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**Public Works Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 14th meeting
held in the Chamber of Legislative Council Building
on Wednesday, 25 April 2001, at 10:45 am**

Members present :

Ir Dr Hon Raymond HO Chung-tai, JP (Chairman)

Hon Albert CHAN Wai-yip (Deputy Chairman)

Hon Kenneth TING Woo-shou, JP

Hon Cyd HO Sau-lan

Hon Eric LI Ka-cheung, JP

Hon Fred LI Wah-ming, JP

Prof Hon NG Ching-fai

Hon CHAN Yuen-han

Hon CHAN Kam-lam

Hon SIN Chung-kai

Hon Andrew WONG Wang-fat, JP

Hon WONG Yung-kan

Hon LAU Kong-wah

Hon Mrs Miriam LAU Kin-yee, JP

Hon Emily LAU Wai-hing, JP

Hon Andrew CHENG Kar-foo

Hon LAW Chi-kwong, JP

Hon TAM Yiu-chung, GBS, JP

Hon Abraham SHEK Lai-him, JP

Hon Henry WU King-cheong, BBS

Hon WONG Sing-chi

Hon IP Kwok-him, JP

Hon LAU Ping-cheung

Members absent:

Hon James TO Kun-sun
Dr Hon TANG Siu-tong, JP
Hon Michael MAK Kwok-fung

Public officers attending:

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| Miss Elizabeth TSE | Deputy Secretary for the Treasury |
| Mr Y C LO, JP | Secretary for Works |
| Mr Gordon SIU, JP | Secretary for Planning and Lands |
| Mr Rob LAW, JP | Director of Environmental Protection |
| Mr James HERD | Principal Assistant Secretary of the Treasury (Works) |
| Mr KO Chan-gock, JP | Director of Water Supplies |
| Mr LEUNG Mang-chiu | Assistant Director/New Works, Water Supplies Department |
| Mr Alan CHU | Principal Assistant Secretary for Security |
| Mr S H PAU, JP | Director of Architectural Services |
| Mr CHOI Ping-lun | Assistant Director (Administration and Planning), Immigration Department |
| Mr CHUN Yiu | Principal Immigration Officer (Investigation), Immigration Department |
| Mrs Sarah KWOK | Deputy Commissioner for Innovation and Technology, Commerce and Industry Bureau |
| Miss Agnes WONG | Assistant Commissioner for Innovation and Technology (Infrastructure) Commerce and Industry Bureau |
| Mr Kim SALKELD, JP | Deputy Secretary for the Environment and Food |
| Mr Donald TONG | Principal Assistant Secretary for the Environment and Food |
| Mr Benny WONG | Assistant Director (Waste and Water), Environmental Protection Department |
| Mr LAM Chiu-hung | Assistant Director (Sewage Services), Drainage Services Department |
| Mr HON Chi-keung | Chief Engineer/Strategic Sewage Disposal Scheme, Drainage Services Department |
| Mr M L WAN | Principal Assistant Secretary for Housing (Project Management) |
| Dr LAU Ching-kwong, JP | Director of Civil Engineering |
| Mr Y F MOK | Assistant Director (Civil)/Land Development, Civil Engineering Department |
| Mr S P LAU | Deputy Director (Acting), Agriculture, Fisheries and Conservation Department |

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| Ms Michelle LI | Principal Assistant Secretary for Education and Manpower |
| Mr Jack CHAN | Deputy Secretary-General, University Grants Committee |
| Mr K S SHUM | Chief Technical Advisor/Subvented Projects, Architectural Services Department |
| Mr H K WONG, JP | Director of Territory Development |
| Mr D J CLIMAS | Deputy Project Manager/New Territories East Development Office, Territory Development Department |
| Mr C J CHIVERS | Chief Engineer/New Territories West Development Office, Territory Development Department |

Clerk in attendance:

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| Miss Polly YEUNG | Chief Assistant Secretary (1)3 |
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Staff in attendance:

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| Ms Pauline NG | Assistant Secretary General 1 |
| Ms Anita SIT | Senior Assistant Secretary (1)8 |

The Chairman informed members that in view of the long agenda for this meeting and the urgency of the proposals concerned, he had agreed to schedule an additional meeting for 3 May 2001 at 2:30 pm. If there was insufficient time to deal with all the agenda items at this meeting, the remaining items would be carried over to the additional meeting.

