak period, thus enhancing energy efficiency and in turn reducing pollution. These are mainly the issues we are trying to tackle now.

Members have been discussing the use of renewable energy for a very long time. But Members must not forget that Hong Kong is just a city. Many of the examples that have just been quoted are about countries. In our own case, due to natural and geographical constraints, we do face various difficulties in the adoption of solar power generation and wind power generation. Wind power generation, in particular, will require vast space and produce low-frequency noises. We are very glad that the two power companies have rendered their co-operation by constructing commercial-scale wind turbines, so that members of the public can see for themselves the operation of wind power generation and assess whether the associated environmental impacts are acceptable. In Copenhagen, Denmark, for example, wind turbines are constructed close to the sea, and because they are so far away, their rotating blades really look magnificent. However, if one walks closer, one will hear the loud noises. Perhaps, we may not need to travel that far to Denmark, because just in Xinjiang, we can also hear the noises of rotating wind turbine blades. Earlier on, I mentioned the Dragon's Back Trail straddling our country parks. Can we erect wind turbines there? I believe many hikers will oppose the idea. That is why we must consider how much we can do under all practical circumstances. Solar energy is a form of heat. To convert solar energy into electricity, we must make very enormous investments. Currently, we are experimenting with the installation of solar panels in several large government buildings, with the aim of

ascertaining their cost-effectiveness. The relatively high prices of solar panels are the main obstacle to application of solar energy. We hope that the Mainland can take the lead in the mass production of solar panels, so as to reduce the costs involved and make solar power generation practicable. We will closely follow the supply of solar panels.

When it comes to environmentalism, we always say that we have the right to breathe fresh and clean air. But do we not also have obligations? Should everyone of us not also take some concrete actions? Have we ever thought about what we can possibly do? My Bureau is now championing energy saving in government departments. Our belief is that as long as they can give some thoughts to the matter, many departments will be able to cut their electricity consumption by as many as several million amperes a year. And, we are prepared to reward them for such. Starting from next year, a penalty system will be implemented. Currently, the electricity tariffs payable by government departments are paid by the Treasury. But under the penalty system, we will set down a certain level of electricity consumption, and if a department exceeds this level, it will have to meet the excess by using its general expense. This will achieve a punitive effect. The Electrical and Mechanical Services Department operates on a trading fund, so they have been working very hard, and they have made some profits. Some of the profits have been spent on new initiatives, such as the replacement of equipment to help reduce electricity consumption. They hope to reduce electricity consumption by 29 million amperes a year, thus saving both expenditure and energy. I have frequently talked about air-conditioning. But I am not going to do so today. I just hope Members can realize that air-conditioning constitutes a very large proportion of electricity consumption. If we can refrain from adjusting our air-conditioning to very low temperature levels, we will save lots of electricity.

Apart from all the proposals on energy, electricity consumption and methods of power generation, I also noted the measures relating to vehicles mentioned by Ms Miriam LAU earlier. We are very grateful that the whole series of schemes introduced by the Government have received the support of the transport industry, because without its co-operation, we will never be able to implement the schemes on liquefied petroleum gas (LPG) minibuses and taxis. The success of all the measures on reducing vehicle emissions and controlling pollution must depend on the full co-operation of the transport industry. Our next step will be to conduct active studies on whether or not it is possible

increase the number of LPG filling stations in the cramped physical environment of Hong Kong, because this is the key to extending LPG to other types of vehicles. There are currently 50 LPG filling stations. We hope that whenever any petrol filling station is planned in the future, consideration can first be given to its conversion into an LPG filling station. We plan to proceed step by step and extend LPG to van-type light goods vehicles, and even private cars.

On the introduction of environmentally-friendly vehicles, Ms Miriam LAU wonders whether we should encourage the use of hybrid vehicles. As I mentioned in several past meetings, hybrid vehicles can achieve fuel economy and reduce the pollution caused by the stopping and starting of vehicles in busy urban areas, because these vehicles are started by electric motors instead of gasoline engines. The problem is that these vehicles are imported only by a sole agent. One wishing to purchase a hybrid vehicle thus has to wait a very long time, say, eight to 10 months. Supply is therefore unable to meet demand. I myself own a hybrid vehicle, and my son once told me that I could actually sell it at a very high price in eBay. This shows how tense the supply situation is. It is obvious that under such a situation, tax concessions may not be able to benefit consumers. Consequently, I do not think that we should waste any public money. Instead, I hope that hybrid vehicles from another manufacturer can be imported. We should consider tax concessions only when there is competition in the market, for this is the only way in which tax concessions can possibly work. We also notice that in many places, natural gas is already used as fuel for various types of vehicles such as buses. It has been ascertained that natural gas has worked particularly well with single-decked buses. We are currently exploring whether it is possible to completely eliminate the smoky emissions of certain types of vehicles, especially the buses running in busy urban areas. We notice that there are already hybrid models for many different types of vehicles, including buses. The staff of the Environmental Protection Department have been conducting studies on this.

In regard to vehicle fuel, we will adopt the Euro IV standards with effect from January 2005.

In regard to vehicle fuel, the Government already introduced a series of measures as early as 1999: a higher fine of \$1,000; the training of new spotters of smoky vehicles; the introduction of vehicle tests using chassis dynamometers, also called tread mills; a more stringent smoke test in annual vehicle

examinations; smoke test demonstrations; and free smoke tests and seminars. All these measures have started to yield results, as evidenced by the alleviation of pollution year after year. The number of smoky vehicles spotted in 2003 was 74% smaller than that spotted in 1999. The Environmental Protection Department will continue to monitor the problem of smoky vehicles and step up enforcement at various black spots. Some Members propose to further increase the fine for smoky vehicles as a means of further alleviating the problem. We will consider this proposal thoroughly.

Since 1993, roadside remote sensing installations have been used to monitor the overall emissions of vehicles. This has proven to be very effective. We are still testing the effectiveness of remote sensing installations for monitoring the emissions of diesel vehicles. In many large cities, especially those with vehicles coming from the outside, such as Beijing, this type of installations are found at many roundabouts. In Beijing, vehicles coming from the outside will be intercepted on the second ring roads for prosecution if they cannot meet the Euro III standards. The whole system of testing is highly effective. But in Hong Kong, we have not yet enacted any legislation on prosecuting incoming vehicles for "failing to meet the required emission standards". At present, the flows of vehicles are mostly from Hong Kong to the Mainland, not the other way round. Should the situation change in the future, we will certainly restrict the entry of vehicles from the Mainland in accordance with our emission standards.

As for the implementation of a registration scheme for the vehicle repairs and maintenance industry, I must thank Ms Miriam LAU for her reminder. We will consider such a scheme in detail, and I suppose at this time when the employment situation starts to improve, it will be easier to implement such a scheme. We will definitely consult the relevant industry.

Apart from reducing the pollution caused by vehicles, we may also seek to improve our overall traffic planning. As Members are aware, buses often cause lots of nuisances in busy commercial areas. On practically every public occasion, I will be asked on this problem. As a result of our efforts over the past two years, the operating frequency of buses on busy trunk roads has been reduced by as much as 17%. When negotiating with bus operators on the renewal of their franchises, we will certainly impose tighter environmental requirements and urge them to phase out highly polluting buses running on busy

roads and replace them by new ones that are more environmentally-friendly. Besides, it is also hoped that members of the public can accept the concept of bus interchange. We have already introduced many incentives and concessions to encourage this, with a view to easing the congestion on busy roads.

About the concept of elevated pedestrian walkway systems, or "cities in the air" mentioned in the debate, I think it is really a very good concept, and I already discussed that many times with former Legislative Council Member Dr LAW Chi-kwong. I shall hold further discussions with the Transport Department. I very much agree that the people of Hong Kong must change their long-standing expectation. They simply should not expect that there is always a bus that can cater for their point-to-point transport demands. They should not expect that they can always catch a bus right after going downstairs and that they can go straight upstairs for work after alighting. I hope that a greater number of well-designed elevated pedestrian walkways can be constructed, so that more people can get about on foot. I am sure doctors will also say this is very good to one's health. But then, the environment must not be so seriously polluted, and there must not be any competition between pedestrian and vehicles. If not, no one will be willing to get around on foot, I believe.

Outdoor air pollution is a very large topic, while indoor air pollution is different from outdoor pollution in many ways. We have conducted many detailed studies on this and made lots of education and publicity efforts. We have set up an information centre and formulated a set of two-level indoor air quality objectives to be used as the benchmark to assess the indoor air quality of offices and public places. In September last year, we also implemented a voluntary Indoor Air Quality Certification Scheme for Offices and Public Places. Many property owners and management companies are interested in the Scheme, and they have invited us to conduct air quality tests for them. Why is there a difference in air quality between indoor and outdoor places? The reason is that in most cases, air will be filtered to a certain extent before flowing outdoors, and after filtering, the amounts of suspended particulates will be significantly reduced. Besides, in indoor areas, there are various sources of air pollution. Furniture pieces, carpets and paint will all cause pollution. That is why indoor air quality should be studied as a separate problem.

Several Members have talked about the role of town planning, hoping that there can be more open spaces and green zones in urban areas to ensure an airy

environment and avoid the concentration of stagnant air in any particular places. This is of course a very good suggestion. In the process of town planning, we must really consider how we can tackle the problems resulting from our high density of buildings and what work we can do in the future. As for greening it is no solution to the pollution problem, nor can it entirely decontaminate the environment polluted by various economic activities of man. Admittedly, green zones can beautify our cityscape, and to a certain extent, they can absorb carbon dioxide and give off oxygen. But one must never think that they can offset the effects of the pollutants produced by us. The reason is that nature is simply unable to detoxicate the toxic and harmful substances produced by man. We must after all ameliorate the problems at source. I hope that Members can continue to express their concern and valuable opinions in this respect, and that they can join hands with the Government to create an environment conducive to the long-term and sustainable development of our society. Thank you, Madam President.

PRESIDENT (in Cantonese): I now call upon Ms Emily LAU to move her amendment to the motion.

MS EMILY LAU (in Cantonese): Madam President, I move that Mr James TIEN's motion be amended, as set out on the Agenda.

Ms Emily LAU moved the following amendment: (Translation)

"To delete "the adoption of" after "discuss with the Guangdong authorities" and substitute with "to jointly draw up a definite timetable for various work items and adopting"; to add "setting the mid-term targets and an interim review timetable in this regard," after "motor vehicles, etc,"; to add ", formulating a policy on renewable energy, requesting the two power companies to follow this policy, and stipulating in the Scheme of Control Agreements with the power companies the proportion of renewable energy to be used in electricity generation" after "the utilization of renewable energy"; and to add "and offering relief on the first registration tax and licence fee to environmentally friendly vehicles, such as hybrid electric-petroleum vehicles," after "incentive measures, "."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Emily LAU to Mr James TIEN's motion, be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT(in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Miss CHOY So-yuk, as the amendment by Ms Emily LAU has been passed, I have given you leave to revise the terms of your amendment, as set out in the paper circularized to Members the day before. You have up to three minutes to explain the revised terms of your amendment.

MISS CHOY SO-YUK (in Cantonese): Madam President, the several amendments proposed today are in fact attempts by Members to put forward various proposals and methods on how best the air quality can be improved more effectively. Ms Emily LAU has put forward several proposals which the DAB can support. On the basis of the amendment proposed by Ms Emily LAU, I have proposed some further amendments. Firstly, on renewable energy, it is hoped that the Government can increase the proportion of renewable energy used. Secondly, concerning buses, as the Government has not required that all buses should be environmentally-friendly ones, I hope that franchised bus companies will be urged to expeditiously renew their fleets. For the time being, bus companies can deploy environmentally-friendly vehicles to serve bustling areas in the city. In addition, I also propose that the Government should take the lead

in implementing energy conservation measures and promoting community-wide involvement in energy conservation. I also heard the Secretary say that the Government has some measures in the pipeline and I think this is excellent. I hope they can be promoted throughout Hong Kong. On the other hand, I have also made some suggestions on legislating to regulate volatile organic compounds (VOCs). Madam President, concerning VOCs, at present, there are different views in society concerning consumer products containing VOCs but I have never heard of any dissenting views in the business sector concerning the labelling of VOCs. Therefore, I hope the Government can step up its work as soon as possible.

This is the further amendment I propose to the motion moved by Mr James TIEN as amended by Ms Emily LAU. I hope Honourable colleagues will support it.

Miss CHOY So-yuk moved the following further amendment to the motion as amended by Ms Emily LAU: (Translation)

" To delete "and" after "vehicle repair technicians and garages;"; and to add "; (k) vigorously introducing other types of environmentally friendly fuels and related incentive measures; (l) setting higher utilization targets for renewable energy; (m) requesting franchised bus companies to expeditiously renew their fleets, deploy buses that comply with Euro III emission standards to serve routes along busy roads and introduce additional bus-bus interchange discount schemes; (n) actively studying the feasibility of increasing the fines for smoky vehicles; (o) using such high-technology equipment as satellite imaging and remote surveillance devices to enhance monitoring of air pollution sources and changes in pollution conditions; (p) the HKSAR Government taking the lead in implementing energy conservation measures in various departments, and promoting community-wide involvement in energy conservation; and (q) adopting suitable methods to regulate products for industrial and commercial use that may emit volatile organic compounds" after "such as hybrid electric-petroleum vehicles". "

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Miss CHOY So-yuk's amendment to Mr James TIEN's motion as amended by Ms Emily LAU, be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr LEE Wing-tat, as Ms Emily LAU's and Miss CHOY So-yuk's amendments have been passed, please move your revised amendment. You have up to three minutes to explain the revised terms of your amendment.

MR LEE WING-TAT (in Cantonese): Madam President, I am grateful to you for giving me leave to move my amendment. Actually, I have already put forward my views in my main speech.

Concerning the main points of my amendment, the first is to introduce mobile equipment to monitor emissions from vehicles. The second has to do mainly with the notion of environmentally-friendly walkways. As I have said, I hope the Transport Department and the Environmental Protection Department can do a good job on this score, since this can reduce the number of people using vehicles and encourage members of the public to walk more. More specifically, I think what we can do as a start is to connect a large stretch of scattered and disconnected footbridges from Sheung Wan to the end of Causeway Bay. This would be the best thing to do. The third point is about indoor air quality in the office. Our principle is to encourage the sector — perhaps we should not use the term "the sector" as it has been overused — but rather, organizations and

enterprises to take the initiative to implement this measure. It is not always necessary to consider enacting legislation. We hope that Honourable colleagues will agree with this principle and support our amendment. It is my wish that enterprises can improve the indoor air quality of their offices according to their practices and ways of management. This is what the amendment proposed by me is about. Thank you, Madam President.

