

**立法會**  
***Legislative Council***

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**Finance Committee of the Legislative Council**

**Minutes of the 30<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 11 July 2014, at 4:40 pm**

**Members present:**

Hon NG Leung-sing, SBS, JP (Chairman)  
Hon Emily LAU Wai-hing, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Hon LEE Cheuk-yan  
Hon James TO Kun-sun  
Dr Hon LAU Wong-fat, GBM, GBS, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Kwok-hing, BBS, MH  
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon Cyd HO Sau-lan, JP  
Hon Starry LEE Wai-king, JP  
Hon CHAN Hak-kan, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon CHEUNG Kwok-che  
Hon WONG Kwok-kin, SBS  
Hon IP Kwok-him, GBS, JP

Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon Albert CHAN Wai-yip  
Hon WONG Yuk-man  
Hon Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon James TIEN Pei-chun, GBS, JP  
Hon Steven HO Chun-yin  
Hon Frankie YICK Chi-ming  
Hon WU Chi-wai, MH  
Hon YIU Si-wing  
Hon Gary FAN Kwok-wai  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan, JP  
Dr Hon Kenneth CHAN Ka-lok  
Hon CHAN Yuen-han, SBS, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, JP  
Hon KWOK Wai-keung  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon SIN Chung-kai, SBS, JP  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, JP  
Ir Dr Hon LO Wai-kwok, BBS, MH, JP  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP  
Hon Tony TSE Wai-chuen, BBS

**Members absent:**

Hon CHAN Kam-lam, SBS, JP  
Hon LEUNG Yiu-chung

Dr Hon LAM Tai-fai, SBS, JP  
Hon CHAN Kin-por, BBS, JP  
Dr Hon LEUNG Ka-lau  
Dr Hon KWOK Ka-ki  
Hon Dennis KWOK  
Dr Hon Helena WONG Pik-wan  
Hon TANG Ka-piu, JP  
Hon CHUNG Kwok-pan

**Public officers attending:**

Ms Elizabeth TSE Man-yea, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Frank KWOK	Government Security Officer, Security Bureau
Mr LAI Chi-tung	Assistant Director of Marine (Port Control)
Mr Lobee YUEN Wai-yip	Senior Electronics Engineer (Engineering and Systems), Marine Department
Ms Christine LOH Kung-wai, JP	Under Secretary for the Environment
Mr Elvis AU Wai-kwong, JP	Assistant Director of Environmental Protection (Nature Conservation and Infrastructure Planning)
Mr LIU Chun-san	Principal Assistant Secretary for Development (Works) 2
Mr Daniel CHUNG Kum-wah, JP	Director of Drainage Services
Mr KWOK Ping-keung	Chief Engineer (Consultants Management), Drainage Services Department

**Clerk in attendance:**

Mr Andy LAU	Assistant Secretary General 1
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**Staff in attendance:**

Mr Derek LO	Chief Council Secretary (1)5
Mr Daniel SIN	Senior Council Secretary (1)7
Mr Ken WOO	Senior Council Secretary (1)5
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)7

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Action

**Item No. 2 – FCR(2014-15)7**

**CAPITAL WORKS RESERVE FUND**

**HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT**

**Marine Department**

**New Subhead "Procurement of Ground Receiving Station of the Medium Earth Orbit Search and Rescue Satellite System"**

The meeting continued the deliberation on the item.

2. Mr Christopher CHUNG asked if the Low Earth Orbit Search and Rescue ("LEOSAR") system would cease operation immediately or be phased out gradually when the Medium Earth Orbit Search and Rescue ("MEOSAR") Satellite System commenced operation in 2016.
3. Assistant Director of Marine (Port Control) ("AD of M") advised that Cospas-Sarsat did not specify when the LEOSAR system would be phased out. Nevertheless, among the six existing LEOSAR satellites, one had ceased operation in June 2014 and four of the rest were operating beyond their designed life. Both the MEOSAR and LEOSAR systems would be in use concurrently between 2016 and 2018. The LEOSAR system would then be obsolete when the MEOSAR system became fully operational in 2018.
4. Mr Gary FAN queried whether additional manpower would be required for operating the MEOSAR and LEOSAR systems between 2016 and 2018. Mr Christopher CHUNG asked about the cost for phasing out the LEOSAR system, including the cost of demolishing its facilities. AD of M advised that no additional manpower was required as the two systems had a largely automated distress information distribution process and that no additional cost was required when the LEOSAR system ceased operation.
5. Senior Electronics Engineer (Engineering and Systems), Marine Department added that the non-functional LEOSAR satellites would burn up

when it re-entered the Earth's atmosphere. The demolition cost of LEOSAR ground receiving station was limited as it was not a huge infrastructure.

