

*Provision and management of Community Green Stations*

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The Audit Commission ("Audit") conducted a review to examine the Administration's efforts in the provision and management of Community Green Stations ("CGSs").

2. Hon SHIU Ka-fai declared that he was unremunerated honorary adviser or honorary member to some non-governmental organizations or trade associations.

3. The Environment Bureau ("ENB") announced in early 2013 a plan to develop five pilot CGSs to promote environmental/green education and to enhance the collection network of recyclables. The 2014 Policy Address announced the development of a CGS in each of the 18 districts. A non-governmental organization would be appointed by way of tender to operate each CGS. The Environmental Protection Department ("EPD") is the project proponent for CGSs and the Architectural Services Department ("ArchSD") is the works agent of CGS projects. According to ENB, the setting up of 18 CGSs would involve an estimated capital expenditure of about \$400 million. As of December 2019, a total funding of \$286.8 million had been approved for implementing 11 CGS projects and a total expenditure of \$195.5 million had been incurred.

4. The Committee noted the following findings from the Director of Audit's Report:

- ENB estimated in 2014 that 18 CGSs would be completed by phases from 2015 to 2017, but the estimated timeframe was not met. As of February 2020, the construction works for nine CGSs<sup>1</sup> (50%) were completed and two CGSs (11%) (i.e. Sai Kung and Wan Chai CGSs) were in progress, and the remaining seven CGSs (39%) were at planning or site selection stage;<sup>2</sup>
- according to EPD, a suitable CGS site should preferably had a site area of no less than 1 500 square metres ("m<sup>2</sup>"). However, there were significant deviations in the actual site areas of CGSs. As of December 2019, the site areas for the nine CGSs with construction works completed ranged from 1 770 m<sup>2</sup> to 7 090 m<sup>2</sup>; for the CGSs in

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<sup>1</sup> These nine CGSs were Sha Tin, Eastern, Kwun Tong, Yuen Long, Sham Shui Po, Tuen Mun, Kwai Tsing, Tai Po and Islands CGSs.

<sup>2</sup> The CGS in Wong Tai Sin was at advanced planning stage, and no suitable sites could be secured for development of the CGSs in Central and Western, Kowloon City, North, Southern, Tsuen Wan and Yau Tsim Mong.

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Sai Kung and Wan Chai with construction works in progress, their site areas were 1 460 m<sup>2</sup> and 695 m<sup>2</sup> respectively;

- some construction works of Sham Shui Po and Tuen Mun CGSs were not in accordance with the approved drawings, and changes were made and completed prior to ArchSD's approval. As a result, EPD's area requirements for installation of baling machines<sup>3</sup> were not met and baling machines of a smaller size and capacity were installed at both CGSs;
- after Sha Tin and Eastern CGSs had commenced operation, remedial works were carried out for tackling various facility problems:
  - (a) for Sha Tin CGS, remedial works were needed for tackling water leakage problems at the roofs of buildings and flushing problems in the toilets. In the event, it took more than three years to fully resolve all the problems; and
  - (b) for Eastern CGS, remedial works were needed for tackling stagnant water problems on roofs of buildings. In the event, it took about two years to fully resolve the problems;
- Audit noted from the operating contracts<sup>4</sup> between EPD and CGS operators that for the seven CGSs (i.e. Sha Tin, Eastern, Kwun Tong, Yuen Long, Sham Shui Po, Tuen Mun and Kwai Tsing CGSs, "the seven CGSs") which commenced operation between 2015 and 2018:
  - (a) the number of outreach regular educational events and special community events held by Sha Tin and Tuen Mun CGSs in the first contract year under the current operating contracts fell short of the minimum quantity requirements by 40% to 67%;

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<sup>3</sup> A baling machine is used for compacting similar types of waste. The floor area specified by EPD was able to accommodate a baling machine with capacity of up to 100 tonnages (i.e. baling machine with width of 1.6 m and length of 1.3 m) as well as clear space for operation.