Mr LEE Wing-tat moved the following further amendment to the motion as amended by Ms Emily LAU and Miss CHOY So-yuk: (Translation)

"To delete "and" after "involvement in energy conservation;"; and to add "; (r) stepping up the testing of vehicle emissions and introducing road-side remote sensors to check emissions from vehicles on the roads in the territory and from cross-boundary vehicles, so as to ensure their compliance with Hong Kong's emission standards; (s) establishing a safe and convenient network of pedestrian walkway systems, which should include pedestrian precincts, footbridge networks and automatic escalators, etc, in densely populated areas that have a high pedestrian flow, so as to develop Hong Kong into a 'city of elevated corridors', which will enable vehicle-pedestrian segregation, improve the environment for walking and encourage people to walk; and (t) further promoting the 'Indoor Air Quality Management Programme' and enacting relevant legislation in order to prevent poor indoor air quality from harming the public's health" after "volatile organic compounds"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr LEE Wing-tat's amendment to Mr James TIEN's motion as amended by Ms Emily LAU and Miss CHOY So-yuk, be passed.

PRESIDENT (in Cantonese): I now call upon Mr Andrew LEUNG to move his amendment to Mr LEE Wing-tat's revised amendment.

MR ANDREW LEUNG (in Cantonese): Madam President, I move that Mr LEE Wing-tat's revised amendment be amended, as set out in the paper circularized to Members.

Mr Andrew LEUNG moved the following amendment to Mr LEE Wing-tat's revised amendment: (Translation)

"To add ", as well as joining hands with the industrial and commercial sectors in actively promoting the programme," after "enacting relevant legislation"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Andrew LEUNG to Mr LEE Wing-tat's revised amendment, be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr LEE Wing-tat's amendment as amended by Mr Andrew LEUNG, to Mr James TIEN's motion which has been amended by Ms Emily LAU and Miss CHOY So-yuk, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr James TIEN, you may now reply and you have one minute one second.

MR JAMES TIEN (in Cantonese): Madam President, I am grateful to the Members who have spoken and to those who proposed amendments. The amendments added 10 solutions to the 10 proposed solutions in the original motion, that is, there are now a total of 20 proposed solutions and I fully support all of them.

Madam President, concerning the Secretary's reply, I noticed that in her speech which lasted 46 minutes, 36 minutes were spent on the problems in domestic Hong Kong. However, on the issue that I am most concerned with, that is, that over 80% of the pollutants are blown here from the Mainland, I have the impression that the Secretary has the will but her hands are tied. It looks as though she had to debate with mainland officials over why this could not be done and why that could not be done. In this connection, it may be necessary for the legislature to give a hand. I have a preliminary idea, that is, I may consult all 60 Members, then ask the 36 Hong Kong Deputies to the National People's Congress and over 100 Hong Kong members of the Chinese People's Political Consultative Committee to express their views together and have a discussion with the Central Government. If the Secretary only relies on herself, she may not be able to solve the problem even if the Chief Executive and the governor of the province also pitch in their efforts.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr James TIEN, as amended by Ms Emily LAU, Miss CHOY So-yuk, Mr LEE Wing-tat and Mr Andrew LEUNG, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

PRESIDENT (in Cantonese): Second motion: Formulating a sustainable policy on agriculture and fisheries.

FORMULATING A SUSTAINABLE POLICY ON AGRICULTURE AND FISHERIES

MR WONG YUNG-KAN (in Cantonese): Madam President, I move that the motion as printed on the Agenda be passed.

Madam President, the Hong Kong Special Administrative Region (SAR) has been in existence for some seven years. According to the provisions of Article 119 of the Basic Law, the Government ought to have formulated appropriate policies to promote and co-ordinate the development of agriculture and fisheries. It is now the fifth time that I move in this Council a motion on the development and restructuring of agriculture and fisheries. On each occasion, the Government invariably responded favourably. However, so far the formulation of policies has yet to be done. When the Chief Executive came here for the Question and Answer Sessions, almost every time I raised related questions. However, so far neither I nor members of the industry have been given a satisfactory answer.

Agriculture and fisheries are primary industries, primarily providing fellow countrymen with food, taking care of their hunger and keeping them alive. Since time immemorial, all countries and local authorities have attached great importance to the development of agriculture and fisheries. In the case of the United States, the country now generally considered to be economically most affluent and technologically most advanced, the Secretary of Agriculture is one of the key posts in the President's cabinet. Singapore was once dependent on her neighbour Malaysia for the supply of agricultural and fishery foods. However, it has made a flip-flop in recent years, now trying to revive its agriculture and fisheries. As for the city of Shenzhen across the border, after more than 20 years of opening and reform, a lot of farmland has been turned into sites with tall buildings. However, one mayor of the municipality once said, "Shenzhen can do without rural villages, but not without farming." The solution is for Shenzhen's farming companies to move to nearby counties or cities, such as Dongguan and Huizhou, and operate farms there. However, the agricultural and fishery foods they produce must be supplied to the residents of Shenzhen as a matter of priority.

On the contrary, in Hong Kong, because of the Government's long indulgence in the policy of "positive non-intervention" since the 1970s, the funding problem which bothers the development of agriculture and fisheries has never been given any government assistance. In 2002, I proposed a motion debate in this Council on "Developing Off-shore Fishing Industry". Precisely because of the Government's unwillingness to offer financial support, only a sum of \$20 million was set aside as a loan fund. However, the threshold for applications under that loan fund of \$20 million was too high. In order to be eligible for a loan, it is necessary to satisfy at least 20 conditions. Consequently, so far there has been no successful loan application from the fishermen. So, government support for off-shore fishing is basically at a standstill. On the contrary, in South Korea, their Government is going to spend 700 billion wons on developing off-shore fishing in the next decade. In the year 2003, so far as the development of off-shore fishing is concerned, the Shanghai Off-shore Fishing Group alone acquired a loan as high as RMB 730 million yuan from the Shanghai Municipal Government. However, we can just stand by and watch as other countries and regions scramble for presence.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

With no policy on agriculture and fisheries on the part of the Government, the industries enjoy no protection, thus other competitors are continuously nibbling away their room of survival. Nothing provides a more weighty excuse than considerations of environmental protection and public hygiene. As a result, industries that should have the support of the Government for development have become ones under the watch and supervision of the Government. The Agriculture, Fisheries and Conservation Department (AFCD) is the pertinent department having much to do with agriculture and fisheries. However, the SAR Government has placed the Department under the Health, Welfare and Food Bureau, not under the Economic Development and Labour Bureau. Apparently, the Government regards agriculture and fisheries as a target of regulation, not something to be developed. Is it not against the Basic Law for the Government to take such a reverse course in handling agriculture and fisheries?

Madam Deputy, from time to time, some members of the public will deny the value of keeping agriculture and fisheries, claiming that not many people are being employed in the agriculture and fisheries industries (estimated to be around 80 000 persons), and that the value of production is not high (but according to our information, in the year 2003, not taking into account the proceeds of more than RMB 1 billion yuan for products sold in the Mainland, the figure still amounted to \$2.86 billion.) It is not enough for Hong Kong, as an economically independent Special Administrative Region, only to have sound industrial and commercial policies. It must also have a set of sound policies on agriculture and fisheries. The value of keeping agriculture and fisheries industries is that they feed the people and keep them free from starvation. What is more, in the case of Hong Kong, the industries guarantee logistic support to maintain the city's reputation as a "Gourmet's Paradise". With regard to supplies for local consumption, local agricultural and fishery products account for 5% of the vegetables, 43% of the cut flowers, 32% of live pigs, 4% of freshwater fish, 32% of marine products, and more than 60% of freshwater products consumed. Since September 2004, the percentage of live poultry has even gone up from 23% to 50%. Agricultural and fishery foods carry a heavy weight in determining the Consumer Price Index (A). When we have the problem of "expensive vegetables" at times of typhoons and rainstorms, inflation soon occurs. Early this year, when there were successive outbreaks of avian flu in neighbouring countries and places, the Government, for fear of its spread to Hong Kong, temporarily prohibited the import of live chickens and day-old chicks from the Mainland, almost leaving local farms with no chickens to keep

and seriously affecting the catering industry and some other industries. Apparently, it is quite unreliable and inherently risky for Hong Kong not to have its own supply of agricultural and fishery foods and to depend entirely on imports.

Madam Deputy, although Hong Kong is small and very urbanized, it does not mean that there is no room for the growth of agriculture and fisheries. Although Hong Kong has limited territorial waters, our fishermen who are engaged in capture fisheries never confine themselves to our territorial waters. Instead, they venture out to the South China Sea in operation. However, as the fishery resources in the South China Sea are exhausting, it is necessary for Hong Kong fishermen to change their mode of operation, such as to develop off-shore fishing and to open up fresh fishing grounds. According to information, in the case of off-shore fishing, keeping a tuna fishing vessel equipped with ultra-low-temperature refrigeration facilities can be very promising, with an annual production value ranging from US\$800,000 to US\$1.5 million. Another form of innovative fishery is deep-sea purse-seine fishing. It can be operated at deep water near the coast, promising high yields, and it is thus more cost-effective. What is more, off-shore fishing can also be developed on basis of the technology already built up. Taiwan now has 70 American purse seiners. On the average, each of them has a production value of more than US\$4.5 million. The Mainland has developed seven such vessels, followed by several dozens in Korea and Japan. The Government should encourage and help fishermen bring in the aforesaid modes of production.

At present, our aquaculture is chiefly on fish. The Government should help members of the industry develop in the direction of culturing high-value species, such as pearls, sea urchins, sea cucumbers, crustaceans, abalone and seaweed. At the same time, there can be development of nurseries for fish fry and pet fish so that members of the industry can have diversified development.

The Government has had discussions in this Council on in-shore fishing, fishing moratorium and licensing. Here is my standpoint. In 1998, I voiced my views in this Council, in Beijing and in Guangdong separately. At that time, I pointed out that as Hong Kong was to uphold "one country, two systems", if the SAR Government was to implement a moratorium on fishing, it was necessary to solve problems of livelihood for the fishermen before making the proposal. The Government should not raise any such proposal so long as the problems remain unsolved. This is the view of the Democratic Alliance for Betterment of Hong Kong (DAB).

With regard to licensing, we are still studying the issue. As I have stressed repeatedly, we have to consult members of the industry on its feasibility. If they have no objection, then it is fine with me.

Tourism is an important foreign exchange earner of Hong Kong. In addition to established tourist attractions, the Government should also develop eco-tourism and leisure agriculture and fisheries. Whilst more jobs can be created and the local community economy developed, the industries undergoing restructuring may benefit from them. The reason is that traditional farmers and fishermen who are relatively older can thus be absorbed. In 2000 and 2002, I respectively initiated in this Council motion debates urging the Government to promote leisure agriculture and fisheries and eco-tourism. However, as the saying goes, "The sound of footsteps is heard but no one is seen coming down the stairs". Ever since I proposed to the Government the idea of promoting eco-tourism and leisure agriculture and fisheries, many fishermen have been looking forward to that in eager anticipation. It is hoped that there is no further hesitation on the part of the Government.

With regard to agriculture, because of the Government's improper town planning, new towns have been developed in the vicinity of farms long established. As a result, many residential homes are close to pig farms and chicken farms. Farmers and residents are still pretty much at odds even though farm owners have spent a lot of money to meet harsh requirements of sewage disposal. According to information, some Members have suggested to the Government that public funds be used to recover licences of pig farms. Once the licences of those farms are recovered, it is very likely for the land use to be changed to make room for the development of buildings, and never to be used for agricultural purposes again. We should understand that agriculture and fisheries are embedded in the Basic Law. We, people of the present age, have no right to permanently renounce Hong Kong's agriculture and fisheries, and deprive future generations of the opportunity to develop agriculture and fisheries. A move by the Government to buy back farm licences will engender new unemployment problems. For instance, over the past year the Government has been recovering trading licences of fresh food stores selling live poultry. Although the Government has provided those surrendering their licensees with retraining courses, most of them are still out of employment.

The emphasis given to environmental protection by people engaged in agriculture and fisheries is no less than that shown by any other industries or

groups, the reason being that we are invariably the victims whenever there is any environmental mishap. Many fellow farmers have already taken steps to improve the environment of their farms. Members of the agriculture and fisheries industries have long been condemned by members of the public, and they have been paying a heavy price to satisfy the requirements of regulations on environmental protection. This is just because the Government's town planning is improper and its policy on disposal of agricultural waste is not up-to-date. The ordinance on the control of livestock waste drawn up by the Government in 1986 is already very harsh by itself, with the standard of waste water disposal strictly fixed at 50 mg per litre for both the five-day bio-chemical oxygen demand and the ratio of suspended solids. Most small farms found that unacceptable both financially and technically. The farmers had adamantly demanded the Government to try that on private farms. However, this environmental protection policy, one that is almost 20 years old, remains unchanged, thus continuously rendering many people in the neighbourhood disgruntled. Yet the Government just turns a blind eye to that. As a result, many technical problems remain unsolved, yet the Government still clings obstinately to its course.

To solve the farmland issue, the Government should implement the scheme of setting up a priority zone for agriculture. Transport networks and irrigation systems should also be provided by the Government so as to make it possible for fellow farmers to invest on multi-storey livestock structures, green house farming and organic farming — members of the industry have recently set up, through the AFCD, a certification centre for organic farming — in order that there can be collective disposal of livestock waste as well as arrangement for housing.

The production of live chickens and pork dominates our livestock industry. Besides, they are at the start of establishing their local brand recognition. In recent years, however, live chickens have been subject to heavy blows from the avian flu. I hope that the Government, when studying this issue and giving consideration to the idea of implementing central or regional slaughtering, will think twice before acting. Madam Deputy, I beg to move.

Mr WONG Yung-kan moved the following motion: (Translation)

"That, as Article 119 of the Basic Law provides that the Government of the Hong Kong Special Administrative Region shall formulate

appropriate policies to promote and co-ordinate the development of various trades including agriculture and fisheries, and pay regard to the protection of the environment, this Council urges the Government to formulate a sustainable policy on agriculture and fisheries, including developing offshore fishing, deep-sea purse-seine fishing, leisure agriculture and fisheries, and mariculture; setting up a priority zone for agriculture, and developing quality livestock farming and organic farming; assisting the development of the agricultural and fishery products processing industries, as well as establishing a monitoring system for green agricultural and fishery food products, so as to enable the local agriculture and fisheries industries to develop through further restructuring and to supply quality agricultural and fishery foods to the people of Hong Kong."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr WONG Yung-kan be passed.

