

# **立法會**

## ***Legislative Council***

LC Paper No. FC162/18-19

(These minutes have been  
seen by the Administration)

Ref : FC/1/1(3)

### **Finance Committee of the Legislative Council**

**Minutes of the 3<sup>rd</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 26 October 2018, at 3:31 pm**

#### **Members present:**

Hon CHAN Kin-por, GBS, JP (Chairman)  
Hon CHAN Chun-ying, JP (Deputy Chairman)  
Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon Frankie YICK Chi-ming, SBS, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen

Hon CHAN Han-pan, BBS, JP  
Hon LEUNG Che-cheung, SBS, MH, JP  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung, JP  
Hon Dennis KWOK Wing-hang  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, BBS, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, SBS, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Alvin YEUNG  
Hon Andrew WAN Siu-kin  
Hon CHU Hoi-dick  
Dr Hon Junius HO Kwan-yiu, JP  
Hon HO Kai-ming  
Hon LAM Cheuk-ting  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai  
Hon SHIU Ka-chun  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan  
Dr Hon Pierre CHAN  
Hon Tanya CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LUK Chung-hung, JP  
Hon LAU Kwok-fan, MH  
Hon Kenneth LAU Ip-keung, BBS, MH, JP  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Gary FAN Kwok-wai  
Hon AU Nok-hin  
Hon Vincent CHENG Wing-shun, MH  
Hon Tony TSE Wai-chuen, BBS

**Member absent:**

Hon Jimmy NG Wing-ka, JP

**Public officers attending:**

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Carol YUEN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr LIU Chun-san, JP	Under Secretary for Development
Mr Terence TSE Koon-hung	Acting Chief Assistant Secretary for Development (Works)3, Development Bureau
Mr Edwin TONG Ka-hung, JP	Director of Drainage Services
Mr Walter LEUNG Wing-yuen	Chief Engineer (Sewerage Projects), Drainage Services Department
Mr TSE Chin-wan, BBS, JP	Under Secretary for the Environment
Mrs Vicki KWOK WONG Wing-ki, JP	Deputy Director of Environmental Protection(2)
Mr LAM Sai-hung, JP	Permanent Secretary for Development (Works)
Miss Joey LAM Kam-ping, JP	Deputy Secretary for Development (Works)1
Mr Vincent MAK Shing-cheung, JP	Deputy Secretary for Development (Works) 2
Mr Francis CHAU Siu-hei, JP	Deputy Secretary for Development (Works)3
Mr WONG Chung-leung, JP	Director of Water Supplies
Mr CHAU Sai-wai, JP	Deputy Director of Water Supplies

**Clerk in attendance:**

Ms Anita SIT	Assistant Secretary General 1
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**Staff in attendance:**

Ms Ada LAU	Senior Council Secretary (1)7
Miss Judy YEE	Council Secretary (1)1
Miss Queenie LAM	Senior Legislative Assistant (1)2
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Yannes HO	Legislative Assistant (1)6

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Action

The Chairman reminded members of the requirements under Rules 83A and 84 of the Rules of Procedure.

**Item 1 — FCR(2018-19)55**

**RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 25 JUNE 2018**

**PWSC(2018-19)26**

**HEAD 704 — DRAINAGE**

**Environmental Protection — Sewerage and sewage treatment**

**399DS — Relocation of Sha Tin Sewage Treatment Works to  
caverns**

Continuation with the discussion on FCR(2018-19)55

2. The Finance Committee ("FC") continued with the discussion on item FCR(2018-19)55.

3. The Chairman advised that the item sought FC's approval of the recommendation made by the Public Works Subcommittee at its meeting held on 25 June 2018 vide PWSC(2018-19)26, i.e. the upgrading of part of 399DS as 425DS, entitled "Relocation of Sha Tin Sewage Treatment Works to caverns—site preparation and access tunnel construction", to Category A at an estimated cost of \$2,077.5 million in money-of-the-day ("MOD") prices; and the retention of the remainder of 399DS in Category B. The Chairman declared that he was an independent non-executive director of The Bank of East Asia.

Impact of the proposed works on the environment and traffic

4. Ir Dr LO Wai-kwok spoke in support of the proposal. He said that the construction of sewage treatment works in caverns was not something

new in Hong Kong as the first of its kind was built in Stanley long ago. The Stanley cavern sewage treatment works had been operating well without causing any adverse impact to the nearby environment.

5. Mr Gary FAN enquired how long the 10.8 million tonnes of inert construction waste generated from the five stages of the project would be stored in public fill reception facilities ("PFRFs"), and in what projects the construction waste would be reused. Mr AU Nok-hin also enquired about the usage of rock spoils excavated from caverns.

6. Under Secretary for Development ("USDEV") advised that the said construction waste was public fill. Such waste, especially excavated rocks from hills, was good construction material and would be reused properly. Director of Drainage Services ("D of DS") said that 98% of the construction waste generated from the project was reusable inert construction waste. Among which, rock spoils of better quality could be delivered to Lam Tei Quarry for processing into concrete aggregates, while some rock spoils would be delivered to PFRFs for construction use (including land reclamation) by different contractors. The duration of storage would depend on the demand for fill materials by public works projects. USDEV supplemented that the ongoing reclamation projects, including the Tung Chung reclamation project and the Three-Runway System Project at the Hong Kong International Airport, required a large amount of public fills. USDEV said that the fill materials generated from works under the present item would unlikely be used in future reclamation projects in East Lantau and Kau Yi Chau because such projects were expected to be implemented in 2025 at the earliest.

