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**Public Works Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 9th meeting
held in Conference Room 1 of the Legislative Council Complex
on Tuesday, 8 April 2014, at 11:00 am**

Members present:

Ir Dr Hon LO Wai-kwok, BBS, MH, JP (Chairman)
Hon LEUNG Che-cheung, BBS, MH, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon WONG Kwok-hing, BBS, MH
Hon Cyd HO Sau-lan
Hon CHAN Hak-kan, JP
Hon IP Kwok-him, GBS, JP
Hon Albert CHAN Wai-yip
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming
Hon WU Chi-wai, MH
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon Alice MAK Mei-kuen, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon CHIANG Lai-wan, JP
Hon Tony TSE Wai-chuen

Staff in attendance:

Mr Andy LAU	Assistant Secretary General 1
Ms Connie HO	Senior Council Secretary (1)3
Mr Fred PANG	Senior Council Secretary (1)8
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)7
Ms Yannes HO	Legislative Assistant (1)10

Action

The Chairman reported that 11 Capital Works Reserve Fund items of \$34,317.2 million had been endorsed by the Public Works Subcommittee ("PWSC") in the 2013-2014 session so far, of which \$30,566.3 million was related to capital works projects. He advised that on the agenda for the meeting, there were five funding proposals for upgrading five items to Category A respectively, which, if endorsed, would involve a total funding allocation of \$2,296.3 million. If these five proposals were approved, the cumulative number of items approved by PWSC in the 2013-2014 session would be 16, while the total amount of funding approved would be \$36,613.5 million, of which \$32,862.6 million was related to capital works projects.

2. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the funding proposals under discussion at the meeting before they spoke on the item. He also drew members' attention to Rule 84 of RoP on voting or withdrawal in case of direct pecuniary interest.

3. The Chairman said that members should focus their discussion on the funding proposals under the respective agenda items. Policy matters should be discussed at the meetings of the relevant Panels.

Head 705 – Civil Engineering

**PWSC(2014-15)1 172DR Organic waste treatment facilities
phase 1**

4. The Chairman advised that the proposal was to upgrade 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. The Panel on Environmental Affairs ("EA Panel") had been consulted on the proposal on 13 March 2014 and

Panel members in general supported it. Pursuant to Panel members' request, the Administration had provided supplementary information on 21 March 2014. The gist of the Panel's discussion had been tabled at the meeting.

Project cost estimate

5. Considering that food waste recycling was necessary to help alleviate the pressure on landfills, Mr WONG Kwok-hing said that he supported the funding proposal. He enquired why the project cost estimate under the proposal was much higher than the Administration's initial estimate presented in its paper provided to EA Panel previously ("the Initial Estimate") and whether there were ways to reduce the project cost estimate.

6. Assistant Director (Nature Conservation and Infrastructure Planning), Environmental Protection Department ("ADEP(NC&IP")), advised that the reasons for the differences between the project cost estimate and the Initial Estimate included, among others, (a) significant increases in the costs of capital works projects in recent years; (b) additional provisions identified in the detailed feasibility study to provide sufficient and robust treatment capacity to meet the service level requirements for continuous 24-hour operation of the facilities, including the requirements related to environmental protection, waste water treatment etc.; (c) natural terrain and slope protection cum mitigation works proposed as a result of a detailed site condition study, and (d) provision of combined heat and power generators.

7. ADEP(NC&IP) emphasized that the Initial Estimate at \$489 million was a crude estimate made before the completion of the relevant detailed feasibility study for the OWTF Phase 1 project. Taking into account the more exact requirements identified in the feasibility study, the latest market price and the results of the environmental impact assessment ("EIA") for the project, the Administration had drawn up tender specifications and completed the tender exercise in November 2011. As the received tenders were of very high prices, the Administration had introduced measures to balance the construction and price risks to both the Government and the contractor with a view to lowering the costs involved without adversely affecting the operational and environmental standards expected of the project. A re-tendering exercise through open tendering had been carried out in February 2013. He said that the updated project cost estimate was based on the returned tender prices from the second tender exercise and had reflected the latest market price for the construction of the proposed facilities.