DEPUTY PRESIDENT (in Cantonese): Ms Emily LAU will move an amendment to this motion, as printed on the Agenda. The motion and the amendment will now be debated together in a joint debate.

I now call upon Ms Emily LAU to speak and move her amendment.

MS EMILY LAU (in Cantonese): Madam Deputy, I speak in support of the motion moved by Mr WONG Yung-kan. Surely, I am very much in favour of sustainable development in agriculture and fisheries. Madam Deputy, we just talked about air pollution, and as a matter of fact, the development in every field ought to be sustainable.

Madam Deputy, why do I move an amendment? It is because on 17 November this year, some of those belonging to the Hong Kong Fishermen Alliance came to the Legislative Council to have a meeting with me — some of them are probably seated in the public gallery now. They were extremely worried after they had learned from a television programme that the Government was thinking about imposing a moratorium on fishing in local waters and formulating a licensing system. They were concerned that the move might

jeopardize their livelihood. Madam Deputy, you certainly understand how edgy people in the trades represented by you can become over certain issues. Surely, issues likely to have impact on livelihood tend to make everybody edgy. They felt that they could turn to nobody to lodge their complaints.

According to information available to me, Madam Deputy, Hong Kong in fact has got 100 125 fishermen — the voters of Mr WONG Yung-kan only number 126, and many of whom may not be fishermen — and they are so worried. According to them, a meeting held by the Panel on Food Safety and Environmental Hygiene on 26 September last year had discussed the framework of regulating fishing activities within Hong Kong territorial waters. However, they were then totally unaware of the matter; nor were they consulted. So I made to them the promise to convey their views to the Government.

Therefore, on 29 November, the fishermen's representatives and myself went to have a meeting with the Director of Agriculture, Fisheries and Conservation, Mr CHAN Chun-yuen, and his colleagues. Present then were about 100 fishermen, all appearing to be very nervous. It was pleasing that some 20 fishermen were able to talk with the Director. It was a Monday. As we had another meeting scheduled with the Panel on Constitutional Affairs, I had to leave at four o'clock. Also present that day was Ms Audrey EU. So, she also met those fishermen. I learned that the meeting had continued for another hour after my departure, and that later on everybody clapped hands. When I saw Secretary Dr York CHOW, I asked him how Mr CHAN, the Director, could be so competent. At the beginning, those fishermen appeared to be very furious. But in the end they clapped hands and left. I hope that it is not a misunderstanding on my part. I hope that the fishermen clapped hands because of some really good news.

Madam Deputy, at that time I told those fishermen friends that I would bring their voices into the Legislative Council. So, when I learned of this motion of Mr WONG Yung-kan's, I consulted our fishermen friends as well as certain green groups, including the World Wide Fund for Nature (Hong Kong) (WWFHK) and Green Power. The reason is that they are also very concerned about this issue. I then proposed some amendments.

Madam Deputy, I am of the view that before implementing any policy, the Government must first consult those to be affected. I think you would surely agree with me, Madam Deputy. I, therefore, wonder why so many people have

not been consulted this time around when certain measures are to be implemented. Let it be known to our fishermen friends that their voices have been brought to the top echelons of the Government and the Legislative Council. *(Applause)* However, whether or not their aspirations will meet with ultimate acceptance is something beyond my power. But it is my hope that Honourable colleagues will support all the proposals today. It is believed that the Secretary will give us a satisfactory reply in due course.

Madam Deputy, given the fact that I have made it known that I am in favour of the sustainable development of agriculture and fisheries, some people might wonder why I should move the amendment and suggest studying the impact of sustainable development measures on demersal trawling fishing as well as shallow-water and deep-water purse-seine fishing. The reason is that many people are probably of the view that it is not likely for these two types of fishing methods to achieve sustainable development.

Madam Deputy, according to information available to me, there are more than 4 600 fishing vessels in Hong Kong. Among them, about 2 300 are sampans. 1 477 of the remaining 2 000-odd vessels are engaged in demersal trawling. They are, namely, the stern otter trawlers, pair trawlers, shrimp trawlers, or purse seiners, making up 32% of our fishing fleet. According to the Hong Kong Fishermen Alliance, each of these demersal trawlers or purse-seiners has to be operated by at least three persons. Once there is a general ban, more than 4 400 persons, representing 40% of the total fishermen population, will be affected.

However, I hope that our fishermen friends do understand that both the WWFHK and Green Power consider these fishing methods to be pernicious to the environment and destructive to the marine ecosystem. We hope that the authorities concerned should understand that it is not all right to do so. In fact, some countries, such as China, the Philippines and Indonesia, do not allow such methods. Madam Deputy, however, I am also aware of the question as to how these fishermen are going to make a living once these methods are banned.

So, can we, in the context of sustainable development, explore some ways to change the fishing methods used by members of the industry so that they can make a living without harming the environment? Some people have made some suggestions to me, such as reducing the number of meshes of the fishing nets, or

perhaps purse nets should use O-shape hooks instead of J-shape hooks. All this can minimize damages to the ecosystem. Furthermore, according to some green groups, fishermen also understand the importance of sustainable development, but when they see that their catches are dwindling and their livelihood is being challenged whilst we talk about nothing but the promotion of sustainable development, how can they be willing to give their support?

Madam Deputy, some green groups have therefore advised the authorities to grant them subsidies. When we talked about air pollution earlier on, we also agreed to appropriate funds to subsidize members of the industry. Now what should the fishermen be subsidized to do? They should be subsidized to adopt fishing methods conducive to sustainable development. They should not get any subsidy if they use methods that contravene sustainable development. It is also my hope that the authorities will make real efforts to communicate with all sectors of fishermen. I know that there is a Fisheries Education Centre under the Agriculture, Fisheries and Conservation Department. However, the officer in charge of the Centre probably cannot get in touch with all the fishermen or their representatives. I hope that under the leadership of the Secretary, the Department can really have a transparent, open and fair mechanism for contact with the fishermen.

Madam Deputy, my other amendment is also an issue the fishermen have asked me to raise. It is about the impact of such marine works as sand dredging and dumping on them. I recall that Mr WONG Yung-kan has again and again made mention of this problem. He often made mention of it whenever we talked about matters in this area. I, therefore, believe that Mr WONG will not object to me raising such an amendment today.

Madam Deputy, as a matter of fact, we have talked about several cases of such works at numerous panel meetings. It is because we have seen Penny's Bay's reclamation in connection with the Disneyland project, and then there was the problem concerning East Lamma Channel. Because of these problems, many fish perished, and the Government had to pay compensation for that. The fishermen reminded me to make mention of the waters around Po Toi Island, where coral reefs had perished and works experienced had delayed all because of sand dredging. As a result, the Government had to pay compensation to the contractor.

Madam Deputy, I have to point out today that some fishermen probably think that they are being neglected. They are worried. They number about a thousand. I believe their voices merit audience of the Government's top echelon. With regard to other parts of the motion, I do offer my support. However, I hope that when the Secretary gives his reply later on, he can make these fishermen and thousands of their family members and relatives feel assured.

I so submit.

MS Emily LAU moved the following amendment: (Translation)

"To add "to comprehensively consult members of the industries, green groups and the public" after "this Council urges the Government"; to add ", as well as studying the impact of sustainable development measures on bottom-trawling fishing as well as shallow-water and deep-water purse-seine fishing" after "and mariculture"; to delete "as well as" after "agricultural and fishery products processing industries,"; and to add ", as well as reviewing the monitoring system for marine works involving sand dredging and mud disposal" after "green agricultural and fishery food products"."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment moved by Ms Emily LAU to Mr WONG Yung-kan's motion be passed.

MR TOMMY CHEUNG (in Cantonese): Madam Deputy, today Mr WONG Yung-kan has raised this topic, one on the development of agriculture and fisheries. To be exact, also touched is the development of the poultry and livestock industry. All have something to do with food. This topic is particularly related to the catering industry that I represent.

It is rightly said that "Food is the first necessity for the people". So, it is very important to maintain stable supplies of agricultural and livestock products, ensure their quality, and care for public health. In other words, in addition to making sure that we have food to eat, it is also necessary to ensure food safety. It has been especially so in recent years. There is now possibility for

contagious diseases previously only found on poultry and livestock to spread to human beings.

Take as an example Japanese Encephalitis (JE), which has aroused much public attention recently. The disease can be spread by *Culex Tritaeniorhynchus* mosquitoes. Mosquitoes bite pigs. Infected pigs then pass the virus to human beings. The current year has seen five cases of JE, of which one was fatal.

In recent days, a lot of JE virus-carrying mosquitoes have been found around Shek Wu Wai and Shan Pui Tsuen in Yuen Long. There are piggeries in the vicinity, and mosquitoes of this kind have a flying range of 2 km. So, they pose a grave threat to 150 000-odd residents in nearby areas like Yuen Long Kau Hui, Long Ping Estate and Palm Springs. According to surveys done in the past, at some 20 or 30 piggery locations in Yuen Long, Lau Fau Shan and Tuen Mun North, *Culex Tritaeniorhynchus* mosquitoes were found. They really pose certain threats to nearby residential homes.

Pig farming is vanishing. Moreover, piggeries are often pernicious to the hygiene and environment of nearby places, and cause nuisance to the residents. The Liberal Party is, therefore, not in favour of relaxing the supervision and control over piggeries; and we hold that in order to prevent the spread of JE, the Government should, in addition to vaccinating pigs, buy back licences from pig farmers on a voluntary basis so as to further reduce the chances of JE becoming an endemic disease.

Surely, given the threat of avian flu, it is likely for people to wonder if chickens are really fine. As a matter of fact, Hong Kong has already adopted a few preventive measures for this, such as the method of isolated breeding practised by local chicken farms, importing chickens only from designated mainland chicken farms, and quarantine arrangements between Hong Kong and the Mainland being made through close co-operation and in line with international standards. All these have greatly minimized the chances of an outbreak of avian flu in Hong Kong. Moreover, recently both places have inoculated their chickens. So, during the recent outbreaks of avian flu throughout Asia, there was no incidence in Hong Kong. Facts bear out the effectiveness of our work. I, therefore, even more strongly oppose the idea of central slaughtering now being considered by the Government.

With regard to meat smuggling, the catering industry is also a victim. Often people in the industry depend on suppliers for the supplies of goods, thus they have great difficulty in finding out whether or not a certain consignment of meat is contraband. To protect public interest, the Liberal Party definitely supports stepping up efforts to crack it down at source and to heavily punish those meat smugglers.

Madam Deputy, having talked about meat of livestock on land, I would like to say something about fish. In recent years, catches made by local fishermen for local consumption have been dropping, coming down to 63 000-odd tonnes last year from 76 000-odd tonnes in 1997, that is, a drop of about 20% since 1997. Given the fact that Hong Kong has always been renowned for seafood, an unstable fish supply is likely to force people and the catering industry to pay a higher price for fish, and even render a more reliable source of supply questionable. The Liberal Party therefore agrees that the development of off-shore fishing and deep-sea fishing should be stepped up. Secondly, more efforts should be made to provide appropriate sites for more aquaculture farms. Only by so doing can the supply of seafood be stabilized.

Regarding Mr WONG Yung-kan's suggestion of labelling fish caught in order to track down seafood containing ciguatoxin, heavy metals and other toxins, I think it is a well-intended idea, but it is, I am afraid, not practicable in reality. How can we label all the fish caught every day and weighing tens of tonnes? What is more, members of the industry have already agreed to carry out monitoring voluntarily. It is hoped that this voluntarily established new monitoring system can protect people from ciguatoxin. In fact, it seems that the recent ciguatoxin issue only involves a certain importer. I, therefore, see no need to further tighten up supervision and control.

However, I think we are very concerned with the question as to how Hong Kong's reputation as a "Gourmet's Paradise" be preserved. Precisely because of this, we agree that we should develop quality agriculture and fisheries. For instance, the development of a market for organic vegetables and the promotion of the sale of Kamei chickens are worth supporting.

In her amendment, Ms Emily LAU proposes that in formulating policies on agriculture and fisheries, the Government should consult members of the industries, green groups and the public. To this, the Liberal Party has no

objection. If we cannot ensure a proper environment befitting sustainable development, how can we develop quality agriculture and fisheries?

Madam Deputy, I so submit.

MISS CHAN YUEN-HAN (in Cantonese): Madam Deputy, as far as Hong Kong of today is concerned, in order to develop diversified economy, it is not enough just to deal with the issues of agriculture and fisheries under discussion today. It is necessary for the Government to study the clockwork of the entire economic structure.

Madam Deputy, I am puzzled when I look around the Chamber today. I really do not understand why it is Secretary Dr York CHOW and officials from the Agriculture, Fisheries and Conservation Department (AFCD) who are here for this debate. In fact, the Economic Development and Labour Bureau should have sent their officers to this meeting because today we are talking about the development issues of an industry. I find nothing wrong with Secretary Dr York CHOW. I just feel that today's topic is somewhat irrelevant to his portfolio. I am not sure if the Government finds it unnecessary to listen to Mr WONG Yung-kan again as he often talks about the matter. If it is really the case, then I think something is wrong. Sorry about this.

As a matter of fact, Honourable colleagues, the Hong Kong Federation of Trade Unions (FTU) has always been of the view that many people have not been able to get into the mainstream economy in the last seven or eight years as Hong Kong is experiencing economic recession. It is our hope that the Government can promote a diversified economy to solve the tough employment problem confronting more than 1 million people in Hong Kong. Among them are the fishermen. In the past, they could go ashore to look for employment when the economy was good; when the economy was bad, they could return to work as farmers or fishermen again. The problem is that even if they now want to enter these industries, they run into a lot of operational problems because there is no government policy to support the industries. Therefore, I am of the view that if the Government indeed attaches weight to this issue or does notice that there are many impoverished people in Hong Kong today and so, there is a need for a diversified economy to provide them with a better chance of survival, then the Government should, it is hoped, give the matter serious consideration. Mr WONG Yung-kan often talks about the need to promote a policy on the

sustainable development of agriculture and fisheries. I consider it necessary. Hong Kong has splendid hills and waters. If we can make good use of such resources, then many economic activities can be developed. Agriculture and fisheries are typical examples. Now I am the one to speak on matters concerning water. Later on, Mr WONG Kwok-hing will speak on matters concerning florists.