7. Mr CHAN Chi-chuen noted that the construction waste would be transported to PFRFs and landfills via a temporary bridge over and across A Kung Kok Street, and Ma On Shan Road, and the transportation vehicles would use Tate's Cairn Highway on a need basis. Mr CHAN enquired about the measures to be taken by the Administration to prevent nuisance caused to local residents by the vehicles transporting the construction waste.

8. D of DS responded that a liaison group meeting had been held with local residents affected by the project to receive views on the relevant issues. Appropriate measures would be taken to minimize the impact of works in this regard. Chief Engineer (Sewerage Projects), Drainage Services Department ("CE/SP, DSD") pointed out that as the Administration had relayed to the Sha Tin District Council ("DC") and local residents, vehicles transporting the construction waste would avoid making trips during rush hours in the morning and in the afternoon to

minimize the impact on traffic. It was expected that the whole cavern construction project, which involved rock blasting and transportation, would take five years to complete, and the first stage of works was expected to be completed in the fourth quarter of 2022.

9. Mr CHAN Chi-chuen noted that \$29 million or so had been set aside to implement environmental mitigation measures. He asked whether the Administration would use the said provision towards decontamination works if serious pollution problems were identified at the existing site of Sha Tin Sewage Treatment Works ("STSTW") in the course of relocation. Dr KWOK Ka-ki enquired about the possibility of the existing site of STSTW being polluted, such that substantial costs would be incurred for decontamination works after the relocation.

10. D of DS advised that as sewage was stored in concrete tanks at STSTW, the possibility of underground pollution was minimal. The earmarked provision of \$29 million would mainly be used for implementing the necessary environmental mitigation measures, as well as the environmental monitoring and audit programme during the construction period. As indicated by preliminary study findings in the Environmental Impact Assessment ("EIA") report, land pollution at STSTW was not serious. After the demolition and relocation of STSTW had commenced, the Administration would conduct further sampling and testing to verify the extent of pollution. According to past experience, the extent of pollution after demolition of STSTW would not impact on the future development plan of the existing site.

11. Mr CHAN Chi-chuen asked about the estimated cost for and time required by the whole STSTW relocation project, as well as the impact of such on the surrounding areas.

12. D of DS said that the whole relocation project would take about 11 years to complete and the demolition works about 2 years. The relocation project would be implemented in five stages. The present item under discussion was related to Stage 1 Works, namely "site preparation and access tunnel construction". Subject to funding approval from FC, Stage 1 Works would be commenced in 2019 for completion in the fourth quarter of 2022. Stage 2 Works, namely "main caverns construction", was expected to be implemented in 2020 for completion in 2025. Stage 3 Works, namely "sewage treatment facilities installation", would be implemented between 2024 and 2029. Stage 4 Works, namely "modification and construction of upstream sewerage and pumping stations", would be implemented between 2023 and 2026. Finally, Stage

5 Works, namely "decommission and demolition of existing STSTW", would be implemented between 2029 and 2031.

13. Mr Jeremy TAM expressed concern about the felling of a large number of trees under the project. In response, CE/SP, DSD pointed out that there were 2 193 trees within the project boundary, and among them, 1 904 trees would be felled. The situation had already been taken into account in the EIA report.

14. Mr Jeremy TAM was concerned that among 1 963 trees to be removed, only 59 trees would be transplanted elsewhere. The remaining large number of trees would be disposed of wastefully in the landfills. Mr AU Nok-hin also expressed similar concerns.

15. USDEV said that for any construction projects which involved the removal of trees, a detailed tree survey including the species, health condition, age, growing environment, etc., of individual trees would be conducted prior to commencement of the works in order to ascertain whether the trees were suitable for transplantation. USDEV undertook to consider Mr TAM's views and explore ways to better handle the felled trees.

16. Mr CHU Hoi-dick enquired when the temporary explosives magazine near the ventilation shaft in A Kung Kok Shan Road would be built, and whether local residents had been consulted about the matter. Mr CHAN Chi-chuen asked how long the explosives magazine would be needed, and whether it could be provided inside a cave.

17. D of DS advised that there was no need to build the explosives magazine for the time being. It would only be needed when Stage 2 Works commenced. He added that as not many blasting works were required under Stage 1 Works, there was no need to build an explosives magazine. As more blasting works were involved in Stage 2 Works, an explosives magazine would be provided in a location away from residential developments for about five to six years. The Administration had already consulted and obtained support from the DC concerned for the relevant issues, including the proposed location of the explosives magazine.

#### Future land use planning for the existing site of the Sha Tin Sewage Treatment Works

18. Mr LEUNG Yiu-chung sought further details about future land use planning for the existing site of STSTW. He also asked which stage of

works, among the tentatively proposed five stages of the relocation project, was expected to take the longest time to complete.

