

For discussion
15 December 2005

Legislative Council Panel on Environmental Affairs

Development of EcoPark

Purpose

This paper seeks Members' support for the development of the EcoPark in Tuen Mun as a cornerstone of the local waste recycling industry and to help promote a circular economy in Hong Kong.

Background

2. In the document "A Policy Framework for the Management of Municipal Solid Waste" (the Policy Framework), the Government has mapped out a strategy on waste management that places emphasis on waste reduction and recovery. Hong Kong currently recycles 40% of its municipal solid waste (MSW), but over 90% of recovered recyclable materials are exported for further re-processing while less than 10% are treated locally and re-manufactured into useful products. With the measures to promote waste recovery, recycling and reuse in place, we need a robust recycling industry locally to handle the increasing amount of recyclables that we will be able to recover.

3. The Policy Framework sets out a comprehensive policy to support the recycling industry. This includes allocating suitable land, encouraging research and development, introducing environmental legislation and providing effective support measures. To this end, the EcoPark is a key element that aims to promote the local recycling industry and jump-start a circular economy to provide a sustainable solution to our waste problems. By encouraging and promoting the reuse, recovery and recycling of our waste resources and return them to the consumption loop, the EcoPark will help realize the full potential of the local recycling industry and alleviate the heavy reliance on the export of recyclable materials recovered from Hong Kong.

The Project

Design and Construction

4. The EcoPark occupies 20 hectares of land in Tuen Mun Area 38 and will be developed in 2 phases. As pledged in the Policy Framework, we aim to commission Phase I of EcoPark towards the end of 2006 and Phase II in 2009. The Government will fund and build the following basic physical infrastructure of EcoPark :

- (a) site formation, internal roads, drains and sewers;
- (b) water supply, power supply, fire service installations, and other utilities;
- (c) waste collection and wastewater treatment/pumping facilities;
- (d) marine loading/unloading areas and cargo handling facilities;
- (e) an Administration Building and other buildings/ ancillary facilities for management and recycling operations;
- (f) green features, fencing and landscaping; and,
- (g) environmental monitoring and mitigation measures.

— A site plan showing the scope of the proposed works is at Enclosure 1.

Operation and Management

5. The Environmental Protection Department (EPD) will appoint through open tender a management contractor (the Operator) to act as Government's agent to manage and maintain the EcoPark common facilities. While the Operator will be responsible for collecting rents from recyclers, the money will go to the Government General Revenue Account, as required by the Public Finance Ordinance. In return, the Operator will receive a monthly fee from EPD in accordance with the rates quoted in his tender for providing the required services. The Operator will have no tenancy, lease or title in respect of the site and would not be allowed to run any business in EcoPark. The Government

will remain the owner of the land and will enter into tenancy agreements with individual recyclers. This will address the concerns of the recycling industry and some Members that the Operator may try to maximize their profit against the interests of the recycling industry.

6. The Operator will be selected through a competitive tender including both technical and financial evaluations. The appointment of the Operator will be assessed according to relevant experience in property and facility management and a good understanding of the recycling trade. The Operator will have to ensure that EcoPark occupants are running their operations properly and in compliance with the environmental and safety conditions stipulated in the tenancy agreements. The management contract will build in an effective mechanism to pay the Operator according to performance based on a set of pre-defined standards.

7. The EcoPark will be divided into lots of different sizes. Lots in EcoPark will be tendered for specific recovered materials and processes that help achieve Government's waste management objectives, in particular, in recycling local wastes. Admission criteria will be developed with priority given to processes involving value-added technologies, and target materials of the proposed Producer Responsibility Schemes. Interested companies would be required to submit their business plans and financial offers for evaluation by Government. Those who meet the admission criteria and submit the best offers will be selected. The tenancy period will be sufficiently long to justify investment in equipment and technologies in EcoPark.

8. To ensure proper control over the activities of tenants, operational requirements such as restriction on the use of imported recovered materials, and environmental and safety measures would be specified in the tenancy. Major breaches of these requirements would lead to termination of the tenancy agreement.

Impacts on the Existing Recycling Industry

9. There are at present some 460 local recyclers, mostly small and medium enterprises (SME), engaging in operations including waste collection, sorting, baling, and, to a lesser extent, recycling. With the

policy measures set out in the Policy Framework to improve the reuse, recovery, and recycling of waste, there will be an increasing supply and demand of locally recovered materials. EcoPark will be a hub to link up these measures and they together will not only enhance the existing recycling operations but also create new opportunities for recyclers to expand into higher end and more profitable recycling operations, which in turn will further improve the businesses of the existing recyclers through greater demand for recyclable materials.

Progress To-date

10. Detailed design of the infrastructure is in progress. Subject to successful land re-zoning and confirmation of funds, construction for Phase I, with an area of about 8 hectares, will commence in mid 2006 with a view to making it ready for occupation by tenants in late 2006. Construction of Phase II will commence in early 2009.

11. The Town Planning Board has agreed to the re-zoning of the EcoPark site in Tuen Mun Area 38 as Other Specified Uses (Resource Recovery Park). The proposed change in zoning was published in the Gazette on 2 December 2005 for public inspection for two months until February 2006.

12. An estimated capital cost of \$319.1 Million (MOD) has been earmarked in Capital Works Reserve Fund as a Cat. B Item for EcoPark construction. EPD will seek funding approval from the Public Works Subcommittee and the Finance Committee in early 2006. It is intended that the contracts respectively for the construction and management of EcoPark will be tendered in early 2006 with a view to appointing the works contractor and Operator by mid 2006.

Public Consultation

13. We have consulted the Tuen Mun District Council in November 2004, March, September and November 2005. District Council members supported the development of EcoPark and agreed that EcoPark would help promote development of local recycling industry and create job opportunities in Tuen Mun. They hoped that EcoPark would become

a landmark for Tuen Mun.

14. Following the endorsement of the Environmental Impact Assessment (EIA) report by the EIA Sub-committee of the Advisory Council on the Environment (ACE) in May 2005, the ACE at its meeting on 13 June 2005 gave full support to the development of EcoPark and considered it an important move as an integral part of the waste management strategy.

15. Local trade associations and recyclers were also consulted and they supported the development of EcoPark. They agreed that by providing long-term land at affordable cost, together with supporting infrastructure, EcoPark would help enhance recycling technology development and improve waste recovery rates in Hong Kong.

Environmental Considerations

16. An EIA was carried out in respect of air and water quality, waste management, land contamination, landfill gas hazard and hazard to life, in which a wide range of recycling processes for different material types were examined. The assessment recommended a list of materials and processes to be allowed and also recommended a number of mitigation measures. With these measures in place, the EIA concluded that there would be no significant environmental impacts to the surrounding areas. We will ensure that the recommendations of the EIA are adhered to.

Advice Sought

17. Members are invited to support the Administration's proposal to expedite the development of EcoPark and the upgrading of the PWP item 5703CL to Category A for consideration by the Public Works Subcommittee in February 2006 with a view to seeking funding approval by the Finance Committee in April 2006.

Environmental Protection Department
December 2005

Enclosure 1:
附件一

Location of the Proposed EcoPark in Tuen Mun Area 38
位於屯門 38 區建議中的環保園

Key 圖例

-  EcoPark (Phase I)
環保園 (第一期)
-  EcoPark (Phase II)
環保園 (第二期)