I would like to talk about water. Apart from matters mentioned by Mr WONG Yung-kan and those to be brought up by Mr WONG Kwok-hing, I wish to stress that the quality of our sea water was long considered to be unsatisfactory. However, in recent years, the Government has put in much effort to improve the Harbour Area Treatment Scheme, having already spent \$8.2 billion on Stage 1 works which has indeed led to improvement in the water quality in certain parts of Hong Kong waters. Although the water quality of our Victoria Harbour has yet to be improved, the waters at Sai Kung and Tai Po have already seen some improvement. Improvement in water quality is a boon to the proliferation of living organisms. We have, however, noticed that the situation is somehow affected by some new factors — the reason is that the Government has given no consideration to exploring ways to make use of marine resources to help the fishermen, to make use of fish to develop ecological activities, and to study ways to develop new ecology.

Madam Deputy, in the middle of this year, as you are probably aware, some "fanatics" tried to culture pearls at Lo Fu Wat, and did succeed. As a matter of fact, in the 1950s, that place was a pearl-culture farm run by a local jewellery company. Later, because of contamination caused by effluent discharged by local factories, pearl culture could no longer continue there. Recently, it was discovered that Grade AA pearls could again be cultured there. Why? It is because the number of pearl oysters there has increased. Pearl oyster is a quality crustacean that can produce pearls. I personally went there for a visit once. The water quality there, as I noticed, is very good, and therefore suitable for the culture of high quality pearls.

In fact, I did talk to that group of "fanatics", people who have a passion for and profound knowledge of the ocean and fishes. They told me that calculating at \$10 for each pearl, the total value of pearls successfully extracted from an annual yield of 30 million pearl oysters can be as high as \$200 million, a figure on the conservative side. Let us calculate on the basis of this figure. The production process starting with the culture of pearls to the extraction of pearls

and oyster flesh (also a very valuable commodity, said to have a medical value and worth \$1,800 to \$2,600 per catty) can provide jobs to some 1 000 middle-aged people. If that place can have an annual yield of 30 million pearl oysters, and if it can be linked up with some other industries, then we can see a lot of development in their sectors. Here are some examples. The shells can be ground into powder. There are pearls and oyster flesh for extraction. There can even be the development of eco-tourism. I am aware that some fishermen and people interested in a career at the sea have already started some economic activities using marine resources, either reviving old activities or deriving new activities from old ones. Apparently, members of the public have started to do something. I know that Secretary Dr Sarah LIAO was once there for a visit. However, it seems that nothing has come out of it so far.

In my opinion, if the Government also thinks that the existing economic situation in Hong Kong makes it hard for many people, including fishermen, farmers and all walks of life to get employment, then it should make use of natural resources to redevelop industries of old. I have often jeered at the Government. The Government often regretted for not having launched a certain policy early enough. For instance, it was said earlier on that had we adopted the software now used in Shanghai it would have been wonderful. At that time, Hong Kong did not go ahead with it, but Shanghai did. That happened only a few years ago. Here is another example. We pointed out that the certification centre that we have not set up has already been set up by other places. In many cases, we would find South Korea and some other countries follow in our footsteps, with some of our stillborn plans completed by them. When we later tried to catch up with them, it was already beyond us. Recently some people (including Japanese) told me that our green tourism is worth promoting. Knowing that the hills and waters in Hong Kong are splendid, the Japanese have organized many eco-tours to Hong Kong. Many come all the way here for fishing as they know that our waters are very clean. I think that if the Government really wants to press on in the direction of such a policy, it is hoped that it can put in more effort.

Madam Deputy, I do not mean to say that Secretary Dr York CHOW does not know his job but he is really unfamiliar with the industry. A more appropriate arrangement is for Mr Stephen IP, the Secretary for Economic Development and Labour, to come here today. The reason is that the topic of today's debate involves economy and employment. Now the Secretary for Economic Development and Labour is not here, I am quite unhappy. I would

like to convey to the SAR Government through Secretary Dr York CHOW the message that there are still some people in Hong Kong who have not given up hope in our economy, who believe that it is still possible for Hong Kong to develop a number of economic activities to support our jobless people. It is hoped that the SAR Government can address the problem squarely (*the buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Miss CHAN Yuen-han, your time is up.

MISS CHAN YUEN-HAN (in Cantonese): Thank you, Madam Deputy.

MR LAU WONG-FAT (in Cantonese): Madam Deputy, Mr WONG Yung-kan's motion on formulating a sustainable policy on agriculture and fisheries is one single stroke hitting out in different directions. Covering different areas, its contents are rich and even backed up by the Basic Law. It is sensible, reasonable and legally justifiable. Let us see how the Government is to deal with it.

Reviewing the period since the establishment of the Hong Kong SAR, we are certain that agriculture and fisheries have been industries much neglected. Obviously, the Government already considers them to be dying, leaving them to fend for themselves. It goes without saying that the annual policy address seldom makes mention of the development of agriculture and fisheries. Not even the so-called local community economy once strongly promoted by government officials covers agriculture and fisheries. What the people best know about the Director of Agriculture, Fisheries and Conservation is the ultimately successful catch of the little alligator, but not his work to advance the restructuring and development of agriculture and fisheries with positive and concrete measures befitting Hong Kong.

Madam Deputy, although Hong Kong is small in size and densely populated, and there is intense competition from agricultural and fishery products coming in huge quantities at low prices from all over the world, especially the Mainland, our agriculture and fisheries industries still have a comfortable margin for survival and potential for growth so long as there are

appropriate counter-measures coupled with suitable policies. The speech just delivered by Mr WONG Yung-kan, representative of the agriculture and fisheries constituency, has hit the nail on the head. It, at the same time, identifies the problem and suits the remedy to the case. In short, in order to find a way out, our agriculture and fisheries have got to be exquisite and superb, that is, it is necessary to achieve high yields and high quality in agricultural and fishery products through efficient modern management. The selling point is: "To have products others do not have; and to excel in products others already have".

For our agriculture and fisheries industries to develop in this direction, it is necessary to undergo restructuring. In order to succeed in restructuring, it is not enough to depend on efforts by the industries. It is necessary for the Government to act as the facilitator by putting forward a set of policies. It is, for instance, a good and realistically practicable proposal to establish a priority zone for agriculture and concentrate on developing quality livestock farming and organic farming.

Madam Deputy, those engaged in agriculture and fisheries are not small in number. Their contribution always constitutes a part of our economy. Given the fact that in recent years the Hong Kong Government has always been talking about the need to promote the economic restructuring of our economy, I am of the view that it is only logical to help agriculture and fisheries undergo restructuring. It is something that ought to have been done long ago. Here is something even more important and timely. A set of policies on agriculture and fisheries that is in line with the time can, on the one hand, provide our people with quality and healthy agricultural and fishery foods, and on the other, reduce pollution and promote environmental protection by helping those engaged in the industries to enhance their management. In this way, the health hazard posed to the people by concomitant infectious diseases of the livestock industry can be reduced, thus bringing about improvement.

With these remarks, I support the original motion and the amendment.

MR FRED LI (in Cantonese): Madam Deputy, as primary industries, agriculture and fisheries do not rank high in our economy, taking up only 0.7% of our Gross Domestic Product. It is believed that, with the formulation of

policies on agriculture and fisheries as suggested by Mr WONG Yung-kan, the economic scale of agriculture and fisheries can be effectively enhanced.

However, the agricultural and fishery matters that Mr WONG seeks to cover are rather extensive. We surely will give our support if the Government can formulate a comprehensive policy to help the development. However, it is feared that it may be necessary for the Government to provide considerable support in terms of resources. Every person in Hong Kong, I believe, does hope that Hong Kong can produce quality agricultural and fishery foods. But in implementing all such policies, it is necessary, in my opinion, to consider the question of priorities. We in the Democratic Party have our own view on the question as to what matters should be dealt with first.

In fact, the biggest threat facing Hong Kong is the spread of avian flu. If the Hong Kong Government can first deal with the predicament confronting the poultry and livestock industry, I believe there will be even greater benefit to the general public.

In May 2002, the Bureau released an investigation report on the outbreak of avian flu that year. According to the report, our poultry industry first started as a subsidiary family-based backyard business. Gradually, development has seen it adopting more intensive methods of production in recent years. At present, small family-based farms still dominate the industry. Improvements have gradually been done to the internal facilities of those farms. However, because of restrictions on land titles, full-scale conversion of farm houses is difficult. Most of the farms are still small ones. What is more, they are very close to each other. If our farming cannot free itself from this sort of set-up, then it is feared that to seek to develop quality livestock farming along the line described in the motion is something indefinitely unachievable. We are, therefore, of the view that if the Government agrees to give support and to formulate a policy to determine a development strategy for agriculture so as to enable family-based operations to pursue development on a larger scale, then the risk of avian flu can probably be effectively reduced, and the local agricultural industry can also be upgraded.

Regarding fisheries, when Dr YEUNG Sum and I — he was still our Party Chairman then — met with the fishermen, many fishermen's organizations were gravely worried by the possibility that the Government might outlaw fishing

boats already registered and permitted to fish in Hong Kong territorial waters as well as implement a moratorium on fishing within our territorial waters. The issue was once brought up for discussion at a meeting of the Panel on Food Safety and Environmental Hygiene of this Council. There is no need for the fishermen and members of the industry to worry too much because legislation requires the approval of the Legislative Council. This is most certain. Even if the Government fails to consult members of the industry and insists on formulating policies incompatible with or even completely jeopardizing their interests, I believe that Honourable colleagues, no matter they are representing the industry or not, will deal with the matter fairly and objectively so as to strike the best balance in the light of general interests. So, they need not worry. Members of the Legislative Council will play their role of monitors watching the Government.

However, I would like to bring up one issue, to which Mr WONG Yung-kan should, perhaps, pay attention too. It is the problem about discarded fishnets. This problem, when spelled out, might sound unpleasant to the ears. However, it is really necessary to raise it. The premise of the original motion is to promote the sustainable development of agriculture and fisheries. If we do not properly address the problem about the indiscriminate disposal of fishnets, there is going to be grave impact on the ecology of local waters. The World Wide Fund for Nature (Hong Kong) has noted that some licensed fishermen often leave worn out fishnets abandoned on the sea-bed. The said organization once picked up tons of fishnets from the seabed of Hoi Ha Wan. What is wrong with those discarded fishnets? Let me tell you. When sea weeds grow on fishnets left on the bottom of the sea, they will block out sunlight, thus obstructing the photosynthesis of corals. When the currents are strong, worn-out fishnets will drift about in the water, tearing off ecologically valuable coral reefs in the area. Discarded fishnets may also pose hazards to both fishes and divers. We, therefore, are of the view that while the Government should help the development of fisheries so long as resources permit, fishermen are also obliged to maintain the development of fisheries in a sustainable condition, and protect our valuable marine environment. Otherwise our local marine ecology might be seriously damaged by the time the Government is ready to help the fisheries industry, and ultimately the interests of the entire community and those of the fishermen will suffer.

With these remarks, Madam Deputy, I on behalf of the Democratic Party support the original motion and the amendment.

MR CHEUNG HOK-MING (in Cantonese): Madam Deputy, today Mr WONG Yung-kan moved a motion on the sustainable development of agriculture and fisheries. I support the motion. Just now, quite a few Honourable colleagues have spoken on fisheries and livestock industries. Today I would like to approach it from the angle of agriculture and present my views.

I grew up in the New Territories, and probably well understand agriculture. In the past, the See Mew rice from Yuen Long, spoon-shaped Bok Choy from Hok Tau and watercress from Chuen Lung were all agricultural products well known to the residents of Hong Kong. But nowadays, our old brand-name products have already given way to the Jasmine rice from Thailand and the cabbage from Shanghai. Why? As far as the policy on agriculture is concerned, the Government probably has to shoulder much of the blame.

Must agriculture stay on? There is some disagreement on this in the community. However, I think Hong Kong is a diversified community, especially so because of the massive influx of immigrants in recent years. Let us just imagine. Many immigrants are mainly working in the catering and construction industries after coming here. We must not forget that many of them used to engage in agriculture in mainland China, and do have some skills. It can be said that once they are in Hong Kong, they have no chance to give play to their abilities. I, therefore, consider that to be a great pity.

Why is our agriculture so run-down now? There are, in my opinion, several factors for the Government to note. In the 1950s and 1960s, the Government built reservoirs to provide water for the people. Among them are Tai Lam Chung Reservoir, Shek Pik Reservoir, Plover Cove as well as the High Island Water Scheme. As these reservoirs need to get a lot of rain water in the New Territories, the Government set up in the New Territories several catchment areas absolutely without conducting consultation. Farmers were hoodwinked, channels were dug under farmland to drain all rain water into reservoirs. In a disguised way, farmlands were deprived of water supply, leaving farmers in a quandary. This is one of the reasons. The second reason is that when the Town Planning Ordinance was extended to the New Territories in the 1990s, the Government rhetorically defined it as planning. Unfortunately, when the Government did the planning, little weight was given to agriculture as one of the factors in the development. It is indeed impressive that there are priority zones for agriculture. I have a question for the Secretary. Has the Government spent a penny on those priority zones over the past decade or so? Let me tell you. The amount spent is a big zero.

Given all that stated above, the Government should now think carefully and consider formulating a policy on the sustainable development of agriculture and fisheries so as to support agriculture and fisheries. Here I have a few suggestions. Firstly, the Government should immediately review the *raison d'être* of all the existing catchment areas. These catchment areas were built in the past when, for political reasons, there was a fear that water from Dongjiang might be cut off from Hong Kong. Do they still have any economic value now? The Government ought to conduct a review. Apart from this, there are the priority zones for agriculture. The Government should not let them be mere shams. Resources should indeed be committed there to improve water supply and other facilities in order that farmers can really benefit from the so-called priority. This is the second point. Thirdly, in order that the industry can shed bright light in this international and diversified community, the Agriculture, Fisheries and Conservation Department, as the corresponding department in a responsible government, should provide our farmers with technical or financial support. With these remarks, Madam Deputy, I support Mr WONG Yung-kan's motion.

MS AUDREY EU (in Cantonese): Madam Deputy, because of the time constraint, I am going to speak on the fisheries industry only. In fact, Madam Deputy, as already mentioned by Ms Emily LAU earlier on in her speech, a large group of fishermen — the Fishermen Alliance formed by a large number of fishermen — had recently complained to us. They felt that they had been neglected, the reason being that the Agriculture, Fisheries and Conservation Department (AFCD) had, without consulting them, put forward a series of proposals which, in their opinion, would likely to affect their livelihood. This Council discussed those proposals last September. They, however, knew nothing about them. How did they come to know about them? It is because some fishermen saw members of the Hong Kong fisheries industry being interviewed on Phoenix TV. Only then did they learn of them. Being so very concerned, they went everywhere in search of Legislative Council Members, hoping to make their case known to them and to schedule appointments with government officials. So, today, when we are having a debate on formulating a policy on the sustainable development of agriculture and fisheries, I think it is necessary to first discuss the representation and consultation channels of the functional constituency of agriculture and fisheries.