19. USDEV advised that it was expected that the existing site of STSTW could only be vacated in about 2031, while the relevant planning and engineering study would only be commenced some years from now. A detailed planning proposal on the future land use of the site would be put forward then. D of DS supplemented that the stages of works requiring the longest time to complete were the two stages involving main caverns blasting/construction works and sewage treatment facilities installation (electrical engineering) works. Those stages of works would take up approximately 70% of the total construction time.

20. Dr Fernando CHEUNG expressed support for the proposed relocation of STSTW to caverns. However, he opposed the proposed Ma Liu Shui reclamation as he considered that the reclaimed land would only be used for luxurious residential development. He was of the view that such land should be used to construct public rental housing, community facilities and open space. He requested the Administration to clarify again its future land use planning intention for the relevant land.

21. USDEV said that the relocation of STSTW and the proposed reclamation in Ma Liu Shui were two independent construction projects with unrelated implementation schedules and works items. If the implementation of the two projects was confirmed, greater synergy might be achieved for planning the projects jointly. Otherwise, an independent planning and engineering study could also be conducted separately. The Administration would announce the relevant details upon completion of the planning and engineering study for the next stage of works. The direction of development would definitely include housing, community facilities and riverside promenades. As announced by the Chief Executive in the 2018 Policy Address, 70% of the housing units on the Government's newly developed land would be for public housing.

22. Given the divergent views on the proposed Ma Liu Shui reclamation, Dr KWOK Ka-ki requested the Administration to undertake that the implementation of the present item would not be linked to the proposed Ma Liu Shui reclamation, and that it would stop considering taking forward the Ma Liu Shui reclamation project. He also asked the Administration to clarify whether community facilities (such as residential care homes for the elderly), which were in short supply in the New Territories East, would be provided at the existing site of STSTW.



23. USDEV said that the Administration undertook that the proposed Ma Liu Shui reclamation would not be linked to the relocation project of STSTW. As for reclamation in Ma Liu Shui, the Administration could not undertake at this stage that it would stop considering such an option. The Administration would continue to listen to public views and study the relevant technical issues before making a decision. The existing site of STSTW would be used for the development of housing and related community facilities.

24. Mr Jeremy TAM sought details about the use of the vacated site after the relocation of STSTW for residential development and other livelihood-related uses, as well as the public facilities to be relocated under Stage 1 Works.

25. USDEV advised that the details had yet to be finalized. While recommendations would be made by the relevant planning and engineering study in due course, such uses would definitely include the development of housing and community facilities. D of DS supplemented that the public facilities to be relocated mainly included existing underground public utilities within the project boundary that were affected by the project.

#### Cost effectiveness of the project

26. Mr Gary FAN said that as informed by the Administration, high quality rock with a weight of 4.9 tonnes per cubic metre would be excavated under the project, which was one-fold greater than the standard weight. Mr FAN was worried that the heavy weight of rock spoils would increase the transportation and storage costs. He also enquired whether the cost of land production by this method was higher than that of other methods.

27. USDEV advised that the Government adopted a multi-pronged approach in developing land resources, and cavern development was one of the viable options. Although the development of land resources through cavern excavation incurred a higher cost when compared with other methods (such as the proposed Ma Liu Shui reclamation project under consultation), the existing site of STSTW was most suitable for housing development as far as social benefits were concerned. D of DS supplemented that the transportation cost of materials only accounted for a minor portion of the overall construction costs. Moreover, rock spoils delivered to Lam Tei Quarry could also be put to other uses, thus bringing in revenue to the Government.

28. Mr Gary FAN noted that the total cost of the relocation project was originally estimated to be \$27.3 billion in September 2017 prices. However, in July 2018, the Administration had significantly revised the total estimated cost upwards to the range of \$40 billion to \$50 billion in MOD prices. He requested the Administration to explain the reasons for the substantial increase in the estimated cost.

29. USDEV and D of DS advised that the total estimated cost of \$27.3 billion was calculated in September 2017 prices. As for the cost range of \$40 billion to \$50 billion, it was calculated in MOD prices which would be affected by various factors such as the date of project commencement and inflation rate.

30. Mr CHU Hoi-dick referred to paragraph 17.2.13 of the feasibility study report prepared by AECOM Asia Company Limited as commissioned by the Drainage Services Department, which stated that "details of the financial implication will be discussed under separate deliverable". In this connection, he asked whether other financial feasibility studies had already been conducted by the Administration; and if so, whether the relevant findings could be provided to FC. Moreover, Mr CHU enquired about the amount of land premium to be received if the existing site of STSTW was used for housing development in future. He also asked whether the Administration would assess the financial feasibility of the relevant project on the basis of premium from the sale of land for private housing development.

31. USDEV advised that the relevant report, which was related to a planning review conducted at the feasibility study stage, merely set out various planning assumptions made by the Administration. However, such assumptions might not be incorporated into the development proposals recommended by the planning and engineering study to be conducted in future. As the information requested by Mr CHU contained sensitive data on land prices, the Administration could provide the parts which could be disclosed to FC if necessary. D of DS supplemented that financial feasibility was only one aspect in the overall feasibility of the project. The Administration would also take into account the feasibility of various technical aspects, as well as the social costs before deciding whether it was worthy to implement the project.