6. Mr James TO was concerned about the mechanism whereby the Marine Department distributed the distress alerts to the responsible authorities for the coordination of search and rescue ("SAR") resources between Hong Kong and regions nearby. Mr MA Fung-kok raised a similar concern.

7. AD of M explained that the distress alerts from vessels and aircraft would be received by the rescue coordination centres nearby and the country or place at which the vessel or aircraft was registered. In Hong Kong, the Hong Kong Maritime Rescue Coordination Centre ("MRCC") of the Marine Department was responsible for receiving the distress alerts and coordinating SAR operations. For cases occurring within Hong Kong waters, MRCC would coordinate SAR resources from the Government Flying Service, the Hong Kong Marine Police and the Fire Services Department. Satellite signal information which was not within the scope of Hong Kong would be automatically sent to the Mission Control Centre ("MCC"), in Japan which was currently the Nodal Centre of the Northwest Pacific Region, and through this nodal further disseminated to responsible MCC of other areas. Government Security Officer said that SAR resources of other rescue coordination centres in the region, such as those in Guandong and Macau, would be solicited to render assistance.

8. Mr James TO expressed dissatisfaction that the Administration's explanation was not clear enough. The Chairman requested the Administration to provide members with further information, if any, on the arrangement of distress information distribution and coordination of SAR operations.

9. Mr MA Fung-kok sought information on the service life expectancy of the MEOSAR system. AD of M replied that estimated minimum service life of the MEOSAR ground receiving station was 14 years. The existing LEOSAR system had been operating for over 20 years.

10. Ms Cyd HO noted that as a participating organization of Cospas-Sarsat, the Marine Department was required to share the common costs borne by the organization via an annual standard fee payment as determined by the Cospas-Sarsat Council. She asked about the amount of the fee paid by the Department and said that the Administration should have provided such information in the paper. AD of M advised that the Marine Department paid an annual fee of several tens of thousands dollars to Cospas-Sarsat.

11. There being no further questions from members, the Chairman put the item FCR(2014-15)7 to vote. At the request of Mr Gary FAN, the Chairman ordered a division. Forty-four members voted for and none voted against the item. The voting results of individual members were as follows –

*For:*

Mr Albert HO Chun-yan	Mr LEE Cheuk-yan
Mr James TO Kun-sun	Mr TAM Yiu-chung
Mr Tommy CHEUNG Yu-yan	Mr Frederick FUNG Kin-kee
Mr Vincent FANG Kang	Mr WONG Kwok-hing
Dr Joseph LEE Kok-long	Mr Andrew LEUNG Kwan-yuen
Mr WONG Ting-kwong	Ms Cyd HO Sau-lan
Ms Starry LEE Wai-king	Dr Priscilla LEUNG Mei-fun
Mr CHEUNG Kwok-che	Mr WONG Kwok-kin
Mr IP Kwok-him	Mrs Regina IP LAU Suk-yee
Mr Paul TSE Wai-chun	Mr LEUNG Kwok-hung
Mr WONG Yuk-man	Ms Claudia MO
Mr James TIEN Pei-chun	Mr Steven HO Chun-yin
Mr Frankie YICK Chi-ming	Mr YIU Si-wing
Mr Gary FAN Kwok-wai	Mr MA Fung-kwok
Mr Charles Peter MOK	Mr CHAN Han-pan
Miss CHAN Yuen-han	Mr LEUNG Che-cheung
Mr Kenneth LEUNG	Miss Alice MAK Mei-kuen
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Dr Fernando CHEUNG Chiu-hung	Dr Elizabeth QUAT
Mr Martin LIAO Cheung-kong	Mr POON Siu-ping
Dr CHIANG Lai-wan	Ir Dr LO Wai-kwok
Mr Christopher CHUNG Shu-kun	Mr Tony TSE Wai-chuen
(44 members)	

12. The Chairman declared that the Committee approved the item.

### **Item No. 3 – FCR(2014-15)8**

#### **RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE MADE ON 30 APRIL 2014**

13. The Chairman said that the item sought the Committee's approval of the five recommendations of the Establishment Subcommittee ("ESC") made at its meeting on 30 April 2014.

