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

**Minutes of the 10th meeting
held in Conference Room 1 of the Legislative Council Complex
on Wednesday, 16 April 2014, at 8:30 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
Dr Hon LEUNG Ka-lau
Hon IP Kwok-him, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon Albert CHAN Wai-yip
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, 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
Hon CHAN Han-pan
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 Elizabeth QUAT, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen

Members attending:

Hon Frederick FUNG Kin-kee, SBS, JP
Hon TANG Ka-piu

Members absent:

Dr Hon Helena WONG Pik-wan
Dr Hon CHIANG Lai-wan, JP

Public officers attending:

Mr YEUNG Tak-keung	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr WAI Chi-sing, JP	Permanent Secretary for Development (Works)
Mr Thomas CHOW Tat-ming, JP	Permanent Secretary for Development (Planning and Lands)
Ms Anissa WONG, JP	Permanent Secretary for the Environment
Ms Jasmine CHOI Suet-yung	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr WONG Kam-sing, JP	Secretary for the Environment
Ms Christine LOH Kung-wai, JP	Under Secretary for the Environment
Mr Howard CHAN Wai-kee, JP	Deputy Director (2) Environmental Protection Department
Dr Ellen CHAN Ying-lung, JP	Assistant Director (Environmental Infrastructure) Environmental Protection Department
Mr Elvis AU Wai-kwong, JP	Assistant Director (Nature Conservation and Infrastructure Planning) Environmental Protection Department

Clerk in attendance:

Ms Sharon CHUNG

Chief Council Secretary (1)6

Staff in attendance:

Mr Andy LAU

Assistant Secretary General 1

Mr Fred PANG

Senior Council Secretary(1)8

Mr Frankie WOO

Senior Legislative Assistant (1)3

Ms Christy YAU

Legislative Assistant (1)7

Action

The Chairman reported that 16 Capital Works Reserve Fund items of \$36,613.5 million had been endorsed by the Public Works Subcommittee ("PWSC") in the 2013-2014 session so far, of which \$32,862.6 million was related to capital works projects. He advised that on the agenda for the meeting, there were four funding proposals for upgrading four items to Category A respectively, which, if endorsed, would involve a total funding allocation of \$22,181.5 million. If these four proposals were approved, the cumulative number of items approved by PWSC in the 2013-2014 session would be 20 while the total amount of funding approved would be \$58,795.0 million, of which \$55,044.1 million was related to capital works projects.

2. The Chairman said that, according to the Administration, excluding the four items on the agenda for the current meeting, it was anticipated that 26 more items, involving a proposed funding allocation of about \$25,520 million, would be submitted to PWSC for consideration in the current session.

3. The Chairman then 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.

PWSC(2014-15)7 177DR Development of integrated waste management facilities phase 1

Joint discussion on 164 DR and 177 DR

7. The Chairman said that EA Panel also had a joint discussion on the two funding proposals. The arrangement would facilitate members' deliberation on the issues related to both proposals. He did not subscribe to the view that under the arrangement, members would not give careful consideration to the proposals.

8. Mr Albert CHAN cast doubt on whether he would be allowed sufficient time to put up his questions and have the Administration's response on the two proposals at the meeting under the joint discussion arrangement. Considering that the Chairman would insist on having a joint discussion, he requested to put in record that the Chairman had not chaired the meeting in a fair and impartial manner and should be condemned. He said that the arrangement would cause confusion and deprive members of the opportunities to fully express their views on the two proposals. He held the view that the arrangement was to dovetail with the plan of the Administration to seek LegCo's approval of the funding proposals for extension of landfills and IWMF phase 1 as a package.

9. Mr TAM Yiu-chung said that he respected the decision of the Chairman. He added that, under the joint discussion arrangement, members would still have the chance to ask several rounds of questions on the two agenda items.

10. Mr James TIEN said that, if the Administration considered that the discussions on the two proposals should be combined, it would have submitted one paper for the two funding proposals for the Subcommittee's deliberation. As the two proposals had been set out separately in two papers, it was reasonable for members to request separate discussions.

11. Mr Gary FAN said that the Administration had been requested at a meeting of EA Panel to submit the funding proposals separately for separate discussions. He opined that it was not an appropriate and rational arrangement for members to have a joint discussion on the two proposals. He held the view that, as the speaking time for members would be reduced for the second and further rounds of questions, combining the two agenda items for discussion would in fact reduce the total speaking time for a member on the two proposals.

12. The Chairman said that the practice to combine several inter-related agenda items for discussion had been adopted by the Subcommittee at some of its previous meetings. Any suspicion over his motive was unnecessary. The Chairman considered that there would be ample time for members to speak on the two items at the meeting. He noted that some members supported the joint discussion arrangement. Moreover, in the discussion in the society, the proposed extension of the three landfills in SENT, Northeast NT and West NT, together with the proposed development of IWMF phase 1, had been regarded as one package of measures under the Administration's overall waste treatment strategy. He maintained his view that the Subcommittee could have a joint discussion on the two proposals.