<sup>4</sup> The operating contracts set out the services that CGS operators are required to deliver in the contract period and the performance indicators (e.g. number of educational events to be provided and quantities of recyclables to be collected). If a CGS operator fails to deliver the services as required, it should provide explanations and submit a remedial action plan for EPD's approval. Otherwise, EPD will be entitled to withhold payments to the operator.

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- (b) the quantities of recyclables collected by Sha Tin, Kwai Tsing and Sham Shui Po CGSs in the first contract year under the first operating contracts fell short of the minimum tonnage requirements by 6%, 20% and 39% respectively; and
  - (c) the seven CGSs had not met the 7-day maximum storage specification<sup>5</sup> for the recyclables collected from October 2018 to June 2019;
- only those educational events fulfilling the contract requirements would be qualified for payment and counted in meeting the minimum quantity requirement. However, different methodologies were used by EPD in counting the number of regular educational events qualified for payment;
  - according to the operating contracts, CGS operators needed to maintain not fewer than the specified minimum number of mobile collection points (at least three hours at each collection point) at public places per week to collect recyclables. Audit noted that comparatively low quantities of recyclables were collected at mobile collection points (about 8% of the total recyclables collected by the seven CGSs from January to June 2019);
  - for the five CGSs which commenced operation between 2015 and 2017, the numbers of visitors received by Sha Tin, Kwun Tong, Yuen Long and Sham Shui Po CGSs fell short of the expected number in all years<sup>6</sup> with a full-year operation, and the number of visitors to Sha Tin, Kwun Tong and Yuen Long CGSs decreased by 17%, 6% and 26% respectively from 2017 to 2018;
  - from January to June 2019, the number of visitors reception services<sup>7</sup> provided by four CGSs (i.e. Sha Tin, Eastern, Tuen Mun and Kwai Tsing CGSs) fell short of the minimum requirement of 260 (i.e. 26 weeks × 10 occasions), ranging from three occasions

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<sup>5</sup> CGS operators should not store recyclables at the stations for longer than seven days unless prior consent from EPD has been obtained.

<sup>6</sup> The expected number of visitors received by each CGS was about 35 300 visitors per year.

<sup>7</sup> For operating contracts commencing since November 2017, CGS operators are required to provide visitors reception services. Under the services, CGS operators have to schedule and provide weekly at least 10 guided tours each followed by a hands-on recycling workshop of at least 30 minutes for the visitors, and the services should be provided regardless of number of people, walk-in or pre-booked.

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(with 22 participants) for Sha Tin CGS to 249 occasions (with 943 participants) for Eastern CGS;

- EPD staff periodically conducted routine inspections of recyclables collection services, educational services and facilities of CGSs, and the inspectors should record the inspection results on the specified standard inspection forms. Audit examined the routine inspection records from January to June 2019 for the six CGSs (i.e. Sha Tin, Eastern, Kwun Tong, Yuen Long, Sham Shui Po and Tuen Mun CGSs) which commenced operation between 2015 and September 2018 and noted that EPD had not documented the analysis of the observations found;
- there was delay in submission of monthly reports, annual summaries of monthly reports and annual audited financial statements from CGS operators to EPD;
- EPD had not promulgated any good practice guide to CGS operators as of December 2019, and there was no documentation for experience sharing meetings chaired by EPD and held with CGS operators; and
- Audit examined the operating contracts for nine CGSs and noted that the quantities stated in the Bills of Quantities<sup>8</sup> for both educational and recyclables collection services exceeded the minimum service requirements.

5. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses regarding the progress of the provision of CGSs, the management of CGSs and the measures to be taken by the Administration to assist the operators in operating CGSs. The consolidated replies from **Secretary for the Environment** and **Director of Environmental Protection** and the replies from **Director of Architectural Services** are in *Appendices 57* and *58* respectively.

6. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by Audit.

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<sup>8</sup> The payment to CGS operators is based on the actual quantity of services provided and the prices of different service items as priced by the operators in the Bills of Quantities according to the operating contracts.