HEAD 709 - WATERWORKS

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| PWSC(2001-02)16 | 239WF | Water supply to remaining remote villages in the New Territories - stage 2 |
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2. Members noted that the present proposal had been discussed at the Planning, Lands and Works Panel on 2 April 2001.

3. Mr Albert CHAN said that Members of the Democratic Party (DP) were in support of the present proposal on account of the need to provide hygienic water supply to remote villages. Members of DP however were concerned about the high unit cost of the waterworks concerned and would urge the

Administration to explore alternative ways to provide water supply facilities which required lower capital and maintenance costs. In response, the Director of Water Supplies (DWS) assured members that the Water Supplies Department (WSD) would continue to explore feasible alternatives to ensure cost-effectiveness.

4. Mr Andrew WONG stated his view that the Government had the responsibility to ensure hygienic water supply for the residents of remote villages. He therefore supported the present proposal.

5. Miss Emily LAU referred to the site plans at Enclosure 1 to the discussion paper and enquired how the existing submarine pipelines and fresh water mains shown therein related to the proposed waterworks. In reply, DWS advised that the existing submarine pipelines and fresh water mains had been built about eight to ten years for distribution of stream water to some of the remote villages covered in the present proposal. The management of these water mains/pipelines would be transferred from the Home Affairs Department to WSD in connection with the proposed waterworks. The existing submarine pipelines would be retained and connected with the new water mains to form part of the new water distribution systems for the areas in question. The existing fresh water mains on land would however be disposed of as they were generally dilapidated.

6. The item was voted on and endorsed.

HEAD 703 - BUILDINGS

**PWSC(2001-02)13 6GD Immigration Service Training
School and Perowne Immigration
Centre at Castle Peak Road, Tuen
Mun**

7. Members noted that the Security Panel had been briefed and updated on the project under the present proposal in March 1999 and February 2001 respectively.

8. Miss Emily LAU enquired about the venue arrangement for the induction and in-service training of the Immigration Department (ImmD) before the department made use of the facilities at the Kai Tak Government Building on a temporary basis. In reply, the Principal Assistant Secretary for Security (PAS(S)) advised that all along, ImmD had not had a purpose-built training school. ImmD had used other government facilities in Tuen Mun for conducting induction and in-service training. He further said that the department would need to return the facilities at the Kai Tak Government Building in 2004 to the Government Property Agency.

9. Regarding the proposed reprovisioning of the recruitment centre at the Central Government Pier to the proposed Immigration Service Training School (ISTS), PAS(S) and the Assistant Director (Administration and Planning), Immigration Department (AD/A&P, ID) advised that as the Training Sub-division of ImmD was also responsible for the department's recruitment, co-locating ImmD's training school and recruitment centre would enable more effective supervision and use of the physical training facilities of the ISTS for the recruitment physical tests, which could not be carried out at the existing recruitment centre due to the lack of space and facilities.

10. Mr Albert CHAN expressed grave reservation about the cost-effectiveness of the provision of a swimming training pool at the proposed ISTS. He enquired about the estimated construction and recurrent costs vis-à-vis the planned utilization of the facility, and whether the swimming pool would also be used by staff and trainees for recreational purposes and if so, how the facility would be managed. Miss Emily LAU shared Mr Albert CHAN's concern about cost-effectiveness and enquired whether the provision of a swimming training pool at the ISTS was in line with the relevant standards of facility provision for disciplined forces.

11. In response, PAS(S) and AD(A&P), ID advised that since some immigration control duties were undertaken on board vessels, swimming training was an integral part of the induction training for all ImmD officers. Currently, the swimming lessons had to be conducted at public swimming pools and this arrangement was costly and undesirable in terms of staff deployment, transportation and travelling. The prime objective of providing professional training was undermined and the purpose of cultivating esprit de corps among staff could not be met. They confirmed that presently, all purpose-built training schools of other disciplined forces were provided with a swimming training pool. In line with the practice of other disciplined forces, the swimming training pool at the proposed ISTS would primarily be used for training.

