9.1 At the Chairman's invitation, Dr Sarah LIAO, the Secretary for the Environment, Transport and Works (SETW), briefed members on the main initiatives of the programmes under the Policy Area: Environment and Transport (Appendix V-8).

Environment

Sewage services

9.2 Mr Albert CHAN noted the limited provision earmarked for sewage treatment facilities in rural areas and expressed concern about the lack of progressive measures to bring relief to villages with no connection to central sewers. As improper sewage disposal would give rise to hygienic problems and would have impact on the health of the community, he enquired about the plans to improve the existing situation. The Director of Drainage Services (D of DS) advised that part of the increase in provision for sewage services for 2004-05 was to operate and maintain new sewers and pumping stations to serve 35 villages in the rural areas of Sha Tin, Tai Po, Yuen Long, Sheung Shui and Ta Kwu Ling. These sewers and pumping stations would convey the sewage from the villages to the central sewage treatment facilities within the New Territories. sewage connections for villages in Sha Tin and Tai Po, in particular for those near the Tolo Harbour were making good progress, considerable time would be needed to build sewerage network in the rural areas at Yuen Long, Kam Tin and other parts of Northern District. At present, there were about 60 to 80 villages which had been provided with sewage connections to the central sewage treatment facilities and about 400 to 500 villages in the rural areas which had not been so provided. SETW added that the provision of new sewage treatment facilities was an expensive process. Where practicable, steps would be taken to convey sewage via a network of sewage connections for centralized treatment. However, in the case of rural areas, particularly those in more remote locations, a large part of sewage treatment would have to rely on septic tanks. The current problem was largely due to the poor management of septic tanks by owners and local residents, hence strengthening of monitoring actions over the management of septic tanks was the immediate measure to address the problem. At Mr CHAN's request, the Administration would provide the number of villages which had not been provided with sewage connections to the central sewage treatment facilities and the plans to implement them.

9.3 Referring to the targets in the key performance measures in respect of the programme area of sewage services under Head 39 - Drainage Services Department (DSD), Mr Henry WU enquired if improvements could be made to the 95% performance target of giving formal replies within one month to written enquiries on sewage charge and trade effluent surcharge, given that 99% compliance was achieved with the other targets. D of DS assured members that while it would require a lot of time and effort to deal with some enquiries on sewage charge and trade effluent surcharge, DSD would endeavour to improve the compliance rate and consider raising the target standard in this aspect.

Energy efficiency

- Ms Emily LAU referred to the target of the Electrical and Mechanical Services Department to assist Government Bureaux/Departments (B/Ds) to achieve 1.5% reduction of electricity consumption. She noted that the new initiatives to achieve this target included performing energy audits to identify energy saving opportunities, promoting housekeeping measures and assisting Government B/Ds in the implementation, e.g. raising air-conditioning temperature setting, reducing operating hours of air-conditioning and switching off equipment when not in use. These measures, according to her knowledge, had been implemented years ago. She also queried the target of 1.5% reduction in electricity consumption for 2004-05 when a reduction of \$23 million in electricity cost, equivalent to 1.6% of the total electricity cost, had already been registered for the first nine months of 2003-04 as compared to the same period in 2002-03.
- 9.5 In response, the Director of Electrical and Mechanical Services (DEMS) explained that the 1.6% reduction had included some adjustments related to the tariff rebate offered by the CLP Power Company Limited. The actual percentage reduction in units of electricity consumed was only 0.7% for the first nine months of 2003-04. As regard the promotion of housekeeping measures to reduce electricity consumption, DEMS said that this was necessary as users should be constantly reminded of the need to develop energy saving habits. explained that the performance of energy audits to identify energy saving opportunities would refer to the identification of use of prevailing new technologies which would help in conserving energy. SETW said that energy saving needed to be promoted regularly within the civil service. Certain bad habits such as setting the indoor temperature at too low a level, as in the case of some Government buildings and the Legislative Council (LegCo) Building, should be avoided.

