

立法會
Legislative Council

LC Paper No. CB(1)1439/99-00
(These minutes have been seen
by the Administration)

Ref: CB1/PL/ES/1

Legislative Council
Panel on Economic Services

Minutes of meeting held on
Monday, 27 March 2000, at 10:45 am
in the Chamber of the Legislative Council Building

- Members present** : Hon James TIEN Pei-chun, JP (Chairman)
Hon Fred LI Wah-ming, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon David CHU Yu-lin
Hon LEE Wing-tat
Hon Eric LI Ka-cheung, JP
Dr Hon David LI Kwok-po, JP
Hon MA Fung-kwok
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching
Hon Christine LOH
Hon SIN Chung-kai
Dr Hon Philip WONG Yu-hong
Hon LAU Chin-shek, JP
Hon Mrs Miriam LAU Kin-yee, JP
Hon FUNG Chi-kin
- Non-Panel members attending** : Hon LEE Kai-ming, SBS, JP
Hon NG Leung-sing
Hon CHAN Yuen-han
- Members absent** : Dr Hon LUI Ming-wah, JP
Hon CHAN Kam-lam
Hon WONG Yung-kan
Hon Howard YOUNG, JP

**Public officers
Attending**

: For Agenda Item IV

Mr Stephen S K IP, JP
Secretary for Economic Services

Mr M J T ROWSE
Commissioner for Tourism

Mr Y C LO
Director of Civil Engineering

Mr W K TAM
Deputy Director of Civil Engineering

For Agenda Item V

Mr Stephen S K IP, JP
Secretary for Economic Services

Mr Roger TUPPER
Acting Deputy Secretary for Economic Services

For Agenda Item VI

Mr Stephen S K IP, JP
Secretary for Economic Services

Ms Maria KWAN, JP
Deputy Secretary for Economic Services

Miss Rachel CHAN
Principal Assistant Secretary for Economic Services

Mr LEUNG Cham-tim
Director of Electrical and Mechanical Services

Mr S Y WONG
Assistant Director of Electrical and Mechanical Services
(Gas & General Legislation)

**Attendance by
Invitation**

: For Agenda Item IV

Hongkong International Theme Parks Limited

Mr Douglas M MORELAND
Vice-President

Scott Wilson (HK) Ltd

Mr Arul KAMARASAN
Associate

Shankland Cox

Mr Julio FIGUEIRAS
Director

Environmental Resources Management

Mr Timothy J PEIRSON-SMITH
Technical Director

For Agenda Item VI

The Hong Kong & China Gas Co

Mr LEE Hon-wan
Customer Service Manager

LPG Safety Technical Committee

Mr Daniel HWANG C W
Member

Hong Kong Association of Petroleum Product Dealers Ltd

Mr TUNG June-hsi
Chairman

Clerk in attendance : Mr Andy LAU
Chief Assistant Secretary (1)2

Staff in attendance : Ms Alice AU
Senior Assistant Secretary (1)5

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- I Confirmation of minutes and matters arising**
(LC Paper No. CB(1)1218/99-00 - Minutes of meeting held on 28 February 2000)

The minutes of meeting held on 28 February 2000 were confirmed.

- II Information papers issued since last meeting**
(LC Paper No. CB(1)1059/99-00 - Tables and graphs showing the import and retail prices of major oil products from January 1998 to December 1999)

2. Members noted the above information paper issued since last meeting.

- III Items for discussion at the next meeting scheduled for 19 April 2000**
(LC Paper No. CB(1)1228/99-00(01) - List of outstanding items; and
LC Paper No. CB(1)1228/99-00(02) - List of follow-up actions)

3. As the next regular meeting originally scheduled for Monday, 24 April 2000 fell on a public holiday, members agreed to re-schedule the meeting for Wednesday, 19 April 2000 at 2:30 pm. Members also agreed that depending on the progress of the review of the need for further container terminal development, the Administration should be invited to brief members on the item at the next meeting. The Chairman then invited members to forward any suggested item(s) for discussion at the next meeting to the Clerk after the meeting.