12. As regards the planned utilization of the swimming training pool, AD/A&P, ID advised that there would be about six induction training classes and five to six in-service training classes conducted at any one time. Each class would comprise 20 to 25 officers and thus there would be 200 to 300 officers undergoing training at any one time in the ISTS. Each induction training programme would include 30 hours of swimming lessons. Two two-hour lessons would be conducted each week. As there would be six induction training classes conducted at the ISTS at any one time, the swimming training pool would have a utilization of more than four hours per day for swimming training purpose. In addition, swimming lessons would also be included in some in-service training programmes conducted at the ISTS.

Admin 13. Mr Albert CHAN maintained his reservation on the cost-effectiveness of providing a swimming pool at the proposed ISTS and reiterated his request for information on the construction cost and the recurrent management and maintenance costs vis-à-vis the planned utilization of the facility. The Director of Architectural Services (DArchS) agreed to provide relevant information after the meeting. AD(A&P),ID added that the proposed swimming training pool would be 25 metres long and of simple and practical design.

Admin 14. Miss Emily LAU enquired about the feasibility of sharing the use of the proposed swimming training pool with the schools nearby so as to maximize the utilization of the facility. In reply, PAS(S) said that he could not give a confirmation at this stage as the detailed design and administrative arrangements for the ISTS had yet to be drawn up. However, the Administration would positively consider the suggestion and confirm the relevant arrangement in due course.

15. In this connection, Mr SIN Chung-kai said that according to his understanding, it was not the current practice of disciplined forces to share the use of their swimming pools with the local community or schools for security and other reasons. He cautioned that unless the Administration was prepared to change its standing practice or policy, it should not give an undertaking which would unlikely be fulfilled just for the sake of obtaining members support for a funding proposal. Mr Albert CHAN echoed the view of Mr SIN and commented that should the Administration decide to share the use of the swimming pool with the local community, the overall design for the ISTS would need to be reviewed.

16. In response, PAS(S) reiterated that the proposed swimming training pool at ISTS was justified on grounds of training needs. He confirmed that as the complex accommodating the ISTS would also house an immigration processing centre, security would be an important consideration in deciding whether any of the facilities at the ISTS could be open to the public. As such, he was not in a position to give a firm undertaking on the suggestion at this stage.

17. Mr LAU Ping-cheung on the other hand considered the provision of a swimming training pool at the proposed ISTS justified as this would enhance the quality of training for ImmD officers and would help cultivate esprit de corps. He also considered that the use of the swimming pool by staff and trainees for recreational purposes was acceptable provided that formal training was not affected. In reply to Mr LAU's enquiry, DArchS advised that the swimming training pool would be located underneath an elevated open parade/drill ground area and this arrangement would optimize the site area for provision of required facilities.

18. Mr Andrew WONG expressed support for the proposal. He also commented that a daily utilization of four hours for training as planned by ImmD could support the provision of the swimming training pool at the ISTS. He also considered it desirable to allow trainees residing at the ISTS to use the swimming pool for recreational purposes.

19. In reply to Mr WONG's enquiry, AD(A&P),ID advised that there was no plan to include facilities for adjusting the water temperature of the swimming training pool. Mr LAU Ping-cheung considered that suitable functions should be included to adjust the water temperature so that the facility could be used all year round for swimming training. In response, AD(A&P),ID said that the Administration would consider the suggestion. The Chairman reminded the Administration to refrain from giving undertakings just for the sake of obtaining members' support and pointed out that the Administration should first ascertain whether providing functions for water temperature adjustment for the swimming training pool in question was in line with the relevant policy and practice. In response, PAS(S) said that the Administration would maintain its original plan.

20. The Deputy Secretary for the Treasury (DS/Tsy) drew members' attention to the scope of the present proposal which covered the demolition of the existing buildings on site, the site formation and piling/foundation works and the consultancy services for works supervision and project design. She said that as the detailed design for the project had not been drawn up, there were still opportunities for the Administration to examine various design options for the facilities to be provided for the project. The Chairman however did not agree entirely with the point made by DS/Tsy and pointed out that the scope and basic design of the facilities to be provided would have important implications on the piling/foundations works of this project; such works would be carried out upon approval of the present proposal.