32. Mr CHU Hoi-dick suggested the outsourcing of underground quarrying works on a self-financing basis to reduce the cost of cavern construction. He also enquired whether the Government would provide some of the rock spoils excavated from caverns for free to the quarry operator.

33. USDEV said that the Administration would consider Mr CHU's suggestion and examine whether the said approach could be adopted for other projects involving underground quarrying in future. The Administration had actually considered whether the said approach could be adopted for the STSTW relocation project. However, as more time was needed for underground quarrying, the works period would impact on the implementation schedule of the relocation project. D of DS advised that a royalty fee would be levied on the operator of Lam Tei Quarry.

34. Mr Holden CHOW noted that under the expenditure phasing of the project, as much as \$1,400 million would be paid between 2019 and 2022, representing a major portion of the \$2,077.5 million project cost for Stage 1 Works. Mr CHOW enquired about the reasons for such an expenditure arrangement for the project.

35. D of DS said that as the main construction works would primarily be completed in the fourth quarter of 2022, the major costs would be paid between 2019 and 2022.

Motions proposed by members under paragraph 37A of the Finance Committee Procedure

36. At 4:54 pm, FC started to vote on whether two motions numbered [0001](#) and [0002](#) proposed by Mr AU Nok-hin and Mr CHU Hoi-dick respectively under paragraph 37A of the Finance Committee Procedure ("FCP") for expressing views on the item ("FCP 37A motions") should be proceeded with forthwith. The Chairman put to vote, one by one, the questions that the said FCP 37A motions be proceeded with forthwith. At the request of members, the Chairman ordered a division on each of the motions. The Chairman declared that members had decided [not to proceed](#) with the two motions forthwith.

Voting on FCR(2018-19)55

37. The Chairman put item FCR(2018-19)55 to vote. At the request of members, the Chairman ordered a division, and the division bell was rung for five minutes. The Chairman declared that 44 members voted in favour of and 7 members voted against the item, and 3 members abstained from voting. The votes of individual members were as follows:

*For:*

Mr LEUNG Yiu-chung  
Prof Joseph LEE Kok-long

Mr Tommy CHEUNG Yu-yan  
Mr Jeffrey LAM Kin-fung

Mr WONG Ting-kwong	Ms Starry LEE Wai-king
Mr WONG Kwok-kin	Mrs Regina IP LAU Suk-yee
Mr Michael TIEN Puk-sun	Mr Steven HO Chun-yin
Mr Frankie YICK Chi-ming	Mr WU Chi-wai
Mr YIU Si-wing	Mr MA Fung-kwok
Mr Charles Peter MOK	Mr CHAN Han-pan
Mr LEUNG Che-cheung	Mr Kenneth LEUNG
Ms Alice MAK Mei-kuen	Mr KWOK Wai-keung
Mr Christopher CHEUNG Wah-fung	Dr Helena WONG Pik-wan
Mr IP Kin-yuen	Dr Elizabeth QUAT
Mr Martin LIAO Cheung-kong	Mr POON Siu-ping
Ir Dr LO Wai-kwok	Mr Andrew WAN Siu-kin
Dr Junius HO Kwan-yiu	Mr HO Kai-ming
Mr LAM Cheuk-ting	Mr Holden CHOW Ho-ding
Mr SHIU Ka-fai	Mr Wilson OR Chong-shing
Ms YUNG Hoi-yan	Dr Pierre CHAN
Mr CHAN Chun-ying	Mr CHEUNG Kwok-kwan
Mr LUK Chung-hung	Mr LAU Kwok-fan
Mr Kenneth LAU Ip-keung	Mr KWONG Chun-yu
Mr Vincent CHENG Wing-shun	Mr Tony TSE Wai-chuen
(44 members)	

*Against:*

Dr Fernando CHEUNG Chiu-hung	Mr Alvin YEUNG
Mr CHU Hoi-dick	Ms Tanya CHAN
Dr CHENG Chung-tai	Mr Jeremy TAM Man-ho
Mr AU Nok-hin	
(7 members)	

*Abstained:*

Ms Claudia MO	Mr CHAN Chi-chuen
Mr Gary FAN Kwok-wai	
(3 members)	

38. The Chairman declared that the item was approved.

**Item 2 — FCR(2018-19)57**  
**RECOMMENDATION OF THE ESTABLISHMENT**  
**SUBCOMMITTEE MADE ON 26 JUNE 2018**

**EC(2018-19)9**  
**HEAD 44 — ENVIRONMENTAL PROTECTION DEPARTMENT**  
**Subhead 000 — Operational expenses**

39. The Chairman advised that the item sought FC's approval of :
- (a) the creation of a permanent post of Administrative Officer Staff Grade C ("AOSGC") (D2) in the Environmental Protection Department ("EPD") for leading the Countryside Conservation Office ("CCO") and formulating nature conservation policy and supervising the relevant work; and
  - (b) the regrading of a permanent post of AOSGC (D2) to a permanent post of Assistant Director of Environmental Protection ("ADEP") (D2) for specifically pursuing food waste management strategies and overseeing the construction and planning of waste recycling infrastructure.

