

立法會
Legislative Council

LC Paper No. CB(1) 1943/08-09
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by the Administration)

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Panel on Environmental Affairs

Minutes of meeting
held on Monday, 27 April 2009, at 2:30 pm
in Conference Room A of the Legislative Council Building

Members present : Hon Audrey EU Yuet-mee, SC, JP (Chairman)
Hon CHAN Hak-kan (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon Andrew CHENG Kar-foo
Hon Albert CHAN Wai-yip
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon CHEUNG Hok-ming, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon CHAN Kin-por, JP
Dr Hon Priscilla LEUNG Mei-fun

Member absent : Hon WONG Yung-kan, SBS, JP

Public officers attending : **For item IV**

Dr Kitty POON
Acting Secretary for the Environment

Mr Albert LAM
Deputy Director of Environmental Protection (2)

Dr Alain LAM
Acting Assistant Director (Waste Management Policy)
Environmental Protection Department

Dr Lawrence WONG
Principal Environmental Protection Officer (Waste
Reduction & EcoPark)
Environmental Protection Department

For item V

Mr Elvis AU
Assistant Director (Water Policy)
Environmental Protection Department

Mr TSUI Wai
Assistant Director/Projects & Development
Drainage Services Department

Dr YEUNG Hung-yiu
Principal Environmental Protection Officer (Sewerage
Infrastructure)
Environmental Protection Department

Mr LEE Tai-kwan
Chief Engineer/Sewerage Projects
Drainage Services Department

For item VI

Miss Katharine CHOI
Principal Assistant Secretary for the Environment
(Energy)
Environment Bureau

Mr Alfred SIT
Assistant Director (Energy Efficiency)
Electrical and Mechanical Services Department

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

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

Miss Mandy POON
Legislative Assistant (1)4

I. Confirmation of minutes

(LC Paper No. CB(1) 1355/08-09 — Minutes of the meeting held on 23 February 2009)

The minutes of the meeting held on 23 February 2009 were confirmed.

II. Information paper issued since last meeting

2. Members noted that no information paper had been issued since last meeting.

III. Items for discussion at the next meeting and matters arising

(LC Paper No. CB(1) 1357/08-09(01) — List of follow-up actions

LC Paper No. CB(1) 1357/08-09(02) — List of outstanding items for discussion)

3. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 25 May 2009, at 2:30 pm -

(a) 346DS - Upgrading of Tuen Mun sewerage, phase 1; and

(b) Introducing regulatory control for motor vehicle biodiesel.

4. In view of the increasing public concern about the maintenance and safety of trees following the recent tree accidents, the Chairman invited members' views on how the issue should be dealt with. Noting that a special task force on tree management had been set up under the leadership of the Chief Secretary for Administration (CS), Mr Jeffrey LAM suggested inviting CS and representatives of the relevant departments to the next regular meeting to brief members on progress of work of the task force. His views were shared by Mr LEE Wing-tat and Mr CHAN Hak-kan. As the subject of tree management might straddle the purviews of a number of Panels, Ms Miriam LAU said that consideration could be given to inviting CS to a special meeting of the House Committee so that all interested members could participate in the discussion of the subject. After deliberation, members decided to invite CS to attend the next regular meeting on 25 May 2009 to brief the Panel on the management of trees. All other Members would be invited to join the discussion. Prof Patrick LAU suggested that a dedicated department should be assigned to deal with maintenance and safety of trees, and that a hotline should be provided to facilitate the public to report to the department concerned direct on any tree incidents.

(Post-meeting note: As arrangements had been made for CS to attend the special House Committee meeting on 22 May 2009 to discuss management of trees, the Chairman subsequently instructed to exclude the subject from the agenda of the Panel meeting on 25 May 2009.)

5. The Chairman enquired about the timeframe for discussion of "Excessive glare from advertisement signboards". The Under Secretary for the Environment (USEN) agreed to revert to the Panel after consultation with the department(s) concerned.

IV. Update on the progress of the key initiatives in the “Policy Framework for the Management of Municipal Solid Waste (2005-2014)”

(LC Paper No. CB(1) 1226/08-09(01) — Progress of the management of construction and demolition materials

LC Paper No. CB(1) 1357/08-09(03) — Administration's paper on update on the progress of the key initiatives in the “Policy Framework for the Management of Municipal Solid Waste (2005-2014)”

LC Paper No. CB(1) 1357/08-09(04) — Paper on management of municipal solid waste in Hong Kong prepared by the Legislative Council Secretariat (updated background brief)

LC Paper No. CB(1) 1357/08-09(05) — Extracts from Public Accounts Committee Report No. 51 regarding reduction and recovery of municipal solid waste)

6. USEN briefed members on the progress of the key initiatives in the “Policy Framework for the Management of Municipal Solid Waste (2005-2014)” by highlighting the salient points in the discussion paper.