21. Mr SIN Chung-kai and Mr Albert CHAN opined that to facilitate members' consideration of the justification and cost-effectiveness of the provision of a swimming training pool (with or without water temperature adjustment functions) at the ISTS, the Administration should provide information on the availability and standards of the same facility for other disciplined forces and their respective utilization. PAS(S) agreed to provide the information before the relevant FC meeting.

Admin

22. Mr IP Kowk-him expressed support for the proposal and agreed that the provision of a swimming training pool at the ISTS was justified in principle. He however concurred with some other members that the Administration should provide further information on how the provision compared with the standards of the same facility for other disciplined forces.

facilities of the Science Park and the impact of the Science Park on the industrial property market.

30. Mr LAU Ping-cheung and Mr Abraham SHEK opined that the Science Park should not bring about pressure on the rentals of the industrial property market. They nevertheless enquired about the mechanism for determining the rentals of the Science Park and whether representatives from the property sector would have any input in the rental determination process. Referring to the admission committee of the Cyberport, Mr LAU asked whether there would be a similar mechanism for screening applications for admission into the Science park.

31. Miss Emily LAU also expressed concern on whether there would be adequate demand for the facilities of the Science Park and enquired about the rentals for the lettable space in phase 1 of the Science Park. She also asked whether the Science Park would be competing with the Cyberport for tenants.

32. On the demand for the lettable space in Science Park, the Deputy Commissioner for Innovation and Technology, Commerce and Industry Bureau (DC/I&T,CIB) advised that as highlighted in the discussion paper, a total of 39 applications for admission had been received as at mid-March 2001. Discounting two applications which had already been rejected, the total demand for space as at mid-March 2001 amounted to 120 600 square metres (m²) of gross floor area (GFA), but the total space available for lease in the entire phase 1 of the Science Park was only 109 000 m². She also informed members that so far, the Provisional Hong Kong Science Park Company Limited (the Company) had signed tenancy agreements with nine companies.

33. On the concern about the impact of the future rentals of the Science Park on the industrial property market, DC/I&T,CIB advised that the Company would take into full account the prevailing market circumstances and the advice of its professional property consultants in setting the rentals of the Science Park. Besides, the Company's Board of Directors also included a member from the property sector. In setting the rental level, the Company had to ensure that the Science Park was competitive among similar facilities in the region and take into account the rentals of the local property market. Tentatively, the Company had set the rental at an average of \$8 per square feet (ft²) and this rate would be reviewed in due course to take account of the prevailing market circumstances. For members' reference, she advised that the rentals of the commercial and industrial premises in Sha Tin and Tai Po were in the range of \$5 to \$10 per ft².

34. Regarding the mechanism and criteria for admission into Science Park, DC/I&T,CIB advised that an Admission Committee had been set up under the Board of Directors of the Company to consider applications based on a set of admission criteria. In essence, the business of eligible applicants should be

technology intensive and knowledge based and their operations in the Science Park should focus on research and development rather than on production. The target tenants were companies engaging in the fields of electronics, information technology, biotechnology or precision engineering. She stressed that the Science Park would provide not only lettable office space, but also a range of complementary facilities in support of technology research and development. Companies operating in the Science Park would benefit from the clustering of complementary and collaborating technology enterprises.

35. As regards the concern about possible competition for tenants between the Cyberport and the Science Park, DC/I&T,CIB advised that the target clients of the Cyberport were companies specialized in applications of information technology and multi-media facilities while the Science Park would accommodate a wider spectrum of companies engaged in various types of high-technology and knowledge-based business as well as research and development activities. As the two projects had different target clients, their relationship would be complementary rather than competitive.

36. Noting that the planned provision of carparking spaces for the entire phase 1 of the Science Park had been increased from 800 to 1 000 having regard to the feedback from potential tenants, Miss Emily LAU enquired about the basis for this provision and whether there would be measures to encourage the use of environmental-friendly transportation for journeys to and from and within the Science Park.

37. In reply, DC/I&T,CIB advised that according to the feedback of potential tenants, people working in the Science Park would mainly be researchers and scientists who often worked long and irregular hours and would therefore drive their own cars. It was considered necessary to provide sufficient carparking spaces to meet their need. She added that according to the relevant traffic impact assessment, the existing and planned transport networks would be able to cater for the traffic flow generated from the Science Park.

