

立法會

Legislative Council

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Report of the Panel on Environmental Affairs for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Environmental Affairs during the Legislative Council session 2001-02. It will be tabled at the meeting of the Council on 10 July 2002 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

The Panel

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000 for the purpose of monitoring and examining Government policies and issues of public concern relating to environmental and conservation matters. The terms of reference of the Panel are at **Appendix I**.

3. The Panel comprises 18 members, with Hon CHOY So-yuk and Hon Cyd HO Sau-lan elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is at **Appendix II**.

Major Work

Proposed amalgamation of the Environment, Transport and Works policy portfolios

4. Consequent upon the announcement of the proposed amalgamation of the policy portfolios of Environment, Transport and Works by the Chief Secretary for Administration at the motion debate on the accountability system held at the Council meeting on 29 May 2002, the Panel conducted a special meeting on 3 June 2002 to discuss the proposal. Academia and green groups were also invited to express their views. Concern was raised on the possible conflict of interest among the three policy portfolios as a result of the proposed amalgamation. Economically, the Government had a financial incentive to press ahead infrastructure development. The greater emphasis on transport need and logistic development would outweigh the need for

environmental protection. Given the unduly heavy schedule of the responsible principal official, it was unlikely that matters relating to conservation and sustainable development would be accorded the same priority as pledged in the Policy Address of the Chief Executive. It was therefore recommended that an independent bureau be set up to deal with environmental issues. In the event that the Environment portfolio had to be amalgamated with other policy portfolios, consideration should be given to merging it with the Planning portfolio as they would complement each other in the prevention of adverse environmental impacts.

Mechanism of Environmental Impact Assessment

5. The Environmental Impact Assessment (EIA) Ordinance (Cap. 499) provided a statutory framework for the conduct of EIA studies on major development projects having potentially adverse impact on the environment. Following Government's announcement to speed up public works programme, members expressed concern on how the Administration could ensure the effective operation of the EIA mechanism as development pressures continued to increase. At the Panel meetings on 13 December 2001 and 28 January 2002, interested parties including green groups and professional bodies were invited to express their views on the EIA mechanism. There was general consensus that the EIA Ordinance was an effective planning tool to avoid, minimize and control the adverse impacts of designated projects on the environment. However, concern was raised on the need to improve the coordination and operation of the EIA process. A clear conservation policy was required to ensure the integrity of the Ordinance. Consideration should also be given to setting up an independent EIA Commission to ensure the quality and independence of EIA reports.

Decommissioning of Cheoy Lee Shipyard at Penny's Bay

6. Cheoy Lee Shipyard (CLS) had been in operation for boat manufacture, repair and maintenance from 1964 to April 2001 when the site was returned to the Government on voluntary surrender in support of the Hong Kong Disneyland (HKD). The CLS site fell within the area designated for the construction of roads leading to HKD. As the decommissioning of CLS was a designated project under the EIA Ordinance, an EIA study on the decommissioning project commenced in April 2001. The EIA report revealed the existence of hazardous substances, inter alia, dioxins in the soil at the CLS site. To return the site to a condition suitable for development, the EIA report recommended a remediation and clean up plan under which the 30 000 cubic metres (m³) dioxin-contaminated soil would be excavated and treated off-site in a thermal desorption plant to be set up at To Kau Wan (TKW). About 600 m³ of organic residue would be generated from the process over a period of one or two years. They would be collected and despatched in batches for incineration at the Chemical Waste Treatment Centre (CWTC) in Tsing Yi. The soil after thermal desorption would be solidified by adding cement to immobilize the remaining metals in the soil.

7. The Panel met three times to discuss the proposed decommissioning project. Concern was raised on the substantial rise in the decommissioning cost from \$22 million quoted in November 1999 to \$450 million in money-of-the-day prices. While acknowledging that the rise was attributed to the treatment of dioxin-contaminated soil which was very expensive, members held the view that the situation could have been avoided if the decommissioning project was included in the original EIA for HKD. Given that the extent of contamination at CLS was much higher than expected, doubt was cast on whether CLS had been operating under approved conditions. Questions were therefore raised on whether CLS should be held responsible for the decontamination cost under the polluter-pays principle.

