

**立法會**  
**Legislative Council**

LC Paper No. CB(1) 732/04-05  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/EA/1

**Panel on Environmental Affairs**

**Minutes of special meeting held on  
Monday, 22 November 2004, at 2:30 pm  
in Conference Room A of the Legislative Council Building**

**Members present** : Hon CHOY So-yuk (Chairman)  
Hon Emily LAU Wai-hing, JP (Deputy Chairman)  
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP  
Hon Martin LEE Chu-ming, SC, JP  
Hon CHEUNG Man-kwong  
Hon WONG Yung-kan, JP  
Hon LAU Kong-wah, JP  
Hon Miriam LAU Kin-yee, GBS, JP  
Hon Albert CHAN Wai-yip  
Hon Audrey EU Yuet-mee, SC, JP  
Hon LEE Wing-tat  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Dr Hon KWOK Ka-ki  
Hon Patrick LAU Sau-shing, SBS, JP

**Non-Panel Members :** Hon LAU Wong-fat, GBS, JP  
**attending** Hon LI Kwok-ying, MH  
Hon Daniel LAM Wai-keung, BBS, JP  
Hon CHEUNG Hok-ming, SBS, JP  
Hon Ronny TONG Ka-wah, SC

**Public officers** : **For item I**  
**attending** Environment, Transport and Works Bureau  
  
Mr K K KWOK  
Permanent Secretary (Environment)

Ms Doris CHEUNG  
Deputy Secretary (Environment) 1

Dr Samuel CHUI  
Assistant Secretary (Environment) 1A

Drainage Services Department

Mr HON Chi-keung  
Assistant Director / Projects & Development

Mr CHAN Pak-keung  
Chief Engineer / Sewerage Projects

Mr MAK Ka-wai  
Chief Engineer / Consultants Management

Mr WONG Sui-kan  
Senior Engineer / Consultants Management 1

Mr KAN Hon-shing  
Senior Engineer / Sewerage Projects 2

Environmental Protection Department

Mr David WONG Tak-wai  
Principal Environmental Protection Officer  
(Sewage Infrastructure Planning)

**For item II**

Environment, Transport and Works Bureau

Mr K K KWOK  
Permanent Secretary (Environment)

Mr Roy TANG  
Deputy Secretary (Environment) 2

Ms Jessie WONG  
Principal Assistant Secretary (Environment) 4

Agriculture, Fisheries and Conservation Department

Mr C C LAY  
Assistant Director (Conservation)

**For item III**

Environment, Transport and Works Bureau

Dr Sarah LIAO  
Secretary

Mr K K KWOK  
Permanent Secretary (Environment)

Mr Roy TANG  
Deputy Secretary (Environment) 2

Ms Jessie WONG  
Principal Assistant Secretary (Environment) 4

Agriculture, Fisheries and Conservation Department

Mr C C LAY  
Assistant Director (Conservation)

**Clerk in attendance** : Miss Becky YU  
Chief Council Secretary (1)1

**Staff in attendance** : Mrs Mary TANG  
Senior Council Secretary (1)2

Miss Mandy POON  
Legislative Assistant (1)4

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Action

- I. Extension of Tai Po Sewage Treatment Works and Peng Chau Sewage Treatment Works Upgrade**  
(LC Paper No. CB(1) 255/04-05(01) — Paper provided by the Administration)

At the Chairman's invitation, the Senior Engineer/Sewage Projects 2 gave a power-point presentation on "Tai Po sewage treatment works stage 5 phase 1" and "Outlying islands sewerage, stage 1 phase 2 – Peng Chau sewerage treatment works upgrade".