38. In this connection, the Chairman enquired how the provision of carparking spaces in the Science Park compared with that for industrial estates. Miss Emily LAU also requested the Administration to provide information on the relevant planning guidelines, if any, for determining the number of carparking spaces in the Science Park. DC/I&T, CIB agreed to provide the requested information after the meeting.

Admin

39. Mr SIN Chung-kai also expressed concern about the environmental impact of the vehicular traffic generated by the Science Park. He enquired whether consideration had been given to constructing an environmental-friendly transport system to serve the entire Science Park, such as a mono-rail system, an additional railway station at the Science Park, and/or a pedestrian

walkway linking the University Station of the East Rail to the Science Park. He also enquired about the planned provision of carparking spaces for phases 2 and 3.

40. In response, DC/I&T,CIB advised that in considering the type of transportation facilities to serve the Science Park, the Company recognized that there would not be a large number of workers employed for production work in the development. However, to encourage the use of public transport services, the Company would operate shuttle bus services running between the Science Park and nearby railway stations. She also advised that carparking spaces for phases 2 and 3 would be considered at a later stage having regard to the demand of relevant tenants and the estimated traffic and environmental impacts.

41. Noting that some 4 000 m² GFA of residential accommodation for lease to visiting scientists and researchers would be provided under the phase 1 development, Mr Abraham SHEK questioned the need for such provision as there was ample supply of hotel accommodation in Sha Tin. In response, DC/I&T,CIB advised that the original intention was to construct a separate building to provide residential accommodation for the phase 1 development. However, since the Administration had similar concerns as members, the Administration had scaled down the provision at the detailed design stage. As a result, only 19 units of apartments occupying one storey of the multi-purpose complex in phase 1a was proposed under the relevant PWSC item. [*Post-meeting note*: The relevant proposal PWSC(1999-2000)77 regarding the construction of phase 1a and phase 1b was endorsed by PWSC on 15 December 1999 and approved by FC on 21 January 2000] She further advised that if the demand for the residential accommodation turned out to be low, the residential accommodation could be converted into office space, and this had been taken into account in its design. DC/I&T,CIB also informed members that the funds for the construction of the residential accommodation had been approved under a previous proposal covering phases 1a and 1b of the Science Park.

42. In reply to Mr CHAN Kam-lam's enquiry, DC/I&T,CIB advised that the Company had given due regard to the preferences and needs of the potential tenants in drawing up the design and facility provision of phase 1 of the Science Park. The Company had engaged consultants to provide expert advice in this regard with a view to providing a comprehensive scope of basic facilities and a high degree of flexibility to cater for the needs of different tenants.

43. Addressing Mr CHAN Kam-lam's concern on whether the progress of the entire Science Park project should be expedited to tie in with the demand for office space of potential tenants, DC/I&T,CIB informed members that the earliest phase of the Science Park would be completed by the end of 2001 and

some tenants could then commence their operations within the Science Park. As anchor and potential tenants would need some time to plan the transfer of their existing operations to the Science Park, the target completion schedule of the Science Park should be able to meet the demand for office premises in the Park.

44. In reply to Prof NG Ching-fai's enquiry on whether it was possible for tenants to lease a site and construct their own premises within the Science Park, DC/I&T,CIB advised that the Company took an open position on this matter. However, so far, no tenant had indicated such preference.

45. The item was voted on and endorsed.

HEAD 705 - CIVIL ENGINEERING

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| PWSC(2001-02)10 | 227DS | Trials and studies in relation to the way forward for the Harbour Area Treatment Scheme |
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46. Members noted that the present proposal had been discussed at the Environmental Affairs (EA) Panel on 19 March 2001.