DEMS affirmed in response to Ms Emily LAU's enquiry that energy 9.6 saving devices would be installed in new government buildings. considered beneficial, energy saving devices would be retrofitted in existing Government buildings. For example, the more energy efficient water-cooled systems for central air conditioning units would be installed to replace existing aircooled systems at the time the latter was due for replacement. As for the use of energy saving automated lighting with occupancy sensors, he pointed out that some users might not be able to adapt to this kind of system, and also it might not be applicable to certain situations. As an incentive to encourage energy saving, an energy saving competition, entitled "Hong Kong Awards for Energy Efficiency & Conservation in Government", was launched between October 2003 and September 2004 to provide the momentum for continuous improvement in energy saving within Government B/Ds. A total of four briefing sessions were held to exchange views on energy efficiency and conservation. There had been very good response and active participation from Government B/Ds. A website had been set up so that all Government B/Ds could report their expenditure on It was hoped that the energy efficiency measures would enable Government B/Ds to achieve a 1.5% reduction of electricity consumption for 2004-05 and 6% reduction within the next four years.

Nature conservation

9.7 Miss CHOY So-yuk questioned the reduction in subvention for the conservation and management of the Ramsar site as well as the World Wide Fund for Nature (Hong Kong) (WWF) under Head 22 - Agriculture, Fisheries and Conservation Department (AFCD). She also queried why no provisions had been made for the designation of Country Parks. The Director of Agriculture, Fisheries and Conservation (DAFC) explained that the reduction of 20% in subvention was partly due to resource constraints and partly due to a change in the form of subvention. As from 2004-05, subventions would be provided on a per project basis on contractual terms rather than on an annual basis. Meanwhile, the subvention of \$192,000 for WWF to run education programmes at the Island House Conservation Study Centre would cease because similar programmes would be provided by AFCD and other green groups. As regard the management of Country Parks, DAFC said that apart from outsourcing the cleaning work for Parks, provision had been made for the employment about 200 temporary workers to manage the Country Parks. More staffing support would be given to the management of those Country Parks which were frequented by tourists. Despite a reduction in funding, AFCD would ensure that there would not be a reduction in the services provided in Country Parks. As a

cost reducing measure, consideration would be given to combining control centres and streamlining work procedures. Meanwhile, there were no plans to designate more Country Parks in the near future.

Environmental nuisance associated with pig farms

- 9.8 Mr Albert CHAN was concerned about the odour nuisance from pig farms which was affecting many parts of the New Territories. He pointed out that although a lot of resources were invested in improving air quality, not much had been done to abate odour nuisance. He opined that as part of sustainable development, the Administration should put in place concrete plans to resolve the odour problem arising from pig farms. SETW said that in a city as congested as Hong Kong, it was difficult for residential developments and pig farms to co-exist. The Administration had been taking enforcement actions against illegal disposal of pig waste and some \$12 million were used annually for its collection and treatment. Meanwhile, more stringent licensing conditions were imposed on the management of pig farms. With the importation of pork from the Mainland, there might not be a need for pig farms in Hong Kong. However, compensation packages would need to be worked out for cessation of farming business. agreed that the existence of pig farms in Hong Kong and the economic implications associated with pig rearing should be looked into as a part of sustainable development.
- DAFC added that AFCD had been working out measures to prevent the illegal disposal of pig waste. Apart from taking enforcement actions, AFCD was considering the introduction of a demerit point system whereby pig farmers who repeatedly violated licensing conditions would have their licence revoked. As for the odour nuisance, DAFC advised that bio-deodorants had been used to remove the odour from pig farms but the nuisance could not be resolved unless the pig farms were moved away from residential developments. Mr Albert CHAN opined that as pig farms were a cause of nuisance to the neighbourhood, more sustainable measures such as moving the farms to remote locations or providing compensation packages for pig farmers to cease business should be adopted in the long run. While agreeing to consider the points raised, SETW said that the problems associated with pig farms would need to be dealt with jointly by the Health, Welfare and Food Bureau.