(Post meeting note : The Administration advised that since the update to Hong Kong's port cargo forecasts would only be completed later this year, the subject of further container terminal development would more appropriate be discussed thereafter. The meeting scheduled for 19 April 2000 was therefore cancelled.)

IV Hong Kong Disneyland

Environmental Impact Assessment Study of the Project

(LC Paper No. CB(1)1228/99-00(03) - Information paper provided by the Administration)

4. The Chairman drew members' attention to two letters from the Friends of the Earth in relation to the Hong Kong Disneyland (HKD) project which were tabled at the meeting and subsequently issued to members vide LC Paper No. CB(1)1251/99-00(01) and (02).
5. At the invitation of the Chairman, the Director of Civil Engineering (DCE)

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briefed members on the findings of the Environmental Impact Assessment (EIA) studies in connection with the development of HKD as set out in LC Paper No. CB(1)1228/99-00(03) provided by the Administration.

6. Miss Christine LOH expressed utmost dissatisfaction with the EIA reports and invited members to note the many questions raised in the letter she was drafting to the Director of Environmental Protection on various aspects of the EIA studies. The draft letter was tabled at the meeting and subsequently issued to members vide LC Paper No. CB(1)1251/99-00(03).

Water quality

7. Mr LEE Wing-tat expressed concern about the impact of the reclamation work on the water quality of private beaches in Discovery Bay and enquired about the measures to be taken to ensure "best practice" for dredging and filling. In response, DCE said that a stringent Environmental Monitoring and Audit (EM & A) programme had been proposed to ensure that water quality would not be adversely impacted, including the setting up of water quality monitoring stations in the vicinity of the reclamation site; the deployment of audit teams to oversee the operation of barges in transporting the mud to prevent deliberate leakage; and the advance construction of sea walls to fence in the filling activities. Should water quality deteriorate, reclamation work would be suspended until improvements to the working operations were made. At the request of Mr LEE, DCE assured members that during the time of extensive dredging and filling, the beaches in Discovery Bay would still be suitable for swimming.

8. Mr LI Wah-ming enquired whether the Siu Ho Wan Sewage Treatment Works (STW) would have adequate capacity to cope with the increased flows due to the development of the Theme Park. DCE replied that when the Siu Ho Wan STW was designed, sewage treatment requirements for the originally proposed Container Terminals 10 to 13 had been taken into account and hence, it was envisaged that no additional capacity would be required before 2011. Mr Timothy J PEIRSON-SMITH, Technical Director of Environmental Resources Management, the consultant undertaking the EIA studies, supplemented that comprehensive modelling on the treatment of sewage from the Theme Park at the Siu Ho Wan STW indicated that there would neither be any adverse impact on water quality nor a breach of the Water Quality Objectives. The STW was also designed for primary treatment. As the scale of development in North Lantau grew, sewage treatment facility at the Siu Ho Wan STW would be upgraded accordingly in a modular form. Proposals to upgrade the treatment facilities after 2011 would be subject to further environmental assessment to ensure that there would not be any adverse impact on water quality.

9. Responding to further questions from Mr LI and the Chairman on the comparison of sewage discharged from the Theme Park, container port development and residential development, DCE advised that notwithstanding the difference in sewage effluents, the Siu Ho Wan STW would be able to cope with the expected

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sewage flows from the Theme Park up to 2011. In fact, even with the operation of the Theme Park, the treatment capacity of Siu Ho Wan STW would mainly be taken up by effluents from new town developments in Tai Ho and Tung Chung.

10. As regards the use of potable water from the Tai Lam Chung Reservoir to replenish the Artificial Lake in the Theme Park for irrigation of the landscape areas, Miss Christine LOH was concerned that this represented a major reversal of a policy of the Water Supplies Department which restricted the use of potable water for irrigation, as illustrated in the case of the Kau Sai Chau golf course. She questioned whether the consequential environmental impact had been considered.