14. In response to Dr Fernando CHEUNG's query about the post of the Commissioner for Rehabilitation, the Chairman said that as no member had

requested for separate discussion and voting on the item before the meeting, no officials had been invited to respond to members' queries. Mrs Regina IP, Chairman of ESC, also reported that no members of ESC had requested the five staffing proposals to be voted on separately at the Finance Committee ("FC") meeting.

15. There being no further comments from members, the Chairman put the item FCR(2014-15)8 to vote. The Chairman declared that the Committee approved the item.

**Item No. 4 – FCR(2014-15)9**

**RECOMMENDATIONS OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 8 APRIL 2014**

16. The Chairman advised that the item sought the Committee's approval of the recommendations of the Public Works Subcommittee ("PWSC") made at its meeting on 8 April 2014. Members of PWSC had requested that items PWSC(2014-15)1, PWSC(2014-15)3 and PWSC(2014-15)4 should be considered and voted on separately at FC meeting.

17. The Chairman put the item FCR(2014-15)9 to vote. The Chairman declared that the Committee approved the item.

**PWSC(2014-15)1**

**HEAD 705 – CIVIL ENGINEERING**

**Environmental Protection – Refuse Disposal**

**172DR – Organic waste treatment facilities phase 1**

18. The Chairman advised that the item PWSC(2014-15)1 sought the Committee's approval for upgrading 172DR to Category A at an estimated cost of \$1,532.8 million in money-of-the-day ("MOD") prices for the design and construction of the organic waste treatment facilities ("OWTF") phase 1.

19. Mr Tommy CHEUNG declared that he planned to set up a company to treat food waste from restaurants and had discussed with government departments on his plan.

Design capacity of OWTF

20. Mr LEE Cheuk-yan opined that in order to solicit public support for the proposals of expanding the three existing landfills and constructing a new incinerator in Shek Kwu Chau, the Administration should first work out a comprehensive waste recycling policy which could demonstrate its determination to reduce waste. Mr LEE queried about the number of OWTF to be built and the recycling rate of food waste to be achieved.

21. Under Secretary for the Environment ("USEN") advised that OWTF phase 1 could handle 200 tonnes of food waste daily. There were also two other possible sites for development of OWTF. The three OWTF would have an overall design capacity of 800 tonnes daily. Moreover, the Administration would continue to identify two or three additional sites for the development of more treatment facilities. The total recycling capacity would rise to about 1 500 tonnes per day once the network of around five to six OWTF was completed.

22. Mr Tommy CHEUNG pointed out that there was a huge gap between the total food waste generated daily amounting to about 3 300 tonnes and the combined design capacity of the three OWTF of 800 tonnes per day.

Capital cost of OWTF

23. Mr Tommy CHEUNG expressed concern about the high cost of OWTF phase 1 which was about \$1,500 million for handling 200 tonnes of food waste daily and likelihood of cost overrun. Mr CHEUNG estimated that the same facilities would cost \$300 million only if they were developed by private companies. Mr CHAN Chi-chuen asked the Administration to explain the difference in the costs as cited by Mr Tommy CHEUNG. Ms Claudia MO was concerned about the construction cost of OWTF in the remaining phases of its development.

24. Assistant Director (Nature Conservation and Infrastructure Planning) ("ADEP(NC&IP)") explained that the capital cost of OWTF phase 1 was estimated to be \$1,532.8 million and the project was implemented under a Design-Build-and-Operate contract arrangement. ADEP(NC&IP) pointed out that the cost of the treatment facilities depended on the technology adopted and the products, such as fish feed, compost or energy, produced from food waste by the facilities. OWTF phase 1 would turn food waste into biogas for generating electricity and producing compost as high-quality organic fertilizer at a cost on par with similar facilities overseas.