According to information from the AFCD, there are about 4 600 fishing vessels in Hong Kong. Fishermen engaged in capture fishery number over

10 000. However, only 63 fisheries organizations are qualified to cast votes to elect the Legislative Council Member representing the constituency of agriculture and fisheries. However, the fisheries industry is structurally very complicated, with divisions like capture fishery, pond fish culture, marine fish culture, and oyster culture. There are also supporting trades like fish wholesale marketing, suppliers of fishing gear, and ice makers. What is more, among the 63 organizations with voting right are many groups that have nothing to do with fishermen operating in the sea, for example, the Hong Kong New Territories Fish Culture Association, Oyster and Crustacean Industries Association, and a club formed by dragon-boat fans. According to the Hong Kong Fishermen Alliance, whilst their organization represents 70% of fishermen fishing at sea, only seven groups affiliated with them have the right to vote, or merely one ninth of the corporate votes entitled to the fisheries industry. It is, of course, difficult to get representation in the Legislative Council by relying on only seven corporate votes.

As pointed out by Ms Emily LAU earlier on in her speech, on 29 November, her office and my office arranged for the fishermen to meet the Director of Agriculture, Fisheries and Conservation, Mr CHAN Chun-yuen, and officials from the Health, Welfare and Food Bureau. There was a myriad of issues that the fishermen wanted to bring up for discussion. They were very worried and appeared to be very angry and agitated then. Fortunately, Mr CHAN, the Director, was very nice. He kept the meeting with them going until they felt that they had established a smooth dialogue. Mr CHAN conceded that there had been a great problem in communication, and made an assurance to the fishermen that officers would be sent to every district to meet with them. With just seven minutes for my speech, I cannot spell out in full that myriad of complaints made by them that day. However, I can point out a few main ones here.

In the first place, the fishermen complained that excessive reclamation and mud dredging works by the Government was the real culprit responsible for dwindling fish population. It should not be blamed on over-fishing on the part of the fishermen. According to water quality surveys conducted by Friends of the Earth in 2000, because of Disneyland's reclamation works at Penny's Bay, the level of suspended particles in the nearby Ma Wan fish culture zone exceeded the standard set by Environmental Impact Assessment reports by 100%, and that had grave impact on the ecosystem. Apart from that, the new licensing system proposed might overlap with the vessel registration system now being enforced by the Marine Department. In future, fishermen operating in fisheries

protection areas must first get permission from local rural committees. They have the worry that it might lead to licensing on a regional basis, and further monopolization by rural committees in licensing.

In the second place, they are of the view that establishing fisheries protection areas and imposing a moratorium on fishing will be of little help to their livelihood. On the contrary, they will be left with even less room of survival. The reason is that their main activity is capturing fish available on a seasonal basis. Restriction on going in and out of protection areas and curtailment of fishing time can only render it impossible for them to make seasonal catches. That is going to have direct impact on their livelihood. Officials from the Health, Welfare and Food Bureau again and again stressed that artificial reefs could, in the long run, foster the development of fisheries. However, according to the fishermen, in stocking artificial reefs with fish fry, the Bureau was acting in a way tantamount to "dumping money into the sea". They pointed out that fish fry can all swim, and they will go elsewhere once they have grown up. But the Government guaranteed that there would be very big groupers. They, however, stated that they were prepared to dive to the bottom of the sea together with some officials to see if they can catch big groupers. As it is not so in reality, they therefore consider the authorities to have "dumped money into the sea".

As a matter of fact, in order to promote the growth of fisheries industry, it is absolutely necessary to have a vigorous trading market of non-staple food. In 1999, the Taiwan Government injected \$500 million to launch a plan to diversify the functions of fishing ports, beautifying fish markets and piers and building a fisherman's wharf complex, and thus ranking fish markets among their tourist attractions. The Tsukiji Fish Market in Japan also brought in private management and commercial facilities to upgrade efficiency and transparency so as to promote the sale of local fish.

The Government may also apply to our fisheries industry the Accredited Farm Scheme now in operation in order to establish a reputable brand name. Reference may also be made to the eTaiwan Fish Marketing Website set up by the Council of Agriculture in Taiwan to market aquatic products and processed foodstuff to all parts of the world through the Internet. This marketing network of Taiwan has won the patronage of more than 2 million web surfers.

Madam Deputy, Hong Kong is a port once relied heavily on fisheries. I do not want to see our fishermen's contribution being neglected. It is hoped that the Secretary will respond to these fishermen's aspirations and complaints in his reply later on. Thank you, Madam Deputy.

MR LI KWOK-YING (in Cantonese): Madam Deputy, Hong Kong was a small fishing port some 100 years ago. Though it has progressed to be a metropolitan city, agriculture and fisheries still have much to do with the ups and downs of its economy. There is the saying that "Food is the first necessity of the people." Without the toil rendered by farmers and fishermen, it would have been impossible for us to have bountiful meals daily and feel so at ease. As a matter of fact, many countries attach great importance to the development of agriculture and fisheries. For instance, the European Union has formulated a united policy on agriculture and fisheries so as to make sure that the development of agriculture and fisheries can achieve both quality and quantity.

Conversely, the development of agriculture and fisheries in Hong Kong has been quite forgotten. If one compares the good old days of the agriculture and fisheries industries with the aloof attitude of the Government towards them now, one just cannot help feeling very disheartened.

With government support not forthcoming and the sea suffering from pollution, the development of agriculture and fisheries is now in a quandary. It is, however, our firm belief that a blind alley is not bound to be a dead end, and there can still be delivery from desperation. The predicament now faced by the industries can definitely be overcome if the brain is put to use and some fresh elements are added to the development of agriculture and fisheries.

Setting up leisure agriculture and fisheries zones is one of the feasible measures that can both revitalize the industries and contribute to our economy and environment. In fact, when the Legislative Council earlier on discussed developing town planning and urban designs featuring local characteristics for the 18 districts, I already presented the idea of setting up leisure agriculture and fisheries zones around Tai Po and Tolo Harbour.

It so happens that today this Council is discussing the policy on agriculture and fisheries, and thus provides me with another opportunity to explain to Members how leisure agriculture and fisheries zones can bring the industries opportunities of sustainable development.

The so-called leisure agriculture and fisheries zone are chiefly for preserving the ecology and the resources of nature, promoting organic farming as well as marine eco-tourism, and putting a check on fishing activities harmful to the ecosystem. It is different from having waterfront holiday hotels, marine amusement parks and games such as diving.

Leisure agriculture and fisheries zones are important because they are conducive to the sustainable development of agricultural and fishery resources and, in fostering protection of the ecology and resources of nature, capable of promoting eco-tourism. Then all three parties, namely, members of the industries, the environment and our economy, will stand to win.

What is more, the establishment of leisure agriculture and fisheries zones is the prerequisite for launching another two measures that can help the development of agriculture and fisheries. They are the promotion of organic farming and the development of green agricultural and fishery food products.

With the establishment of leisure agriculture and fisheries zones, various kinds of work in connection with the conservation of environment and resources can be launched. For example, with regard to promoting the sustainable development of fishery resources, the Agriculture, Fisheries and Conservation Department (AFCD) may put in fish fry in suitable waters within the leisure agriculture and fisheries zones so as to foster more fish species. The artificial reef project can also be expanded with the deployment of more artificial reefs so as to gather more fish, provide habitats for marine creatures and promote the diversified growth of marine species.

As regards the development of organic farming, in recent years, the demand for quality agricultural health products has risen sharply. In the leisure agriculture and fisheries zones, the Government may arrange to make land grants to farmers for the development of farming plots like those run by Produce Green, those for orchards and organic farming, or farmland solely for the production of quality agricultural products. The development of organic farming is, in fact, an international trend. In some European countries, such as Holland, the governments encourage such development. Some major food retailers are even planning to stop selling agricultural products grown with the use of chemical pesticides within the next 10 years.

In recent years, ciguatoxin and agricultural pesticides have respectively been found on certain marine products and agricultural products in tests, making the people very sceptical about eating those agricultural and fishery products. For this reason, the Government may establish a surveillance system for green agricultural and fishery products so as to boost consumers' confidence. For instance, eco-labelling for aquatic products can help the Food and Environmental Hygiene Department and the AFCD keep track of all the live aquatic products and chilled captured fish coming in from all parts of the world. In this way, the occurrence of fish containing ciguatoxin can be monitored and Hong Kong people's health protected.

In summing up, the main move to give our agriculture and fisheries a new lease of life is to establish leisure agriculture and fisheries zones. At the same time, organic farming should be promoted, and a surveillance system for green agricultural and fishery products established. In this way, there will be assistance for the industries to pursue sustainable development. Also, there can be another path for the industries to develop and to keep abreast of the trend of the time.

With these remarks, Madam Deputy, I support the original motion moved by Mr WONG Yung-kan.

DR YEUNG SUM (in Cantonese): Madam Deputy, earlier on Mr Fred LI, the Democratic Party spokesman on this subject, spoke for the Democratic Party, commenting on Mr WONG Yung-kan's motion and Ms Emily LAU's amendment.

Madam Deputy, some time ago, Mr Fred LI and I received a group of fishermen friends from Southern District. They raised a few issues. As the Secretary is now present, I hope that he will listen to the words from their hearts. They learned that the Government was thinking of imposing a moratorium on fishing in local waters. As we all know, the Mainland's moratorium on fishing has been in effect for some time, bringing the operations of many fishing vessels to a halt and making it necessary for the Government to offer compensation. Now they have heard from some unknown sources that the Government is thinking of imposing a moratorium on fishing in local waters. Thus they feel very concerned, not knowing how they are going to make a living.

According to their information, many Hong Kong fishermen are engaged in in-shore fishing. Their boats are not well-equipped ones that can venture out to do deep-water fishing. Many of them simply operate along the coast with their families. It is the Government's hope that the implementation of a moratorium on fishing may result in further growth of fishery resources to the benefit of the entire fisheries industry. However, who is to help the fishermen with their livelihood? Must they sacrifice so much for common good? Will society give them a hand while they are making sacrifice? Has the Government been compassionate with their situation? I call upon the Government to give this issue careful consideration and do not as usual neglect the problems of the minority for the sake of common good.

As for fishing grounds, it seems that the Government has talked about not allowing fishermen to go to relevant fisheries protection areas for fishing so as to prevent any impact on the fishery resources. On this, they also have a lot to say. They doubt the effectiveness of artificial reefs. All along they have been asking the Government for data showing the effectiveness of the moratorium on fishing and that of artificial reefs. However, so far there has been no response.

Thirdly, as just stated by Ms Emily LAU, her amendment mentions studying the impact of sustainable development on bottom-trawling fishing. According to my understanding, the Agriculture, Fisheries and Conservation Department (AFCD) has strong objection to bottom-trawling fishing, holding the view that such operation "captures everything, big and small" and is thus likely to have lasting impact on fishery resources. However, we have to remember that traditionally many fishermen are used to doing bottom-trawling fishing. On the one hand, the Government says that it is necessary to cater for sustainable development. On the other hand, it is also necessary to cater for the mode of operation of the fishermen. How a balance can be struck between the two? It is hoped that the Government will give this matter plenty of thought.

Finally, they raised an issue closely related to social development, namely, the issue of sand dredging and mud disposal. Activities of sand dredging and mud disposal were basically very vigorous during the construction of the Disneyland, resulting in much pollution to the sea and heavy impact on the fishery resources. It is hoped that the Secretary now hears their views on these few matters.

They also grumbled about inadequate government consultation with fishermen's organizations. All along the Government has only consulted certain organizations of fishermen. The fact is all other fishermen's organizations also have sizable membership. They feel that the Government has been trying to push them to the margins. I thank Mr WONG Yung-kan for moving this motion. Madam Deputy, I would like to take this opportunity to make clearly known to the Secretary words from the hearts of the fishermen. It is hoped that the Secretary will conduct more extensive consultation in future and let them know whether or not there is going to be a moratorium on fishing in local waters. If the answer is indeed in the affirmative, then how is the Government to cater for their livelihood? With regard to the question of how sand dredging and mud disposal can be banned or monitored, I think the people of Hong Kong also have strong opinions from the perspective of environmental protection. The authorities should attach grave importance to the impact on fishermen's livelihood as well as its effect on fishery resources.

I have the feeling that fishermen are often ignored by the community. They are ageing. But because of nine years' free education, most members of their next generation are unwilling to follow the footsteps of their forefathers. As a result, they have a succession problem. They are growing old. Because of social development, the Government is often unable to provide them with more care. However, it is hoped that the comments made today can still make the Secretary duly address the relevant issues. Thank you, Madam Deputy.

MR WONG KWOK-HING (in Cantonese): Madam Deputy, the motion moved by Mr WONG Yung-kan is concerned not just about the development of our agriculture and fisheries industries. In fact it also concerns the development of our urban life as well as the balanced development of our economy. The reason is that quality and diversified agricultural and fishery products can enrich our living and make it healthier, and agriculture and fisheries industries with sustainable development can also make our economic structure more diversified which is conducive to the creation of more employment opportunities for a labour force of diversified background. Hong Kong has rich marine resources and a lot of rural farmland that has yet to be put to good use. If these natural resources are made good use of, a lot of economic programmes with local colours can surely be developed.

Madam Deputy, our floriculture has strong local colours. Up to the end of 2003, there were 240 hectares of floricultural land in Hong Kong with more than 1 000 workers directly engaged and they were located mainly in the northeast and northwest parts of the New Territories. Fresh flowers are the most important agricultural product in Hong Kong. According to figures from the Census and Statistics Department, the total value of our annual import of fresh flowers amounts to more than \$1 billion. Apparently, there are many flower admirers in Hong Kong. Flowers can beautify the surroundings, and their broad variety offers a wide price range. However, as noted by Mr WONG Yung-kan, the Government of the Hong Kong Special Administrative Region (SAR) just considers flowers to be luxurious items. No support is given to the industry. As a result, there is not even a wholesale flower market in Hong Kong. If the Government can revise its policy on agriculture, make proper planning on land use, help our floricultural nurseries upgrade their skills, and provide logistics facilities, then it can be certain that our floriculture will be able to grow more mature.

In fact, with regard to the provision of support, the Government can approach from three directions. It is hoped that the Secretary can respond to my suggestions.