Waste management

- Referring to the feasibility study on the implementation of a product 9.10 responsibility scheme for waste tyres, Ms Miriam LAU said that she was aware that there had been suggestions of introducing a tyre tax based on the size of motor vehicles. She said that the transport trade was opposed to the said proposal as the size of the vehicle was not directly related to its usage. The Acting Permanent Secretary for the Environment, Transport and Works (Environment and Transport) explained that the introduction of tyre tax was one of the options of the producer responsibility scheme applying the "polluter-pays" principle. Administration would have an open mind about the choice of options. It was in the process of conducting a regulatory impact assessment study which was aimed at taking a holistic view of the various options in terms of their cost, effectiveness and impact on the trade and stakeholders with a view to identifying the most desirable option. Upon completion of the study, it would consult the trade and stakeholders, including vehicle owners, tyre manufacturers and vehicle dealers, on the recommended option. LegCo would be consulted in due course. legislative proposals had to be introduced, Members would also have a chance to debate on these proposals when they were introduced to LegCo.
- 9.11 Mr Andrew CHENG noted with concern that the developers of Hunghom Peninsula were considering the feasibility of redeveloping the site by demolishing the current new structures. As this would generate substantial amount of construction and demolition (C&D) materials, he enquired how the Administration proposed to prevent and/or reduce the waste generated from the redevelopment.
- 9.12 SETW said that she was against the demolition of a new development as this was at variance with the principle of environmental protection. Given the limits in landfill space, there might not be space available to accommodate the unexpectedly large amount of C&D waste arising from the redevelopment at one go. However, if the developers insisted on demolishing the current structures, there was no existing legislation to prevent them from doing so. Neither could disposal charges be imposed as the Waste Disposal (Amendment) (No. 2) Bill 2003 (the Amendment Bill) had yet to be passed by LegCo. SETW said that the Amendment Bill proposed to levy charges on the disposal of C&D waste at landfills, sorting facilities and public fill reception facilities. It was an essential component of the waste management strategy as it provided the economic incentive for waste producers to reduce waste and to carry out sorting to facilitate reuse/recycling of waste, thereby helping to slow down the depletion of

limited landfill capacity. The Bills Committee set up for the purpose would be holding its first meeting on 14 April 2004. The public had all along been reminded through education and publicity programmes of the need to reduce waste. The introduction of waste disposal charges would hold the polluters responsible for the payment of waste disposal.

Transport

Provision of transport infrastructure

- 9.13 Mr Andrew CHENG referred to the recent controversy over the Central and Wanchai Reclamation, and relayed the concern expressed by some members of the public that the construction of the Central Wanchai Bypass (CWB) was only a stop-gap measure and did not offer a long-term solution to the traffic congestion on hand. Considering such concern in the community, he asked whether the Administration had allocated any resources to revisit the option of Electronic Road Pricing (ERP) as an alternative to the construction of CWB from a policy perspective.
- 9.14 SETW said that the Administration had previously commissioned a feasibility study on ERP which was completed in 2001. Since then, the Administration had been monitoring the development of the ERP technology, as well as the transport and environmental needs for the application of ERP. Instead of allocating specific provision to commission another study, the Administration would utilize existing resources to conduct an in-house review of ERP by making reference to the experience of overseas countries in the implementation of road pricing schemes. This would provide useful data for assessing the transport and environmental benefits arising from the application of ERP.
- 9.15 SETW added that the Administration had in fact considered all alternatives before deciding on the construction of CWB. For any ERP scheme to be successful, it must be complemented by a network of alternative routes. Hence, ERP alone could not resolve the congestion problem in the Central Business District (CBD). In this respect, she said that the Administration would revisit all the relevant issues when reviewing the Wanchai Development Phase II.