Measures to address the nuisances caused by the operation of the Southeast New Territories Landfill

13. Mr James TIEN said that he was not a member of EA Panel and so had not had the chance to raise questions about the policy matters relating to the proposal on the SENT Landfill extension. He hoped the Chairman would allow him to ask such questions at the meeting. He queried why the objections of the local residents of Tseung Kwan O ("TKO") to the proposal remained unresolved despite the Administration's efforts over the years in working out solutions with the Sai Kung District Council ("SKDC") to address their concerns. He asked about the resources allocated by the Administration on the actions to address such concerns.

14. The Chairman said he should make clear to members that as a matter of principle, policy matters should be discussed at Panel meetings. However, he would exercise his discretion to invite the Administration to respond to Mr TIEN's questions and views, which were related to policy matters.

15. Deputy Director (2), Environmental Protection Department ("DD(2)/EPD"), advised that the Administration had commenced public consultations on the proposed SENT Landfill extension since 2004 and had held more than 650 public consultation and engagement activities so far. Apart from a briefing by the Secretary for Environment ("SEN") for SKDC in September 2013, the Administration had sent representatives to attend the meetings of a task force set up by SKDC to explain in details the measures to be taken to address the concerns of local residents, including those set out in paragraph 17 of PWSC(2014-15)6. He assured members that the Administration would continue to sustain its full efforts in the implementation of these measures. Assistant Director (Environmental Infrastructure), Environmental Protection Department ("AD(EI)/EPD"), advised that about \$94 million had been expensed on financing the enhanced odour control measures at the SENT Landfill, such as addition of landfill gas extraction facilities, enhancing the covering of waste dumped and provision of full-body vehicle washing facilities for all waste collection vehicles exiting the landfill, etc.

16. Dr Kenneth CHAN urged the Chairman to accommodate questions from members on various aspects of the proposals submitted to PWSC. He said that it was important for members to exchange views on policy issues before deciding whether to support a proposal. Miss CHAN Yuen-han said that the Chairman should respect the interactions among members at a meeting. Dr Fernando CHEUNG said that it was difficult for him to put up all his questions on the two funding proposals at one time. He requested the

Chairman to allow members to ask as many questions as they wished before putting the proposals to vote.

17. The Chairman said that he had been accommodating in allowing members to put up questions on different aspects of the proposal. He reminded members that their questions should be directly related to the proposal.

18. Dr Elizabeth QUAT said that only if the Administration could effectively implement improvement measures to address the concerns of local residents over the odour impact of the SENT Landfill as well as the nuisances caused by vehicles travelling to and from the landfill would members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong support the proposed extension. With respect to the measures set out in paragraph 17 of PWSC(2014-15)6, local residents had doubts on their effectiveness and whether the Administration would continue to take forward them after obtaining the approval of the Finance Committee ("FC") for the funding proposal. Noting that the Administration had proposed to reduce the number of vehicular trips going to the SENT Landfill daily from about 1 000 to about 500, Dr QUAT enquired about the timetable for achieving the target. She further enquired about the latest air quality monitoring results on PM2.5 at Wan Po Road, TKO; the earliest time by which odourous sludge would no longer be disposed of at the landfill; and whether the Administration would put in place measures other than the installation of a closed-circuit television system to combat illegal fly-tipping at Wan Po Road and the nearby areas.

19. DD(2)/EPD replied that the Administration would set up a District Liaison Group ("DLG") to enhance communication and to monitor the implementation of the measures listed in paragraph 17 of PWSC(2014-15)6. He advised that after obtaining FC's approval to extend the SENT Landfill, the Administration would proceed to implement the waste diversion plan under which the landfill extension would receive only construction waste, hence reducing the number of vehicular trips from about 1 000 to about 500 daily. Upon the commissioning of the Sludge Treatment Facility ("STF") in Tuen Mun in end-2014, odourous sludge would no longer be disposed of at landfills and would be delivered to STF by water-borne transport. He advised that the Administration had provided the latest data on PM2.5 at Wan Po Road to the relevant monitoring task force under SKDC. Apart from installing a closed-circuit television system in TKO in response to SKDC's request, relevant Government departments, in collaboration with SKDC, would step up enforcement actions against illegal fly-tipping in the district.

20. The Subcommittee noted that the Administration had issued over 440 summons and warnings from August 2013 to March 2014 since the Administration had stepped up its monitoring and enforcement against refuse collection vehicles ("RCVs") causing hygiene, overloading or other problems in TKO. Mr LEUNG Che-cheung enquired about the details.

21. AD(EI)/EPD replied that the cases included 317 fixed penalty tickets issued against speeding or overloading, 66 cases involving uncovered dumper trucks, and 64 cases involving RCVs causing hygiene problems such as dripping leachate on the way to or from the SENT Landfill.

22. Mr Gary FAN referred to a message sent out by the Chairman to a WhatsApp group set up for the communication among EA Panel members and the Secretariat. He said that, on 28 March 2014, in response to a message reminding EA Panel members to attend a meeting on the Administration's funding proposals on landfill extension and development of IWMF phase 1, the Chairman had sent out a message saying that a sufficient number of pro-establishment members must be present at the Panel meeting to vote. Mr FAN considered that, as the Chairman had taken a stance on the two proposals, he had not conducted the Subcommittee meeting in an impartial manner. For instance, the Chairman had insisted that the discussions on the two proposals be combined.