Collection of food waste

8. Mr WU Chi-wai expressed support for the proposal and opined that

effective collection of food waste was critical to the successful operation of OWTF. Taking in view that some operators who had made considerable investment in biodiesel production had encountered difficulties in collecting adequate amount of waste oil for use as a raw material, he was concerned whether similar difficulties would be found in the collection of food waste for recycling in the proposed facilities.

9. ADEP(NC&IP) replied that the raw material for producing biodiesel was mainly used cooking oil, which was a commodity with commercial value and was already collected for recycling without going to landfills and hence would not be collected for recycling in OWTF. OWTF Phase 1 would provide treatment for source-separated organic waste primarily coming from the commercial and industrial ("C&I") sector. As C&I establishments were currently responsible for delivering their waste to refuse transfer stations or landfills, the collection of organic waste from them should be less challenging than from households. Following appropriate adjustments to the relevant contracts, the participating C&I establishments could arrange the delivery of food waste to OWTF without difficulties. He advised that in 2010, the Administration had launched the Food Waste Recycling Partnership Scheme ("the Partnership Scheme"). Over 130 C&I establishments had joined the Partnership Scheme to gain experience in food waste separation and collection for recycling. Moreover, arrangements to collect food waste from public markets had also been worked out.

10. Mr WU Chi-wai said that as both food waste and used cooking oil were collected from similar sources, i.e. restaurants and eateries, to enhance the overall efficiency of waste collection and treatment, the Administration should consider ways to integrate different food waste recycling facilities and operations. In response, Under Secretary for the Environment ("USEN") advised that the "Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022" published in May 2013 had provided a broad picture of the Administration's plan and strategy to deal with waste.

11. Mr Albert CHAN said that Members belonging to People Power objected to the funding proposal. While acknowledging the importance of organic waste recycling, he held the view that the proposed facilities would not operate in a cost-effective way given that the Administration so far had not implemented mandatory source separation and recycling of domestic waste. He considered that if such a mandatory system had been put in place, private operators who wished to invest or take part in the waste recycling business could build and operate OWTF on their own, and the Administration might only need to provide support in land rental and administrative arrangements for the interested operators to develop the facilities. Mr CHAN criticized that the Administration had no long-term planning for

waste management, which was essential to the development of the proposed OWTF. He was worried that the proposed facilities might become a "white elephant" in future. As such, he urged the Director of Audit to monitor the cost-effectiveness of OWTF if it was to be developed. He requested that the funding proposal for the project be voted on separately at the relevant meeting of the Finance Committee ("FC"). In response, Under Secretary for the Environment ("USEN") remarked that the Administration had discussed with members at the relevant meeting of EA Panel the issues raised by Mr CHAN.

Private recyclers

12. Mr TAM Yiu-chung said private recyclers considered that food waste recycling offered business opportunities but Government support was needed. He opined that, instead of developing all the OWTF on its own, the Administration should encourage the private sector to participate in similar projects in future.

13. Mr LEUNG Che-cheung said that if the Administration decided to develop more OWTF in future, the business of private recyclers might be adversely affected. While expressing support for developing OWTF Phase 1, Mr LEUNG urged the Administration to set out a long-term overall policy on waste reduction and to conduct a comprehensive review in due course on whether it should proceed to build more OWTF. In considering whether to support the Administration's proposals on developing other phases of OWTF in future, he would take into account the results of the review.

14. In reply, USEN said that Hong Kong needed a network of about five to six OWTF. While the first three phases of OWTF were at different stages of planning, the Administration welcomed the private sector to participate in the development of further phases of OWTF and was open to proposals from the private sector on matters related to waste treatment.

15. In response to Mr Frankie YICK's enquiry about the timetable for providing the first three phases of OWTF and their possible locations, ADEP(NC&IP) advised that OWTF Phase 1 at Siu Ho Wan was targeted for commissioning in 2016. The sites proposed for the second and third phases of OWTF were Sha Ling and Shek Kong respectively. He continued that the EIA for OWTF Phase 2 had been completed and the preparation for the relevant tendering exercise was being made. It was expected that OWTF Phase 2 might come on stream in around 2018. The Administration would continue to identify suitable sites for the development of other phases of OWTF.