11. The Commissioner for Tourism (CT) replied that in the present case, the Director of Water Supplies (DWS) was personally involved in the discussion about how to irrigate the Theme Park and the surrounding areas. The drainage system for Penny's Bay had been designed in such a way that two-thirds of the requirement for irrigation water could be met from the catchment area. The catchment system would lead into the Water Recreation Centre which was used as the draw-off point for irrigation water. However, as the total rainfall and run-off would not be enough to meet the full requirement, DWS had agreed to sell the balance to the Hongkong International Theme Parks Limited (HKITP). It was a conscious decision on the part of DWS. CT stressed that although the move did represent a change to DWS's previous decisions in other cases, the policies were currently under review. He added that the water would be usefully used to enhance the landscape of the Theme Park and the surrounding areas.

Terrestrial ecology

12. Given that the EIA studies had identified potential impacts and disturbances on rare/restricted/protected floral and faunal species, Mr HUI Cheung-ching queried whether the Administration was indifferent to the situation and considered it acceptable. In response, Mr PEIRSON-SMITH explained in detail the respective mitigation measures and recommended EM & A efforts for the White-bellied Sea Eagles, Rice Fish, pitcher plants and the two species of backshore vegetation that might be affected. CT further advised that the Administration considered that the EIA reports had fully met the study briefs and with the agreement of the Director of Environmental Protection, those reports were now released for public comments. In considering the reports, the Director would certainly take into account all comments raised by Members and the public, in order to decide whether the relevant environmental permit should be issued, and if so, the conditions to be imposed.

Marine ecology

13. Miss Christine LOH was concerned about the effects of dredging up 110 000 m³ of contaminated mud at Penny's Bay and depositing them at East Sha Chau which was the habitat of the Chinese White Dolphins. As a related issue, she pointed out that Penny's Bay would be a fully dredged reclamation while there were other methods

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which would take longer time but create less contamination, such as by leaving the mud in situ and compressing it with fill material. Miss LOH questioned why the Government had not chosen a better option and what ecological compromises the Government was prepared to make in the HKD project.

14. In response, the Deputy Director of Civil Engineering said that as there was a large amount of marine mud on the seabed in Penny's Bay, the dredging method would indeed be much quicker and more importantly, enable a more even ground settlement which was essential for the safe operation of the superstructures. DCE supplemented that as a rough estimation, the option as suggested by the member would take about 8 to 10 years to complete the Theme Park. He emphasized that only the Penny's Bay Reclamation Stage I would be fully dredged due to time constraint and the requisite requirement for even ground settlement.

15. Miss LOH was unconvinced of the Administration's reply. She opined that the marine habitat would be impacted by the dredging and dumping of the contaminated mud and hence, there was an ecological price to pay for so doing. However, in the EIA studies, the public was given the impression that all would be well controlled and there was no such price to be paid. In reply, DCE said that 110 000 m³ of sediment was only a small amount and other mitigation measures would be applied, such as the advanced construction of sea walls to confine sediment plumes.

16. DCE then explained the method of treating the contaminated mud in detail. The Chairman asked whether technically speaking, this method was commonly adopted internationally for the treatment of contaminated mud. In reply, DCE said that as the dredged mud would be deposited in designated contaminated mud pits at East Sha Chau and covered with successive layers of clean marine sand, the contaminants would be isolated from the sea water and there would be no adverse impact on marine ecology. It was by far the most appropriate method to be used in the present case.

17. In supplement, Mr PEIRSON-SMITH said that an EIA study was conducted for the East Sha Chau contaminated mud pits and approval had been given by the Advisory Council on the Environment (ACE). The mud pits were designed to ensure environmental isolation. A very robust EM & A programme was also in place to assess the potential for contamination to leave the pits, and it was considered that the environmental impact caused by the contaminated mud pits would be very small. Mr PEIRSON-SMITH added that he was aware that the Government was looking at some future time when the contaminated mud pits at East Sha Chau would be full and a study had been commissioned to look at other possible measures. The study would in due course be presented to ACE for scrutiny.

18. At the enquiry of the Chairman, Mr PEIRSON-SMITH confirmed that the marine ecology in the area, including the Chinese White Dolphins would not be affected during the process of dredging. He advised that apart from the isolation of the contaminants in the mud pits, only certain dredgers, such as the enclosed grabs,

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could be used so as to minimize the release of any contamination during dredging. The placing of the mud in the pits was also strictly controlled to prevent the escape of contaminants as the mud was deposited.