[At the juncture, some people yelled in the public gallery. The Chairman asked them to keep quiet.]

23. Mr Albert CHAN said that to uphold the dignity of LegCo, the chairman of a committee should be perceived by members of the public that he chaired a meeting in an impartial manner. He opined that, according to the information provided by Mr Gary FAN, the Chairman had taken a stance on the two proposals and intended to influence other members. He reiterated his views that it was unfair and unreasonable to ask members to have a joint discussion on the two items. Mr CHAN said that the Chairman should abstain from chairing the discussion on the two proposals.

[At the juncture, some people shouted in the public gallery. The Chairman asked them to keep quiet and not to interrupt the meeting.]

24. The Chairman said that as a member of EA Panel, he had his own position on the two funding proposals. His position was made clear by his vote cast at the relevant meeting of the Panel. In the Public Works Subcommittee, he would perform the functions of a Chairman. He reiterated that at the meeting, members would have ample time to ask

questions about the two proposals.

25. Mr Abraham SHEK said that the Chairman had so far chaired the meeting in an impartial manner. As a LegCo Member, the Chairman could have his own views on a public issue. He did not agree to the comments of Mr Albert CHAN about the Chairman and suggested that Mr CHAN should withdraw the comments.

26. The Chairman said that he had noted members' views. He requested that members should focus their discussions on the two funding proposals.

27. Mr Gary FAN declared that he lived in TKO and was a member of SKDC. He said it was not appropriate for the Administration to state in its paper that the majority of SKDC members present at the meeting on 3 May 2011 had supported or had no objection to the proposal to extend the SENT Landfill. He recalled that, at its various meetings in the past seven years, SKDC had passed more than three motions against the extension of the landfill.

[At the juncture, some people shouted in the public gallery. The Chairman asked them to keep quiet and advised that if they interrupted the meeting, he might order them to be removed from the public gallery.]

28. Mr Gary FAN referred to the statement in PWSC(2014-15)6 that since early December 2013, 10 suspected fly-tipping cases had been identified. He cast doubt on the accuracy of the figure, as the Administration had advised at a meeting of EA Panel two months before that there had been only one fly-tipping case identified. Mr FAN said that, as observed in a recent visit made by SKDC members to TKO Area 137, the leachate dripping problem remained unresolved. Moreover, the Administration had yet to establish an air quality monitoring system in TKO. He opined that, as the measures to address the concerns of TKO residents had not been fully implemented, it was reasonable to disapprove the funding proposal on the extension of the SENT Landfill.

[At the juncture, some people made noise in the public gallery. The Chairman asked them to keep quiet.]

29. SEN replied that the Administration's plan to designate the proposed SENT Landfill extension for reception of only construction waste would fundamentally address the local community's concerns on the odour problem. AD(EI)/EPD said that the Administration had already obtained agreement from SKDC at its previous meetings on the location for establishing the air

quality monitoring station and that the station was planned for operation by end-2015. Since the installation of the closed-circuit television system in December 2013, the fly-tipping problem had been relieved. The quantity of waste involved in fly-tipping cases had reduced from about 40 tonnes per month in the past to about 6 tonnes in March 2014. She assured members that the Administration would continue to conduct on-site inspections to combat illegal activities. To mitigate the problem caused by leachate dripping of RCVs and other waste collection vehicles along Wan Po Road, relevant Government departments including EPD, the Civil and Engineering Development Department ("CEDD"), the Food and Environmental Hygiene Department ("FEHD") and cleansing contractors would continue to coordinate their efforts in the cleansing of Wan Po Road and review the frequency and approach of the cleansing work. As regards Mr Frankie YICK's concern that water-spraying might reduce dust emission but at the same time cover the road with mud, AD(EI)/EPD advised that the Administration was looking into the matter.

Betterment measures for local communities affected by the operation of landfills

30. Ms Emily LAU said that the Administration had failed to address the environmental nuisances caused by the operation of the SENT Landfill, which had been affecting TKO residents for a long time. She was disappointed that the Administration was uncertain about the implementation timetable of some of the measures listed out in paragraph 17 of PWSC(2014-15)6 and their effectiveness. She opined that it might take a long time for the Restored Landfill Revitalization Funding Scheme, which aimed at making better use of restored landfill sites, to achieve fruitful outcomes. Ms LAU enquired whether the Administration would head in the same direction as that of some overseas authorities to bundle the SENT Landfill extension project with betterment measures to compensate the local residents for their suffering in order to gain their acceptance of the proposal. Mr Gary FAN said that the government of Seoul, Republic of Korea, had provided economic subsidies to the residents living near waste management facilities. He enquired about the Administration's position on the matter.

31. While welcoming members to make suggestions on the forms of economic subsidies that could be provided, SEN advised that in Europe, betterment measures were usually in form of developing infrastructure projects. SEN explained that the Administration already had some experience in restoring landfills for the betterment of the living environment of the local community. For instance, a pet garden had been provided at a restored landfill in TKO. The Restored Landfill Revitalization Funding Scheme with \$1 billion funding earmarked as announced in the 2014 Policy

Address aimed to expedite the development of community, environmental or recreational facilities at restored landfills. In collaboration with relevant community groups, the Administration had been conducting briefing sessions to local stakeholders with a view to engaging them in the implementation of the Scheme and would take it forward step by step. While different communities might have different opinions on the betterment measures, the society of Hong Kong in general was in support of the extension of the three landfills and development of modern waste incineration facilities.