Producer responsibility schemes

7. Mr LEE Wing-tat held the view that the low waste reduction targets, together with the not so satisfactory results of the voluntary waste reduction and recycling schemes had resulted in an increasing amount of waste to be disposed of at landfills. This had prompted the need for extension of landfills, some of which had encroached into the nearby Country Parks, and had led to contentions with the District Councils concerned. To tackle the problem, he considered it necessary for the Administration to introduce more effective measures to promote waste reduction and recycling. USEN said that following the enactment of the Product Eco-responsibility (Plastic Shopping Bags) Regulation, the Administration would proceed to consult the public on the introduction of a mandatory producer responsibility scheme (PRS) on used electrical and electronic equipment later this year. In parallel, it would continue to promote and support voluntary programmes to recover and recycle specific products. These programmes included the Rechargeable Battery Recycling Programme, the Computer Recycling Programme, the Fluorescent Lamp Recycling Programme and

Glass Container Recycling Programme for the Hotel Sector. All of these had achieved very satisfactory results.

8. Noting that there was concern on the likely increase in the use of garbage bags following the implementation of the levy scheme on plastic shopping bags (PSBs), Mr CHAN Kin-por enquired if a study on the possible increase in number of garbage bags would be made. He also enquired about the measures to encourage retailers not covered under the levy scheme (such as newspapers vendors) to work with green groups to launch voluntary initiatives to reduce PSBs. USEN said that a review of the levy scheme on PSBs would be conducted one year after its implementation. It was worth noting that apart from more than 2 000 prescribed retailers under the first phase of the levy scheme, other non-prescribed retailers had also made voluntary efforts to reduce the use of PSBs. The Deputy Director of Environmental Protection (2) (DDEP(2)) added that some newspapers vendors had indicated their willingness to join forces with green groups to implement voluntary measures to reduce plastic bags. Besides, the pressure for newspaper vendors to provide plastic bags was expected to reduce as convenience stores covered in the first phase would no longer be allowed to distribute free plastic bags for newspapers after implementation of the levy scheme. It was hoped that this would help change people's habit of using plastic bags. Regarding the alleged increase of use of garbage bags, USEN said that the levy scheme was meant to discourage the indiscriminate use of PSBs. The number of PSBs was expected to be reduced following the implementation of the scheme.

Municipal solid waste

9. Mr CHAN Hak-kan noted that of the municipal solid waste (MSW) in Hong Kong, the amount of domestic waste was decreasing while the commercial and industrial (C&I) waste was increasing over the years. In fact, the landfill disposal of C&I waste in 2008 had increased by about 11% to 1.23 million tones, as compared to that in 2007. He enquired about the measures to be taken to reduce and recycle C&I waste. USEN said that the amount of C&I waste had increased alongside the economic growth in recent years. Notwithstanding, the recovery rate of C&I waste was maintained at a relatively high level of some 60% over the years. Nevertheless, continuous efforts would be made to promote waste reduction and recycling of C&I waste, including a baseline study on the feasibility of developing a charging scheme for C&I waste. The Chairman asked if the proposed charging scheme for C&I waste was on a per building basis, and if this could apply to domestic buildings as well. The Acting Assistant Director of Environmental Protection (Waste Management Policy) explained that according to overseas experience, a fixed charge or flat rate was often adopted in charging for domestic waste. The feasibility of applying a volume-based charging approach for C&I establishments on a per building basis was being explored.

10. Noting that food waste constituted some 28% of C&I waste, Mr LEE Wing-tat enquired about the measures being taken to reduce and recycle such waste. Given the high salt content of the food waste in Hong Kong, Mr CHAN Hak-kan opined that the

compost manufactured from such waste might not be useful for farming in Hong Kong or elsewhere. USEN said that in mid 2008, a pilot composting plant was commissioned in Kowloon Bay to gather experience and information on the collection and treatment of organic waste. So far, the feedback on the use of compost for organic farming had been positive. As part of the long-term waste treatment strategy, the Administration planned to develop the Organic Waste Treatment Facilities (OWTF) in two phases, with each phase handling about 200 tonnes of source-separated food waste per day. The first phase of OWTF would be built in Siu Ho Wan at Lantau Island for commissioning in mid 2010s. The second phase would be built in Sha Ling in the North District by late 2010s. Biological treatment technology, like composting or anaerobic digestion, would be adopted in OWTF.