8. To ascertain the feasibility of the remediation and clean up plan in the EIA report and the availability of alternative treatment options, relevant parties, including experts in the field of dioxin, green groups and District Councils, were invited to express their views. On the recommended treatment for dioxin-contaminated soil, there was general consensus that the use of thermal desorption was feasible as the first stage in separating and concentrating the dioxin from the contaminated soil. However, there were divergent views on the use of incineration to treat the residue from thermal desorption. Green groups pointed out that as incineration was the primary source of dioxins and other persistent organic pollutants, non-incineration technologies should be used to treat the contaminated soil. Two experts, on the other hand, supported the use of incineration which was a well-proven treatment technology with a higher efficiency rate. Having regard to the unpleasant experience with the use of old-type incinerator at Kennedy Town and the strong opposition from residents in Tsing Yi, members held the view that the Administration should look into other alternative treatment options and seriously consider treating the dioxin-contaminated soil on site, thereby reducing the transportation risk and dispensing with the need for incineration at CWTC. In the light of members' concern, the Administration undertook to consider other alternatives, which were proven to be more cost effective, in conformity to the technical and programming requirements of the project and in compliance with the statutory requirement under the EIA Ordinance, for treatment of dioxin-contaminated soil as might be proposed by tenderers.

Harbour Area Treatment Scheme

9. In 1989, the Environmental Protection Department completed the Sewage Strategy Study which recommended, among other things, the implementation of the Harbour Area Treatment Scheme (HATS) (formerly known as the "Strategic Sewage Disposal Scheme"). Implementation was divided into four stages. HATS Stage I comprised seven deep tunnels, of which one had already been completed. Works for the six sewage collection tunnels were originally grouped under two contracts and scheduled for completion in mid-1997. The two contracts were awarded to the Campenon Bernard SGE/Maeda Corporation Joint Venture (JVCs) in December 1994. In mid-1996, JVCs unilaterally suspended works in all six tunnels, claiming impossibility in complying with the contract specifications due to unexpected water inflows in the tunnels. In view of JVCs' failure in proceeding with the works with

due diligence, the contracts were forfeited in December 1996. The outstanding works were regrouped into three tunnel completion contracts and re-let in July 1997 and January 1998. The Administration had subsequently pursued a claim for losses arising from re-entry of the two tunnel contracts, including the additional costs for completing the tunnelling works.

10. The outcome of the arbitration relating to HATS Stage I tunnelling contracts and the terms of settlement between the Government and JVCs were discussed at the joint meeting with the Panel on Planning, Lands and Works on 1 November 2001. Given that the Government had been successful in the arbitration hearings, doubt was cast on whether the settlement of \$750 million was a good one since less than 60% of the additional expenditure of \$1,300 million would be recovered. Questions were also raised on the terms of settlement, particularly on the eligibility of JVCs to tender for future public works contract. Members held the view that the lack of transparency on the mediation process had hampered the role of the Legislature in monitoring the work of the Administration. To prevent similar recurrences, the Panel on Planning, Lands and Works was requested to follow up issues, including the tendering system, management of contracts and mechanisms for resolving contractual claims and disputes, arising from the discussion at the joint meeting.

11. In the light of the public concern on the delay in HATS Stage I as a result of the unilateral suspension of tunnelling works by JVCs and the continued criticism of the preferred treatment level and of reliance on large treatment plants and discharge arrangements, a new International Review Panel (IRP) was appointed in April 2000 to re-examine subsequent stages of HATS taking into account the experience gained from HATS Stage I. IRP recommended that Hong Kong should go for a higher level of wastewater treatment with a short and low dilution outfall, and that Biological Aerated Filters (BAF) treatment should be provided to all HATS flows. In determining the technical and economic viability of the options put forward by IRP, trials and studies would be carried out before a final configuration for the subsequent stages of HATS was selected.

12. The Panel received a briefing on the progress of the trials and studies at its meeting on 20 March 2002. It was noted that the results of these trials and studies would enable the Government to verify the environmental, engineering and financial viability of respective options and to assess the reliability and operational risk, land requirements as well as the capital and recurrent costs of the selected technology. In order to expedite the delivery of the project and to identify the most appropriate means for operating the project, a study on procurement options would be conducted to review possible contractual arrangements, including "Design, Build, Operate". Given the delay of the project, members held the view that the Administration should endeavour to complete all the studies as soon as practicable and report back to the Panel in due course.