Recurrent expenditure arising from OWTF

25. Mr Tommy CHEUNG enquired the recurrent expenditure arising from OWTF phase 1 and the average unit cost required to treat one tonne of food waste.

26. ADEP(NC&IP) advised that the annual recurrent expenditure of OWTF phase 1 was estimated to be \$72.4 million. He said that the average handling cost of OWTF phase 1 was about \$900 per tonne, which was considered cost-effective and was much lower than that of the small on-site composters, in the region of \$20,000 to \$30,000 per tonne.

Delivery of food waste to OWTF

27. Ms Claudia MO and Dr Fernando CHEUNG expressed concern over the potential odour nuisance associated with the treatment and transportation of food waste. ADEP(NC&IP) advised that the result of detailed environmental impact assessment for the project indicated that the stringent standards could be met. The Administration would adopt a series of mitigation measures to minimize the odour nuisance, such as putting operations under enclosed conditions with negative pressure, odour removal facilities, storing the food waste in sealed containers and fully enclosed vehicles.

28. Dr Fernando CHEUNG considered that source separation was crucial for effective recycling of food waste from commercial and industrial ("C&I") establishments. Dr CHEUNG asked about the locations of C&I establishments from which their food waste would be delivered to OWTF phase 1 for recycling and the relevant transportation routes, and whether these establishments had put in place food waste source separation.

29. ADEP(NC&IP) advised that OWTF phase 1 had a wide coverage, serving C&I establishments in Lantau Island, Tuen Wan, Tsing Yi, Sham Shui Po and West Kowloon. These establishments would deliver their food waste to OWTF phase 1 located at Siu Ho Wan in North Lantau via the Tsing Ma Bridge and the North Lantau Highway. ADEP(NC&IP) said that over 120 restaurants and food producing enterprises participated in the Food Waste Recycling Partnership Scheme launched in 2010 and had gained experience in food waste separation and collection for recycling. The Administration had also drawn up guidelines on the management and source separation of food waste.

30. Mr CHAN Chi-chuen queried why the C&I establishments were willing to deliver their food waste to OWTF phase 1 at their cost and ask if the Administration would provide any incentives to encourage these establishments to make such delivery.

31. ADEP(NC&IP) advised that the C&I establishments delivered their food waste to refuse collection points or landfills at their own cost at the moment. After the completion of OWTF, they could deliver their food waste to the treatment facilities. In terms of incentives, the Administration would assist these establishments through provision of technical support and guidelines, and create a network of OWTFs across the territory to enable food waste to be transported quickly from the establishments to the treatment facilities.

32. Mr CHAN Chi-chuen was concerned whether OWTF phase 1 would receive enough food waste from C&I sector. He also asked what the Administration would do if the food waste received by OWTF phase 1 exceeded its design capacity. ADEP(NC&IP) explained that OWTF phase 1 would mainly treat food waste from the surrounding areas. Given that the design capacity of OWTF phase 1 amounted to a small proportion of the food waste generated from C&I sector, it was estimated that there would be enough food waste for OWTF to handle.

#### Competition with private recyclers

33. Mr CHAN Han-pan expressed concern whether the government-funded OWTF would unfairly compete with private recyclers in recycling food waste from C&I establishments. Mr CHAN urged the Administration to consult private recyclers in order that recycling food waste could be developed on a large scale without undermining the viability of private sector.

34. ADEP(NC&IP) replied that the food waste recycling market was large enough for the private recyclers to participate. OWTF phase 1 could handle only 200 out of the 800 tonnes food waste generated from C&I sector daily. There were also 2 500 tonnes of food waste generated from domestic sources not covered by OWTF phase 1. Private transportation companies were required to deliver the food waste to OWTF as well. Therefore, the public sector was complementing rather than competing with the private sector. The implications of fees and charges arising from OWTF phase 1 would be considered in the context of waste charging discussion. USEN assured members that the Administration would discuss with the stakeholders on the future development of food waste recycling.

Collection of food waste from domestic sources

35. Ms Claudia MO commented that the Administration should promote the concept of food waste recycling in the community by supporting housing estates to set up on-site food waste treatment facilities.