32. Ms Emily LAU stressed that, unlike waste management facilities in overseas countries, the SENT Landfill was located close to the residential areas in TKO and hence its operation had caused great nuisances to the residents. It was the responsibility of the Administration to come up with concrete proposals and an implementation timetable on the measures to compensate the residents for their suffering.

[At the juncture, some people made noise in the public gallery. The Chairman asked them to keep quiet.]

33. SEN responded that the site for the proposed extension would be around two kilometres away from the nearest residential development, which was double of the existing distance between the development and the landfill. Moreover, the SENT Landfill extension would only receive construction waste.

34. Ms Cyd HO said that it was necessary for the Administration to consider offering some form of compensation to the residents living near waste management facilities. She pointed out that waste incineration was accepted in European countries even though some were located near the city centre because the incineration plants provided most of the energy required for heating for the households living nearby.

Treatment of waste disposed of at the Southeast New Territories Landfill

35. Mr Michael TIEN said that to safeguard the overall interest of Hong Kong and to maintain social justice, different regions of the territory should collectively share the burden of resolving the waste problem in Hong Kong. He opined that there was a need to proceed with the extension of the three landfills and the construction of IWMP phase 1 as a package.

[At the juncture, some people shouted in the public gallery. The Chairman asked them to keep quiet and not to interrupt the meeting.]

36. Noting that upon its commissioning, the SENT Landfill extension

would receive construction waste only, Mr Michael TIEN was concerned that the food waste originally handled by the SENT Landfill would have to be delivered to the extension of the Northeast NT Landfill and the West NT Landfill. He enquired about the volume of food waste currently delivered to the SENT Landfill.

37. AD(EI)/EPD replied that of the 2 000 tonnes of municipal solid waste ("MSW") currently delivered to the SENT Landfill, about 40% was food waste. Anticipating that only about 500 tonnes of food waste could be received by the first two phases of the Organic Waste Treatment Facilities after they came on stream in 2016 and thereafter, Mr TIEN enquired whether the remaining food waste had to be diverted to the other two landfills upon the commissioning of the SENT Landfill extension. AD(EI)/EPD replied in the affirmative.

38. Noting that some 2 320 tonnes of construction waste were being disposed of at the SENT Landfill each day, which accounted for about 67% of all the construction waste disposed of daily at the three landfills, Mr Albert CHAN enquired whether the Administration would take forward his suggestion made more than a decade before that reclamation plans should tie in with the Administration's strategy for the treatment of construction waste, so that the construction waste could be reused as fill materials in reclamation works.

39. SEN replied that of the construction waste generated in Hong Kong, the majority of it, say 95%, was suitable for reuse in reclamation works. The Administration had all along been collaborating with the construction contractors on the reuse of such materials. AD(EI)/EPD supplemented that space was provided in the construction waste sorting facility near SENT Landfill to facilitate the sorting of construction waste, which would be stockpiled at public fill banks for reuse. For the remaining construction waste, which had been mixed with other non-reuseable materials, it would be disposed of at landfills.

Integrated waste management facilities phase 1

40. Mr MA Fung-kwok said that he supported the two proposed projects. Noting that the estimated cost for the design and construction of the proposed IWMF phase 1 was \$18,245.7 million, he enquired how the estimate had been arrived at. As a significant proportion of the cost of the project was to finance reclamation and civil works, he asked the Administration about its assessment on the risk for cost overrun.

41. Assistant Director (Nature Conservation and Infrastructure Planning),

Environmental Protection Department ("ADEP(NC&IP)"), replied that when working out the project cost estimate, the Administration had taken into account the escalating construction prices in recent years, the requirements identified in the relevant environmental impact assessment ("EIA"), the costs of developing similar waste incineration facilities in other countries, etc. As the technology to be adopted for the construction of the facilities was one that could be procured from more than 10 suppliers in the international market, and the relevant works contracts would be awarded through open tenders, it was expected that competitive tender prices would be received. When conducting the feasibility study for the project, the Administration had already contacted some suppliers in the market to obtain updated cost estimates. He further advised that the cellular cofferdam approach to be adopted for the reclamation works had been used in some other projects recently and was found to be reliable and cost-effective. Based on the geological data collected, no significant risks were expected to arise from the reclamation and civil works.

42. The Subcommittee noted that there would be about 10 000 tonnes of waste that required disposal every day in 2017. Mr CHAN Han-pan said that according to the Administration, the moving-grate incineration technology adopted for the operation of the proposed IWMP phase 1 was capable of treating up to 3 000 tonnes of waste per day. He enquired whether such a large designed capacity was necessary given that the Administration had planned to reduce the per capita disposal rate for MSW by 40% by 2022. He further enquired whether the Administration would have to scale up the capacity of the incinerator if the waste reduction target was not achieved.

43. ADEP(NC&IP) replied that the proposed IWMP phase 1 was designed to handle 3 000 tonnes of waste at its maximum capacity so as to comply with the requirement of the relevant EIA. Besides, waste incinerators with a designed capacity of 3 000 tonnes or more were not uncommon in Europe, the United States as well as Singapore. The Chairman said that during his participation in the overseas duty visit of EA Panel in March 2014, he found that one of the incinerators in Europe had a designed capacity of 4 400 tonnes.