(THE PRESIDENT resumed the Chair)

Firstly, make sure that florists can lease farmland on a long-term basis. At present, many New Territories farmland owners, because of the wish to reap short-term gains, would rather build small houses or rent out their lots for use as container yards than give support to florists for them to grow flowers. Given this, I wonder if the Government can consider giving tax concessions to encourage landowners to turn land for lease into farmland for floriculture.

Secondly, establish a wholesale flower market. This should be an urgent initiative. Ever since the original fresh flower market (that is, the Flower Market) at Boundary Street playground was done away with, the Government has not established a wholesale flower market. I think the Government should, as soon as possible, build a wholesale flower market or expand the existing roadside flower stalls around the area of Flower Market Road so as to logistically give them a boost. In my opinion, there is no need for the Government to

conduct too much policy research on this. A response has got to be made. I can recall that at a Legislative Council meeting a month or two ago, an oral question on the matter was raised. What has the Government done so far? It is hoped that the Secretary can again respond to this question of mine later on.

Thirdly, set up trade-skill training programmes so as to enable those engaged in this field enhance their skills through training. This is beneficial to the long-term development of the trade as a whole.

Madam President, Netherlands' global fame is built on one flower. Netherlands is now the world's most famous flower-exporting country. In size, Netherlands is only a small medium-sized country in Europe. However, flowers from the Dutch flower market are being supplied to all parts of the world, taking up one half of the world market. In Netherlands, some 70 000 people are engaged in floriculture-related trades. From this it can be noted that even though our land cost is high, there is still room for active development of floriculture in Hong Kong if only the Government can formulate suitable policies.

Madam President, floriculture is just one sector of agriculture cited by me for illustration. In citing this example, I just want to explain that agriculture can have sustainable development. It can have positive impact on the economy, employment and urban life. It is hoped that the SAR Government can formulate a sustainable policy on agriculture and fisheries as soon as possible.

With these remarks, I support Mr WONG Yung-kan's motion. Thank you, Madam President.

MR ALBERT CHAN (in Cantonese): Madam President, people engaged in agriculture and fisheries are a neglected and sacrificed group during the process of urbanization in Hong Kong. Our economy has scaled many heights over the last few decades, but our agriculture and fisheries have been declining rapidly, in a sharp contrast.

Paddy and vegetable fields opened up by those in our agriculture and fisheries industries in the past are disappearing gradually. Foods that we now rely on are supplied by neighbouring countries and places. In this respect, the reliance on imports is close to 100%. Tactically, this is a big mistake as every

place, for strategical or tactical reasons, has got to maintain a certain percentage of self-supplied foods in order that it will not get cut off completely when something goes wrong.

When reviewing the history of development of our agriculture and fisheries, even just that of the last ten years or so, I was most impressed by a case concerning the construction of the airport at Chek Lap Kok. At that time, because of the airport's construction, it was necessary to relocate farmers. There were only 10-odd households. Among them was an old farmer who wanted to find a place in the New Territories to resume farming. However, the Government had no policy at all in that respect. Ultimately, with the help and efforts of everybody, a place in Yuen Long was found for him. However, there he was unable to resume the farming work that he used to do in the past. The reason is that when he was living at Chek Lap Kok, fruit trees alone already numbered more than a hundred. The yields from fruit trees were enough for him to make both ends meet. Following his relocation, the farmer went to Yuen Long to start a new life with his dog. The dog could not get used to the new surrounding. It refused to eat at the new home, and wailed every night with its head facing the south, and died of hunger in a week.

Is this a sample of Hong Kong's sustainable development? Not even a dog could survive. After living in Yuen Long for a while, that old farmer also developed health problems and died. But for the development of the airport, he might still be able to live at Chek Lap Kok, and would, I believe, have lived to over a hundred years. He can be said to be another typical victim of our economic development.

The 10 major new engineering projects had not only affected Chek Lap Kok farmers, but also impacted on the agriculture and fisheries industries. The projects had also continuously affected Cheung Chau's fishermen and mariculture. Pressed by us, the Government revised the compensation granted to fishermen engaged in capture fishery. However, it was still not enough for our fisheries industry to further develop.

Escalating oil prices of late have caused disastrous damages to the fisheries industry. So, with regard to the development of agriculture and fisheries, it is definitely necessary for the Government to take corresponding measures so that farmers and fishermen can be enabled to keep their industries going even in adversity. Just on account of the impacts from projects, they have been forced

to give up their operation without any hope of resumption. Escalating oil prices have forced many fishermen to sell their boats, making it impossible for them to continue operation.

Chicken breeding, pig breeding and even the erstwhile quail business have all been squeezed out of the scene in Hong Kong as a result of the impact of SARS. The authorities have ceased to issue such licences. Finally, only two persons were left in the quail business. By means of some coercion, the Government enticed the two persons to surrender their licences in exchange for compensation. When they tried to resume operation, they met with all sorts of refusal. Even though they had already spent hundreds of thousands of dollars on their new locations, they were still denied licences. As a result, they have lost their hard-earned capital. It can be said that the tricks used by Government here were very dirty. Surely, the Secretary is probably not aware of these individual cases. But I can tell the Secretary that these industries are victims of the overall economic development and mistakes made by the Government.

With regard to agricultural development, it is hoped that the Secretary will find ways to stimulate the utilization of farmland in Hong Kong. The issue about our farmland is yet another irony. Our farmland is all over the New Territories, extending from the east to the west. However, the proportion really put to agricultural use is surprisingly small. At present, farmland is equivalent to wasteland out of use. As time goes by, it might become precious wetland.

In Hong Kong, there is in fact a lot of land with potential for development. However, there must be matching policies and planning. So over the last two years, I have repeatedly asked the Government to consider the idea of setting up a central breeding compound at a suitable location. It should cover both chicken breeding and pig breeding. In this way, chicken farms and pig farms near domestic homes can be relocated, and give way to metropolitan development. Also, there can be further development for the chicken breeding and pig breeding industries.

Now about in-shore fishing. We often see that at places around Silvermine Bay or Cheung Chau, many fishing boats dredge the seabed to such an extent that the entire sea surface turns yellow. Fishermen are sacrificing their long-term development for short-term gains. As the seabed has been damaged, the growth of fish in the vicinity suffers tremendously. For the long-term interests of the fisheries industry, the Government should, step by step,

impose control on and ban in-shore fishing, an improper fishing activity, so as to revitalize Hong Kong's mariculture, capture fishery, or trades along this line. Thank you, Madam President.

MR VINCENT FANG (in Cantonese): Madam President, although Hong Kong is basically a cosmopolitan city, our agriculture and fisheries industries are not only closely related to the daily life of the general public but are also pivotal to many people's livelihood. Last month I had a meeting with more than 30 fishermen. They asked me to convey to the Government their views that, for the sake of their livelihood, a moratorium on fishing should not be imposed. They also asked the Government to provide fishermen with more financial assistance for long-term development. In the past two weeks, importers and wholesalers of mainland chickens also made representation to me. As the winter solstice festival and Chinese New Year are both approaching, they hope that the Government can relax the control on imports in the light of the demand of the market so as to let in more mainland chickens and, in so doing, bring the numbers of mainland chickens available in the market to a level close to that of local chickens.

However, Hong Kong is small in size and yet so densely populated, where labour cost is high. Moreover, in recent years, more and more diseases that can be spread by poultry or livestock have emerged. Under these circumstances, what kinds of agriculture and fisheries ought to be kept and developed to suit Hong Kong? The motion moved by Mr WONG Yung-kan today indeed has given us an opportunity to review the direction of development.

Years ago, members of the fisheries industry proposed the idea of developing off-shore fishing as well as deep-water fishing in order to increase their catches and income. However, deep-water fishing is still not common. Members of the industry comment that it is due to the lack of assistance from the Government in terms of funding and establishing contacts with authorities inside or outside China. It is even said that the authorities concerned have not approved one single loan application for off-shore fishing. According to information from the Government, in recent years there have been six applications in connection with the development of off-shore fishing. However, the applicants eventually withdrew their applications because the authorities had required the applicants to pay off their old debts first and put up their homes as security. This probably creates much difficulty on the fisheries industry.

According to members of the industry, the authorities should consider granting loans to such fishermen as off-shore fishing is very profitable, and fishermen consequently will be in a better position to pay off their loans. It is believed that with the inclusion of such loans, not only the operation of the loan fund will not be affected, but also the recovery of capital will speed up, thus increasing the amount of capital in circulation. In this way, loans can be made available to more people and this will expedite the restructuring of the fisheries industry without any injection of fresh capital.

With regard to the poultry and livestock industry, as already mentioned by my colleagues, the Liberal Party holds that there should be a gradual drop in the number of pig farms. This is to prevent Japanese Encephalitis from becoming an endemic disease. As for chicken farms, at present some 3 million live chickens are being kept by our chicken farms. All such chicken farms are regulated by the Agriculture, Fisheries and Conservation Department. Similarly regulated are mainland chicken farms supplying Hong Kong with live chickens.

I am of the view that because of scarcity of land and high labour cost in Hong Kong, it is difficult for our poultry and livestock to compete with those from the Mainland in terms of price. So, the development of our poultry and livestock industry ought to be directed towards adding value. Our Kamei chicken is an example of success. By making arrangements and scheduling study visits, the authorities can help members of the poultry and livestock industry to conduct exchanges with other countries so as to be briefed on breeding technology. The breeding of quality poultry and livestock should be encouraged to ensure a stable supply of such poultry and livestock.

As regards agriculture, Hong Kong should also develop in the direction of organic farming and green foods. In recent years, the general public have been paying more and more attention to health and environmental protection, giving the market the potential to develop organic produce and green foods. Shops, supermarkets, hotels and food establishments selling organic fruits and vegetables are all on the rise, thus proving that they do have considerable patronage. The Mainland is also attaching greater weight to organic farming. However, most of the organic products available in the local market are imported from the Mainland or abroad. Locally grown green foods are not that common; nor do they have a great variety. As a result, Hong Kong even lags behind the Mainland. What is more, business opportunities in this respect have also slipped away.

The Liberal Party therefore supports Mr WONG Yung-kan's original motion in asking the Government to establish an effective certification system for the production of organic produce and green foods in Hong Kong so that the people of Hong Kong can choose local products and promote the growth of both organic produce and green agricultural and fishery products. In so doing, awareness of environmental protection and development of the same may also be attained.

I so submit. Thank you, Madam President.

MR LEUNG KWOK-HUNG (in Cantonese): I have no special knowledge about agriculture and fisheries. However, I would like to start with some specific examples.

I recently received from the residents of She Shan Tsuen in Lam Tsuen, Tai Po, a complaint saying that a piece of farmland there is being used as a refuse dump by a company that has connection with influential figures in the village. I personally went there for a site visit. As we all know, Lam Tsuen of Tai Po was once a very scenic river valley. But I only saw a stretch of stagnant water there. Farmland is left to fallow. There are huge heaps of industrial waste and construction waste, all piled up like hills taller than the farmland. If it rains heavily, the consequences are inconceivable. Those villagers have taken up the matter with seven government departments and held meetings with them, and have even talked with an official of the rank of Deputy Secretary. However, that official surprisingly said that there was nothing wrong. I find that totally defy understanding. This example answers the question as to who killed our agriculture. So to speak, in whose hands did the deer perish?

In fact, the current situation is somewhat similar to the famous enclosure movement of England. The enclosure movement then launched was very ruthless, aiming at obtaining raw materials for the development of the textile industry as well as forcing members of the huge labour force to go to textile centres, such as Manchester, to work as labourers. It was most unscrupulous. In the past, when Hong Kong was under British rule, the local agriculture industry was already ruthlessly ruined. Under the colonial system, many developers, taking advantage of their ties with bigwigs in the Government, gained information as to which pieces of land in the New Territories were to

change in land use and could serve as "baits". That enclosure movement resulted in the "fattening" of a few developers. However, it also destroyed the beautiful scenery of Hong Kong, totally devastating farmers, farming and rural villages. All these are not acceptable.

Today, a lot of Hong Kong farmland is, as in the case of She Shan Tsuen, being used as bait or awaiting land use changes by the Government in anticipation of becoming money-spinners when the land is used to build houses. This is also absolutely not acceptable. This reminds me of West Kowloon, and reminds me of the deeds of a Ms CHUNG, a former senior official with the Housing Department. Such pork barrel capitalism has led to vicious land speculation. It is indeed the culprit responsible for the death of our agriculture. The profit-before-everything mentality is also the culprit responsible for the death of our agriculture.

Secondly, I would like to start with an actual example. I used to serve on an amateur football team. Two team members were out of employment. One of them was a fisherman. So he thought of making a living by deep-water fishing. He went to Africa for his investment. However, he lost all his hard-earned capital just because of a licence book from the Marine Department. As his licence book was worn out, he returned to Hong Kong to ask the Marine Department to let him have a new one. However, the Marine Department told him that no more could be issued, and just made a xeroxed copy of the old licence and pasted it back. My team-mate was furious and was thinking of contacting "Tai Pan" — "Tai Pan" was then still with the radio station. Eventually he did not contact "Tai Pan" as he was afraid of trouble. Having cited this example today, I had better play the role of "Tai Pan" and disclosed the case. I do not understand why the Government would treat its own people like that. As no government help is forthcoming with regard to deep-water fishing, they have no choice but to do shallow-water fishing, which, however, is pernicious to the ecology of fisheries. I think that this clearly proves the sequelae resulting from the single form of speculation on the mind of the Hong Kong British Government and now the SAR Government, which only allows developers and consortia to have a free hand to make profits in order to keep the whole economy going.

The third point is on organic farming. It is, of course, desirable to promote organic farming. I once worked abroad as a worker for organic farming. I feel that companies engaged in organic farming are not necessarily

nice employers. The work of digging deep into the ground is required. There I dug so hard that I sweated all over. The pay, however, was just like that of an ordinary worker. Yet the prices that they charged for organic produces were three times that of ordinary produces. Though organic farming is worth promoting, care should be taken to prevent it from becoming a profiteering tool of the few. The Government must also be careful in granting subsidies.