36. USEN said that the Environment and Conservation Fund had made such efforts through the launch of the Food Waste Recycling Projects in Housing Estates. Nevertheless, the small on-site facilities were less effective than large-scale food waste treatment facilities and might give rise to odour nuisance. USEN considered that whilst the small on-site facilities were useful for raising citizens' awareness towards food waste recycling, large-scale facilities were the primary means for handling the city's food waste, and, based on the waste management experience of Taiwan, were expected to handle about half of the food waste in Hong Kong.

Motion to adjourn discussion on the item

37. Mr Albert CHAN expressed objection to the funding proposal of OWTF phase 1 as the Administration should not spend public funds to handle food waste if the business could be run by private recyclers, who then decided the types of products to be produced. The Administration should instead focus on the reduction of food waste for disposal at landfills. Mr CHAN proposed a motion to adjourn the discussion on the item PWSC(2014-15)1 pursuant to paragraph 39 of the FC Procedure.

38. The Chairman said that the time for members who spoke on Mr CHAN's motion should not be more than three minutes each.

39. Mr Albert CHAN indicated that he had discussed with a number of environmental groups including a French company which would like to run the food waste recycling business in Hong Kong if there was available land and supported by flexible government policy. The recycling business required no public funds and had a recycling capacity bigger than OWTF phase 1. Mr CHAN was disappointed that the Administration had not considered food waste treatment options other than OWTF. Mr CHAN urged other members to support his motion, allowing FC to have more time to deliberate the item after the summer recess.

40. Mr Tommy CHEUNG said that Members of the Liberal Party supported the funding proposal when it had been discussed at the PWSC meeting. Nevertheless, he was concerned about the high cost of OWTF phase 1. Mr CHEUNG supplemented that the Hong Kong and China Gas Company

Limited ("Towngas") was the strategic business partner of the company he planned to set up. Towngas proposed to convert food waste into energy for its own consumption and the average unit cost was about \$600 per tonne of food waste. By contrast, OWTF required about \$900 to treat one tonne of food waste.

41. Mr CHAN Chi-chuen expressed his support for the motion and said that if the motion was voted down, FC would waste its time in the lengthy process to handle the item. FC should rather spend its time in considering the alternative food waste treatment options proposed by members. Mr LEUNG Kwok-hung expressed a similar view.

42. Mr Gary FAN indicated his support for the motion. He noted that there were 40 outstanding items to be approved by FC on the remaining five meeting sessions or so on 11 and 12 July 2014. He criticized the unwillingness of the Administration to re-order the agenda items for FC meetings. As such, he considered that FC should defer discussing the controversial items and consider the livelihood-related items first, including re-development of Queen Mary Hospital, one-off relief measures and civil service pay adjustment.

43. Mr WU Chi-wai expressed that he would support the motion. He commented that an effective network for collecting food waste to keep the transportation cost low was critical to the success of recycling. He urged the Administration to provide supplementary information on the concerns raised by members to facilitate their deliberation.

44. Noting that some members had proposed food waste treatment facilities that might operate more efficiently and at a lower cost than OWTF phase 1, Dr Elizabeth QUAT urged the Administration to respond to their proposals.

45. In response, ADEP(NC&IP) said that the Administration had looked into the proposal put forward by Mr Tommy CHEUNG and Towngas and considered that their proposal was very different from the Government's OWTF and less effective. According to the analysis of Environmental Protection Department, the treatment capacity of the Towngas' proposal would be considerably less than 100 tonnes per day and cannot achieve 200 tonnes per day because the site available was very small. The proposal had not included wastewater treatment. It also had not included the second-stage composting process to treat the residues and as a result, a larger amount of post-treatment food waste residues would have to be disposed of at landfills. As the proposal from Mr Tommy CHEUNG and Towngas was very different

from the Government's proposal in terms of the scale, the scope and the types of facilities to be included, the two proposals could not be compared.

46. In concluding the debate on his motion to adjourn discussion on the item, Mr Albert CHAN said that Hong Kong lagged far behind other places in waste source separation and recycling.

47. The Chairman put to vote the question that discussion on the item PWSC(2014-15)1 should then be adjourned. The Chairman declared that the motion was carried and discussion on the item PWSC(2014-15)1 be then adjourned.

