



來函檔號 Your Ref:  
本署檔號 Our Ref: DSD T 8/4355DS  
電話 Tel: (852) 2594 7007  
傳真 Fax: (852) 2827 9352

27 May 2013

Clerk to Panel on Environmental Affairs  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

( Attn : Ms. Miranda HON )

Dear Ms. Hon ,

**Legislative Council  
Panel on Environmental Affairs**

**355DS – Outlying Islands sewerage, stage 2 – Lamma village sewerage phase 2**

**Supplementary Information**

In considering LC Paper No. CB(1)864/12-13(03) at the meeting of 22 April 2013, the Panel on Environmental Affairs (EA Panel) requested us to provide the details of the compensation package for the resumption of private agricultural lots and a cost comparison between the proposed sewerage project at Lamma Island and other similar sewerage projects.

We wish to provide the following information for Members' reference.

**Compensation package for the resumption of private agricultural lots**

We will resume 35 private agricultural lots with a total area of about 773 square metres for carrying out the proposed sewerage works. The cost of land resumption and clearance is about \$4.69 million. A breakdown of the land resumption and clearance costs is at **Enclosure 1**.

During the gazettal of the proposed sewerage works in August 2012 and January 2013 under the Water Pollution Control (Sewerage) Regulation, we did not receive any objection to the part related to the proposed resumption of the private agricultural land.

### **Cost comparison between the proposed village sewerage project and other similar sewerage projects**

We have made a cost comparison between the proposed village sewerage project and other similar village sewerage projects recently implemented by Drainage Services Department. The cost comparison is at **Enclosure 2**.

The estimated construction cost per metre of village sewer of the proposed project is about \$18,990 (in September 2012 prices). In making the cost estimate, we have made reference to the cost of a previous sewerage works contract (Contract No. DC/2007/18) also carried out on Lamma Island (i.e. \$18,440 per meter in September 2012 prices).

In comparison to similar village sewerage projects in non-outlying island areas being carried out recently, the estimated construction cost per metre of village sewer of the proposed project on Lamma Island is about 47% higher. This is mainly due to the very difficult logistic problems and the absence of vehicular access on Lamma Island. Construction materials have to be delivered to the public pier by marine transport. For instance, there is no concrete batching plant on Lamma Island and concrete might have to be delivered by marine transport from urban area. After the construction materials are unloaded at the pier, they have to be transported from the pier to works sites by village vehicles with limited capacity (0.1 – 0.3 cubic metres per trip). The transportation of other bulky construction materials (e.g. steel reinforcement, formwork, sheetpile, pipes, etc.) and construction plant (e.g. excavator, generator) also has great logistics problems. Multiple trips by village vehicles have to be made to transport materials which could otherwise be done in a single trip in other works contracts with vehicular access (e.g. in urban or New Territories areas). Many of the work fronts on Lamma Island are located on the hillside or even at the top of hills (e.g. Tai Peng, Tai Shan Central and O Tsai) which are far from the pier. Besides, the narrow access on Lamma Island renders the manoeuvring of heavy construction plants not possible which affects the overall progress of the works. All of the above would lead to a higher construction cost.

I should be grateful for your kind assistance to distribute this letter to all members of EA Panel for their reference please.

Yours sincerely,



( H L CHENG )

*for* Director of Drainage Services

c.c. Secretary for Financial Services and the Treasury  
( Attn : Ms Joyce Ho )  
( Fax : 2523 5722 )

Director of Environmental Protection  
( Attn : Mr. Alex Y W Ng )  
( Fax : 2519 0572 )

**355DS – Outlying Islands sewerage, stage 2 – Lamma village sewerage phase 2****Breakdown of land resumption and clearance costs**