44. Miss Alice MAK enquired whether the waste-to-energy facilities and a desalination plant included in IWMP phase 1 could be developed to bring benefits to the residents of Tai Long Village and help address the water supply problem in the village. She said that although the fishermen and mariculturists affected by the proposed marine works of IWMP phase 1 might receive allowances provided under the existing policy, they were more concerned about the sustainable development of the local fisheries industry.

She enquired about the measures to safeguard their livelihood. She also asked about the impact of the development of IWMF phase 1 on the Shek Kwu Chau treatment and rehabilitation centre.

45. ADEP(NC&IP) replied that the Administration would set up a DLG comprising representatives of the fisheries industry, local representatives from Cheung Chau and Lantau South, and other stakeholders to strengthen mutual communication on IWMF phase 1. Concerns raised by stakeholders would be addressed by the DLG.

46. Mr CHAN Han-pan said that as the proposed IWMF phase 1 would generate electricity, to be fair to nearby local residents, the facilities should be designed for the betterment of their living. SEN replied that during the duty visit to Europe with LegCo Members in March, he observed that the countries visited stressed the importance of ensuring that incinerators were constructed in compliance with the relevant safety and hygiene standards, and their operation would have no negative impact on the environment. Instead of providing direct subsidies to the residents living near the incinerators, these countries had engaged them in planning the development of the incinerator sites with a view to providing suitable community facilities. He assured members that the Administration would make reference to overseas experience when designing the proposed IWMF phase 1.

47. Miss Alice MAK noted that the residual ashes generated from the treatment process of the proposed IWMF would be disposed of at landfills. She questioned whether the Administration would conduct studies on the recyclability of these ashes for producing useful materials. ADEP(NC&IP) replied that the Administration would explore how to reuse the residual ashes. Discussions on the subject among relevant Government departments had been started.

48. Mr Michael TIEN said that it was unfair to residents of NT West to have IWMF phase 1 constructed in the region as well as the West NT Landfill extended. However, in light of the views given by members of EA Panel who had made a duty visit to Europe to obtain an understanding of waste incineration facilities that the incineration technology to be adopted by the proposed IWMF phase 1 was a mature mainstream technology applied internationally with substantial proven track records and no adverse impact on public health, and for the sake of the overall interest of the society, he would consider supporting the IWMF proposal.

49. Mr Abraham SHEK enquired whether the moving-grate incineration technology to be adopted for the operation of the proposed IWMF phase 1 was the most advanced one. ADEP(NC&IP) replied that the technology

was a mature mainstream technology widely applied in Europe and used for the design of newly constructed incinerators. To reduce emission, the proposed IWMF would include a selective catalytic reduction system, which was a very advanced technology adopted internationally.

50. Dr Kenneth CHAN said that Shek Kwu Chau was one of the eight potential sites initially selected by the Administration for the development of IWMF, but according to the relevant site assessment result, it was not the best site. In order to form a construction site for IWMF phase 1 at Shek Kwu Chau, reclamation works had to be carried out. As the reclamation works would take time, it was expected that the proposed IWMF could not come on stream until 2022. He queried about the considerations underlying the Administration's recommendation for the site at Shek Kwu Chau. Dr CHAN said that, in order to exert pressure on the Administration so that it would continue taking forward other waste management initiatives and would not spend large amount of public monies on waste treatment at the output end, he objected to the two funding proposals.

[At the juncture, some people made noise in the public gallery. The Chairman asked them to keep quiet and reminded them that if they interrupted the meeting, he might order them to be removed from the public gallery.]

51. Ms Cyd HO said that although incineration was an indispensable part of the waste treatment facilities in Hong Kong, it was of prime importance to enhance waste recovery and recycling. Waste disposal should only be a last resort. Local green groups had suggested that the proposed funding for the development of IWMF phase 1 be considered in two phases in order to ensure that the Administration would continue to carry out other initiatives to tackle the waste problem. She enquired whether the estimated project cost of \$18,245.7 million would cover all the cost required for developing IWMF phase 1.

52. SEN replied that the proposed funding would cover the entire cost of developing IWMF at Shek Kwu Chau. As regards the question of whether the Administration had any plan to develop the second phase of IWMF, SEN said that in the longer run, Hong Kong's waste management system had to evolve in the direction of reducing direct landfilling of MSW. The Administration would take forward the issue in view of the outcome of the strategic study on future waste management facilities.

Reclamation works near Shek Kwu Chau

53. Noting that the proposed development of IWMF phase 1 included the design and construction of reclamation works to form an artificial island near Shek Kwu Chau, Mr LEUNG Che-cheung enquired about the monitoring of the impact of the works on the environment. ADEP(NC&IP) replied that the design of reclamation works for constructing the artificial island would be subject to stringent monitoring. To comply with the requirements of the relevant EIA and the project design, the Administration would keep the size of the artificial island as small as possible. He advised that, as depicted in Enclosure 3 to PWSC(2014-15)7, almost all the land on the artificial island would be used for accommodating IWMF phase 1 and its associated facilities.