Tai Po sewage treatment works (TPSTW) stage 5 phase 1

2. Mr WONG Yung-kan said that he would support the proposals in principle. He however noted that many rural villages in Tai Po were not connected to the main sewerage system. He asked if the Administration would take this opportunity to synchronize the connection with the proposed extension of TPSTW with a view to improving the sewerage infrastructure of Tai Po. The Assistant Director/Projects and Development (AD/P&D) explained that the TPSTW mainly served the Tai Po New Town and there were on-going works to expand the sewerage network to the unsewered areas in Tai Po, say, at Ting Kok Road. There were however practical difficulties in implementing sewerage projects in rural areas. These included the technical feasibility of implementing the village sewerage works; the need for resumption of land which would often take a long time and possible objection from villagers concerned. As such, the Administration considered it more appropriate to adopt a phased approach in taking forward village sewerage projects which should match the overall prioritisation of sewerage projects. In the case of Tai Po, AD/P&D advised that a comprehensive village sewerage programme had yet to be worked out.

3. Ms Emily LAU noted that unlike most STWs, TPSTW was not equipped with disinfection facility. She questioned the rationale behind such an arrangement. AD/P&D advised that the TPSTW was a secondary treatment plant designed to serve the 280 000 population in Tai Po by 2012. Treated effluent of TPSTW and Shatin sewage treatment works was conveyed by two effluent pumping stations at Tai Po and Shatin to Victoria Harbour for disposal. In view of the better dilution and self-cleansing effect of the receiving waters as a result of the stronger current, disinfection was considered not essential for TPSTW phase 1 works. However, the provision for disinfection would be examined in the planning of phase 2 works. As regards the time table for phase 2 works, AD/P&D advised that this had yet to be determined taking into account the future demographic changes in Tai Po.

Outlying Islands sewerage, stage 1 phase 2 – Peng Chau sewage treatment works (PCSTW) upgrade

4. Mr LAM Wai-keung said that he would support the proposed upgrading works in principle which would bring improvement to the environment of Peng Chau. Given that the existing PCSTW only served two public housing estates in Peng Chau, he asked if the proposed upgrading works were able to expand the capacity of PCSTW to cover the other areas of Peng Chau, including Tung Wan Villa and Lung Mo Temple. The Chief Engineer/Consultant Management (CE/CM) explained that at present, the other areas in Peng Chau were relying on on-site sewage treatment facilities which were mainly septic tanks and soakaway systems. To improve the sewerage infrastructure of Peng Chau, a comprehensive village sewerage programme was being implemented. Construction of the sewerage works at the central parts of Peng Chau was being carried out for completion in 2005. Upon completion, the new sewerage facilities could cover most areas of Peng Chau including Tung Wan Villa and Lung Mo Temple. The sewage collected by the newly constructed sewerage systems would be treated at PCSTW before discharge. In response to the Chairman's

concern about the impact of the effluent from Peng Chau on the Discovery Bay, AD/P&D advised that this had been addressed in the Environmental Impact Assessment Report for PCSTW.

5. Mr WONG Yung-kan stressed the need for the Administration to carefully choose the locations for discharge of effluent since accumulation of pollutants would have a detrimental effect on marine ecology. AD/P&D advised that under the proposed upgrading works, a submarine outfall would be constructed to enhance the initial dilution of the effluent in the receiving water. In addition, the treatment level at PCSTW would be upgraded through the provision of nitrogen removal and dechlorination to address the problem of accumulation of pollutants. In response to Ms Emily LAU's question on the difference in length between the submarine outfall of 100 metres and the emergency overflow outfall of 40 metres, AD/P&D advised that the shorter outfall was only meant for emergency. Ms LAU however opined that as the purpose of both the outfalls was for discharge of effluent, they should be of the same length. AD/P&D added that the emergency outfall would only be used very rarely when the normal outfall could not function properly.

#### Other issues

6. While acknowledging that the extension works for TPSTW might be more complicated than the upgrading works for PCSTW, Ir Dr Raymond HO questioned if this was the reason for the much longer time required for TPSTW which was expected to complete in late 2009 while PCSTW in mid-2008. AD/P&D explained that apart from constructing new facilities, a number of the existing units in TPSTW, including bioreactors and final clarifiers would be modified so as to increase the overall treatment capacity and to improve the plant performance. As the operation of the existing TPSTW had to be maintained during the modification of the existing treatment units, this would limit critically the construction activities and hence require a longer construction period.