Design capacity of the proposed facilities

16. Noting that OWTF Phase 1 could handle a maximum of 200 tonnes of food waste daily, which was only about 25% of the total food waste generated from C&I sources, Mr Frankie YICK enquired whether it was possible to increase the design capacity of the proposed facilities. Referring to the location plan of OWTF Phase 1 provided in the Administration's paper, he said that there should be room for expanding the facilities and urged the Administration to maximize the use of the site.

17. In reply, ADEP(NC&IP) said that the proposed facilities would be constructed on a site with an area of two hectares. As a lot of associated facilities such as those for odour control, anaerobic digestion and composting would have to be provided and slope protection works needed to be carried out, the proposed design capacity was appropriate for the site. He advised that in the long term, OWTF should be provided on a regional basis to ensure that the food waste collected from different locations was transported to the treatment centres and treated quickly.

18. Dr Kenneth CHAN said that Members belonging to the Civic Party held the view that OWTF should be developed as early as possible to deal with the large quantity of food waste generated in Hong Kong. He recalled the Administration had advised in a paper provided to EA Panel that a guaranteed food waste tonnage of 50 tonnes per day for the proposed facilities would be introduced. Noting that the design capacity of the proposed facilities would be 200 tonnes per day, he asked whether the Administration had the confidence that such an amount of food waste would be received from the C&I sector when the proposed facilities were commissioned in 2016. He queried whether the participating C&I establishments would deliver their food waste to OWTF at their own cost given that they were not required under the law to do so.

19. ADEP(NC&IP) replied that the introduction of a guaranteed food waste tonnage of 50 tonnes in the tender document was meant to share out the risk of waste quantity uncertainty between the Government and the contractor. The Administration had been implementing the Partnership Scheme since 2010 to collaborate with the C&I sector on matters relating to waste treatment, including the collection arrangements for food waste. The participating organizations had responded positively that they would deliver food waste to OWTF Phase 1 as far as possible when the facilities started operation. He advised that, subject to satisfactory trial results, it was expected that OWTF Phase 1 would reach its design capacity within a short time after commissioning.

Proposed sites for other OWTF

20. Dr CHIANG Lai-wan said that she supported the proposal as the project would reduce the landfill disposal of food waste, supply useful products such as biogas and compost, and help promote environmental protection. Dr CHIANG was concerned whether the amount of food waste received from the C&I establishments in the vicinity of Siu Ho Wan was adequate to test the effectiveness of the proposed facilities. Given that the operation of OWTF did not require a very large site, it should be practicable for the Administration to identify a more accessible site for developing the facilities.

21. ADEP(NC&IP) replied that the Administration had started to explore suitable sites for OWTF in 2006. Siu Ho Wan was a suitable site taking into account various factors such as transport accessibility, planning and land use compatibility, etc. It would be a convenient location for C&I establishments in Tsuen Wan, Kwai Chung, Tsim Sha Tsui, Sham Shui Po and Lantau Island to deliver the food waste generated from their business operations. The Administration would continue to identify potential sites with a view to providing OWTF at different parts of the territory.

Use of the products of food waste treatment

22. Noting that anaerobic digestion and composting technologies would be adopted to recycle organic waste into biogas and compost products, Miss CHAN Yuen-han and Miss Alice Mak expressed concerns as to how these products would be put into good use. ADEP(NC&IP) replied that the compost would be used by Government departments and non-governmental organizations. The biogas would be used to generate electricity. Apart from the internal use of OWTF Phase 1, about 14 million kWh of surplus electricity could be exported each year. The Administration planned to export part of the surplus electricity to the nearby Government facilities such as Siu Ho Wan Water Treatment Works, and part of it to the existing power grid. At the request of Miss CHAN and Miss MAK, the Administration would provide information about how it would ensure that, when OWTF Phase 1 was in operation, the biogas and compost produced from the food waste would be received and well-used by concerned organizations.