Waste recovery and recycling

11. Ms Miriam LAU noted with concern that the Administration had adopted the Chinese term "回收" for both recovery and recycling, which in her view was largely incorrect as there was distinct difference between recovery and recycling. She pointed out that the provision of land for establishment of the EcoPark was not sufficient, and that the implementation of the levy scheme on PSBs could only achieve one of the three Rs (i.e. reduction) and not the other two Rs (i.e. recycle and reuse). It was necessary for the Administration to lend its support to the recycling industry, and to explore the possible sources of recovered materials and outlets for recycled products as it would be very difficult to run a viable recycling business in the absence of steady supply of waste materials and outlets for recycled products. For example, the Administration could request schools to centralize the collection of lunch boxes for processing by recyclers to achieve the economy of scale.

12. USEN said that the EcoPark at Tuen Mun had provided long-term land at affordable costs for the local environmental and recycling industries. Most of recovered materials were exported for further processing. The Administration would be reviewing the lease arrangements of Phase II of EcoPark in the light of experience gained in Phase I as well as the impact of the economy on the prices and demands of recovered materials. Assistance as appropriate would be provided to facilitate the operation of recycling industries. As regards Ms Miriam LAU's further enquiries on the recycling situation of recovered materials, the Administration undertook to provide more information after the meeting.

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13. Mr Albert CHAN expressed grave concern that Hong Kong had lagged far behind the United States, European countries and Taiwan in waste reduction and recycling. He pointed out that Taiwan had made tremendous efforts to segregate and recycle waste in the past years, resulting in significant reduction in waste. However, according to the Public Accounts Committee Report No. 51 (LC Paper No. CB(1) 1357/08-09(05)), the Administration had made no revisions to the Waste Disposal Plan since its publication in 1989. He opined that, as most of the population were living in densely populated residential developments, it would be easier for Hong Kong to coordinate and implement its waste reduction plans. He therefore strongly

reproved the Administration for its lack of commitment in taking forward waste reduction and recycling initiatives. In response, USEN stressed the need for concerted efforts and commitments from the Government, Members and the public in taking forward waste reduction initiatives. So far, good progress had been made in the recovery of MSW, which was targeted to reach 45% by 2009 and 50% by 2014. Meanwhile, the recovery of C&I waste was maintained at 60%.

14. Mr KAM Nai-wai opined that the waste reduction targets were too low and failed to meet public aspirations. To assist the waste recyclers in their operation, the Administration should consider providing working areas within refuse transfer stations to facilitate them in segregating and recycling waste. Consideration should also be given to the introduction of a licensing system for waste recyclers. USEN said that the waste reduction targets were set out in the Policy Framework for the Management of Municipal Solid Waste (2005-2014) and were the results of extensive public engagement process. Meanwhile, efforts would be made to identify suitable land for waste recyclers in sorting and segregating recyclable materials. In response to Mr KAM's further question about the baseline study on MSW charging, USEN said that there were difficulties in implementing MSW charging in multi-storey and multi-tenant buildings. The Principal Environmental Protection Officer (Waste Reduction & EcoPark) added that assistance from owners corporation/building management had been sought in the sorting and recycling of wastes. The sorted wastes would then be transported to waste recyclers for necessary processing and export. Efforts would be made to reduce the nuisances associated with the sorting and transport of recyclable materials. The Chairman advised that Mr KAM's proposal of introducing a licensing system for waste recyclers could be followed up when the subject of "Proactively promoting waste recovery and recycling as well as developing environmental industries to create job opportunities" was to be discussed by the Panel in future.

V. 236DS - Tai Po sewage treatment works, stage 5 phase 2B

(LC Paper No. CB(1) 1357/08-09(06) — Administration's paper on 236DS - Tai Po sewage treatment works, stage 5 phase 2B)

15. The Assistant Director of Environmental Protection (Water Policy) briefed members on the Administration's proposal of upgrading 236DS - Tai Po sewage treatment works, stage 5 phase 2B to Category A at an estimated cost of \$660 million in money of the day prices. The Assistant Director/Projects & Development then gave a power-point presentation on the proposed project.