7. Ms Emily LAU queried why the Administration's paper lacked information on the amount of construction and demolition (C&D) materials to be generated from the two projects. CE/CM advised that about 6 000 cubic metres of C&D materials would be generated mainly from excavation works associated with the construction of the sewage treatment units for PCSTW, of which about 10% would be reused. At members' enquiry, the Administration explained that the detailed information on the amount of C&D materials arising from the two projects would be included in the paper to be submitted to the Public Works Subcommittee (PWSC).

8. Before concluding, the Chairman asked and members agreed to allow the Administration to submit the proposal to PWSC.

**II. Review of the Animals and Plants (Protection of Endangered Species) Ordinance (Cap. 187)**

(LC Paper No. CB(1) 255/04-05(02) — Paper provided by the Administration)

9. The Deputy Secretary for the Environment, Transport and Works (Environment)2 (DSETW(E)2) briefed members on the proposed amendments to the Animals and Plants (Protection of Endangered Species) Ordinance (Cap. 187) (“the Ordinance”) by highlighting the salient points in the information paper.

10. Ms Audrey EU expressed concern about the proposed removal of certain local controls over illegal trade in endangered species which were in excess of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) requirements lest the illegal trade would become rampant again. DSETW(E)2 explained that CITES, which was aimed at regulating international trade in endangered species and protecting wildlife from over exploitation/extinction, was extended to Hong Kong in 1976. The import and export of endangered species, including their readily recognisable parts and derivatives, listed in its Appendices were subject to control. Details of the Appendices were as follows -

Appendix I - Species threatened with extinction which were or might be affected by trade;

Appendix II - Species which, unless trade was controlled, could be threatened with extinction, and species that were not readily distinguishable from these species in appearance or other aspects and hence must be subject to regulation to avoid any possible loopholes in the control; and

Appendix III - Species identified by any Party to CITES for trade control within its jurisdiction with the objective of preventing or restricting exploitation that required the cooperation of other Parties.

11. DSETW(E)2 added that while CITES aimed to control international trade, it did not control possession of endangered species. However, the current provisions in the Ordinance maintained a certain degree of control over the possession or control of endangered species, including a licensing requirement for the import of endangered species under Appendix II. The objective of these additional controls was to tackle the problem of smuggling, which was rampant when the Ordinance was first enacted in 1976. Since then, the trades had been requesting for streamlining of the licensing system with a view to facilitating trading. In view of the decreased number of contraventions over the years (most of the illegal import cases involved offences committed unknowingly by locals and tourists bringing in elements of endangered species like rare ginseng and orchids), it was considered appropriate to remove certain control measures to minimize inconvenience to the trade without compromising the

obligation under CITES. No amendments however would be made to reduce the penalty level. The Assistant Director of Agriculture, Fisheries and Conservation (Conservation) (ADAFCD(C)) supplemented that with the enhanced efforts in publicity and communication with the trade as well as the enhanced deterrents following the substantial increase in penalties in 1995, illegal trade in endangered species had been kept under control. Nevertheless, the Administration would further consult the trades on the legislative amendments.

12. The Chairman questioned the proposed exemption in respect of possession of species under Appendix II in CITES and also exemption in respect of personal effects on account of the difficulties in enforcing the control. She said that while such difficulties were indeed of international concern and had been a subject for discussion at the International Conference on Endangered Species in Bangkok, she still had reservations at such an exemption. ADAFCD(C) said that while the possession or control of certain species, other than live specimens, under Appendix II in CITES were exempted, all species under Appendix I in CITES were kept under control in line with CITES requirements.