Duties of the Countryside Conservation Office

40. Mr Tony TSE expressed support for the establishment of CCO. He was concerned that there was no Surveyor post in the staffing establishment of CCO. He considered that as the work of CCO involved land issues such as deeds of covenant, land exchange, compensation and project estimates, there might be a need for the creation of Surveyor post(s).

41. Deputy Director of Environmental Protection (2) ("DD/EP(2)") advised that the present staffing proposal was made on the basis of the manpower requirement of CCO during its initial establishment. The Administration did not rule out the possibility that other posts might be required to cope with future operational needs. In the meantime, if professional input on land surveying was required, CCO would seek assistance from the relevant departments or professionals. Regarding the advisory committee ("AC") to be set up later, the Administration also hoped that relevant professionals could be invited to join as members. Under Secretary for the Environment ("USEN") supplemented that the Administration would keep in view the staffing establishment of CCO and create the relevant professional posts as and when required.

42. At 5:34 pm, the Chairman declared that the meeting be suspended for 10 minutes. The meeting resumed at 5:44 pm.

43. Ms Tanya CHAN was concerned whether the proposed ADEP (Nature Conservation) ("ADEP(NC)")/EPD/the Environment Bureau were sufficiently empowered to discharge their conservation duties in respect of protecting the country parks, marine parks, marine reserves, etc.

44. USEN advised that development of any kind within the country park areas was under the regulation of the Environmental Impact Assessment Ordinance ("EIAO") (Cap. 499), and any relevant proposals must be subject to the statutory EIA process, under which approval for their implementation would only be given if all statutory EIA standards were met. EPD would work together with the Agriculture, Fisheries and Conservation Department ("AFCD") in reviewing the EIA reports. The rezoning of country parks must also obtain the approval of the Country and Marine Parks Board. Such a multiple approval mechanism could ensure the conservation and protection of country parks.

45. Ms Tanya CHAN asked about the collaboration between the proposed ADEP (Waste Infrastructure Planning) ("ADEP(WI)") and the existing ADEP (Waste Management Policy) ("ADEP(WMP)").

46. DD/EP(2) supplemented that the duties of the existing ADEP(WMP) included overseeing the producer responsibility schemes, promoting the development of community green stations and overseeing the policy of public fill management. The proposed ADEP(WI) would be mainly responsible for coordinating the long-term planning and development of infrastructure in a forward-looking manner in collaboration with ADEPs tasked to oversee the waste management policy.

47. Expressing concern about the effectiveness of the Administration's work in protecting endangered species of animals and plants, Mr AU Nok-hin was worried that Hong Kong would become a transit point for the smuggling of endangered species, such as *Anguilla Anguilla* (commonly known as European eel). In this connection, he suggested that the Administration should, apart from creating the ADEP(NC) post, consider other initiatives, such as introducing amendments to the relevant legislation, building up forensic capability to assist in wildlife crime investigation and increasing frontline manpower to eradicate illegal trading of endangered species.

48. USEN said that the new ADEP(NC) would lead the newly-established CCO and take over the nature conservation policy portfolio currently under another ADEP. The latter ADEP's current duties of nature conservation and infrastructure planning would then be changed to waste infrastructure planning. Regarding the existing work on preservation of endangered species, ADEP(NC) would be responsible for overseeing the policy matters, while operational matters would be handled by AFCD together with the Hong Kong Customs and Excise Department and other relevant departments. ADEP(NC) and the Director of

Agriculture, Fisheries and Conservation would review the enforcement of international covenants in Hong Kong from time to time.

49. Mr AU Nok-hin enquired how conservation work on privately-owned wetlands would be carried out by the authorities concerned, and how a balance could be struck between conservation of wetlands and development of ecotourism.

50. USEN said that to dovetail with local development, the Administration planned to resume land in Long Valley for rezoning as a conservation park under the management of AFCD. He added that not all preserved wetlands would be opened to the public for ecotourism purpose. The new CCO would undertake conservation through various approaches, such as the Management Agreement ("MA") schemes. Land developers who intended to develop the wetlands must also go through the EIA process.

51. Mr Kenneth LAU reiterated the stance of the Heung Yee Kuk which held that the Administration should not just conserve land with high ecological value and neglect the conservation or revitalization of land with lower ecological value. He hoped that when taking forward conservation projects in future, the Administration would adopt an open attitude and explore the feasibility of other economic activities, including the construction, design and creation of homestay facilities undertaken by micro-enterprises, in addition to agriculture and tourism. Mr Gary FAN expressed similar views.

52. USEN said that the work of CCO would mainly focus on co-ordinating conservation projects that would promote sustainable development of remote countryside. The Administration noted the Members' views and would consider their suggestions in a flexible manner on the precondition that the aforesaid conservation objective would not be compromised.

53. Mr Gary FAN pointed out that Lai Chi Wo Pier was one of the proposed items under the Pier Improvement Programme announced in the 2017 Policy Address. He enquired whether the proposed CCO could coordinate the pier improvement project for Lai Chi Wo Pier and conservation works in Lai Chi Wo in order to minimize the impact on the environment.