47. Prof NG Ching-fai, Chairman of the EA Panel, reported that Panel members in general considered that the programme for implementing the Harbour Area Treatment Scheme (HATS) should be expedited, although the Panel had not taken a position on the present proposal. He also reported that the EA Panel had paid a duty visit to the United Kingdom, France and Germany recently to study the sewerage schemes implemented in these countries, in particular the application of the Biological Aerated Filters (BAF) technology for sewage treatment. Based on the observations during the visit, members generally considered the BAF technology worth pursuing for implementing the HATS. As the BAF technology could be applied in different ways, he asked whether the proposed trials on the BAF technology would be carried out by a single or several vendors. He commented that engaging more vendors to conduct the trials would place the Government in a better bargaining position if the BAF technology was adopted for implementation of HATS.

48. Mr IP Kwok-him referred to paragraph 15 of the discussion paper and sought clarification on the planned number and duration of trials on compact sewage treatment technologies to be carried out under the present proposal.

49. In response, the Deputy Secretary for the Environment and Food (DS(EF)) advised that the Administration's intention was to carry out as many trials as possible on compact sewage treatment technologies, including the

BAF technology, within the approved funding and the scheduled time frame, so as to obtain sufficient information on the effectiveness of different technologies when applied in Hong Kong. He confirmed that the Administration would engage at least two different vendors to carry out trials on these technologies. To allow sufficient time and flexibility to test the technologies under different climatic conditions and flow loads to the sewage treatment system, the trials would last for at least nine vendor-months and if necessary, might be extended to a maximum of 12 months.

50. The Director of Environmental Protection (DEP) and the Assistant Director (Sewage Services), Drainage Services Department supplemented that based on the information gathered from the industry, the Administration anticipated that about three trials would be carried out on the compact sewage treatment technologies and the \$14 million base estimate had been drawn up on the assumption of operating three trials for nine vendor-months. Should the need arise for increasing the number of trials by vendors or extending the period for conducting trials, the additional expenses would be absorbed by the \$2.2 million contingency provided under the project estimate. They added that while the intention was to carry out as many trials as possible, the number of trials that could be carried out at any one time was constrained by the space available at the Stonecutters Island.

51. Mr IP Kwok-him referred to the provision of \$17.2 million for an environmental feasibility study and a statement in the discussion paper that the estimates under the present proposal did not include the funding required for conducting a detailed preliminary project feasibility study and a detailed environmental impact assessment (EIA) study on the preferred option to be identified after the proposed trials and studies. He enquired about the estimated cost for the EIA study and how the proposed environmental feasibility study would be related to the future EIA study.

52. In reply, DS(EF) advised that the environmental feasibility study would focus on water quality modelling work to assess the water quality impact of the preferred sewage treatment technology recommended by the International Review Panel, i.e. chemically enhanced primary treatment plus BAF. When the preferred treatment and discharge option for implementation of the HATS was identified, the Administration would need to conduct a detailed EIA Study to look into the various environmental impacts apart from water quality impact. He assured members that the environmental feasibility study would be designed in such a way that there would be no need to repeat the same work in the future EIA.

53. Mr IP Kowk-him asked whether apart from the BAF technology, other types of sewage treatment technologies would also be examined under the proposed trials and studies. In reply, DS(EF) said that the IRP had made a firm recommendation that the BAF technology, which was a well-proven

sewage treatment technology, was probably the most suitable treatment technology for the HATS. Therefore, the Administration's intention was to start with the trials on the BAF technology. If as a result of these trials, there arose concerns about the capability of the BAF technology to deliver the required environmental results at a reasonable cost, the Administration might turn to look for other proven technologies that could meet the environmental requirements. Hence, at this stage, the Administration would not rule out the possibility of considering other sewage treatment technologies.

54. Mr IP Kwok-him further enquired about the arrangement if some new sewage treatment technologies emerged in the course of the proposed trials and studies. In reply, DS(EF) and DEP advised that as the HATS would be one of the largest sewerage schemes implemented in the world, it would only be prudent for the Administration to focus on well-proven technologies, such as the BAF technology, with successful large-scale application. While new sewage treatment technologies might emerge from time to time, it would not be prudent for the Government to work on technologies that had only been proved successful in laboratory experiments or had been applied on a small scale only. The IRP had recommended that the Administration should focus on the BAF technology as a starting point for pursuing the HATS. In fact, the BAF technology had undergone considerable development over the past five years or so. Confidence in the technology for large-scale application had increased and quite a number of BAF plants had been built around the world since 1995.