13. Referring to the proposed amendments to the control over international trade in medicines made from endangered species which aimed to align the local control regime with the requirements in CITES, Ms Audrey EU enquired about the impact of these amendments on the trades, including the traditional Chinese medicine trade, and other organizations. Sharing similar view, Mr CHEUNG Man-kwong noted from the Administration that over 80% of Chinese medicines contained different quantities of endangered species. He expressed concern that some of the traditional Chinese medicinal products which had much healing affect would be banned as a result of the proposed amendments.

14. DSETW(E)2 advised that at present, medicinal products containing species under Appendix I were kept under control while those under Appendices II and III were not. To keep in line with the requirement of CITES, there was a need to extend control to cover medicines made from all animal and plant species listed under CITES. While the import of live specimens of endangered species under Appendix II would be controlled, possession for the purpose of museum exhibition and research would be exempted from control. ADAFCD(C) added that the trading of Chinese medicinal products containing CITES Appendix II species would not be affected subject to the production of valid documents in accordance with CITES.

15. Mr CHEUNG Man-kwong however pointed out that it would be difficult to implement the proposed control on traditional Chinese medicinal products. By way of illustration, the elements of endangered species present in a traditional Chinese potion “虎骨木瓜酒”, which was in essence tiger bones immersed in wine, could not be detected as the tiger bones were removed when the potion was sold. The same applied to many other Chinese medicinal products. Given the wide range of endangered species listed under CITES, Mr CHEUNG opined that the proposed control could only meet the requirements of CITES on paper.

16. In response, ADAFCD(C) explained that as tigers were endangered species listed under CITES Appendix I, the sale of medicinal products containing tiger bones and derivatives was already forbidden. According to an earlier study made years ago by the Environment Investigation Agency, an international environmental agency, the sale of medicinal products containing tiger bones was rampant in Hong Kong. In light of the concerns raised by the Agency, control over the trading of such products had been stepped up through increase in penalties. In its recent undercover studies conducted in Hong Kong three years ago, the Agency was only able to find three medicinal shops in Hong Kong which admitted the sale of medicinal products containing tiger bones. Of these, one had subsequently denied the sale while no evidence of the products was found in the other shops. Most of the shops being investigated had clearly explained to their clients that the sale of such products was unlawful. The Permanent Secretary for the Environment, Transport and Works (Environment)2 (PSETW(E)2) added that the Administration was well aware of the concerns about the impact of the proposed amendments on the Chinese medicinal trade but he assured members that these amendments, except regular updating to reflect the latest changes in CITES listings, would not widen the scope of controlled species.

17. Mr WONG Yung-kan was concerned that the trades might not be aware of the types of fauna and flora which were classified as endangered species. Fishermen who caught a rare kind of fish might find it difficult to determine whether it was an endangered species. He also asked whether certain kinds of blue octopus and piranha which attacked humans should be subject to control. DSETW(E)2 said that the control of these rare kinds of octopus fell under purview of the Health, Welfare and Food Bureau which was considering how control should be applied to this species of octopus under the Public Health (Animals and Birds) Ordinance (Cap. 139). He also confirmed that apart from the Chinese medicinal trade, other floral, pet and leather trade groups were consulted on the proposed amendments.

18. Dr KWOK Ka-ki opined that the trades would be paying less with the streamlining of the licensing system and the reduction in the number of licences required by traders. If so, the Administration should aim at full cost recovery at one go instead of the proposed arrangement to recover cost based on annual percentage increases ranging from 10% to 21%, which would take about five to seven years to achieve full cost recovery. He then enquired about the basis upon which the proposed fee structure was arrived at and whether agreement had been reached with the trades. Ms Miriam LAU also agreed that the trades should be consulted on the proposed fee structures. DSETW(E)2 said that at present, about 16 000 licences were issued each year and the revenue generated as a result amounted to \$3.3 million in 2002/03. With the streamlining of the licensing system, the reduction in the number of licences from 14 to 9 and the expansion of the scope for exemption, it was anticipated that the revenue generated from licence fees would be reduced by 60% or about \$2 million a year. About 40% to 95% of the existing or potential licence holders would also be exempted as a result the proposed expansion of the scope for exemption. The trades were made aware of the Administration's intention to achieve



full recovery of the licensing cost during consultation and they had no strong views on the proposed fee levels. As regard the proposal of recovering the full cost at one go, DSETW(E)2 said that this might not be feasible taking into account the impact on the trades. A phased approach for fee increases was considered more acceptable, particularly when the fee structures had not been reviewed for a long time.