Protection of wetlands in Long Valley in the light of the latest development of the Spur Line Project

13. The Spur Line was gazetted under the Railways Ordinance (Cap. 519) in October 1999. As it was a designated project under the EIA Ordinance, an EIA study on the Spur Line commenced in December 1998. The EIA report was rejected by the Director of Environmental Protection (DEP) in October 2000 on environmental grounds. An appeal against DEP's decision was lodged by the Kowloon-Canton Railway Corporation (KCRC), the project proponent of the Spur Line, in November 2000. The appeal was dismissed by the Appeal Board on the ground that KCRC had provided major new proposals during the hearing which should have been confirmed and assessed as part of the EIA study. Consequent upon the recommendations of the Appeal Board, KCRC had undertaken an in-depth conceptual study of a bored tunnel option, which involved replacing the viaduct section of the proposed Spur Line in Long Valley with a bored tunnel running from north of Sheung Shui station to Chau Tau. According to the Administration, the statutory EIA process for the tunnel option would take about seven months. DEP's preliminary view was that the option did not appear to have any insurmountable environmental impacts, and there would appear to be more certainty with the tunnel option. The only drawback was that the tunnel option would incur an additional cost of about \$2 billion at 2001 prices.

14. The Panel, together with the Panel on Transport and the Panel on Planning, Lands and Works, held a series of joint meetings to discuss the subject. Interested parties including green groups and professional bodies were invited to express their views. There were divergent views on the feasibility of the tunnel option. Green groups expressed concern that the tunnel option would have impact on the hydrology of Long Valley. They held the view that the option did not address the need for the long-term conservation of Long Valley, and that the additional \$2 billion spent would not be worth spending if the wetland character of Long Valley could not be preserved. A comprehensive conservation policy was therefore required to provide for land resumption and long-term management of ecologically important areas located on private land such as Long Valley and Sha Lo Tung etc. Consideration should also be given to examining the feasibility of the Prioritized Northern Link option which could replace the need for the Spur Line section in Long Valley, thereby saving the extra \$2 billion for conservation of Long Valley. Representatives from the engineering profession, on the other hand, pointed out that the tunnel option was feasible with the use of advanced tunnelling technology to tackle the hydrogeological problems. Members held the view that a balance should be struck between environmental protection and development. In view of the delay of the Spur Line project from 2004 to 2007, the Administration was urged to expedite the entire process and report back to the Panel as soon as practicable.

Water quality control

15. The proposed amendments to improve and streamline the Technical Memorandum on Effluent Standards (TM) under the Water Pollution Control Ordinance (Cap. 358) were put forward after a review of the TM. These amendments included streamlining of flow bands, relaxation of standards for discharges to sewer, rationalization of the water body groupings, review of standards for toxic metals and enhancement of protection of sensitive water bodies. Members were consulted on the proposed amendments on 28 January 2002. In view of its complexity and far-reaching implications, relevant trades were invited to attend an informal meeting on 6 May 2002 to express their views. Concern was raised on the proposed setting of effluent standards for flows above 1 000 m³ on a case-by-case basis, as this would give rise to uncertainty over the cost incurred in complying with the standards. Doubt was also expressed on the effect of merging of flow bands which would result in the tightening of the discharge standards on five-day Biological Oxygen Demand, Chemical Oxygen Demand and Total Suspended Solids on caterers.

Air quality

16. The ambient levels of respirable suspended particulates (RSP) in Hong Kong were a concern for public health. Emissions from diesel vehicles were a major source of RSP. The reduction of emissions from diesel vehicles was therefore vital to the prevention and abatement of air pollution in Hong Kong. Following the completion of the programme to retrofit pre-Euro diesel light vehicles with particulate removal device in October 2001, the Administration started a trial scheme to retrofit pre-Euro diesel heavy vehicles with catalysts. The trial found that the use of catalysts was effective in reducing the emissions of pre-Euro diesel heavy vehicles. However, concern was raised on the availability of sufficient choices of catalysts given the wide variety of pre-Euro heavy vehicles in Hong Kong. Care should also be taken to prevent possible monopolization of maintenance and repair services.