55. In this connection, the Chairman remarked that according to members' observation during the overseas duty visit referred to by Prof NG Ching-fai, most of the sewage treatment plants using the BAF technology were of a much smaller scale than those envisaged under the HATS. The largest one was designed and built to cater for a population of 1 to 1.5 million only. He therefore queried whether the Administration had considered allowing more time for more overseas experience to accumulate in the application of the BAF technology and some other new technologies.

56. In response, DEP highlighted that while technologies evolved, it took 10 years or more to build a major sewerage system. Hence, the sensible approach was for the Government to take a view on the most suitable option for Hong Kong's sewerage system based on known technologies and relevant experience. He reiterated that according to the professional view of the IRP, the BAF technology was likely to be the most suitable treatment technology for the HATS.

57. Miss Emily LAU reiterated her deep regret for the delay in the implementation of the Strategic Sewage Disposal Scheme (SSDS) (now renamed as HATS). She urged the Administration to take forward the HATS in a prudent and expeditious manner. Miss LAU sought clarification on the statement in paragraph 24(f) of the discussion paper that subject to the findings

of the trials and studies, the Administration had no preference for a centralized or distributed sewage treatment system, provided that the discharged effluent was treated to a suitable level.

58. In response, DEP advised that the IRP had proposed four alternative treatment and discharge options. The first option was a centralized system located at Stonecutters Island and in this regard, the IRP had recommended that a study be conducted to reassess the capacity of the Stonecutters Island Sewage Treatment Works to ascertain whether all the sewage from the harbour area could be treated at this plant. Taking note of some concerns expressed in the community for a more decentralized system, the IRP had suggested three further options, each of which would provide a certain degree of decentralization. The IRP was of the preliminary view that the centralized option would likely be more cost-effective than the decentralized ones as the construction and operating costs for a centralized treatment facility would probably be lower. It had nevertheless recommended further studies to ascertain the engineering feasibility and the economic and environmental implications of the options. With detailed information from the proposed trials and studies, the Administration would draw up the relative merits and financial implications of the different options to facilitate the community's discussion on the way forward. The Administration did not have a strong view on which option should be adopted, provided that the selected option was feasible and environmentally acceptable.

59. Miss Emily LAU pointed out that the respective land requirement was an important factor in assessing the relative merits of the centralized and decentralized options. She therefore urged the Administration to duly reflect this factor in its future proposals.

60. Miss Emily LAU conveyed the concern of some green groups that the problems arising from the Stage 1 of SSDS had not been satisfactorily addressed. They were particularly concerned whether there would be clear delineation of responsibilities among the different bureaux and departments involved in implementing the HATS. In this connection, Miss LAU sought clarification on the role of the Environmental Protection Department (EPD) in respect of the SSDS/HATS and whether the Secretary for the Environment and Food would have the necessary authority to make decisions regarding the implementation of HATS when such decisions straddled the purviews of EFB and other policy bureaux.

61. In response, DEP advised that since it was EPD's responsibility to ensure that effluent discharged into Hong Kong waters should meet the relevant water quality requirements, EPD played a regulatory role and was responsible for determining the parameters and standards required to be met by way of sewage treatment. Thus, EPD would advise and scrutinize sewerage proposals and the relevant environmental studies from the perspective of whether the

prescribed water quality requirements could be met. He also confirmed that EPD was not responsible for the execution of the sewerage works, and this area of work was under the purview of the Drainage Services Department (DSD).

62. Regarding the role of the Environment and Food Bureau (EFB) in respect of HATS, DS(EF) advised that EFB was responsible for overseeing scheme implementation and would co-ordinate and work closely with the relevant bureaux, including the Works Bureau and the Planning and Lands Bureaux (PLB), on matters relating to HATS. EFB was also responsible for reporting to and updating Legislative Council Members on the progress of the scheme.

63. DS(EF) further advised that a mechanism was already in place within the Administration to oversee of the overall sewerage programme for the territory, which comprised HATS and other sewerage schemes. However, in view of the considerable community interest in the HATS and in order to increase transparency, a monitoring group chaired by SEF was being set up to monitor the progress of HATS. Apart from the three local members of the IRP and four members of the Advisory Council on the Environment (including two representatives from green groups), the Administration might also invite some other members of the community to join the monitoring group. One important function of the monitoring group was to advise SEF on how information on the HATS could be disseminated effectively to the community and on the best ways to undertake public consultations on the implementation programme for the scheme. It was hoped that as a result of this mechanism, proposals on the implementation of HATS would be drawn up having due regard to the views expressed in the community.