19. Miss Christine LOH requested the Administration and the consultant to confirm that the cumulative effects of dredging and reclamation on Lantau Island would add to the adverse impacts on the marine ecology and marine mammals. While acknowledging that marine ecology, as well as water quality and tidal current patterns would be affected to a certain degree by those works, DCE stressed that the areas to be reclaimed were of low ecological value. To this end, mitigated measures were recommended to compensate for losses of marine ecological resources identified, such as the provision of specially designed sloping seawalls which allowed recolonization and the deployment of artificial reefs to enhance additional habitat. His views were shared by Mr PEIRSON-SMITH who emphasized that in terms of cumulative impacts, previous EIA studies for other projects would have to be approved by ACE. Monitoring and audit results were also presented to ACE periodically to keep it informed.

20. Mr CHEUNG Man-kwong was concerned about the impacts of the HKD project on the Chinese White Dolphins. Mr PEIRSON-SMITH replied that the EIA studies had identified and reviewed the considerable amount of monitoring undertaken by the Government and other parties of the dolphin resources in both North and South Lantau. Dr Tom Jefferson of the Ocean Park Conservation Foundation, who had been undertaking the most comprehensive work on the status of Chinese White Dolphins and other marine mammals, had also been engaged. Review of his work and his involvement in the EIA studies indicated that the waters near the proposed Theme Park were not critical habitat of the dolphins and the area was only seasonally used by the dolphins. Thus, the EIA studies did not consider that the project would have any adverse impact on the dolphin populations. However, construction and operation phase dolphin monitoring was recommended to ensure that no dolphins were present in the area prior to construction work, as well as to evaluate whether there had been any effects on the animals. Mr PEIRSON-SMITH further said that apart from the Chinese White Dolphins, there were no other marine mammals that utilized the area.

21. Miss Christine LOH disputed Mr PEIRSON-SMITH's interpretation of Dr JEFFERSON's work as an indication that the dolphins would not be impacted. However, she would follow up the issue with the Government separately.

22. Responding to Mr CHEUNG's further questions on the potential impacts of high speed vessels to and from the cross boundary ferry terminal on the dolphin populations, CT clarified that there would be no such impact in Penny's Bay, as the most likely locations for an additional international ferry terminal would be at Chek Lap Kok or Yam O which meant that no cross boundary ferries would come around to Penny's Bay. The proposed Theme Park Ferry Pier would be for pleasure crafts that were already in Hong Kong waters. A ferry service might be considered at some stage in the future, although demand projections at the moment suggested that there would not be enough

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passengers for the service to be viable.

23. The Chairman queried whether the course of the ferry service between Discovery Bay and Central would be shifted southwards as a result of reclamation in Penny's Bay, thereby affecting the movement of the dolphins. CT replied that such would not be the case, as the ferry service was already travelling in a more southerly track and its course would not be affected by the reclamation.

Land contamination

24. Given that access to the Cheoy Lee Shipyard (CLS) site was unavailable as part of the EIA studies due to its present operation and private ownership, Mr LEE Wing-tat questioned whether the EIA studies were in fact comprehensive. DCE replied that the Administration was of the view that the EIA studies should be comprehensive. Although access to the CLS site was denied at the moment, both the soil samples taken from a stream bed discharging from the CLS site and the marine sediment samples taken from outside the seaward boundary of the shipyard indicated that there was no sign of elevated levels of contamination. Thus, any land contamination that might be present at the site would only be localized and confined to the shipyard site. With the experiences Hong Kong had in converting shipyard sites into other land uses, such as in Aldrich Bay and Cheung Sha Wan, the Administration was certain that with appropriate remedial measures taken, there would be no insurmountable conditions for the future use of the former CLS site for road and railway access to the Theme Park.