**III. New Nature Conservation Policy**

(LC Paper No. CB(1) 214/04-05(01) — Paper provided by the Administration

LC Paper No. CB(1) 255/04-05(03) — Background brief on nature conservation prepared by the Legislative Council Secretariat)

19. At the Chairman's invitation, DSETW(E)2 gave a power-point presentation on the new nature conservation policy and its implementation programme, including the introduction of a scoring system for assessing the relative ecological importance of sites, and implementation of a pilot scheme for the two new conservation measures, viz. management agreements with landowners and public-private partnership (PPP). The new policy aimed to better achieve the nature conservation objectives, in particular to enhance conservation of ecologically important sites, which were in private ownership.

20. The Chairman then drew members' attention to the submissions from the Kadoorie Farm & Botanical Garden Corporation and the World Wide Fund for Nature Hong Kong which were tabled at the meeting.

*(Post-meeting note: The submissions were subsequently circulated to members vide LC Paper Nos. CB(1) 307/04-05(03) and (04).)*

Scoring system for assessing the relative ecological importance of sites

21. Dr KWOK Ka-ki opined that the scoring system had failed to take into account public participation in conserving sites of ecological importance. He was also concerned that the Government would be under immense pressure if development of these sites were allowed. SETW said that the scoring system was meant to assess the relative ecological importance of different sites in a more objective and systematic manner in order to facilitate the allocation of the Government's limited resources to the most deserving sites. This had been discussed and agreed by an Expert Group, involving prominent ecological experts and major green groups. Based on the scoring system and existing available ecological information, 12 priority sites had been identified for enhanced conservation.

Management agreement

22. Mr CHEUNG Hok-ming asked how many of the 12 priority sites for enhanced conservation were under private ownership and whether owners concerned were consulted on the new nature conservation policy. DSETW(E)2 advised that about 2 300 hectares of these priority sites were government owned while 970 hectares were under private ownership. Information profiles of these sites were available at the webpages of the Environment, Transport and Works Bureau and Agriculture, Fisheries and Conservation Department. SETW added that the 12 priority sites were identified for enhanced conservation having regard to their relatively high ecological importance. Participation in the pilot scheme for management agreements and PPP was on a voluntary basis.

23. Mr CHEUNG Hok-ming expressed concern that the interests of private landowners would be compromised as they would have no rights over the development of their land which would be up to the Administration and project proponents to decide. He asked whether further consultation with landowners would be conducted. He also enquired about the allocation of \$5 million from the Environment and Conservation Fund (ECF) for implementing the pilot scheme for the management agreement option. SETW emphasized that landowners' participation in the pilot scheme for management agreement was entirely voluntary. Non-governmental organizations (NGOs) might use the funding provision approved by ECF to enter into management agreements with landowners in exchange for management rights over their land or their cooperation in enhancing conservation of the sites concerned. While Heung Yee Kuk (HYK) had been consulted during the consultation period, she agreed to further consult HYK and other affected parties should members consider it necessary to do so.

24. While supporting measures to conserve the natural environment and avoid indiscriminate development, Ms Emily LAU agreed that affected parties should be consulted. SETW said that the new conservation policy aimed to strike a balance between development needs and nature conservation. The cooperation of private landowners was essential in implementing the policy. In fact, some landowners had approached the Administration, during and after the three-month public consultation period last year, for assistance in taking forward management agreements for their agricultural land. Mr LEE Wing-tat held the view that the provision of \$5 million was not enough for conservation of all of the priority sites. He hoped that more funding could be earmarked for nature conservation.