64. In response to Miss Emily LAU's further query on whether SEF had the authority to steer the HATS as in the case of the air quality improvement programme, DS(EF) stressed that EFB was tasked to oversee the delivery of HATS. The two departments, i.e. EPD and the Sewage Services Branch of DSD, which were responsible for the evaluation and the execution of the proposed trials and studies, were under the purview of EFB. Hence, there was no question of insufficient authority on the part of SEF to steer the HATS.

65. On the planning and land issues arising from HATS, the Secretary for Planning and Lands (SPL) affirmed that given the established mechanisms within the Administration to deal with issues straddling the purviews of different bureaux, relevant land and planning considerations would be factored into the assessment of the various options for HATS. Miss Emily LAU considered that the existing mechanisms were far from satisfactory as evidenced in the delivery of the Stage 1 of SSDS. She therefore maintained her grave concern on whether there was clear delineation of responsibilities among the bureaux and departments concerned and whether SEF had the required high-level authority to steer the HATS. The Chairman shared Miss

LAU's concern and considered that the line of command for the HATS within the Administration was still not clear.

66. In response, SPL further explained that for handling issues straddling various bureaux, either the Chief Secretary or a Policy Secretary would take the lead depending on the nature of the issues concerned. He considered that the current mechanisms were working effectively. As the Administration would undertake a comprehensive review on issues relating to Stage 1 of the SSDS, he was not in a position to comment on these issues. SPL however appreciated members' concern about clear delineation of responsibilities for HATS and said that the Administration would bear this factor in mind when taking the scheme forward.

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67. At Miss Emily LAU's request, DS(EF) agreed to provide before the relevant FC meeting information on the detailed mechanism for steering the HATS, with particular regard to the level and scope of authority for SEF to make decisions on HATS which would straddle the policy areas of different bureaux/departments.

68. Noting the IRP's recommendation that the Administration should consider the "Design, Build, Operate" (DBO) approach for delivery of the HATS facilities, Miss Emily LAU enquired about the pros and cons of the DBO approach. In reply, the Secretary for Works advised that the DBO approach had been a subject of frequent discussion within the construction industry. Generally speaking, if the project concerned was relatively simple and involved fewer uncertainties, "Design-and-Build" (DB) or DBO contracts might be the preferred option as these approaches could usually help speed up the delivery process. The main shortcoming of the DB and DBO approaches was that the Government might have less control over the delivery process. Hence, the Government would usually adopt the traditional approach for relatively complicated projects to ensure adequate control in the delivery process.

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69. The Chairman suggested and Prof NG Ching-fai agreed that policy issues relating to the HATS should be further pursued at the EA Panel. Prof NG Ching-fai further pointed out that members' endorsement of the present proposal did not necessarily imply that what the Administration had done in connection with sewage treatment in the past was right. He concurred with the Chairman and requested the Administration to consult the EA Panel prior to commencing the second stage of the feasibility study for contractual framework.

70. Mr Kenneth TING enquired about the discrepancy of the project estimates set out in the present proposal and those set out in the paper for the EA Panel. The Principal Assistant Secretary for the Environment and Food advised that the project estimates in the paper for the EA Panel had been

inadvertently presented in September 2001 prices. The mistake had been rectified in the present proposal with the project estimates presented in September 2000 prices. The provision for price adjustment had been revised accordingly to \$3.8 million.

71. The item was voted on and endorsed. Miss Emily LAU said that she had reservation on the proposal pending further information to be provided by the Administration and requested that this item should be considered and voted on separately at the relevant FC meeting.

72. There being insufficient time, the Chairman instructed that the remaining items, i.e. PWSC(2001-02)11, 14, 15, 17 and 19 would be carried over to the next meeting on Thursday, 3 May 2001 at 2:30pm.

73. The meeting ended at 1:00 pm.

Legislative Council Secretariat

22 May 2001