(Post-meeting note: Supplementary information from the Administration was forwarded to members vide LC Paper No. PWSC68/13-14(01) on 29 April 2014.)

Impacts of the operation of OWTF Phase 1 on local residents

23. Mr LEUNG Che-cheung said that there were local concerns over the odour nuisances associated with the transportation of organic waste by vehicles and asked whether the Administration had conducted an assessment on the matter when considering the location of the proposed facilities. Miss Alice MAK said that relevant District Councils had expressed concerns about the impacts of the operation of OWTFs Phase 1 on neighbouring residents and traffic. At the request of Miss MAK, the Administration would provide information about the impacts of the operation of OWTF Phase 1 on the traffic conditions in the nearby areas and the measures it would take to mitigate the identified impacts.

(Post-meeting note: Supplementary information from the Administration was forwarded to members vide LC Paper No. PWSC68/13-14(01) on 29 April 2014.)

Source separation of food waste

24. Mr Michael TIEN questioned the Administration on how it would ensure that the waste delivered to OWTF Phase 1 would not contain any non-food waste or contaminants such as detergent. ADEP(NC&IP) advised that over the past years, sharing sessions and seminars had been held with the C&I establishments under the Partnership Scheme to help consolidate the experience gained on the proper treatment of food waste. Guidelines on the management and source separation of food waste had been issued. He explained that anaerobic digestion could deal with the situation in which a small amount of residues of detergent was contained in the waste received. Moreover, before proceeding to anaerobic digestion, the pre-treatment of the food waste collected would ascertain that it was suitable for treatment and recycling.

Recurrent expenditure

25. Noting that the fees and charges implication arising from the OWTF project would be considered in the context of waste charging discussion, Dr Kenneth CHAN requested the Administration to provide a breakdown on the estimated annual recurrent expenditure of \$72.4 million arising from the construction of OWTF Phase 1. ADEP(NC&IP) advised that the project would be implemented under a Design-Build-Operate contract. The estimated annual recurrent expenditure of \$72.4 million included various cost items such as maintenance, material and treatment costs etc.

(Post-meeting note: Supplementary information from the

Administration was forwarded to members vide LC Paper No. PWSC68/13-14(01) on 29 April 2014.)

26. The Chairman put the item to vote. At the request of Mr Albert CHAN, the Chairman ordered a division. Of the 22 members present, 21 members voted. Twenty voted for, one voted against the proposal and no one abstained. The voting results were as follows:

For:

Mr James TO	Mr CHAN Kam-lam
Ms Emily LAU	Mr TAM Yiu-chung
Mr Abraham SHEK	Mr WONG Kwok-hing
Ms Cyd HO	Mr IP Kwok-him
Mr Michael TIEN	Mr Frankie YICK
Mr WU Chi-wai	Mr Gary FAN
Mr MA Fung-kwok	Dr Kenneth CHAN
Miss CHAN Yuen-han	Mr LEUNG Che-cheung
Miss Alice MAK	Dr Fernando CHEUNG
Dr CHIANG Lai-wan	Mr Tony TSE

(20 members)

Against:

Mr Albert CHAN
(1 member)

Abstain:

(0 member)

27. The Chairman declared that the item was endorsed by the Subcommittee.

Head 704 – Drainage

PWSC(2014-15)2 399DS Relocation of Sha Tin sewage treatment works to caverns

28. The Chairman advised that the proposal was to upgrade part of 399DS to Category A at an estimated cost of \$637.7 million in money-of-the-day ("MOD") prices for conducting an investigation and design study for the relocation of Sha Tin sewage treatment works ("STSTW") to caverns and associated site investigation works. The Panel on Development had been consulted on the proposal on 25 March 2014 and Panel members in general supported the funding proposal. The gist of the Panel's discussion had been

tabled at the meeting.