16. Members did not object to the submission of the relevant funding proposal to the Public Works Subcommittee in May 2009 for approval by the Finance Committee in June 2009.

VI. Environment and Conservation Fund - Buildings Energy Efficiency Funding Schemes

(LC Paper No. CB(1) 1357/08-09(07) — Administration's paper on Environment and Conservation Fund - Buildings Energy Efficiency Funding Schemes)
(issued on 21 April 2009)

17. The Principal Assistant Secretary for the Environment (Energy) (PAS/E(EG)) briefed members on the setting up of two funding schemes under the Environment and Conservation Fund (ECF) to promote building energy efficiency.

18. Mr CHAN Hak-kan supported the two funding schemes set up under ECF to promote building energy efficiency. Since public housing estates under the Hong Kong Housing Authority and the Hong Kong Housing Society were not covered by the funding schemes, he enquired if owners' corporations of Tenants Purchase Scheme estates were eligible to apply for these schemes and if not, whether other measures were available to assist these owners in implementing energy efficient initiatives. PAS/E(EG) confirmed that owners' corporations of residential buildings, including those of TPS estates, were eligible to apply for the funding schemes.

Energy-cum-carbon audit projects

19. Given that successful applicants were required to submit energy-cum-carbon audit reports after completion of the audits, and progress reports once every year for three immediate subsequent years after the first audit, Mr CHAN Kin-por enquired if there were penalties for failure to comply with these requirements. PAS/E(EG) said that the Administration would retain 10% of the grants which would only be released to the applicants upon submission of the required audit reports and subsequent progress reports. In response to Mr LEE Wing-tat's question, the Assistant Director of Electrical and Mechanical Services (Energy Efficiency) (ADEMSD(EE)) advised that the cost of engaging a qualified service provider to conduct an energy-cum-carbon audit for a typical 10-storeyed building would be about \$30,000 to \$50,000.

Energy efficiency projects

20. Ms Cyd HO enquired whether individual owners of village houses were eligible to apply for funding under the scheme to cover the cost for installation of photovoltaic systems in their village houses. Mr Albert CHAN echoed that installation of solar water heaters at rooftops was common in the Mainland and Taiwan. He asked if consideration could be given to mandating the installation of such heaters in village houses in Hong Kong to promote the development of solar energy. PAS/E(EG) confirmed that owners of village houses could submit joint applications for energy efficiency projects for consideration by the vetting committee. ADEMSD(EE) advised that the cost for installation of typical solar water heaters at the rooftops of village houses was within \$15,000 to \$20,000. The cost-effectiveness of these installations would depend on their performance and usage rate. The Electrical

and Mechanical Services Department (EMSD) had provided guidelines on the installation of solar water heaters and list of service providers.

21. The Chairman enquired whether applications under the scheme had to be submitted on a per development basis, and whether the scheme was only applicable to energy efficient installations at common areas of developments. PAS/E(EG) said that individual buildings could submit different applications for different types of installations. However, due consideration would be given to repeated applications.

22. Referring to the requirement to engage a qualified service provider in certifying the detailed scope of the project, Mr CHAN Hak-kan pointed out that this might deter small-scale residential developments from upgrading the energy efficiency performance of their building installations in view of the additional cost incurred from engaging these qualified service providers. He suggested relaxing such requirement encourage participation in the scheme. PAS/E(EG) said that in order to ensure proper spending of public funds, there was a need to rely on the services of qualified service providers in certifying the scope of the projects and monitoring the quality of works to ensure compliance with the relevant efficiency standards in the respective Building Energy Codes issued by EMSD. The cost incurred in engaging qualified service providers was not expected to be too high for small-scale residential developments. Besides, single-building developments could submit joint applications for the funding scheme.

23. Mr LEE Wing-tat said that owners' corporations and property management companies of large-scale developments would likely apply for the scheme given the benefits which could be achieved through economy of scale. However, this might not be the case for small-scale developments. Therefore, he was concerned that a large part of the fund would go to large-scale developments, leaving little chance for small-scale developments to compete for the fund. Expressing similar concern, Ms Cyd HO considered it necessary for the Administration to work out a mechanism to ensure fair allocation of the fund to developments of different scales. PAS/E(EG) said that the vetting committee would take into account the cost-effectiveness of energy efficiency projects in considering funding applications.