Public-private partnership

25. Mr LAU Wong-fat declared interest as a landowner in the New Territories (NT). He opined that the new nature conservation policy was impractical and failed to take account of the rights of landowners. The Consultation Document only focused on measures to conserve the natural environment and made no reference to the need to protect the interest of landowners. This was not only unfair to landowners who were now held responsible for conserving the natural environment, which should

be the duty of the Government, but also at variance with the people-oriented approach advocated by the Government. He further pointed out that only major developers who had the financial resources could participate in PPP given the complex statutory requirements. These requirements, together with the restrictions under the Town Planning Ordinance (Cap. 131) (TPO), would in effect freeze developments in NT.

26. SETW said that when the Administration released the Consultation Document on Review of Conservation Policy last year, it had consulted HYK and landowners and was well aware of their concerns about the impact on their development rights. She pointed out that at present, the sites concerned (mostly held under private agricultural leases) had been “frozen” under the present landuse zoning system because of their ecological importance. On the other hand, most of the land was left idle and no active conservation management measures could be taken on the private land involved. The two new measures aimed to provide landowners with more options and above all, the incentives to conserve the sites concerned. Experience also showed that the option of buying out sites with high ecological value was not always an effective means. A typical example was the Mai Po Nature Reserve where the operator of the site was not keen to continue with the shrimp farming business. Similarly, the ecological value of Long Valley and Sha Lo Tung was not enhanced although the Spur Line project of the Kowloon Canton Railway Corporation had avoided the former site and the latter site was protected under the Outline Zoning Plan. SETW drew members’ attention to the Convention on Biological Diversity which stated that incentives to protect habitat should be flexible and appropriate and hence different places, different ownership and different needs should require different solutions and methods. It was based on this principle that the Administration had proposed PPP for conservation of sites with high ecological value. She hoped that this would have the necessary support from HYK in achieving a win-win situation.

27. Mr LAU Wong-fat did not agree that agricultural land could not be developed since the new towns in Shatin and Tuen Mun were developed from agricultural land. SETW said that the development of these new towns had gone through the statutory requirements, including application for change of land use zoning, under the town planning process.

28. Mr LAM Wai-keung said that there was strong objection against the new conservation policy because it had no respect for the rights of landowners. He pointed out that under the PPP arrangement, the interest of owners of small plots of land would be compromised as participating major developers would have control over the projects. He therefore suggested that consideration should be given to providing land exchange to private owners whose land was identified for enhanced conservation. DSETW(E)2 advised that in view of the financial and land resource implications, the Administration considered that the options of land resumption and land exchange for sites with high ecological importance were impracticable. Keeping these options open might give rise to false hopes among the landowners concerned. Private owners would be able to participate in the conservation of their land through management agreements and PPP.

29. Ms Audrey EU was not convinced of the Administration's response. She pointed out that as the Court of Final Appeal had earlier ruled that hope value should not be taken into account in assessing compensation for land resumption, the financial cost arising from land exchange or resumption should not be exceedingly high. She therefore supported that sites of high ecological value under private ownership should be exchanged or resumed so that these could be better protected and managed by green groups and/or other organizations which were interested in conserving the sites. This should apply in particular to the 12 priority sites for enhanced conservation where the chances for development would be limited given their high ecological value. She further enquired if there was any international convention with which the Administration had made reference to in formulating the comprehensive nature conservation policy and if so, whether the management agreements and PPP were in compliance with the convention. SETW advised that in-principle agreement had been obtained from the Central People's Government in extending the Convention on Biological Diversity to Hong Kong. The Convention was expected to be extended to Hong Kong after completion of all the necessary preparatory work, including the preparation of new legislation. Meanwhile, Hong Kong would continue to actively participate in the global efforts in conservation of biodiversity and fulfil its obligations under the various conventions which had been extended to Hong Kong.