54. Mr Albert CHAN requested the Administration to conduct a thorough search, including contacting the British Government for the requested information, to find out whether in the 1980s the then Hong Kong Government had entered into an international agreement under which it had undertaken to make Lantau South, an area near Shek Kwu Chau, a Coastal Protection Area, and what obligations the Government had to fulfill under the agreement. He said that it was inappropriate for the Administration to plan for reclamation to develop the proposed IWMF phase 1 at Shek Kwu Chau if Lantau South had been designated as a Coastal Protection Area. ADEP(NC&IP) responded that according to the relevant Government departments, there was no such international agreement as mentioned by Mr CHAN. At the request of Mr CHAN, the Administration would provide written information about the result of the search for the relevant records.

(Post-meeting note: The Administration's written response was forwarded to members vide LC Paper No. PWSC88/13-14(01) on 30 May 2014.)

55. Mr Albert CHAN said that the Administration's use of marine sand in the reclamation works for developing the airport at Chek Lap Kok and the West Kowloon Cultural District had seriously affected the marine ecology and the fisheries industry in Hong Kong. He requested SEN to undertake that marine sand would not be used in the reclamation works for developing IWMF phase 1 at Shek Kwu Chau. He enquired whether such a condition would be specified in the tendering documents for the project contracts.

56. SEN replied that the Administration would reuse inert construction waste as fill materials in the reclamation works for developing the proposed facilities as far as practicable. ADEP(NC&IP) advised that the distribution

of public fill materials to be used in reclamation projects was under the purview of CEDD. At the request of Mr CHAN, the Administration would provide information on what it would do to ensure that marine sand from local shores would not be used in the reclamation works for developing IWMF phase 1.

(Post-meeting note: The Administration's written response was forwarded to members vide LC Paper No. PWSC88/13-14(01) on 30 May 2014.)

Implementation of waste management initiatives

57. Mr CHAN Hak-kan opined that the burden of tackling the MSW problem in Hong Kong should be collectively shared by Hong Kong people. He considered it necessary for the Administration to address the problem in a multi-faceted approach. As it was not practicable to solve the problem through waste reduction at source alone, it was necessary to develop extensions to the existing landfills. He enquired how the Administration would step up its efforts in promoting producer responsibility schemes and waste reduction at source, and whether there was a timetable for the actions.

58. SEN replied that the Administration would continue to take forward the initiatives to promote waste reduction and to develop environmental infrastructure projects in parallel. To reduce waste, the Administration considered it important to introduce quantity-based MSW charging. He advised that the Council for Sustainable Development had completed the second-stage public engagement on MSW charging and was analysing the feedback received. In the meantime, the Administration was conducting trial schemes on MSW charging at seven housing estates to gain solid experience before taking forward the initiative.

59. SEN added that in the "Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022" ("the Action Blueprint") released by the Environment Bureau on 20 May 2013, the Administration had set out the targets and timelines for implementing producer responsibility schemes for various products. He advised that compared with the past, the current-term Government had taken on many more waste reduction initiatives. Following the completion of the relevant tendering exercise, the Administration planned to introduce a legislative proposal within 2014 to implement the producer responsibility scheme for waste electrical and electronic equipment. As regards the producer responsibility scheme for glass beverage bottles, the Administration had completed the public consultation exercise and was preparing the relevant legislative proposals. Moreover, the legislation for the extension of the Environmental Levy

Scheme on Plastic Shopping Bags to all retail outlets had been enacted and would come into force on 1 April 2015.

60. Mr Alan LEONG opined that at the meetings of EA Panel to receive public views on the funding proposals, the Administration had not provided a satisfactory response to the questions raised by deputations about the Administration's positions on the six waste management initiatives proposed by local green groups, i.e. to implement MSW charging in all sectors, to extend the coverage of producer responsibility schemes to different products, to reuse construction waste, to prohibit the disposal of recyclable waste at landfills or waste-to-energy facilities, to extend the existing landfills in phases, and to promote the sustainable development of the recycling industry on all fronts. As the Administration had yet to secure public confidence in its pursuance of these six initiatives after obtaining FC's approval of the funding proposals, members belonging to the Civic Party considered it would be in the overall interest of the society that they should object to the funding proposals.

[At the juncture, some people made noise in the public gallery. The Chairman asked them to keep quiet.]

61. Mr Gary FAN said that at the meetings of EA Panel on 22 and 28 March 2014, about 70% of the deputations attending the meetings objected to the proposals on the extension of the three landfills and the construction of an incinerator. Four green groups had stressed that the Administration should implement the six waste management initiatives before proceeding to extend the landfills in stages. He held the view that the Administration should not merely focus on addressing the waste problem at the output end and disregard other waste management initiatives.

62. Mr WU Chi-wai said that collection of source-separated waste was a very important part of waste recovery and recycling in Hong Kong. The Administration had not yet made clear how its recycling policy would be supported by the relevant Government departments, in particular the Housing Department ("HD") and FEHD. He was of the view that the existing refuse collection stations should serve as places to facilitate source separation of waste. Moreover, waste recovery should be included in the relevant service contracts as part of the work of the cleansing contractors of public housing estates.