The fact that organic farming is being neglected also has something to do with the attitude adopted by the Government towards the so-called genetically modified foods. Genetically modified foods are doing harm to members of the public in Hong Kong, driving them into fear. However, the Government, going against international codes, has again and again refused to introduce a food labelling system. In this Government I cannot see any sincerity to let you all have the opportunity for sustainable development, or allow the three types of primary industries unique to China to make their appearance here. In fact, it is really a sin to do so. I therefore support this motion.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

MRS SELINA CHOW (in Cantonese): Madam President, I actually know very little about agriculture and fisheries, especially the latter. I used to represent the constituency of wholesale and retail. I once raised a question, wondering what sorts of fisheries I was representing. The fishmongers whom I represented told me that those with the Chinese character for the word of fish not carrying the radical of three dots came under my care whilst those with the Chinese character for the word of fish not carrying the radical of three dots fell outside my ambit. That is to say, those selling fish were among the trades represented by me whilst those catching fish were not represented by me. I, therefore, know very little about capture fishery.

Today, however, a group of fishermen came and had discussions with me. They are representatives of the Hong Kong Fishermen Alliance. After listening to them, I got the feeling that both the Liberal Party and the Legislative Council should pay attention to their concern and worry. Their request is very simple. They want to get on with the work that they have long been familiar with, that is, in-shore fishing. However, they are feeling very concerned as it is said that the

Government is having some new thinking and new ideas that are likely to impact on their livelihood. As it was in the afternoon that I received them, there was not enough time for me to seek clarification from the Government. The concern voiced by them, however, gave me the deep impression that there is definitely something wrong. Perhaps there has been not enough consultation or dialogue, as a result of which they have the fear that the Government is thinking of imposing a moratorium on fishing in Hong Kong, a move likely to jeopardize their in-shore fishing activities. They also fear that the Government is going to change the licensing system to drastically reduce their areas of operation. Given the fact that they depend on that for their living, they naturally find their future bleak when they know not what is going to happen. We certainly should not blame them for holding such worries.

Today I am pleased to notice that the Secretary is here. I understand that they have had no opportunity to talk with the Secretary. However, they did meet with the Director of Agriculture, Fisheries and Conservation, Mr CHAN. It seems that what they just said invariably touched upon some policy matters. It is hoped that the Secretary will quickly take notice of their worry and engage in direct dialogue with them so as to solve the problems worrying them most. I always hold the view that whenever there is any change to a policy, there has got to be a way out for the people affected. I believe that when we change anything, the goal is for the benefit of the community. Having worked in the community for so long, they certainly do not want to impede development. I think they do wish to progress with the community together. For this reason, I believe it is going to be beneficial to all if assistance can be given to them to improve and progress with others. Then they need not worry about their livelihood being affected. Therefore, I surely think that communication is important. Similarly important is the adjustment of policies. Of course, the Government should open dialogue with them because only by listening to words from their hearts can the Government know what adjustment to make.

I call upon the Government to expeditiously put in efforts here. I often tell different organizations that if they approach us Members, the first thing that we do is to let government officials or government departments vested with the power to engage in direct dialogue with those disgruntled or feeling concerned. It is most satisfactory if issues can be solved directly without our involvement for it means that the problem is solved quickly. I hope such an approach can soon be put to use. It is also hoped that the Bureau will really listen to their words. As they have been engaged in the industry for so long, they perhaps can help the

Government in various aspects in solving problems. Therefore, it is most important to establish dialogue and gain an in-depth understanding so as to find out their operational problems and explore ways in which the Government can help them. I earnestly look forward to seeing such a scene soon. If the matter can be solved smoothly without our involvement, then so much the better.

Also, Madam President, I would like to speak briefly on pig breeding. We would often hear that people in different parts of the New Territories have strong objection to the pig breeding industry. The said industry has been around for years and we are not trying to drive it into total extinction. However, I understand that many of those so engaged are advanced in age. Those of the younger generation do not necessarily want to be so engaged. Therefore, it is likely for the pig breeding industry to experience a succession problem. It is probably relatively difficult to restructure the industry so as to make it go scientific. However, pig breeding causes pollution to the environment and even spreads diseases. These are not what the people want to see. I wonder if the Secretary can take a look and see if a policy can be worked out to solve pig farmers' problems once and for all. Thank you.

MR TAM YIU-CHUNG (in Cantonese): Madam President, it is indisputable that the Government pays inadequate attention to the development of agriculture and fisheries. Some members of the industries even hold that it is the Government who has murdered our agriculture and fisheries. This is probably due to the fact that the Government, working on the basis of economic returns, considers the portion from agriculture and fisheries to be low or insignificant. Furthermore, there is strong support from Mainland imports. The development of agriculture and fisheries has, as a result, become not quite indispensable, let alone the need to adopt any strategy of sustainable development. However, Hong Kong people really like local products, no matter they are pigs raised locally or seafood caught by local fishermen. We also think that agriculture and fisheries industries can provide plenty of jobs. To those already so engaged, a switch to other trades is quite difficult.

There is a recent example strong enough to prove that it is necessary for us to have our own agriculture and fisheries industries. During the epoch of avian flu, when there was a curb on the import of poultry from the Mainland, had we had no agriculture and fisheries industries, it would have been hard for us to cope with such an unexpected situation.

Of course, in order to enable the sustainable development of agriculture and fisheries industries, it is necessary to learn more about agriculture and fisheries industries, find out the problems faced by members of the industries and help them solve those problems. Also, with regard to those problems, the Government should put in more efforts and have more contacts with members of the industries.

As for myself, ever since joining the Legislative Council in 1985, I have been keeping an interest in the development of agriculture and fisheries as well as the difficulties and problems faced by members of the industries. The Livestock Waste Control Scheme effective from 1986 and the sand dredging and mud disposal in connection with the Government's massive reclamation works have all impacted on mariculture and fishing. All along we have been trying to get them reasonable compensations. With the implementation of a moratorium on fishing by the Mainland over the past few years, there has been impact on the livelihood of local fishermen. To find ways to assist them financially, and to help them with fire and burglary prevention during the moratorium on fishing, we have maintained continuous contact with them in a bid to help them solve problems.

We later strongly advocated that among the functional constituencies, there should be one for the agriculture and fisheries industries. As a result, a seat representing the agriculture and fisheries industries was added to the functional constituencies after 1997. Ever since joining this Council, Mr WONG Yung-kan has moved almost every year a motion urging the Government to attach weight to the development of agriculture and fisheries and formulate policies on agriculture and fisheries. Whenever we were with him, including meeting with the Chief Executive and meeting with the Financial Secretary or relevant heads of the various branches and bureaux, he could be seen trying very hard to advocate, promote or explain things in a bid to get the Government to pay more attention to policies on agriculture and fisheries so as to help members of the industries. Madam President, when you host the annual reception for government officials and Members, Mr WONG Yung-kan could also be seen enthusiastically putting on the dining tables local agricultural and fishery products for everybody to taste, in the hope of motivating government officials to give more attention to the development of agriculture and fisheries.

It is also hoped that members of the agriculture and fisheries industries, regardless of their positions but inclusive of all those who work on land and all those who work at sea, can stand united to fight for long-term and sustainable policies on agriculture and fisheries in order that our agriculture and industries can progress further. Here I support the motion moved by Mr WONG Yung-kan.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr Mr WONG Yung-kan, you may now speak on Ms Emily LAU's amendment. You have five minutes.

MR WONG YUNG-KAN (in Cantonese): Madam President, I wish to give my personal views on Ms Emily LAU's amendment. In principle, I do not object to any amendment. The Democratic Alliance for Betterment of Hong Kong (DAB) will support Ms Emily LAU's amendment because it thinks that the amendment can fill the gaps in the original motion. I also wish to thank Ms Emily LAU and other Members for the opinions they have put forward.

On the provision of assistance to bottom-trawling fishing, I first wish to mention that a couple of days ago, I was in Beijing attending the ceremony marking the 50th anniversary of the China Fisheries Association. There, I heard the remarks of Mr TANG Qisheng, who is an academician of the China Academy of Engineering and also a fishery expert in the Mainland. He said, and I quote, "The research on in-shore fishery resources must be enhanced to provide a basis for the scientific management of the fishery industry." We can hence see how far the fishery industry in the Mainland has developed. This means that we should conduct research not only on in-shore fishery resources but also on offshore fishery resources. I have just quoted part of Mr TANG's speech because the whole of it was very long.

In regard to in-shore fishery resources, some may ask, "Just who have done damage to who?" I agree with Members that since 1993, when the "Rose Garden" projects commenced, irreparable damage has been done to fishery

resources. The damage is irreparable, but should we just sit there with folded arms? I think we should conduct studies on different areas. I admit that I also do not have adequate knowledge, which is why I always ask one of my good friends to gather the fishery information of other countries for me. This magazine is called *International Fishery News* (國際漁業信息), published in Taiwan, not by me, and my friend will send it to me every year. My intention is to keep abreast of the international trends of the fishery industry and consider what directions we should take. Therefore, in recent years, apart from conducting overseas inspection tours, I have also visited Taiwan and Japan and even such countries as Australia and Mexico, with a view to identifying the directions of our fishery development and also ascertaining whether we should confine ourselves to the existing situation.

Misled by the British Hong Kong Government, Hong Kong fishermen vigorously developed trawling fishing, thus greatly depleting local fishery resources. In recently years, in-shore fishery resources have also suffered as a result of the poor management of the Government and the mainland authorities. Over the years, I have repeatedly advised Beijing that the Mainland should stop issuing any more clam-trawling licences. The continued development of this type of trawlers will lead to the unemployment of shrimp-trawling fishermen and all fishermen. Why does the Government refuse to review its policy? Why does the Central Government refuse to do so? Why does our Government refuse to relay our views to the Central Government? I have raised all these questions many times before. I therefore agree with Ms Emily LAU that we should explore the directions of developing in-shore fishery resources.

Besides, I also wish to inform Members that we have not yet fully covered the South China Sea, and our fishery industry has only covered 10% of the South China Sea waters in its operation. We are still unable to exploit vast parts of the waters, including those parts of a depth of 150 m. These parts are totally unexploited. I therefore hope that the Government can make more efforts in this respect.

In regard to the mechanism for granting *ex gratia* allowance, I have been advocating that it must be revised ever since I became a Member. But even my advocacy is not enough. Yesterday, a group of fishermen and I sought a meeting with the appeal panel on *ex gratia* allowance. But they are still unwilling to meet with me. I have therefore written to the chairman of the

appeal panel, telling him that the reason he has given cannot be justified. According to him, since the fishermen employ Mainland Fishermen Deckhands, no *ex gratia* allowance will be granted to them, and they will only be granted very small sums of allowance. We have done some calculations, and we find that in the past few years, the *ex gratia* allowance granted to them was just \$1 or \$2 a day. When we first asked for an *ex gratia* allowance years ago, the same reason was given. The amount is just \$1 or \$2 a day, so the total sum for the past few years is only some \$6,000. How can a fisherman operating a 150-m trawler survive on this? I think the Government should conduct a fresh review and formulate a new policy as soon as possible. For all these reasons, I totally support the relevant proposals. Thank you, Madam President.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): Madam President, first of all, I thank Mr WONG Yung-kan for proposing this motion, so that we can review afresh our policies in this area. I also thank Ms Emily LAU for her amendment which draws our attention to the concerns of fishermen about the future. In fact, we are also very concerned about the needs of fishermen.

With regard to the income of the agriculture and fisheries industries, I have a table showing the figures in the last five years (from 1999 to 2004), and we can see from it the production figures. On the income of fishermen engaged in capture fisheries, the income from marine fish was \$330,000 yearly in 1999, and in 2003, it was only \$148,000, representing a 50% drop in their income compared to 1999. This does give cause for concern, and it is also the reason why we have to re-examine the work of fishermen and their fishing methods in the future. As for the other industries, such as vegetables, pig farming and chicken rearing, there has not been a very big difference in their income in recent years.

We have to look at the prices of local agricultural and fishery products in the market before we can gain some understanding about their competitiveness. In respect of vegetables, in 1999, local vegetables were cheaper than imports, but in 2003, local vegetables already cost about 13% higher than imports. In respect of chickens, local chickens have all along been more expensive than imported chickens by about 30%, whereas local pigs also cost about 10% higher than imported ones. With regard to fisheries, the prices in 1999 were 50%

cheaper than the imports. But now, the prices of our fishery products have increased, and while they are still cheaper than the imports, they already cost 75% of the prices of imported products.

When it comes to economic development, we must look at the neighbouring countries, countries from which products are imported and competition in the present environment before deciding on the future direction. It is now the policy of the Government to provide the greatest possible support to the agriculture and fisheries industries and pool resources together to improve the quality of the products of the industries and hence enhance their productivity and competitiveness.

In 2003-04, the recurrent expenditure in relation to the agriculture and fisheries industries of the Agriculture, Fisheries and Conservation Department (AFCD), the Fish Marketing Organization (FMO) and the Vegetable Marketing Organization (VMO) stood at over \$180 million.

We must also understand the limitations in various aspects. With regard to the fisheries industry, over the past 20 years or so, the number of fishing vessels engaging in fishing in the South China Sea has increased tremendously from several thousands to nearly 100 000. This has, to a very large extent, affected the catch. Competition is also a reason for declined catches.

There is overfishing in the fisheries industry in Hong Kong. According to the report of the Consultancy Study on Fisheries Resources and Fishing Operations in Hong Kong Waters commissioned by the Government in 1998, both the fish catch and fish fry production in 1997 had dropped 50% and 90% respectively compared to 1990.

In respect of mariculture, there are also certain limitations. At present, there are 26 mariculture farms, but given the limitations in space and the problems of pollution and fairway, it is not easy to make extensive improvements to the mariculture farms.

It is even more difficult to overcome the constraints in the agricultural sector. Hong Kong is a densely populated place where land resources are extremely lacking. At present, 97% of the agricultural land in the New Territories is held in private ownership. The Government cannot force the relevant owners to use the private farmland for agricultural purposes.

Owing to higher environmental standards and requirements in public health, certain difficulties will be encountered in the development of the livestock industry. Members have mentioned the problem of infectious diseases, and this has certainly been bothering members of the livestock industry a lot. But we will do our utmost to make improvement.

We are of the view that in the long term, the agriculture and fisheries industries should develop in the direction of injecting our limited resources into developing "low risk, high return" agricultural activities. In respect of farming, it is necessary to develop accredited farms, organic farming, and so on. As for livestock farmers who encounter difficulties in the course of converting to new practices, we will provide support to them as far as possible.

Regarding the livelihood of those engaged in the agriculture and fisheries industries, there are about 19 000 employees in the agriculture and fisheries industries in Hong Kong. Due to such factors as limited space for development and competition in the market, the income of fishermen and farmers is limited. An operator of a fresh water fish culture farm earns some \$20,000 on average a year, which is not enough to maintain a living even at subsistence level. So, many have to take up other jobs in order to make ends meet. For the more well-off pig farmers, they have an income of about \$500,000 yearly.