25. Mr LAU Chin-shek questioned about the Administration's position in acknowledging that the EIA studies "should be" comprehensive. Given the enormous environmental impacts of the Project, he opined that from the Government's point of view, the EIA studies had to be comprehensive. In response, CT clarified that for the EIA studies that had already been done, they were comprehensive. For the EIA study to be conducted for the decommissioning of CLS, it would also be comprehensive, and ample time had been allowed. Although the Government currently had no idea of what was happening inside the CLS site, it had a good general idea from experiences of other shipyards.

26. Mr LEE Wing-tat was concerned that the actual level of contamination might turn out to be higher than anticipated and he sought explanations from the Administration on how the situation would be handled. In reply, DCE emphasized that according to tests already done, the CLS site should not present any environmental problems that were insurmountable. At the same time, a comprehensive EM & A programme would be adopted during both the construction and operation phases for air, noise, water, waste management, etc.

27. On Mr LEE's questions about the funding provision for decommissioning the shipyard, DCE advised that when provision was sought from the Finance Committee (FC) of the Legislative Council (LegCo) for the HKD project in last November, \$22 million had been earmarked for the purpose, and the amount was calculated on the

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basis of similar experiences for the decommissioning of sites in Southeast Kowloon. He assured members that according to current estimation, the handling of the CLS site should not incur more expenses than originally planned. However, any extra costs would be covered under the contingencies funds included in the provision sought.

28. As the Administration could not gain access to the site, the Chairman queried the basis for the estimated clean-up cost of \$22 million. CT replied that the estimation was based on the extensive experiences both the public and private sectors had in taking sites formerly used as shipyards and converting them to other uses, such as in Tsing Yi, Aberdeen, Tai Koo Shing and Whampoa Garden. In this respect, Hong Kong was experienced as a community and the operation of CLS was similar to activities of other shipyard sites, such as building and repair works for kaitos or small pleasure crafts. While stressing that the Administration did not intend to minimize the problem, CT emphasized that the consultant had done everything possible around the site both on sea and land to ascertain the extent of potential contamination. A thorough investigation would be conducted once access was allowed and the statutory authority for the subsequent decommissioning EIA study would include very stringent conditions for cleaning up the shipyard site, as part of the process for granting the necessary environmental permit for the road and railway works and other public works.

29. Concerning about gaining early access to the site, the Chairman further asked whether on-going discussions with CLS was for its relocation to another site so that an assessment could be done immediately. In reply, DCE said that the Lands Department was negotiating with the operator. CT added that the talks with CLS were sensitive as both the land holding company and the operating company were involved. Until the compensation issue became clearer, CLS was not willing to discuss early access to the site for the Government to do thorough investigations. The Government was proposing to resume the land involved and pay compensation in the usual way for resumption of private land, and talks with CLS would be resumed in the very near future.

30. Mr LAU Chin-shek enquired about the time-table for negotiations with CLS and the measures to be taken for the resumption of the land if negotiations failed. In reply, CT said that all land presently occupied by the shipyard would be resumed. As explained in the last meeting, the land resumption exercise would involve three separate ordinances. Procedures under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) and the Railways Ordinance (Cap. 519) would have to be completed first in parallel, to be followed by procedures under the Lands Resumption Ordinance (Cap. 124) for the remaining land. The programme for HKD could cope with this statutory resumption route and there would be enough time to do so. An alternative was to proceed by negotiations with the owner and the operator, who would be entitled to certain allowances, both ex-gratia and statutory. If negotiations were successful, the whole process would be much quicker. However, the Government would not go outside existing policies in this Project, and there would be no question of the Government paying more than it would otherwise have to, just for the sake of

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meeting the programme.

31. On Mr LEE Wing-tat's questions about the availability of dumping grounds for the contaminated soils, DCE assured members that the contaminated soils would not be dumped in another area without treatment. He advised that in the worst case scenario, the contaminated soils would be excavated for stabilization treatment to ensure that the heavy metal pollutants would not create any contamination. The treated soils would then be put back in its original site.

Benefits and environmental enhancements arising from the project

32. In reply to Mr NG Leung-sing's question about the use of rubber fenders instead of tropical hardwood fenders in the proposed Theme Park Ferry Pier and service quay, as well as the Cross Boundary Ferry Terminal construction, DCE explained that this point was highlighted in the EIA study because of its environmental benefits as rubber fenders were more durable and less expensive in the long run than tropical hardwood fenders. Moreover, DCE also confirmed that the more aesthetic sloping seawalls would be used for the Theme Park reclamation for recolonization of marine resources and wave absorption.