63. In response, Under Secretary for the Environment ("USEN") said that it was not true to say that Government departments did not support the recycling policy. She explained that the Administration needed time to deal with the matters arising from the implementation of MSW charging and other

waste recycling initiatives, as they would bring about significant changes to society as well as the operation of Government departments. She requested members to note that if the funding applications were not approved, in the absence of the relevant waste management infrastructures, it would be difficult for the Administration to take forward other waste management initiatives. DD(2)/EPD added that HD had required its cleansing contractors to handle recyclable waste received according to the requirements set out in the service contracts. The Administration would separately consider the suggestion of facilitating source separation of waste at refuse collection stations.

64. Mr WU was concerned about the difficulties encountered in obtaining the support of the relevant Government departments for implementing the waste recovery initiatives. He criticized that although the Steering Committee to Promote the Sustainable Development of the Recycling Industry ("The Steering Committee") led by the Chief Secretary for Administration ("CS for Admin") had been established in August 2013, there was a lack of progress in coordinating inter-departmental efforts in waste recycling. In reply, Permanent Secretary for the Environment ("PS for Env") advised that there was an established mechanism for regular communication and liaison between the Environment Bureau and HD. HD had put in place a waste recovery system in each public housing estate, and had organized activities to promote waste recovery. The Administration had provided information on the request of individual members about the progress of the implementation of waste recovery initiatives in public housing estates. As regards the refuse collection stations of FEHD, some of them already served as collection points for recyclable waste as appropriate.

65. Mr WU Chi-wai remained of the view that relevant Government departments had not provided full support to the Environment Bureau in taking forward its waste recovery initiatives. He opined that the measures that had been taken in public housing estates as mentioned by PS for Env were only publicity or educational activities, which were not concrete actions to achieve the relevant targets set out in the Action Blueprint. He said that members belonging to the Democratic Party would object to the proposals on the extension of the three landfills and the development of IWMF phase 1, and demanded that different policy bureaux and Government departments should work together to put the initiatives laid down in the Action Blueprint into action.

66. Ms Cyd HO shared the view of Mr WU Chi-wai that the work of HD and FEHD was important to waste recovery. She was concerned how FEHD would make use of its resources, including manpower and facilities, to support the Administration's waste management initiatives. Holding the

view that the implementation of such initiatives should be bundled with the projects under the two funding proposals, she requested the Administration to ask representatives of FEHD and HD to attend future meetings of PWSC and FC on the proposals to answer members' questions on cross-departmental efforts in source separation, waste recovery and the relevant timetables. She said that CS for Admin, who led the Steering Committee, should also attend the meetings.

(Post-meeting note: The Administration's written response was forwarded to members vide LC Paper No. PWSC69/13-14(01) on 5 May 2014.)

67. Mr James TO said that no matter how the magnitude of waste reduction would be in future, there was a need to develop IWFT phase 1. However, to enlist public support for the proposal and to encourage the public to participate in the programmes promoting waste reduction in future, the Administration must be able to demonstrate its determination to tackle the waste problem at all fronts. As the Environment Bureau would need the full support of other bureaux/departments in taking forward the waste management initiatives effectively, SEN should escalate the issue of inter-departmental collaboration to the Chief Executive or CS for Admin.

68. Dr Kenneth CHAN said that as regards the ways to solve the MSW problem in Hong Kong, members of the public were of the view that the Administration should adopt multi-pronged measures, ranging from waste reduction and separation at source, development of the recycling industry, quantity-based MSW charging, producer responsibility schemes to addressing the waste problem at the output end, etc. Although the Administration had issued a lot of documents setting out the blueprint and policy directions on the subject, members of the public remained concerned that, similar to the Governments of the previous terms, the current-term Government would not put the plans into action. Moreover, the Administration had not made clear whether it would not construct further phases of IWMF and further extension of landfills in future. Dr CHAN said that amid such doubts, members belonging to the Civic Party would not support the Administration's funding proposals. He called on members to duly play their gate-keeping roles in considering the proposals.

69. Mr Albert CHAN said that members belonging to People Power objected to the two funding proposals. He opined that the Administration should immediately make source separation of waste mandatory. The initiative would enable the Administration to have a better grasp of the information relating to the generation of MSW in Hong Kong and hence be able to work out an optimum solution to tackle the waste problem. Waste

separation at source would also help filter poisonous materials for incineration.

[To allow sufficient time for discussion, the Chairman suggested and members agreed that the meeting be extended to 10:45 am.]

Recycling Fund

70. The Subcommittee noted it had been announced in the 2014 Policy Address that the Administration had earmarked \$1 billion to launch a Recycling Fund. Mr Frankie YICK said that according to some media reports, the Administration would use the Recycling Fund to assist operators in the recycling industry in upgrading their production capacities. Holding the view that the most needed assistance for operators was waste recovery, he cast doubt on whether the Administration had communicated well with the industry.