Future use of the existing site of Sha Tin sewage treatment works

29. Mr WONG Kwok-hing expressed support for the Administration's initiative to relocate Government facilities to caverns so as to release land for developing housing and other uses. He opined that the Administration should collect public views in due course on the future use of the existing site of STSTW. With reference to those views which criticized the Administration for failing to increase housing supply on one hand, but objected to almost all the Government proposals on expanding housing land resources on the other, he said these people should make their arguments in a rational approach.

30. Expressing reservation on the proposal, Mr Gary FAN said that local residents had grave concerns over the future use of the existing site of STSTW. In particular, they were worried that "screen-effect buildings" would be built at the site. To solicit support for the relocation project, the Administration should let the public know the land use and planning for the site, which should be decided with reference to public opinions. He stressed that in planning the land use of an area, the Administration should uphold the "people-oriented" principle and take into account factors such as the needs of the local community, the demographic features of the population of the area and the surrounding environment.

31. Director of Drainage Services ("DDS") replied that the relocation of STSTW would take at least 10 years to complete. To ensure that the future use of the released site would meet the local community's need at that time, it would be appropriate for the Administration to consult the public on the matter at a time near the completion of the relocation. Mr FAN remained of the view that the Administration should demonstrate foresight in its work rather than having no idea on what the future land use would be.

32. Mr CHAN Kam-lam said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the conduct of the investigation and design study. Stressing the importance to secure land resources for meeting the housing demand in the years ahead, Mr CHAN said that the study should be done in a timely manner. He did not consider it practicable to have a comprehensive planning at the present stage on the future use of the existing site of STSTW, given that the site would only be made available for development after a decade or so. Citing the Administration's various initiatives to increase housing land supply, he expressed dissatisfaction that the views objecting the initiatives had unnecessarily created additional difficulties for the Administration in its work

on tackling the housing shortage problem.

33. The item was voted on and endorsed.

PWSC(2014-15)3	401DS	Feasibility study on relocation of Sham Tseng sewage treatment works to caverns
PWSC(2014-15)4	402DS	Feasibility study on relocation of Sai Kung sewage treatment works to caverns

Head 709 – Waterworks

PWSC(2014-15)5	195WC	Feasibility study on relocation of Diamond Hill fresh water and salt water service reservoirs to caverns
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34. The Chairman advised that the proposals under PWSC(2014-15)3, PWSC(2014-15)4 and PWSC(2014-15)5 were, respectively, to upgrade 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 ("Sham Tseng STW") to caverns, to upgrade 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, and to upgrade 195WC to Category A at an estimated cost of \$46 million in MOD prices for carrying out a feasibility study on relocation of Diamond Hill fresh water and salt water service reservoirs to caverns. The Panel on Development had been consulted on the three proposals on 25 March 2014 and Panel members were in general in support of the proposals. The gist of the Panel's discussion had been tabled at the meeting. Pursuant to Panel members' request, the Administration had provided supplementary information on the three proposals in Enclosure 3 to the discussion papers.

35. The Chairman suggested that, as the three items were all related to feasibility studies on relocation of Government facilities to caverns, discussions on the items would be combined but the items would be voted on separately. Members raised no objection to the Chairman's suggestion.

Scope of the feasibility studies on relocation of the two sewage treatment works

36. Ms Alice MAK opined that to cater for the pressing housing demand and to lower the property prices, the Administration's multi-pronged approach to enhancing land supply, including rock cavern development, should be supported. She considered that in carrying out the proposed feasibility

studies on the relocation of the two sewage treatment works ("STWs"), the Administration should consider the upgrading of the sewage treatment standard and assess whether the caverns to be constructed would be spacious enough to house the upgraded facilities. She said that the villagers living near the proposed new site of Sham Tseng STW were concerned whether the nuisances caused by the relocation works, such as blasting vibration, would affect the physical structure of their houses and ancestral graves. She suggested that, to avoid causing nuisances to local residents repeatedly, any plan to upgrade Sham Tseng STW or expand its facilities should be implemented as part of the relocation exercise.