24. Mr CHAN Hak-kan held the view that the funding ceiling for energy efficiency projects, being capped at \$500,000, was not sufficient for large-scale building service installations, particularly for lift installations which would cost over \$1 million. He enquired if additional funding could be provided in case of large-scale building service installations. PAS/E(EG) explained that as funds would be granted on a matching basis, the applicants would have to contribute an equivalent amount. Therefore, the maximum cap of \$500,000 would mean that the actual payment made for the works could reach a total of \$1 million.

25. Mr LEE Wing-tat enquired if it would be easier to obtain funding approval for energy efficiency projects if energy-cum-carbon audits were performed beforehand. If this was the case, he was concerned that this might deter small-scale developments,

particularly those old single buildings, from upgrading the energy efficiency of the building service installations as energy-cum-carbon audits would incur additional cost. PAS/E(EG) explained that energy-cum-carbon audits were not a prerequisite requirement for energy efficiency projects. In assessing funding applications, priority would be given to buildings with high potential of energy saving and reduction in carbon emissions, regardless of the scale of developments.

26. Given that many older buildings might only need to replace their lights with compact fluorescent lamps, Mr KAM Nai-wai said that it might not be necessary for them to engage qualified service providers to conduct energy-cum-carbon audits or carry out the works. He also pointed out that many applicants might not know how and what to submit in their applications for energy efficiency projects. It might be useful to set up a one-stop resource centre to provide assistance in this respect. Consideration should also be given to earmarking part of the funding to non-governmental organizations (NGOs) to promote the scheme and to assist owners in applying for energy efficiency projects. Ms Cyd HO added that the resource centre should make available a list of qualified service providers for reference of applicants.

27. PAS/E(EG) reiterated that applicants were not required to conduct energy-cum-carbon audits before applying funding for energy efficiency projects. She supplemented that since the schemes were opened for application on 8 April 2009, over 600 enquiries had been received. To this end, a number of hotlines had been set up and a number of staff, including professional grade staff, had been deployed to answer enquiries on the schemes. To facilitate professional sectors, including the engineering and property management sectors, to grasp the business opportunities arising from the schemes, and to better prepare them for rendering assistance to applicants, a number of briefings on the details of the schemes, including the scope of funding, applications procedures etc, had been held. So far, more than 500 registered engineers had attended the briefings and with their consent, their contact details had been uploaded onto the Government website. Meanwhile, promotional pamphlets setting out the implementation details of the funding schemes had been distributed to owners' corporations. NGOs were also welcome to apply for funding under ECF to assist owners concerned in the installation of building service installations.

28. Mr CHAN Hak-kan enquired if funding applications for energy-cum-carbon audits and energy efficiency projects could be submitted together. Ms Cyd HO also indicated support for amalgamation of the two funding schemes such that funding could be provided for both energy-cum-carbon audits and energy efficiency projects at the same time. PAS/E(EG) explained that while applications for the two funding schemes could be submitted together, applications for energy-cum-carbon audits would likely be dealt with first to ascertain what should be done before processing applications for energy efficiency projects. On the number of applications which could be supported under the funding of \$150 million and \$300 million under ECF, PAS/E(EG) said that the funding was expected to be sufficient to support more than 1 000 applications for energy-cum-carbon audits and 600 applications for energy efficiency projects, on the assumption that each application reached the maximum cap

set for the schemes.

29. Mr Albert CHAN noted that the Administration had launched quite a number of funding schemes to upgrade existing buildings, many of which were interrelated and had room for rationalization. By way of illustration, the funding schemes for building maintenance and safety could be expanded to include carbon audits and energy efficiency installations. To ensure that public funds were well spent, relevant departments, including the Home Affairs Department, should play a coordinating role in facilitating owners to make the best use of the available resources to upgrade their building service installations during major renovation projects. To dispense with the need for the energy-cum-carbon audits and the engagement of qualified service providers, consideration should be given to working out a list of pre-approved improvements works to facilitate owners' corporations, particularly those small-scale developments, in upgrading their building service installations. PAS/E(EG) said that the Environment Bureau had liaised with the Development Bureau and the Home Affairs Department before launching the funding schemes. A number of District Councils had also been briefed on the schemes.

30. Concluding the discussion, the Chairman said that the Administration should take into account members' view on the need to simplify the funding schemes for the benefit of small-scale developments, particularly single buildings, as it might not be cost-effective for them to pay additional cost to engage qualified service providers. At members' request, the Administration undertook to provide a progress report on the two funding schemes, with breakdown on number of applications received and approved.

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VII Any other business

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