- 9.16 Mr Andrew CHENG said that the public had expressed grave concern on habour reclamation works. He urged the Administration to publicize the findings of the in-house review to ensure the early participation of the community in identifying the right way forward.
- 9.17 In view of the current budget deficit and the Government's housing policy, Mr LAU Kong-wah enquired about the Administration's stance on the recent proposal put forward by the MTR Corporation Limited (MTRCL) to implement the South Island Line and West Island Line with a request for funding support from the Government in the region of \$10 billion together with property development rights.
- 9.18 SETW replied that she could not comment on the issue as MTRCL had yet to submit its formal proposal on the two projects to the Government. The plan was for MTRCL to submit the project proposal to the Government for consideration by the second quarter of 2004.
- 9.19 Dr TANG Siu-tong enquired about the resource provision and timetable for the implementation of the Northern Link. In reply, the Acting Permanent Secretary for the Environment, Transport and Works (Environment and Transport) stated that the Administration had recently commenced discussions with the Kowloon-Canton Railway Corporation (KCRC) on the preliminaries of the project. As the project was still at an early planning stage, an implementation timetable had yet to be determined. As far as resource requirement was concerned, she said that no separate provision was necessary as the related work at this stage would be undertaken by the Railway Development Office (RDO) of the Highways Department (HyD).
- 9.20 Citing the changing circumstances, Mr LEUNG Fu-wah saw the need for the Administration to review the overall planning for railway development in Hong Kong as outlined in the Railway Development Strategy 2000 taking into account the latest planning parameters. In this connection, he enquired about the resource provision for RDO to undertake the relevant duties.
- 9.21 The Director of Highways (D of Hy) advised that as an on-going initiative, HyD would monitor and review the need for and timing of individual rail projects, taking into account the changes in socio-economic and demographic data in the society. As regards staffing requirement, he said that as the data would be analyzed and updated in-house by computer modelling, no additional staffing resources were needed.

Cross-boundary transport and traffic arrangements

- 9.22 Ir Dr Raymond HO enquired about the latest progress in taking forward the Hong Kong-Zhuhai-Macao Bridge (HZMB) as a strategic cross-boundary infrastructural project with significant importance to the development of Hong Kong.
- 9.23 D of Hy said that in December 2003, the Finance Committee had approved the Administration's funding request for the engagement of consultants to undertake an Investigation and Preliminary Design (I&PD) Study on the Hong Kong Section of HZMB and its connecting infrastructure in Hong Kong, including investigation study as well as conceptual and preliminary designs for the project. The I&PD Study was now underway for completion by end 2004. Subject to the decision of the Central Government on the creation of a project item for HZMB, the project would then proceed to the detailed design stage.
- 9.24 Mr LAU Kong-wah referred to the increasing traffic demand at the land boundary crossings, in particular the Lok Ma Chau crossing, and enquired about further improvements to be sought by the Administration. In this connection, he asked whether a decision on the implementation of the Express Rail Link (ERL) would be made in the near future.
- 9.25 D of Hy replied that the congestion at the Lok Ma Chau crossing would improve significantly with the opening of the New Boundary Bridge between Lok Ma Chau and Huanggang by the end of the year. Local traffic improvement works would also be undertaken at the San Tin Interchange. As regards ERL, he said that joint studies on the project were being undertaken by the Administration and the Ministry of Railways of the Mainland. As both sides would need to further examine various important issues, such as crossing points and alignments, it would be too early to speculate on the implementation timetable of the project.

Enhancing efficiency of bus operation

9.26 Ms Emily LAU referred to the Transport Department (TD)'s plan to rationalize 70 bus routes in 2004, and enquired whether any of the routes were related to the impending commissioning of the Ma On Shan Rail (MOSR). She stressed that while bus route rationalization was beneficial to the community as a whole, it was also important to give due regard to the needs of the local community. To ensure support for this important initiative, the Administration

should adopt the right strategy and make the necessary provision for enhanced publicity and consultation on the route rationalization packages. In this respect, work at the community level was particularly important. The Administration should ensure that the perceived benefits as well as the impact of the rationalization proposals were clearly conveyed to the local residents.

