

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 11th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 14 November 2014, at 5:25 pm

Members present:

Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)
Hon CHAN Kin-por, BBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Cyd HO Sau-lan, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon CHAN Hak-kan, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC

Hon LEUNG Kwok-hung
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin
Hon Frankie YICK Chi-ming
Hon WU Chi-wai, MH
Hon YIU Si-wing
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, JP
Hon KWOK Wai-keung
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon Abraham SHEK Lai-him, GBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Starry LEE Wai-king, JP
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon Albert CHAN Wai-yip

Hon WONG Yuk-man
Hon Claudia MO
Hon LEUNG Che-cheung, BBS, MH, JP
Dr Hon KWOK Ka-ki
Dr Hon Helena WONG Pik-wan

Public officers attending:

Ms Elizabeth TSE Man-yee, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr WONG Kam-sing, JP	Secretary for the Environment
Mr Howard CHAN Wai-kee, JP	Deputy Director of Environmental Protection (2)
Dr Ellen CHAN Ying-lung, JP	Environmental Protection Department Assistant Director of Environmental Protection (Environmental Infrastructure)
Mr Lawrence LAU Ming-ching	Environmental Protection Department Principal Environmental Protection Officer (Landfills and Development)
Mr Elvis AU Wai-kwong, JP	Environmental Protection Department Assistant Director (Nature Conservation and Infrastructure Planning)
	Environmental Protection Department

Clerk in attendance:

Mr Andy LAU	Assistant Secretary General 1
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Staff in attendance:

Mr Derek LO	Chief Council Secretary (1)5
Mr Daniel SIN	Senior Council Secretary (1)7
Mr Ken WOO	Senior Council Secretary (1)5

Mr Raymond SZETO
Mr Frankie WOO
Ms Christy YAU

Council Secretary (1)5
Senior Legislative Assistant (1)3
Legislative Assistant (1)7

Action

Item No. 1 – FCR(2014-15)31A
HEAD 705 – CIVIL ENGINEERING
Environmental Protection – Refuse Disposal
164DR – Southeast New Territories Landfill Extension

Item No. 2 – FCR(2014-15)32A
HEAD 705 – CIVIL ENGINEERING
Environmental Protection – Refuse Disposal
163DR – Northeast New Territories Landfill Extension

Item No. 3 – FCR(2014-15)33A
HEAD 705 – CIVIL ENGINEERING
Environmental Protection – Refuse disposal
165DR – West New Territories Landfill Extension

Item No. 4 – FCR(2014-15)34A
HEAD 705 – CIVIL ENGINEERING
Environmental Protection – Refuse Disposal
177DR – Development of integrated waste management facilities phase 1

Motion to adjourn further proceedings of the Committee

The meeting continued the deliberation of the motion to adjourn further proceedings of the Committee moved by Mr Gary FAN pursuant to the Finance Committee Procedure paragraph 39.

2. Mr Gary FAN spoke on his motion. Ms Emily LAU, Mr Albert HO, Ms Cyd HO, Mr LEE Cheuk-yan, Dr Fernando CHEUNG, Mr James TO, Mr Alan LEONG, Mr Frederick FUNG, Mr LEUNG Yiu-chung and Mr CHAN Chi-chuen spoke in support of the motion. In gist, these members argued that the Administration's policies on landfill extensions did not address concerns of the residents affected, such as the problems of odour and waste spattering. The Administration had not conduct sufficient consultation with local residents affected by landfill extensions. These members also considered that measures promulgated for waste reduction at source and recycling were insufficient. They reiterated their request that the Administration should reconsider adjusting the agenda to give priority to less controversial items that affected people's livelihood.

3. Ir Dr LO Wai-kwok, Mr TAM Yiu-chung, Mr IP Kwok-him and Dr Priscilla LEUNG spoke in opposition of the motion. In gist, these members commented that the landfill extensions and the development of the integrated waste management facilities ("IWMF") phase 1 were pressing items that would also affect people's livelihood. These members also said that the items had already been discussed extensively, and further procrastination should not be supported.