33. Members then deliberated on the way forward for following up on the EIA studies. Miss LOH opined that as many issues were raised in the reports, it would not be possible to pursue them without guidance from experts in environmental protection. In this connection, both Mr LAU Chin-shek and Miss LOH were concerned that there was no representation from the Environmental Protection Department at the present meeting. As the EIA public consultation would end on 11 April 2000, Miss LOH, as Chairman of the LegCo Panel on Environmental Affairs, suggested that the EIA studies in connection with the development of HKD be discussed at a meeting of the Environmental Affairs Panel. Members agreed to the suggestion. Mr CHEUNG Man-kwong remarked that members of the Economic Services Panel could also attend that meeting if they had further questions on the EIA reports.

34. Thanking members for their comments on various issues, the Secretary for Economic Services (SES) welcomed all opportunities to receive any further questions and views from LegCo Members on the EIA studies.

V Development of logistic management centres in Hong Kong

(LC Paper No. CB(1)1228/99-00(04) - Information paper provided by the Administration)

35. At the invitation of the Chairman, the Acting Deputy Secretary for Economic Services introduced the Administration's paper on "Promoting Competitiveness of Hong Kong as a Logistics Centre in the Region" (LC Paper No. CB(1)1228/99-00(04)).

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36. While appreciating the efforts made by the Administration, Mrs Miriam LAU opined that it should take up a more proactive co-ordinating role to underpin its commitment of providing the necessary infrastructure to facilitate the development of the logistics business in Hong Kong. She pointed out that with different initiatives undertaken by various parties both inside and outside the Government, such as the Port and Maritime Board (PMB), the Airport Authority (AA), the River Trade Terminal Co Ltd, the Hong Kong Trade Development Council, achievements might at best be fragmented. Overall co-ordination was essential to optimize the potentials of Hong Kong's existing transportation infrastructures.

37. In response, SES said that many parties were involved in the development of logistics business in Hong Kong and the Government had been promoting greater private sector participation in various areas such as E-commerce, logistics services and transportation. In this regard, the Economic Services Bureau had taken an active role as a facilitator to bring together all concerned parties in active discussions so as to better understand their needs. To further strengthen efforts on this front, a Committee on Logistics Service Development would be formed under the PMB in the coming months to provide a forum for the exchange of views between the public and private organizations amongst the port and maritime sector, the aviation sector and the freight forwarding and logistics sector. In addition, SES advised that relevant legislative initiatives had also been made to provide a clear legal framework, such as the Air Cargo Transshipment (Facilitation) Bill 2000 and the Electronic Transactions Ordinance.

38. Notwithstanding the measures highlighted by the Administration, Mrs LAU remarked that the development of logistics management in Hong Kong should gear towards the provision of a "total logistics solution" to the users, which required a fully integrated transport system so that the functions of each segment could be brought into full play. Her views were shared by the Chairman who opined that the concept of "total logistics solution" would not work in Hong Kong if intermodal transport was not promoted. Mrs LAU further enquired whether studies would be undertaken to explore the ways of enhancing integration of existing infrastructure so as to take advantage of the combined strengths of Hong Kong's excellent port and airport.

39. While acknowledging the importance of co-ordination between various sectors in the provision of a "total logistics solution", SES said that the concept should not be confined to one-stop services within Hong Kong as it could equally apply to the linkage of Hong Kong's port with other ports in overseas countries. He also agreed that relevant studies could be done, for example to identify means of facilitating cargo transshipment and cross-border freight. By setting up the Committee on Logistics Service Development, the Administration hoped that meaningful dialogue would be maintained with the maritime, aviation, freight and logistics sectors. SES undertook to brief members on the work of the Committee in due course.

Admin.

40. As regards studies to be undertaken by the Committee, Mr Eric LI asked if the study reports would be submitted to SES only and whether they would be made

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Admin. public. Addressing the member's concern, SES said he would be happy to keep the Panel informed of progress on the Committee's work.