**PWSC(2014-15)3**

**HEAD 704 – DRAINAGE**

**Environmental Protection – Sewerage and sewage treatment**

**401DS – Feasibility study on relocation of Sham Tseng sewage treatment works to caverns**

**PWSC(2014-15)4**

**HEAD 704 – DRAINAGE**

**Environmental Protection – Sewerage and sewage treatment**

**402DS – Feasibility study on relocation of Sai Kung sewage treatment works to caverns**

48. The Chairman said that as both items PWSC(2014-15)3 and PWSC(2014-15)4 were related to the feasibility studies on relocation of sewage treatment works to caverns, discussion of the two items would be combined but the items would be voted on separately at the meeting.

49. The Chairman advised that the item PWSC(2014-15)3 sought the Committee's approval for upgrading 401DS to Category A at an estimated cost of \$39.2 million in MOD prices for carrying out a feasibility study on relocation of Sham Tseng sewage treatment works ("STSTW") to caverns. The item PWSC(2014-15)4 sought the Committee's approval for upgrading 402DS to Category A at an estimated cost of \$40.6 million in MOD prices for carrying out a feasibility study on relocation of Sai Kung sewage treatment works ("SKSTW") to caverns.

Cost-effectiveness of the relocation projects

50. Mr Gary FAN opined that the existing STSTW site would likely be developed as luxury flats after STSTW was relocated to caverns and queried

whether the Administration had estimated the land premium of the existing STSTW site prior to the feasibility study. Mr FAN also asked if the feasibility study would evaluate the cost-effectiveness of the relocation project.

51. Principal Assistant Secretary for Development (Works) 2 ("PAS(W)2") responded that the value of the land released by relocating STSTW would depend on the proposed land use and timing of the future development. According to the broad technical assessment conducted under the enhancing land supply study by the Civil Engineering and Development Department, the relocation of STSTW would be technically feasible and financially viable. Supplementary information on preliminary assessment of the relocation projects had been forwarded to members vide LC Paper No. PWSC73/13-14(01). PAS(W)2 added that the feasibility study would include a more detailed assessment to reconfirm the cost-effectiveness of the relocation project.

52. Mr Gary FAN enquired whether it would be more cost-effective to combine the three separate feasibility studies on relocation of public facilities in Sham Tseng, Sai Kung and Diamond Hill to caverns into one, given that they were similar in nature. PAS(W)2 explained that it would be difficult to combine the three feasibility studies into one as the projects would differ from each other in terms of implementation programme, site conditions and project requirements to meet different views received from the public.

#### Cost overrun and delay of project completion

53. Mr Gary FAN was concerned that there would be manpower shortage, cost overrun and delay of project completion when the Administration launched many projects at the same time. He queried whether the Administration had estimated such factors when initiating the three feasibility studies simultaneously and the possible rising cost.

54. PAS(W)2 said that the rock cavern development projects were only at their feasibility studies stage, it would take several years to carry out the detailed design of the relocation projects before the actual construction works could commence. By that time, most of the large-scale railway projects, which involved mainly tunnel works, similar to cavern construction, would have been completed. The relocation projects of STSTW and SKSTW were relatively small in scale, and should not pose immense pressure on the market.

Future use of the existing sites

55. Dr Fernando CHEUNG expressed concern over the use of the released sites of STSTW and SKSTW for luxury property development, benefitting the land developers only. Dr CHEUNG requested the Administration to undertake that the sites concerned would be used for public housing or recreational facilities, or non-luxury private developments. Mr LEUNG Kwok-hung echoed a similar view.

56. PAS(W)2 replied that according to results of the public engagement exercise conducted for the cavern projects, the public generally supported the use of land for housing and community facilities. Moreover, the Administration would conduct land use and planning studies and consult the public on the various options of land use of the released sites. As such, it was too early to ascertain the future land use of the released sites. PAS(W)2 further added that even if the sites were used for private housing, the Administration could specify the appropriate types of developments to be provided.

57. Mr WU Chi-wai said that Members belonging to the Democratic Party supported the feasibility studies with a view to expanding land resources but urged the Administration to take into account members' concerns and conduct public consultation during the studies in order to reach a consensus on the future use of the released sites. Mr WU asked how the Administration would proceed with land planning in view of the feasibility studies' results.

58. PAS(W)2 said that the Administration would conduct public consultation during the feasibility studies and submit any plan to change the land use of the released sites to the Town Planning Board for approval as required.