- 9.27 Mr Andrew CHENG also said that the Administration would need to work closely with the local community in ensuring the better co-ordination of public transport services provided in the Ma On Shan area upon the commissioning of MOSR. Referring to the time and service gap of MOSR and the Shatin to Central Link, he stressed that the Administration should not seek to cancel overlapping franchised bus services in the area during the initial operation of MOSR. In particular, to provide a choice to commuters, the existing level of cross-harbour bus services should be maintained.
- 9.28 SETW stated that under the Government's transport strategy, railways would form the backbone of Hong Kong's passenger transport system. The co-ordination among different public transport modes would be strengthened to better match demand and to ensure efficient use of resources by minimizing wasteful competition. For the same reason, the Administration would formulate public transport service plans (PT plans) to tie in with the opening of new railways so that the necessary adjustments to existing services provided by franchised buses as well as other public transport modes would be made.
- 9.29 The Commissioner for Transport (C for T) supplemented that as in the case of the opening of MTR's Tseung Kwan O Line and KCR's West Rail, TD would conduct full consultation with the public on the PT plan to tie in with the opening of MOSR later in the year. To assist consultation, TD would put forward certain preliminary proposals on the necessary changes to be made. TD would then carefully consider all views received and make adjustments accordingly before details of the PT plan would be finalized. Having recently completed the first round of consultation on the proposed PT plan, TD would report back to the relevant District Councils (DCs) in early May to seek further views from the local community. He assured members that TD's aim was to implement the PT plan in a progressive manner having regard to actual situation on-the-ground after the commissioning of MOSR to ensure smooth implementation.

- 9.30 SETW further said that she was aware of the mixed feelings of the affected residents on bus route rationalization proposals as expressed during previous consultation with the relevant DCs. Nevertheless, considering the traffic and environmental benefits to be achieved, in particular at busy urban corridors, the Administration would continue to strive for further improvements where appropriate. To facilitate the implementation process in future, she had initiated discussions with the Home Affairs Bureau on how better consultation arrangements with DCs could be put in place.
- 9.31 Mr Martin LEE stressed the need for sustained efforts by the Administration to ensure the efficient use of roads. He said that Members of the Democratic Party had all along been calling for the implementation of full-scale bus-bus interchange (BBI) schemes in CBD to relieve traffic congestion while achieving further improvements in air quality. The suggestion was for all cross-harbour bus traffic coming from Kowloon and the New Territories via Western Harbour Crossing or Cross Harbour Tunnel/Eastern Harbour Crossing to terminate at Sheung Wan and Causeway Bay respectively. Interchange passengers could then make use of shuttle services run by environmentally-friendly buses for onward journeys to CBD. Mr LEE believed that this could be achieved through concerted efforts from all parties concerned as the public gained a better understanding about the time saving and environmental benefits associated with the implementation of bus route rationalization programme.
- 9.32 In response, SETW said that on-going efforts had been made to rationalize bus routes while implementing BBI schemes to reduce the number of bus trips and bus stopping activities in busy corridors. Over the years, such measures had managed to reduce the number of daily bus trips passing through Central and Causeway Bay by some 10% and 20% respectively. Moreover, the Administration had been encouraging the franchised bus operators to deploy more buses of Euro II or above standards to operate along the busy urban corridors as far as practicable.

Licensing service

9.33 Ms Miriam LAU referred to the deletion of 32 posts in TD due to the business process re-engineering of licensing services, and asked whether this would result in the closure of any licensing offices. Notwithstanding the need to improve operational efficiency and productivity, she stressed that the Administration must also maintain its service standard and avoid causing undue inconvenience to the public. In this connection, she sought the Administration's assurance that all four existing licensing offices of TD would maintain operation.

9.34 C for T explained that the objective of the business process reengineering exercise was to enhance the efficiency of business processes involved in the licensing services. Possible options would include simplifying the paper work in licence renewal applications and making use of other readily available resources such as the post offices to provide some licensing services. TD would also consider whether to centralize the less common licencing services. He assured members that TD would continue to provide the same level of service to the public for the more common licencing services although the mode of service delivery might be different.

Street lighting

9.35 In reply to Mr SIN Chung-kai, D of Hy said that HyD would embark on a three-year programme to replace the obsolete lanterns and lamps with a view to reducing public lighting maintenance cost. As the new lanterns were dust-tight and water proof while the new lamps had a lower failure rate and longer service life, they would require less frequent cleaning and replacement. It was expected that an annual maintenance cost savings of \$15.5 million could be achieved.