41. Citing plans for the establishment of logistics centres in Beijing and Shanghai, Mr HUI Cheung-ching enquired whether their impact on Hong Kong had been assessed. SES replied that with the growing trend of logistics centres development, Hong Kong would be facing tough competition from major cities around the world, not only Beijing and Shanghai. He stressed that the most important thing would be for Hong Kong to improve its competitiveness as a logistics centre through concerted efforts of both public and private organizations.

Admin. 42. In response to Mr HUI's request for information on the AA's plan to set up a marine cargo transfer centre in the airport zone as cited in paragraph 3 of the Administration's paper, SES undertook to provide the required information through the AA.

VI Prohibition on the use of flueless gas water heater

(LC Paper No. CB(1)1228/99-00(05) - Information paper provided by the Administration)

43. As the prohibition on the use of a flueless gas water heater to serve a bathroom or shower would be effective on 1 July 2000, Mr LI Wah-ming was concerned that there was no readily available customer records in respect of Liquefied Petroleum Gas (LPG) flueless water heaters to verify their compliance with statutory requirements. He enquired about the number of such heaters that were still connected to LPG cylinders, as well as the additional measures to be taken in the run up to 1 July 2000.

44. In reply, the Director of Electrical and Mechanical Services (DEMS) said that the industry estimated that there were still some 500 flueless heaters connected to LPG cylinders serving bathrooms or showers. As outlined in the Administration's paper (LC Paper No. CB(1)1228/99-00(05)), the Gas Authority (the Electrical & Mechanical Services Department) would arrange for additional publicity in the coming months, particularly in areas with a high concentration of LPG flueless heaters, as well as for the gas suppliers to increase the frequency of their safety inspections from once every 18 months to once every 12 months. Furthermore, DEMS advised that public safety would be safeguarded through the following regulatory measures:

- (a) Under existing legislation, only registered gas installers were permitted to install flueless gas water heaters;
- (b) The gas supply company was empowered to disconnect gas supply or suspend delivery of cylinder LPG in case of unsafe gas appliance;
- (c) Legislative amendment would be introduced to give statutory backing to the code of practice entitled "Approval of Domestic Gas Appliances"

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(GU05) which was prepared by the Gas Authority in conjunction with the industry; and

- (d) A new code of practice on the monitoring of gas distributors would be drawn up.

In reply to a follow-up question from Mr LI, DEMS confirmed that the staff of the Gas Authority were conferred with statutory powers to gain access to premises for checking the safety of flueless gas heaters.

45. Concerning about the safety of flueless gas water heaters brought in from the Mainland by members of the public, Mr LI Wah-ming asked whether the matter had been taken up with the Customs and Excise Department. The Chairman also enquired whether the Administration was aware of the seriousness of the problem. DEMS pointed out that as the import of such gas heaters was not prohibited in Hong Kong, the problem would be more effectively tackled through educating the public the importance of buying safe gas appliances. SES added that as illustrated in the Administration's paper, determined efforts had been made to monitor the safe use of gas water heaters in Hong Kong. With the cases mentioned by Mr LI, the solution should be by way of education and a more vigorous publicity campaign, rather than a total import ban.

46. Both the Chairman and Mr CHEUNG Man-kwong opined that a total ban on the import of flueless gas water heaters should be imposed to ensure the effectiveness of regulation. The Deputy Secretary for Economic Services said that while the sale, supply, installation of flueless gas water heaters and their use in bathrooms or showers in Hong Kong were prohibited under the existing legislation, the import of such was not banned as the heaters might be re-exported to other countries. The Assistant Director/EMSD (Gas & General Legislation) supplemented that the import of these heaters was not banned because they were considered safe by international standards. The prohibition of their use in Hong Kong was aimed at minimizing the occurrence of accidents caused by their operation in enclosed space with insufficient ventilation. The issue had in fact been discussed in a number of occasions when the Gas Safety Advisory Committee was consulted on the legislative amendment proposals.

VII Any other business

47. There being no other business, the meeting ended at 12:55 pm.