54. USEN said that Lai Chi Wo would be the first major project undertaken by CCO for promoting sustainable development of remote

countryside. CCO would be responsible for coordinating the conservation programme and the pier improvement project in Lai Chi Wo.

55. Mr CHAN Chi-chuen said that according to LC Paper No. ESC171/17-18(01), the proposed ADEP(NC) would assist the Government's work on nature conservation, including enhancing conservation of ocean resources in the surrounding waters of Lantau. Notwithstanding, reclamation projects under "Lantau Tomorrow" were seemingly running contrary to the objective of conserving ocean resources. He enquired about the following:

- (a) how ADEP(NC) would conserve the ocean resources in the surrounding waters of Lantau;
- (b) whether ADEP(NC) or other officials responsible for environmental protection would join or play any role in the office of "Lantau Tomorrow" in future;
- (c) what the role of ADEP(NC) was in terms of the Administration's study on the feasibility of the "Lantau Tomorrow" project; and whether he had the power to raise objection to the "Lantau Tomorrow" project on account of his duties to conserve the ocean resources in the surrounding waters of Lantau; and
- (d) whether it would constitute a dereliction of duty on the part of ADEP(NC) if ocean resources in the surrounding waters of Lantau were damaged as a result of reclamation.

56. USEN said that the proposed ADEP(NC) would be responsible for developing marine parks in the surrounding waters of Lantau for the purpose of conserving ocean resources in the said waters. As regards gatekeeping, the "Lantau Tomorrow" project would be subject to the EIA process. The duties of ADEP(NC) were not directly related to the work of the office of "Lantau Tomorrow" in future.

57. Mr CHU Hoi-dick enquired about the progress and direction of CCO's work as regards the conservation of Sha Lo Tung and Nam Sang Wai.

58. DD/EP(2) advised that the Chief Executive in Council agreed in principle in 2017 to conserve the land in Sha Lo Tung with high ecological value under a non-in-situ land exchange proposal. While negotiation was underway with the landowners on the detailed terms of land exchange,



formal approval from the Chief Executive in Council would still be required before the land exchange could be finalized. In the meantime, the Administration had already commenced conservation works in Sha Lo Tung, including granting approval to an MA scheme. Staff of CCO had also visited Sha Lo Tung to hold discussions with AFCD and community persons on various revitalization and minor improvement works, including those for trail improvement and river regulation. In Nam Sang Wai, fishpond MA schemes were being implemented by non-government organization ("NGOs") with funding support from the Environment and Conservation Fund ("ECF"). At present, over 600 hectares of fish ponds at the Ramsar Site and the Deep Bay Wetland outside Ramsar Site, including most of the commercial fish ponds in Nam Sang Wai, were covered by the said MA schemes. Currently, 17 hectares of commercial fish ponds in Nam Sang Wai were covered by the MA schemes sponsored by ECF. The proposed ADEP(NC) post to be created would continue work in this respect.

59. Mr CHU Hoi-dick was concerned about the continued destruction of the ecological environment in western Nam Sang Wai. He enquired whether the Administration would formulate an overall conservation plan for Nam Sang Wai and invite individual landowners to join the MA schemes. Mr KWONG Chun-yu expressed grave concern over the successive destruction wrought onto the land in Nam Sang Wai, and he requested that promoting the inclusion of Nam Sang Wai into the conservation scheme be included as one of the responsibilities of the proposed ADEP(NC).

60. USEN advised that while NGOs had approached some landowners in Nam Sang Wai, they had yet to persuade the landowners to join the MA schemes. The new CCO would continue to explore ways to promote the said schemes.

61. Mr CHU Hoi-dick enquired about the following:

- (a) how the new CCO would help the villagers take forward the relevant sustainable economic activities, including whether assistance would be provided to help them apply for the licences required for the operation of catering and tourist accommodation facilities, and whether the relevant policies would be relaxed; and
- (b) what the division of responsibilities and coordination between the new CCO and the Sustainable Lantau Office ("SLO")

would be, and what enforcement actions would be taken to deter environmental destruction activities.

62. USEN said that:

- (a) conservation work in Lantau would primarily be undertaken by SLO while that in other places would be taken up by the new COO; and
- (b) any development in ecologically sensitive areas would be strictly controlled under EIAO. CCO would work in collaboration with AFCD to ensure that all development plans were in compliance with the requirements under EIAO.

63. USEN added that while CCO would provide assistance to the villagers in applying for the licences required for the operation of catering and tourist accommodation facilities, no special licensing arrangement would be made for such applications.

64. Mr Holden CHOW sought information about the work of CCO and AC, as well as the role of DCs in the conservation of the countryside.

65. DD/EP(2) said that the Government had already earmarked \$1 billion to take forward conservation and revitalization works, as well as minor improvement works; of which, \$500 million would be used to implement funding schemes to support interactive collaboration between NGOs and the villagers for launching innovative conservation projects. Moreover, the Administration would establish AC (comprising non-official members) as soon as possible to examine the aforesaid conservation projects submitted by NGOs and monitor the progress of the relevant projects. In addition, AC would also advise the Administration on the scope and location of sites that were worthy of conservation. Regarding minor improvement works, CCO would maintain close communication with DCs and community persons through the relevant District Offices.