	<b>\$ million</b>	
<b>(I) Estimated resumption cost</b>		<b>3.29</b>
(a) Agricultural land ex-gratia compensation in Sha Po New Village, Sha Po Old Village, Ko Long, Yung Shue Long New Village and Yung Shue Long Old Village	3.29	
involving land from 35 agricultural lots (with a total area of about 773 m <sup>2</sup> ) will be resumed		
773 m <sup>2</sup> x \$4,252 per m <sup>2</sup> (see Notes 1 and 2)		
<b>(II) Estimated clearance cost</b>		<b>0.97</b>
(a) Ex-gratia allowance of crop compensation	0.71	
(b) Ex-gratia allowance for farm structures and miscellaneous permanent improvements to farms	0.12	
(c) Ex-gratia allowance for “Tun Fu”	0.14	
<b>(III) Contingency payment</b>		<b>0.43</b>
(a) Contingency on the above costs	0.43	
<b>Total costs</b>		<b>4.69</b>

**Note:**

1. There are four ex-gratia compensation zones, namely Zones A, B, C and D, for land resumption as approved by the Executive Council in 1985 and 1996. The boundaries of these zones are shown on the Zonal Plan for Calculation of Compensation Rates. About 773m<sup>2</sup> of land to be resumed in the project 355DS is agricultural land currently within Zone C.
2. In accordance with G.N. 1568 dated 15 March 2013 on the revised ex-gratia compensation rates for resumed land, the ex-gratia compensation rate of agricultural land for Zone C is 50% of the Basic Rate at \$790 per square foot (or about \$8,503.48 per m<sup>2</sup>). Hence the ex-gratia compensation rate used for estimating the resumption cost of the 35 lots in Sha Po New Village, Sha Po Old Village, Ko Long, Yung Shue Long New Village and Yung Shue Long Old Village affected by 355DS is \$4,252 per square metre.

**355DS – Outlying Islands sewerage, stage 2 – Lamma village sewerage phase 2**

**Cost comparison between the proposed village sewerage project and other similar sewerage projects<sup>(1)</sup>**

<b>Contract No.</b>	<b>Contract Title</b>	<b>Location</b>	<b>Date of Receiving Tenders</b>	<b>Approximate Unit Construction Cost of Village Sewers (per metre) (September 2012 prices)<sup>(4)</sup></b>	
DC/2013/04 <sup>(2)</sup>	Outlying Islands sewerage, stage 2 - Lamma village sewerage phase 2, package 1	Lamma Island	October 2013 (anticipated)		<b>\$18,990 (estimate)</b>
DC/2007/18 <sup>(3)</sup>	Yung Shue Wan and Sok Kwu Wan Village Sewerage, Stage 1 Works	Lamma Island	October 2007		<b>\$18,440</b>
DC/2012/04	Sewerage in Kau Lung Hang San Wai, Kau Lung Hang Lo Wai and Tai Hang	North District	April 2012	\$12,310	} <b>\$12,920 (Average cost)</b>
DC/2012/06	Sewerage at Clear Water Bay Road, Pok Shui Sun Tsuen and West of Sai Kung Town	Sai Kung	July 2012	\$11,130	
DC/2012/08	Lam Tsuen Village Sewerage - Village Sewerage, Stage 2, Phase 2	Tai Po	August 2012	\$15,310	

**Notes:**

1. Major village sewerage projects implemented by Drainage Services Department in the past 12 months have been selected for comparison purpose. A works contract carried out in Lamma Island earlier (DC/2007/18) has also been selected due to its similar location and nature to the proposed village sewerage project. All these projects are implemented with works contract using “General Conditions of Contract for Civil Engineering Works”.
2. The works contract to be implemented under **355DS – Outlying Islands sewerage, stage 2 – Lamma village sewerage phase 2** is entitled Contract No. DC/2013/04 – Outlying Islands sewerage, stage 2 - Lamma village sewerage phase 2, package 1.
3. Only the relevant contract rates of DC/2007/18 in relation to the works at Yung Shue Wan have been included in the cost comparison.
4. The contract rates in the respective works contracts are converted to September 2012 prices using the appropriate Civil Engineering Works Index published by Civil Engineering and Development Department.