17. To reduce the reliance on diesel vehicles, the Administration had since 1997 launched a number of trial schemes on the use of liquefied petroleum gas (LPG) for taxis and light buses as well as the use of electricity for light buses. At three joint meetings with the Panel on Transport, members were consulted on a proposed incentive scheme to encourage owners of diesel light buses to replace their vehicles early with LPG or electric ones. Under the scheme, owners of diesel public light buses (PLBs) who replaced their vehicles with an LPG or electric model before end-2004 would be offered a one-off grant of \$60,000 or \$80,000 respectively while owners of private light buses would be offered First Registration Tax exemption. Concern was raised on the limited supply of LPG light bus models in the market that could meet the specifications laid down by the Government. To prevent possible monopolization by any vehicle manufacturer, the Administration was urged to take proactive measures to enable the supply of a wider choice of LPG light bus models. There were also suggestions that the same incentive for diesel PLB owners be applicable to private school light bus owners, and that the deadlines of application for

the scheme be extended. In this connection, the Panel passed two motions urging the Administration to include private school light buses in the proposed incentive scheme, and to extend the deadlines of application for the incentives from end-2003 to end-2005 and from end-2004 to end-2006 for owners of existing diesel light buses aged 10 or above and below 10 years respectively at the time of de-registration.

Noise control

18. At a joint meeting with the Panel on Transport and the Panel on Planning, Lands and Works, members received a briefing on the progress of measures to address traffic noise impact of existing roads. Members held the view that the prevailing traffic noise standard of 70B(A)L10(1 hour) for planning of new roads should be tightened. Factors such as the location of noise emitters and the distance separation between the noise receivers and the vehicles should be taken into account in setting the noise standard. In planning for new towns, consideration should be given to aligning the trunk roads at the outskirts of the towns to obviate the need for vehicles to travel through town centres, thereby saving the need for flyovers and roads adjacent to residential buildings. On the implementation of engineering solutions, effort should be made to avoid the use of noise barriers which were not only expensive but also eyesores to the landscape. The planting of trees was a better alternative to noise barriers. In the event that noise barriers were unavoidable, they should be built of low noise materials. To encourage the installation of air conditioning and double-glazed windows by developers as part of green features of environmentally friendly buildings, consideration should be given to relaxing the plot ratio as an incentive.

Waste management

19. The amount of solid wastes had substantially increased as a result of the continuous growth in population and economic activities. These wastes were collected and delivered to the three government landfills by private waste collectors. Since landfill disposal was free of charge, there was no incentive for waste reduction and recycling. The indiscriminate disposal had also led to rapid depletion of limited landfill capacity and advanced the need for replacement of disposal facilities. To recoup the landfill disposal cost according to the polluter-pays principle and to provide the necessary economic incentive for waste minimization as well as recycling and reuse, a proposal to charge for the disposal of privately-collected waste was first put forward in 1993. The charging scheme, which was based on a per-tonne charging system and the use of prepaid tickets, was opposed by the waste collection trade lest this would give rise to cash flow and bad debt problems. In June 1995, a landfill blockade was staged by some trade associations as a move to protest against the scheme. The blockade ended with the Administration undertaking not to implement landfill charging before reaching an agreement with the trade.

20. Since the 1995 landfill blockade, many rounds of meetings between the Administration and the relevant trade associations had been held in an attempt to arrive at an acceptable charging arrangements. At the Panel meeting on 27 May 2002, members received a briefing on a revised proposal incorporating various features in response to the trade's concerns. Instead of imposing a landfill charge on all types of waste in one go, a phased approach would be adopted to target only construction and demolition (C&D) waste in the first phase. A direct settlement system for major C&D waste producers, who generated about 70-80% of all C&D waste, would be implemented so that waste haulers would not be required to pay the charges for waste producers. An account billing system would be put in place for waste haulers who handled the remaining 20-30% C&D waste arising from ad hoc renovation works. Waste haulers would be billed on a monthly basis and given a credit of 30 days with a view to allaying their concern about cash flow problems. Measures would be put in place to suspend the payment of landfill charges if waste haulers had clear evidence to show that they failed to collect charges from waste producers within the credit period. To enable recovery of charges on the one hand and prevent possible abuse on the other, consideration was also being given to requiring waste haulers to apply to the Small Claims Tribunal (SCT) for recovery of debt from construction contractors.