#### Food waste management strategies

66. Mr CHU Hoi-dick asked when the Administration would introduce mandatory source separation and recycling of food waste generated by the commercial and industrial ("C&I") sectors. He also asked about the fees to be charged by the Organic Resources Recovery Centre ("ORRC") for the recycling of food waste upon implementation of the Municipal Solid Waste ("MSW") Charging Scheme.

67. DD/EP(2) said that at present, no charge was levied by ORRC for the recycling of food waste. USEN supplemented that upon implementation of MSW Charging Scheme, the trades would have a greater incentive to separate and deliver the food waste to ORRC for recycling, instead of disposing the waste in the landfills. The Administration would also consider providing resources to support the delivery of C&I food waste to ORRC. As regards the introduction of mandatory source separation of food waste, it must tie in with the development progress of recycling facilities in the downstream;

68. Mr WU Chi-wai said that the discussion paper for the present item (i.e. FCR(2018-19)57) did not contain any information on the measures to be taken by ADEP (Nature Conservation & Infrastructure Planning) ("ADEP(CI)") to promote the recycling of domestic food waste upon implementation of the proposed MSW Charging Scheme. He enquired about the difficulties currently faced by the Administration in introducing mandatory source separation of food waste produced by C&I sectors. Mr LEUNG Yiu-chung expressed similar concerns. He enquired whether the Administration would submit another establishment proposal for additional manpower at a later stage to take forward the initiatives on the recycling of domestic food waste.

69. USEN said that under the existing policy, the recycling of food waste would first be implemented through a C&I food waste pilot scheme. ADEP(CI) was overseeing a consultancy study which covered, amongst others, the arrangements and ancillary facilities for the recycling of domestic food waste. Recycling of domestic food waste was also one of the major duties of ADEP(CI). The Administration would only expand the scope of food waste collection to domestic food waste when sufficient end-of-pipe treatment facilities could be provided. As such work would only be carried out at the next stage, the relevant details were not included in the discussion paper. The Administration would provide more detailed information about the recycling of domestic waste in due course when presenting the legislative proposal on MSW Charging Scheme. At this juncture, the Administration did not have any plan to submit another establishment proposal relating to the recycling of domestic food waste. Apart from ORRC, the Administration was also conducting a pilot on the recycling of food waste at Tai Po Sewage Treatment Works ("TPSTW"), and plans were being made to launch a pilot for handling domestic food waste at STSTW in 2021.

70. Mr WU Chi-wai enquired about the food waste management strategies to be adopted by the proposed ADEP(WI), including the methods

to be used for processing and compressing food waste on-site in order to reduce its weight and thus the transportation cost.

71. USEN said that at present, ORRC Phase 1 was already in operation. The Administration would seek funding approval from the Legislative Council ("LegCo") for the construction of Phase 2 at a later stage. Moreover, a Food Waste/Sewage Sludge Anaerobic Co-digestion Trial Scheme would be launched at TPSTW to expedite the processing of food waste. Regarding upstream processing, ADEP(WI) would explore the option of establishing food waste pre-treatment facilities across the territory. For the sake of dedicated funds for dedicated use, part of the revenue generated from MSW charges would be used towards work related to the recycling, separation and processing of food waste.

Voting on FCR(2018-19)57

72. The Chairman put item FCR(2018-19)57 to vote. At the request of members, the Chairman ordered a division, and the division bell was rung for five minutes. The Chairman declared that 37 members voted in favour of and no member voted against the item. The votes of individual members were as follows:

*For:*

Mr LEUNG Yiu-chung	Prof Joseph LEE Kok-long
Mr WONG Ting-kwong	Ms Starry LEE Wai-king
Mr WONG Kwok-kin	Ms Claudia MO
Mr Michael TIEN Puk-sun	Mr Steven HO Chun-yin
Mr Frankie YICK Chi-ming	Mr WU Chi-wai
Mr YIU Si-wing	Mr MA Fung-kwok
Mr Charles Peter MOK	Ms Alice MAK Mei-kuen
Mr KWOK Wai-keung	Dr Fernando CHEUNG Chiu-hung
Dr Helena WONG Pik-wan	Mr IP Kin-yuen
Mr POON Siu-ping	Ir Dr LO Wai-kwok
Mr Andrew WAN Siu-kin	Mr CHU Hoi-dick
Mr HO Kai-ming	Mr LAM Cheuk-ting
Mr Holden CHOW Ho-ding	Mr SHIU Ka-chun
Ms YUNG Hoi-yan	Mr CHAN Chun-ying
Ms Tanya CHAN	Mr CHEUNG Kwok-kwan
Mr LUK Chung-hung	Dr CHENG Chung-tai
Mr Jeremy TAM Man-ho	Mr Gary FAN Kwok-wai
Mr AU Nok-hin	Mr Vincent CHENG Wing-shun
Mr Tony TSE Wai-chuen	
(37 members)	