71. SEN replied that the Administration had liaised closely with the recycling industry on how to use the Recycling Fund effectively. He said that providing subsidies to assist the industry in procuring machines and facilities was one of the options welcomed by the industry. As industry members knew best about what they needed to develop their business, the Administration considered it appropriate to maintain flexibility on the use of the fund by supporting different proposals put forward by the industry. A committee would be set up shortly to consider such proposals. In vetting a proposal, the committee would take into account, among others, the sustainability of the project, whether the proposal would help alleviate the pressure on landfills and enhance the quantity and quality of recyclable materials within a specified period, say two years, etc. SEN advised that the industry had responded positively to the Administration's approach to offering direct funding support through the establishment of the Recycling Fund. The Administration would continue to engage the industry in working out the details on the operation of the Fund and would brief EA Panel on the subject in due course.

[At the juncture, some people shouted in the public gallery. The Chairman asked them to keep quiet and reminded them that if they interrupted the meeting, he might order them to be removed from the public gallery.]

72. Ms Cyd HO said that according to media reports, the Administration would make use of the Recycling Fund to provide subsidies to large organizations to enhance the training of environmental management talents and to assist start-up companies in the industry. She enquired whether the

Administration would continue to support the recyclers after assisting them in the start-up of their business. She cautioned that in the absence of appropriate financial assistance, the operators originally engaged in waste collection and recovery, based on the need to reduce costs, might have no more incentives for source separation and would dispose the waste altogether at landfills. Citing the recurrent subsidies offered by the Government of the Republic of Korea to waste separation and recycling businesses as an example, Ms HO held the view that the Administration should consider providing direct subsidies on a recurrent basis to support the waste management operations successfully run by non-governmental organizations.

73. USEN said that the Administration was exploring ways to help the local recycling industry upgrade the standards of their operations. While agreeing that the Administration should assist the operators engaged in the production of recycled products with low commercial value, she said that the Administration and the industry had to work together to find out the most effective way to offer assistance. With the launch of the Recycling Fund, the Administration would engage the industry in in-depth discussions on these issues.

74. Considering that the total funding earmarked for the Recycling Fund was only \$1 billion, Miss Alice MAK was concerned about the sustainability of the financial assistance to the recycling industry. She said that apart from offering financial assistance, the Administration should explore other measures, such as offering concessions on land grant and assistance in research and development, to support the recycling industry.

75. DD(2)/EPD replied that the Administration had consulted the industry on its preliminary thinking on the use of the Recycling Fund. Since the industry was supportive of the Administration's overall direction for the use of the Fund, the Administration would proceed to work out further details for continued discussions with the industry. The preliminary thinking was that to promote the sustainable development of the industry, the Administration would assist the operators through the Recycling Fund in expanding their business operations and/or upgrading their capabilities, with a view to enabling the sustainable development of their businesses even without the subsidies from the Administration in future. The subsidies under the Fund would be granted on a project basis.

Capacity of the Southeast New Territories Landfill

76. Dr Fernando CHEUNG opined that it was a planning mistake on the part of the Administration to construct a landfill in TKO in close proximity to

residential and industrial areas. The nuisances caused by the landfill were certainly harmful to the health of the residents nearby and their living environment. He said that since 2001, the Environment Bureau and EPD had kept changing their estimation on when the SENT Landfill would be exhausted. While the estimation in 2010 was that the landfill would be exhausted in 2013, the latest prediction was 2015. He questioned about the reason for the inaccuracy of the estimation.

77. AD(EI)/EPD replied that to predict when a landfill would be exhausted, the Administration would take into account various factors such as the rate of increase of the quantity of waste, population growth, waste reduction efforts, actual quantity of waste that had been delivered to the landfill in the past few years, and the measures to be taken to increase the landfill capacity, etc. In such estimation, allowance would be made for accommodating an annual increase of about 2% in the amount of waste requiring disposal. Moreover, the Administration's efforts in reducing and recycling waste made in recent years had helped slow down the exhaustion of the landfill.

Operating life of the proposed landfill extension

78. Noting that according to the Administration, the operating life of the proposed extension of the SENT Landfill was about six years, Mr LEUNG Che-cheung enquired why the Administration had proposed to phase the expenditure on the project for 10 years instead of six. AD(EI)/EPD replied that the six years' operation period would be followed by restoration works. Part of the funding for the project would be used to finance the restoration works.

West New Territories Landfill

79. Mr Abraham SHEK said that residents in Shenzhen had complained about the odour nuisances caused by the West NT Landfill. He enquired whether the Administration had discussed the matter with the Shenzhen side. The Chairman said he would exercise his discretion to invite the Administration to answer Mr SHEK's question.

80. DD(2)/EPD replied in the affirmative. He advised that the Administration had maintained close communication with the Shenzhen authorities on matters related to the waste infrastructure facilities in Hong Kong.

Proposed motions submitted by members

81. The Chairman advised that members had submitted 13 proposed motions to him. He sought members' views on whether the meeting should be further extended to deal with the motions. Ms Emily LAU said that she disagreed to further extending the meeting. Members agreed that the meeting should not be further extended.

(Post-meeting note: Of the 13 proposed motions, the first eight of them had been tabled at the meeting and a soft copy of the wording of the eight motions had been circulated to members by email on 16 April 2014.)

82. The Chairman advised that the Subcommittee would continue the discussion on the two funding proposals at the next meeting scheduled for 8:30 am, 7 May 2014.

Any other business

83. There being no other business, the meeting ended at 10:45 am.

Council Business Division 1
Legislative Council Secretariat
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