21. On the proposed arrangement for debt recovery through SCT, members held the view that the procedure was unduly cumbersome and would create unnecessary hardship to waste haulers. Consideration should be given to accepting a declaration under oath as an alternative. It was also suggested that the Administration should consider offering a rebate of the charges to waste haulers as an incentive to encourage them to collect landfill charges on behalf of the Government on the one hand and to allay their concern about bad debt on the other. To ascertain the acceptability of the revised scheme, interested parties, were invited to express their views at the Panel meeting on 24 June 2002. While there was general support for the introduction of a landfill charge according to the user-pays principle, there remained concerns about the charging arrangement. Given that a liaison group comprising trade representatives, particularly from waste haulers, and the Government would be set up to sort out operational issues relating to the charging scheme, it was suggested that the Administration should take this opportune time to reach a consensus with the waste haulers on the charging arrangement.

22. At the Panel meeting on 25 February 2002, members were consulted on the Government's plan regarding the long-term management of low-level radioactive (LLRW) waste in Hong Kong. It was noted that there were two feasible options, namely, the Mainland option which involved the transfer of LLRW to a Mainland facility and the Siu A Chau (SAC) option which required the construction of a long-term storage facility for LLRW at SAC. As a matter of principle and from an environmental perspective, members held the view that instead of exporting LLRW for storage and disposal in the Mainland, Hong Kong should build its own storage facility in the long term. Besides, the Mainland option might give rise to problems such as over reliance on the Mainland on storage and disposal of LLRW as well as possible conflicts in cost negotiation. Given that the cost incurred from the Mainland option

was higher than that from the SAC option, members supported the provision of a purpose-built storage facility for LLRW in Hong Kong.

23. The revised proposal for the control of the collection and disposal of clinical waste as well as the outcome of the review of treatment technologies were discussed at two joint meetings with the Panel on Health Services on 20 March and 23 May 2002. Relevant parties, including medical associations and green groups, were invited to express their views. Question was raised on the management and collection of clinical waste, particularly in view of the small amount of clinical waste produced by an average clinic. It would not be cost effective to arrange for daily collection and disposal of waste, but any accumulation of infectious clinical waste would not be desirable. There was also concern about the financial implications of the revised Control Scheme. On treatment technologies, green groups held the view that apart from incineration which was a source of dioxin emission, consideration should be given to segregating clinical waste so that only cytotoxic drugs, human tissue and body parts, pharmaceuticals and chemicals would be incinerated. Other clinical waste could be treated by less polluting methods such as thermal disinfection.

Others

24. The Panel was briefed on a number of funding and legislative proposals. These included the composite paper on nine sewage collection and treatment schemes, injection of funding into the Environment and Conservation Fund, proposed tightening of motor vehicle noise standards under the Noise Control (Motor Vehicles) Regulation, proposed designation for South West Lantau and Soko Island Marine Parks as well as proposed amendments to Waste Disposal (Refuse Transfer Station) Regulation and Waste Disposal (Designated Waste Disposal Facility) Regulation.

25. From October 2001 to June 2002, the Panel held a total of 28 meetings, including two joint meetings with the Panel on Transport and the Panel on Planning, Lands and Works, eight with the Panel on Transport, two with the Panel on Health Services, and one with the Panel on Planning, Lands and Works. The Panel also conducted a visit to the Kadoorie Farm in November 2001.

Legislative Council Secretariat

3 July 2002

**Legislative Council
Panel on Environmental Affairs**

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to environmental and conservation matters.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

**Legislative Council
Panel on Environmental Affairs**

Membership list

Chairman Hon CHOY So-yuk

Deputy Chairman Hon Cyd HO Sau-lan

Members Ir Dr Hon Raymond HO Chung-tai, JP
Hon Martin LEE Chu-ming, SC, JP
Hon CHAN Yuen-han, JP
Hon SIN Chung-kai
Hon WONG Yung-kan
Hon LAU Kong-wah
Hon Miriam LAU Kin-yea, JP
Hon Emily LAU Wai-hing, JP
Hon LAW Chi-kwong, JP
Hon Abraham SHEK Lai-him, JP
Hon Henry WU King-cheong, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Dr Hon LO Wing-lok
Hon LAU Ping-cheung
Hon Audrey EU Yuet-mee, SC, JP

(Total : 18 Members)

Clerk Miss Becky YU

Legal Adviser Ms Bernice WONG

Date 1 July 2002