73. The Chairman declared that the item was approved.

**Item 3 — FCR(2018-19)46  
RECOMMENDATION OF THE ESTABLISHMENT  
SUBCOMMITTEE MADE ON 26 JUNE 2018**

**EC(2018-19)12**

**HEAD 159 — GOVERNMENT SECRETARIAT: DEVELOPMENT  
BUREAU (WORKS BRANCH)**

**HEAD 194 — WATER SUPPLIES DEPARTMENT**

**Subhead 000 — Operational expenses**

74. The Chairman advised that the item sought FC's approval of the recommendation made by the Establishment Subcommittee ("ESC") on 26 June 2018 regarding the creation of two permanent posts in the Works Branch ("DEVB(WB)") of the Development Bureau ("DEVB"), i.e. one Principal Government Engineer (D3) post, and one Government Engineer ("GE") (D2) post upon the lapse of a supernumerary GE post; and the redeployment of three directorate posts within DEVB(WB), i.e. a GE (D2) post, a Chief Architect (D1) post and a Chief Geotechnical Engineer (D1) post, in order to cope with the workload of new and ongoing initiatives; as well as the creation of two supernumerary posts, i.e. one AOSGC (D2) post and one Chief Engineer (D1) post in the Water Supplies Department ("WSD"), in order to take forward the new drinking water safety initiatives.

Reclamation in East Lantau

75. Mr Gary FAN noted that according to the Administration's proposal, one supernumerary GE post (D2) in DEVB(WB) would be converted to a permanent post to steer the implementation of the initiatives set out in the Sustainable Lantau Blueprint ("the Blueprint"), including the strategic studies for artificial islands in the central waters for the development of the proposed East Lantau Metropolis ("ELM"). He queried why, given that the Task Force on Land Supply ("the Task Force") had yet to complete its report, the Administration had hastily sought to convert the relevant post to a permanent post at this stage, and whether it was the Administration's intention to bulldoze the East Lantau reclamation project.

76. Permanent Secretary for Development (Works) ("PSDEV(W)") said that the staffing proposal was endorsed by ESC on 26 June 2018. The existing supernumerary post, which was created in 2014, was due to lapse on 31 March 2019, and the Blueprint was promulgated in June 2017. It

was necessary to create the permanent post to steer the implementation of various initiatives set out in the Blueprint. Therefore, the Administration hoped that the relevant supernumerary post could be converted to a permanent post by 31 March 2019. In addition to work related to the Blueprint, the holder of the proposed permanent post would also be responsible for other ongoing initiatives, including providing secretariat support for the Lantau Development Advisory Committee chaired by the Secretary for Development, and assisting in the implementation of work relating to flood prevention, etc.

77. Mr Gary FAN asked whether the scope of strategic studies relating to the development of ELM would be extended to instead cover the construction of artificial islands on reclaimed land with an area of up to 1 700 hectares proposed under the "Lantau Tomorrow Vision" as announced by the Chief Executive in the 2018 Policy Address. Ms Claudia MO expressed similar concerns. She queried why, given that "Lantau Tomorrow" was only a "vision" and no related studies had ever been conducted, the Administration had already proposed in its paper submitted in June 2018 that the relevant new post would be responsible for taking forward the East Lantau reclamation project.

78. PSDEV(W) said that the scope of the "Lantau Tomorrow Vision" was more extensive than that of the Blueprint. The Administration expected that it would, upon completion of the Task Force's report, seek funding approval from LegCo in the first or second quarter of 2019 for the studies on reclamation in the central waters. The study would be conducted on the basis of a reclamation area of 1 000 hectares. He added that the proposed permanent post would be responsible for undertaking preparatory work for the East Lantau reclamation project.

79. Dr Helena WONG enquired whether reclamation projects outside the Victoria Harbour would be under the purview of the proposed permanent post or an existing post. She said that the Democratic Party was concerned whether the staffing proposal was intended to expedite reclamation in Lantau.

80. PSDEV(W) advised that the relevant duties had all along been undertaken by the holder of the supernumerary post since its creation in 2014. The present proposal merely sought to convert the supernumerary post to a permanent post.

Safety of drinking water

81. Dr Helena WONG was concerned that the proposal to create the relevant permanent post could not address the issue about the absence of an independent water quality monitoring regime outside DEVB. She asked how the Administration could ensure independent monitoring on drinking water quality.

82. PSDEV(W) appreciated the Member's concern. In this connection, WSD had established an independent auditing mechanism on drinking water quality, while a dedicated team for ensuring drinking water safety would also be set up under DEVB to oversee the auditing work. Deputy Secretary for Development (Works)3 ("DS/DEV(W)3") supplemented that DEVB's dedicated team would monitor the performance of WSD over drinking water safety. The dedicated team would be led by the holder of the proposed permanent post (i.e. DS/DEV(W)3) who would report directly to PSDEV(W) and stay away from the daily housekeeping of WSD to ensure that he could perform his duties independently. Meanwhile, the dedicated team would conduct regular audits to assess the performance of WSD in ensuring the quality and safety of drinking water. Some auditing work would also be conducted by external consultants. Moreover, the Drinking Water Safety Advisory Committee set up by DEVB would be responsible for advising the Bureau on various water safety issues. The Department of Health would also give expert advice to DEVB. Through the above arrangements, the dedicated team would be able to discharge its functions in monitoring the safety of drinking water independently.

83. The Chairman said that FC would continue with the discussion of the item at the next meeting. The meeting ended at 6:59 pm.