37. DDS replied that the current sewage treatment levels of the two STWs had already met the Water Quality Objectives of the concerned receiving waters, therefore the Administration had no plan to upgrade the levels. That said, compared with the upgrading of STW on ground level with other developments in the vicinity, it was less complex to expand an STW in a cavern, where there was plenty of space. When conducting the proposed feasibility studies for the two STWs, the Administration would take into account the anticipated demand for sewage treatment facilities in the districts concerned and would reserve space for future expansion of the facilities accordingly. As regards the impact of the future relocation works on the residents in the nearby areas, the Administration would look into the matter when conducting the feasibility studies and strive to minimize the nuisances.

Cost-effectiveness of the relocation projects

38. Dr Fernando CHEUNG opined that the supplementary information provided in Enclosure 3 to the Administration's papers about the preliminary assessments on the technical and financial feasibility of the three relocation projects to caverns was too general and broad and had not addressed his concerns raised at a meeting of the Panel on Development. He said that, in view of the substantial amount of public monies to be involved, some community groups were very concerned about the cost-effectiveness of the relocation projects. Furthermore, a huge amount of construction waste would be generated from these projects. He asked the Administration to provide relevant data/quantitative information to support the preliminary assessments. If the Administration did not provide such information, he would object to the funding proposals when they were submitted to the FC for consideration.

(Post-meeting note: Supplementary information from the Administration was forwarded to members vide LC Paper No. PWSC73/13-14(01) on 14 May 2014.)

Impacts of the relocation works on local residents and the environment

39. Mr Michael TIEN was concerned about the noise and traffic impacts of the relocation of SKSTW on the residents living near Hong Kin Road, taking into consideration that construction vehicles would use the road to access the proposed new site of SKSTW. DDS replied that the Administration would install noise barriers at the entrance to the caverns to reduce the noise nuisances created by the works inside the caverns. A traffic impact assessment for the relocation project would also be conducted at the next stage. Subject to the result of the assessment, the Administration would work out mitigation measures to minimize the traffic impact of the relocation works on local residents. In response to Mr TIEN's enquiry on whether the Administration would consider requiring works contractors to access the site by sea, DDS said that the Administration would consider the option when carrying out the relevant studies.

40. Mr Michael TIEN further enquired whether the Administration had conducted assessments on the impact of the sewage discharge on the marine ecology and water quality. DDS explained that as the sewage discharge had to meet the standards set out by the Environmental Protection Department, there should be no unacceptable impacts of the discharge on the water quality and marine ecology. That said, the Administration would conduct an environmental impact assessment on the relocation works at a later stage.

41. Mr Gary FAN pointed out 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 that the future construction works and daily operation of the relocated SKSTW would make on the natural ecology of these areas. He cautioned the Administration that any adverse environmental impacts caused by rock cavern development would be irreversible and should be avoided. DDS responded that since the facilities of the relocated SKSTW would be constructed and operated inside the caverns, the vegetation in the vicinity of the site would not be affected. Moreover, the entrance to the caverns would be situated outside the area of Ma On Shan Country Park.

Facilities at the existing sites of the two sewage treatment works

42. Mr IP Kwok-him said that he supported the funding proposals. He opined that the operation of STWs inside caverns would reduce its adverse impacts on the environment and the communities nearby. He enquired whether any of the facilities at the existing sites of the two STWs could be re-used at the new sites. Mr Gary FAN raised similar concerns.

43. DDS said that since the relocation works would take at least a decade to complete and the average service life of the electrical and mechanical equipment in the existing STWs was about 10 to 20 years, replacement of the equipment was required no matter whether the STWs were to be relocated. He emphasized that the Administration would not demolish the two STWs before completing the construction of the new ones. If any of the equipment was suitable for re-use, it would be relocated to other existing plants.

Future use of the existing sites

44. Referring to the submission from Green Sense, which was tabled at the meeting, Mr Gary FAN highlighted the concerns of the group over the future land use of the existing site of SKSTW, in particular whether the site would be released for developing luxurious flats which were beyond the affordability of the general public. DDS advised that the relocation works for SKSTW would take at least 10 years to complete. To ensure that the future land use of the released site would cater for the needs of the local communities at that time, it would be more appropriate for the Administration to consult the public on the use of the site at a time near the completion of the relocation.