59. Dr Elizabeth QUAT said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the Administration to conduct the feasibility studies. She considered that the studies helped clear the land sites for alternative uses, such as housing, transportation and other supporting facilities to meet the needs of local residents.

60. Mr Albert CHAN expressed that Members belonging to the People Power supported the relocation of STSTW to caverns as the existing site had a quality environment which should be used for other better purposes. By the same token, the ex-Lamma Quarry Area should be used for environment-related purposes instead of housing development.

61. Dr LO Wai-kwok said that Members belonging to the Business and Professionals Alliance for Hong Kong supported the funding proposals on the ground that similar cavern sewage treatment works at Stanley had proven successful. The Administration should conduct public consultation on the future use of the released sites.

Reclamation works in association with the relocation of Sai Kung sewage treatment works

62. Mr Gary FAN said that the Administration had briefed members of the Sai Kung District on its proposal to carry out a reclamation study in association with the relocation of SKSTW. However, the paper PWSC(2014-15)4 made no reference to the reclamation study. Given that both the use of rock caverns to house the existing public facilities and reclamation were important means of increasing land supply, Mr FAN enquired why the Administration did not state its land supply strategy clearly to the Legislative Council. Mr FAN also asked if the feasibility study on relocation of SKSTW to caverns included any advanced site engineering works related to reclamation.

63. In reply, PAS(W)2 said that the said reclamation study was a separate project covered by a Category D item under the Public Works Programme, which was relatively small in scale and hence funding approval by FC was not required. Nevertheless, the Administration had consulted the Sai Kung District Council on both the feasibility study and reclamation study.

Impact of the feasibility studies on environment

64. In response to Dr Fernando CHEUNG, Director of Drainage Services ("DDS") said that the rock materials generated from the rock cavern development would generally be of good quality and could be used as construction materials.

65. Mr Gary FAN noted that the proposed site for the relocation of SKSTW was situated within the Tsiu Hang Special Area and Ma On Shan Country Park. He was concerned about the adverse impact caused by the traffic of construction vehicles through the special area during the feasibility study and cast doubt on the conservation measures taken by the Administration to protect the environment. Mr FAN and Mr LEUNG Kwok-hung asked how the Administration could avoid trees removal in the special area during the study.



66. DDS advised that the facilities of the relocated SKSTW would be operated inside the caverns and the entrance to the caverns would be situated outside the Tsiu Hang Special Area. Moreover, the relocation project would have to follow the statutory environmental impact assessment process, and therefore would not adversely affect the environment of the special area. To help preserve trees in the special area during the feasibility study, the consultant engineers would select sites with a view to avoiding tree felling for ground investigation purposes.

Concerns over the relocation of Sha Tin sewage treatment works to caverns

67. The Chairman reminded members that the item relating to relocation of Sha Tin sewage treatment works to caverns had been approved by FC at the meeting and members should avoid putting questions on the item.

68. Dr Fernando CHEUNG said that the Administration proposed to embark on reclamation works in association with the relocation of Sha Tin sewage treatment works. Dr CHEUNG was concerned that the Administration would use the released site and reclaimed site for luxury property development. Mr LEUNG Kwok-hung opined that the site concerned should not be used for housing development. Even if the land was required for housing development, it should be used for public housing.

69. Mr TANG Ka-piu declared that he had been a member of the rowing team of the Chinese University of Hong Kong. Mr TANG pointed out that as the Sha Tin sewage treatment works was on the side of Shing Mun River and in proximity to the Chinese University of Hong Kong and the Hong Kong Science Park, the released site could be used for recreational or other purposes apart from public or private housing development. Mr TANG urged the Administration to consult the views of local residents, the Chinese University of Hong Kong and the Hong Kong Science Park on the future use of the released site.

70. Mr TANG Ka-piu asked when the flats would be made available in the market if the released site was used for housing development. PAS(W)2 responded that it would take about 10 years for the relocation of the Sha Tin sewage treatment works to complete.

71. The Chairman announced that the meeting be adjourned and the next meeting would start at 7:10 pm.

Action

72. The meeting was adjourned at 6:39 pm.

Legislative Council Secretariat  
18 November 2014