30. While supporting the new nature conservation policy, Ms Miriam LAU appreciated the concerns raised by landowners. She had no doubt about the Administration's commitment in conserving sites of high ecological importance, but it was not prepared to compensate the landowners for their loss. Besides, the Government had been overly resolute in designating sites for conservation in the past. By way of illustration, the development of 60 hectares of land as container storage back-up areas in San Tin had been frozen upon designation of the land as a site for conservation. As a result, all the previous efforts of filling fish ponds became abortive and the site was since left in ruins. The container trade had suffered a lot from the designation. She said that while the proposed management agreements and PPP might be viable options, the Administration would need to convince the landowners and gain their confidence in the viability and practicability of these options.

31. Ms Emily LAU enquired about the assessment criteria for PPP proposals. SETW advised that due consideration would be given to the net benefits that a proposal would bring in enhancing the conservation of the site concerned, the readiness of the proposal for implementation, its sustainability and the capability and track record of the proponent. Ms LAU held the view that only major developers would be able to meet these stringent assessment criteria. Ordinary NGOs or green groups would unlikely have the necessary resources to meet such requirements. SETW said that project proponents would need to engage experts and green groups in taking forward their PPP proposals. The public would be able to see for themselves that NGOs and green groups could meet the assessment criteria in taking forward PPP proposals.

32. Mr LEE Wing-tat expressed concern that PPP might lead to litigations over development rights. As such, favourable consideration should be given to those PPP projects where the landowners concerned were willing to cooperate in the conservation of the natural environment. There was also a need to enhance the transparency of the assessment process. SETW said that the last thing the Administration wanted to see was the destruction of sites with high ecological importance by landowners in an attempt to increase the chance for development. She pointed out that sites with high ecological importance would in fact have higher development potentials under PPP. The Inter-departmental Task Force would examine ways to streamline the development process as far as possible.

33. Mr CHEUNG Man-kwong cautioned that some property developers might exploit PPP as a means to develop sites of high ecological value. He asked how the Administration could ensure that the developers would fulfil their obligations to conserve the sites after the sale of the developments. SETW explained that the primary objective of PPP was to conserve ecologically important sites under private ownership within limited resources. Developments at an agreed scale would be allowed at the less ecologically sensitive portion of a site provided that the developer undertook to conserve and manage the rest of the site that was ecologically more sensitive on a long-term basis. PPP proposals would be examined by the Inter-departmental Task Force and approved by the Chief Executive in Council. The proponents would be required to provide an undertaking (that might be in the form of a trust) to finance the long-term management of the conserved sites. Appropriate monitoring and enforcement mechanisms would be put in place to ensure compliance with the conditions set out in the undertakings. Proponents failing to observe such conditions would be liable for penalties. When PPP projects (under which trust funds might be established to finance the long-term conservation of the sites concerned) were implemented, the Administration would further explore the idea of setting up a nature conservation trust in Hong Kong.

34. Dr KWOK Ka-ki however pointed out that the proposed establishment of the nature conservation trust might not be able to serve its intended purpose if the proponents failed to discharge their responsibility in conserving the sites after the sale of developments. Given that developers would be more intent and knowledgeable about property development rather than nature conservation, Mr Patrick LAU opined that instead of holding them responsible for conserving the sites after development, it might be better to require them to plough back part of their proceeds from the sale of properties for conservation purposes. SETW said that the proposal put forward by Mr LAU was not an ideal solution. A better arrangement was to involve the owners in conserving their own land. The community would be able to see for themselves how management agreements and PPP could make better use of the sites with high ecological importance.

35. Before concluding the meeting, members agreed that a joint meeting with the Panel on Planning, Lands and Works was required to examine the impact of the new nature conservation policy, and that affected parties should be invited to express their views.

*(Post-meeting note: The Administration subsequently held a meeting with HYK representatives and affected parties in December 2004 to discuss the new nature conservation policy.)*

**IV. Any other business**

36. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 1  
Legislative Council Secretariat  
21 January 2005