(Post-meeting note: A soft copy of the submission from Green Sense was circulated to members by email on 8 April 2014.)

45. Mr CHAN Kam-lam said that he supported the funding proposal because it was part of the Administration's efforts to increase housing land supply in the long term. He opined that apart from providing housing for people at the grassroot level, it was equally important to address the housing demand of the middle-income households. He considered that as the existing site of SKSTW was not conveniently served by public transport, it might be more appropriate to provide private flats rather than public housing at the site in future.

46. Mr IP Kwok-him opined that the relocation proposals would help increase land supply, which was important to the overall development of Hong Kong. The future land use of the existing sites of the two STWs should be considered in view of the sites' surrounding environment. Public or private housing could be provided at the sites as appropriate.

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

47. Mr Gary FAN said that the Administration had briefed members of the Sai Kung District Council on its proposal to carry out a study on

reclamation in association with the relocation of SKSTW ("the proposed Reclamation Study"), however, the Administration's papers provided for the Subcommittee as well as the Panel on Development on the funding proposal made no reference to the study. He opined that the proposed Reclamation Study was a piece of important information for members' consideration of the proposal to relocate SKSTW. He enquired whether the Administration would proceed with the proposed Reclamation Study once the feasibility study under 402DS was endorsed and it would not seek LegCo's funding approval for the former.

48. Deputy Secretary for Development (Works)2 ("DS(W)2/DEVB") responded that the proposed Reclamation Study was a Category D item under the Public Works Programme. The Administration would apply for funding to finance the study according to the established procedures. He advised that the reclamation works concerned was minor in scale. The Administration would consider whether to proceed with the reclamation works in light of the results of the study. Mr CHAN Kam-lam considered it appropriate to carry out the proposed Reclamation Study. He opined that the provision of additional land through minor reclamation at the waterfront making use of the materials excavated from the caverns should be supported.

49. Mr Gary FAN was concerned whether the proposed Reclamation Study and the feasibility study under 402DS should be undertaken separately. He queried whether it would be more cost-effective to combine the two studies into one. DS(W)2/DEVB replied that from a technical perspective, a reclamation project was very different from a cavern development project in terms of the nature of the works involved and their areas of focus. Unlike reclamation works, the projects to relocate STWs to caverns involved matters relating to sewage treatment technologies, planning for the use of the space in the caverns, etc. He advised that the Civil Engineering and Development Department, with expertise in reclamation works, would conduct the proposed Reclamation Study.

Construction waste

50. In response to Mr Gary FAN's enquiry about the expected volume of construction waste to be generated from the relocation works, including cavern development, Permanent Secretary for the Environment advised that various impacts, including the size of construction waste to be generated from the relocation works, would be assessed as part of the proposed feasibility studies. DDS supplemented that while cavern development would produce natural rock materials, the materials could be used for various purposes such as production of concrete rather than becoming construction waste.

Recycling of water resources

51. The Chairman enquired whether the Administration would consider incorporating the requirements on the production and reuse of reclaimed water produced from sewage treatment to the design of the STWs so as to achieve recycling of previous water resources. DDS replied that the Administration would look into the matter in the feasibility studies.

52. The Chairman put the items to vote one by one.

53. PWSC(2014-15)3 was voted on and endorsed.

54. PWSC(2014-15)4 was voted on and endorsed.

55. PWSC(2014-15)5 was voted on and endorsed.

56. Members noted that the Administration planned to submit the funding proposals endorsed at the meeting to FC on 16 May 2014. The Chairman advised the Subcommittee that Mr Albert CHAN had requested that 172DR be voted on separately at the FC meeting. The Chairman consulted members on whether any of the other four items would require separate discussion and voting at the FC meeting. Mr Gary FAN requested that 401DS and 402DS be voted on separately at the FC meeting.

Any other business

57. There being no other business, the meeting ended at 12:47 pm.