With regard to the market share, in 2003, the total value of local agricultural and fishery production is close to \$2.8 billion, accounting for about 0.1% or one thousandth of the Gross Domestic Product. Most of the vegetables are imported, and the local produce accounts for 4% of the local consumer market, whereas marine produce accounts for a higher percentage of 46% of the local consumer market.

As regards the environmental impact of the fisheries industry, there are about 4 000-odd fishing vessels in Hong Kong. Some 1 000 of these vessels practise trawling and account for 84% of the catches. This is precisely why their fishing activities have caused serious damages to the seabed ecosystem, as they will catch all kinds of fish, big or small, fish fry, as well as other marine life that they do not need. This is not a sustainable practice, and we must help them identify another way to make a living as far as possible.

On the agriculture front, I have mentioned that the traditional livestock industry carries potential risks, particularly as it will pollute the environment or may cause infectious diseases. So, we have to accord special treatment to it.

We will work in the following directions. In respect of fisheries, in order to address the problem of overfishing and hence ensure sustainable development of the fisheries industry and conservation of the marine environment, we have, in accordance with the recommendations of the consultancy report in 1998, completed three measures on fisheries conservation. First, deploying 160 000 cu m of artificial reefs in the vicinity of Sai Kung and Chek Lap Kok to provide a habitat for over 220 species of fish; second, implementing a fish fry releasing trial scheme, under which 60 000 juvenile fish and 1 million prawn fry were released, with a view to rebuilding the fish stock; and third, alleviating the impact of marine works, and habitat restoration. In addition, we have also stepped up enforcement actions against destructive fishing.

We will implement three other recommendations of the consultancy report, but I must stress that representatives of the agriculture and fisheries industries will be gradually consulted on these recommendations. Recently, Mr CHAN, Director of Agriculture, Fisheries and Conservation, has had discussions with members of the agriculture and fisheries industries and invited their representatives to join our advisory framework. With regard to the recommendations, first, we will consider establishing a fishing licensing system to regulate fishing activities; second, fisheries protection areas will be designated to protect important fish spawning and nursery grounds; and third, implementing an annual "closed season" in Hong Kong waters to conserve fisheries resources and facilitate spawning, which is a more controversial measure. In this connection, we need to obtain a clear understanding of the situation from the industry. Recently, I have discussed this with officials of the Ministry of Agriculture of the Mainland. They stated that if a fishing moratorium is not implemented in Hong Kong, fishermen will fish in mainland waters and there would be no fish during the fishing moratorium in the Mainland. As they are all fishermen and when they fish in the same place, there is a need for us to reach a consensus

MR WONG YUNG-KAN (in Cantonese): Madam President, I hope that the Secretary can

PRESIDENT (in Cantonese): You must state that you wish to raise a point of order before I can allow you to speak.

MR WONG YUNG-KAN (in Cantonese): Madam President, a point of order. I hope the Secretary can clarify one point. He said that some Hong Kong fishermen operated in mainland waters during fishing moratoriums. Can he please provide me with information on this? Or, can he tell us why he said that Hong Kong fishermen had operated in mainland waters during fishing moratoriums?

PRESIDENT (in Cantonese): Secretary, please be seated. Let me explain our rules of procedure to you first.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): I am sorry.

PRESIDENT (in Cantonese): If, in the course of the speech of a Member or an official, a Member interrupted and sought your elucidation on a particular point, you may elucidate the point but you may also choose not to elucidate it and continue with your speech. So, the decision rests with you.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): I would like to clarify this point. Chinese officials have told me that this is an issue worthy of consideration, because if a fishing moratorium can be implemented by both sides at the same time, then we can truly achieve conservation of fish stock and facilitate spawning. But if a moratorium is implemented by one side but not by the other, that would not be an effective policy. I hope Mr WONG will understand my point.

PRESIDENT (in Cantonese): You may continue.

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Cantonese): As we have said, we will study the analysis on the development of the fisheries industry and fisheries resources. I hope that a consensus can be reached before the relevant measures are implemented.

We will assist local fishermen in considering the development of off-shore fishing and recreational fishing. We will also conduct studies on sustainable fishing methods, such as bright light cast net and deep-water purse-seine fishing. We will provide technical support, training courses and loan arrangement to fishermen interested in converting to those fishing methods, in order to assist them to acquire the relevant operational techniques, convert their fishing vessels and purchase the necessary fishing gear.

On the development of offshore fishing, including deep-water purse-seine fishing techniques, measures have been taken for the assistance of fishermen. They include the provision of technical advice, liaison services, training, and loan arrangement to fishermen. In respect of financing, about \$20 million are available under the Fisheries Development Loan Fund to provide loans to fishermen to develop offshore fishing and new fishing methods such as deep-water purse-seine fishing. Besides, the Fish Marketing Organization Loan Fund has earmarked \$20 million to assist fishermen in developing offshore fishing. We are discussing with the industry on ways to assist operators to secure financing more easily. Recently, I have also discussed with mainland officials on the possibility of collaboration between Hong Kong and mainland fishermen and also on the areas in which concerted efforts will be feasible.

Regarding the other development projects, we will provide assistance to the mariculture industry through the following measures: First, the development of highly effective fish culture methods and improved husbandry technique to provide technical support; second, the promotion of suitable feed formulations to improve the health of fish and reduce pollution; third, conducting studies on culturing new species of fish with good market potential on a trial basis and organizing seminars on culturing techniques and training courses; fourth, in order to help fish farmers to minimize losses due to fish diseases, we are implementing a fish health management programme under which our staff will make regular visits to fish farms; and fifth, a red tide reporting network has been set up to strengthen our red tide monitoring and management measures, with a view to minimizing losses incurred by the mariculture industry due to red tides.

Another direction is the development of quality fishery products and the fishery product processing industry. To facilitate the promotion of local fishery products, the FMO is working on the establishment of a fishery product processing centre, in order to develop and promote high quality value-added fishery products, such as fish balls, fish fillets, dried fish, and so on.

Recently, we have reached a consensus with the relevant mainland authorities to incorporate products of the fisheries and mariculture industries into phase II of the Mainland/Hong Kong Closer Economic Partnership Arrangement. This will provide favourable business opportunities to local fishery products and facilitate the development of local quality fishery products and the fishery product processing industry.

With regard to leisure agriculture and fisheries industries, there are now 10 approved fish culture zones which are open for recreational fishing activities. We will assist fishermen to make use of their fishing vessels, particularly those poised for conversion, to develop recreational fishing. We will discuss this with the relevant government departments, such as the Marine Department, in order to solve the technical and safety problems relating to the use of fishing vessels as passenger carriers for the purpose of recreational fishing.

In respect of farms, there are at present about 24 leisure farms in Hong Kong, mainly located in the rural parts of the territory, such as Fanling and Kam Tin. At least 10 of these farms have taken out loans from the AFCD and with the assistance of the AFCD, installed irrigation facilities and taken measures to rehabilitate the agricultural land. Moreover, the Government has published many publications promoting eco-tourism, in order to enhance public interest in eco-tourism and in leisure agriculture and fisheries.

Let us now turn to the Accredited Farm Scheme. The Accredited Farm Scheme was introduced by the Government in 1994 to promote good agricultural practice in vegetable production, enable the public to identify safe and quality vegetables and to enhance consumer confidence in the quality of agricultural produce. It is a voluntary scheme under which the participants are given guidance on how to use pesticides safely by the AFCD. Pre-harvest crops of the accredited farms are subject to residue monitoring to ensure that the produce meets the safety standards. Besides, the produce is further spot checked by the VMO for pesticide residues that exceed their safety limits before marketing to accredited retailers.

Local accredited farms are located in various major vegetable production areas in the New Territories. Since 1995, the Government has extended the scheme to some large farms in the Mainland supplying vegetables to Hong Kong. In 1998, the VMO created the "Good Farmer" logo and launched a series of promotional activities to further promote accredited produce. The Accredited

Farm Scheme has not only restored public confidence in consuming local vegetables, but also become a famous brand among consumers.

I would also like to talk about organic farming. Given the increasing demand for safe green food in modern-day society, the status of organic farming has become increasingly important in the agricultural sector in many countries. As organic farming is part and parcel to the sustainable development of agriculture, the Organic Farming Conversion Scheme has been introduced to provide technical support to farmers who are interested in converting to organic farming. At present, there are 50 local farms participating in organic farming with more than 60 retail outlets including large supermarkets, MTR shops, health food shops and markets.

To match the development of the organic produce market, we need a set of organic standards and an organic certification system applicable to Hong Kong as well as a matching labelling scheme to ensure the quality of organic produce and protect the interests of local consumers. In view of this, we provided a three-year funding of \$3.9 million through the Agricultural Development Fund of the VMO to three non-profit-making organizations, namely, the Hong Kong Baptist University, the Hong Kong Organic Farming Association and the Produce Green Foundation, to establish a Hong Kong Organic Resource Centre. The Centre has formulated a set of fair, impartial and open organic agricultural production standards applicable to Hong Kong. It also plans to provide certification service and organize activities to promote organic trademarks in 2005. With the existing matching facilities in the agriculture industry, such as a unified set of standards, a certification system and promotional activities, the local organic produce market can be developed and the interest of consumers can also be protected.

As for organic farming techniques, we have conducted many studies, the topics of which included improvement to organic farming techniques, testing of new vegetable species, the application of organic fertilizers, pest prevention in organic farms, and so on.

To meet the needs of training, we have organized a series of training courses, seminars and field demonstrations, and we have also published pamphlets and handbooks. Apart from organizing training courses on its own, the Government has also organized the Foundation Course in Organic Farming and the Organic Certification Course jointly with other organizations, with a view to upgrading the professional standard of the industry.

I would like to respond to an issue of concern raised by Members, that is, the monitoring system for marine works involving sand dredging and mud disposal. I wish to point out that the Government has stringent control over such works. Since the enactment of the Environmental Impact Assessment Ordinance in 1998, an environmental impact assessment (EIA) has to be conducted for all marine works involving sand dredging in Hong Kong to assess in detail the possible environmental impact of the sand dredging works and set out monitoring and mitigating measures that may need to be implemented. After the EIA report is approved, the works proponent can apply for an environmental permit for works to commence. In the course of the works, the Government will closely monitor the progress.

Regarding mud disposal activities, all such activities at sea in Hong Kong are required to obtain the permission of the Environmental Protection Department and are confined to designated dumping sites. The Government will monitor the environment at all the dumping sites and according to the results of the assessment, mud disposal has not caused any long-term adverse impact on the marine environment and ecology.

On the setting up of a priority zone for agriculture, the concept is to restrict a site to agricultural use only. In fact, the existing Town Planning Ordinance has already designated sizable sites for agricultural purposes. These sites cannot be converted for other uses unless with the prior planning permission of the Town Planning Board. Therefore, insofar as the planning of land use is concerned, there are, in fact, many priority zones for agriculture in Hong Kong. What we need to handle now is very probably the livestock farms in some districts and the use of some abandoned farms as temporary car parks and container depots.

As far as we understand it, the industry has initially suggested the relocation of a large number of livestock farms to the same place for operation. If a suitable site can be identified, this proposal can indeed abate the nuisances caused to nearby residents and the threats posed by infectious diseases. However, an over concentration of these farms in a place may increase the risk of cross infection. We must consider this in detail before making a decision.

Furthermore, it is not easy to identify a piece of flat land in the territory that can accommodate a large number of farms. Given the relatively big technical problems involved, we have reservations about this proposal.

To conclude, we will carefully consider the views expressed by Members and the parties concerned. We understand that land resources in Hong Kong are very limited. Under the operation of a free market, agriculture and fishery products face fierce competition and the room for their development is set to be limited to some extent. But we will make ongoing efforts to promote the sustainable development of the local agriculture and fisheries industries. I can assure Members that we will conduct a detailed analysis of the development of the fisheries industry and organic farming, and we will actively consider the development of floral agriculture as suggested by Mr WONG Kwok-hing. As regards the livestock industry, I think there is little room for its development. We must note that Hong Kong attaches great importance to the quality of food, and this also explains why it is me, rather than the Secretary for Economic Development and Labour, giving a reply here in the Legislative Council today. Food safety and supply in Hong Kong are within my ambit, and this is an important duty insofar as Hong Kong is concerned. I hope that Hong Kong can become a genuine Gourmet Paradise. I also hope that most of the food in this Gourmet Paradise can be supplied by our own farmers and fishermen. Having said that, however, I do appreciate our limitations. It is an important issue as to how we can develop the agriculture and fisheries industries continuously with the limited natural resources. We will actively conduct studies and we hope, in the long run, to enable farmers to know how the Government will assist them. As for the original motion and the amendment, I have no opinion. We also hope to work in that direction in our future endeavours. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Ms Emily LAU to Mr WONG Yung-kan's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by

functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr WONG Yung-kan, you may now reply and you have one minute 40 seconds.

MR WONG YUNG-KAN (in Cantonese): Madam President, I wish to thank all the 15 Members for speaking on my motion.

I think the Secretary should realize that he must get to know more about the development of agriculture and fisheries with a scientific attitude before he can form a proper concept of them. He must not simply say that everything is difficult. This simply cannot do. By this, I mean that he should seek to understand the development of agriculture and fisheries from a scientific angle. I have already talked about the development of the fishery industry, saying that thoughts must be given to the far sea, the deep sea and the near sea. And, the Secretary must not simply tell us that everything is very difficult. Now that the Government has closed down the mariculture research centre, how can it develop the mariculture industry? This is precisely the problem.

The Secretary also says that it is very difficult to develop agriculture. I find this comment very hard to understand. The Secretary may wish to know that there is now a modernized farm costing more than \$10 million. I visited this farm only several days ago. In the vicinity of the chicken farm there, there was simply no bad smell at all. I do not know whether the Secretary has ever been to this farm. If he has not, then before saying that it is difficult to develop agriculture, he should really try to find out more.

The Secretary should personally study this issue instead of simply listening to the opinions of his staff. Only the most stupid government officials will say that nothing can be done. And, those who are most practical and visionary will always try to see things for themselves. The agriculture and fishery industry is not stagnant; it is ever developing. I hope the Secretary can seek to learn more about this seriously. The poultry industry has been putting forward many proposals on value-added development. No one has ever raised any doubt. If the Government still imposes restrictions on the development of this industry, it will never be able to progress. I therefore hope that Members can support my motion. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr WONG Yung-kan, as amended by Ms Emily LAU, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 5 January 2005.

Adjourned accordingly at twenty minutes past Ten o'clock.