4. The Administration did not have comments to give in response to Mr Gary FAN's motion.

5. Mr Gary FAN gave concluding remarks. The Chairman put the item to vote. On members' request, the Chairman ordered a division, and the division bell was rung for five minutes for the motion. Sixteen members voted in favour and 32 members voted against the motion. The individual voting results were as follows –

For:

Mr Albert HO Chun-yan
Mr LEUNG Yiu-chung
Mr Frederick FUNG Kin-kee
Ms Cyd HO Sau-lan
Mr LEUNG Kwok-hung
Mr Charles Peter MOK
Dr Kenneth CHAN Ka-lok
Dr Fernando CHEUNG Chiu-hung
(16 members)

Mr LEE Cheuk-yan
Ms Emily LAU Wai-hing
Prof Joseph LEE Kok-long
Mr Alan LEONG Kah-kit
Mr Gary FAN Kwok-wai
Mr CHAN Chi-chuen
Mr Kenneth LEUNG
Mr IP Kin-yuen

Against:

Mr CHAN Kam-lam
Mr TAM Yiu-chung
Mr Jeffery LAM Kin-fung
Mr WONG Ting-kwong
Mr CHAN Hak-kan
Dr Priscilla LEUNG Mei-fun
Mr IP Kwok-him
Mr Michael TIN Puk-sun
Mr NG Leung-sing
Mr Frankie YICK Chi-ming
Mr MA Fung-kwok
Ms CHAN Yuen-han
Mr KWOK Wai-keung
Dr Elizabeth QUAT

Dr LAU Wong-fat
Mr WONG Kwok-hing
Mr Andrew LEUNG Kwan-yuen
Mr LAM Tai-fai
Mr CHAN Kin-por
Mr WONG Kwok-kin
Mrs Regina IP LAU Suk-yee
Mr James TIEN Puk-chuen
Mr Steven HO Chun-yin
Mr YIU Si-wing
Mr CHAN Han-pan
Ms Alice MAK Mei-kuen
Mr Christopher CHEUNG Wah-fung
Mr Martin LIAO Cheung-kong

Mr POON Siu-ping
Mr CHUNG Kwok-pan
(32 members)

Mr TANG Ka-piu
Mr Tony TSE Wai-chuen

6. The Chairman declared that the motion was negated.

Southeast New Territories landfill extension

7. Mr LEUNG Yiu-chung said that there were no statutory requirements specifically targeted for scrutinizing air quality at landfills and related road network. He said that the Administration's commitment to reduce the amount of refuse transportation by road was inadequate to assure Tsuen Kwan O residents that the air pollution problem would be resolved, and a monitoring mechanism involving local stakeholders was needed. He enquired whether the Administration would step up efforts, such as enacting legislation and establishing monitoring mechanism with affected citizens.

8. Secretary for Environment ("SEN") and Deputy Director of Environmental Protection (2) ("DDEP(2)") expressed confidence that the air quality in Tsuen Kwan O would improve since the Southeast New Territories ("SENT") landfill extension was further away from local residences and traffic of refuse collection vehicles in the area would be reduced. The air quality monitoring station at Wan Po Road would also provide adequate scrutiny. District liaison groups which comprised District Council members and representatives from local housing estates would be established for communication with the local community.

9. In response to Mr Frederick FUNG's enquiry, Assistant Director for Environmental Protection (Environmental Infrastructure) ("AD(EI)") said that the Administration's estimated operating life of the SENT landfill was six years, which might vary according to factors such as extent of waste reduction and future urban expansions. Mr FUNG expressed dissatisfaction towards the Administration's reluctance in committing to the permanent closure of the SENT landfill.

10. Mr Frederick FUNG said that according to World Health Organization ("WHO"), PM2.5 particulates kicked up to the air when construction waste was disposed of at the SENT landfill would pose a significant health risk. Mr FUNG pointed that PM2.5 level of the SENT landfill as measured at Shek Kok Road was significantly higher than WHO's accepted standard and the level as measured by the Administration.

11. Assistant Director (Nature Conservation and Infrastructure Planning) ("AD(NC&IP)") said that existing measures to process construction waste would largely eliminate the threat of PM2.5. AD(EI) said that according to WHO, PM2.5 particulates presented a health risk only on prolonged exposure, and the Administration's measurement of the 24-hour average of PM2.5 level at Tai Chik Sha Fire Station was acceptable and was in conformity with WHO's requirements.

12. Mr Frederick FUNG asked whether the treatment of waste by stabilizing waste with cement would increase the amount of refuse to be disposed at landfills. DDEP(2) clarified that stabilization by cement was only applicable to ash produced from the incineration process.

West New Territories landfill extension

13. Mr Albert HO enquired how the Administration would honour its commitment to transporting the bulk of waste to the West New Territories ("WENT") landfill by sea.

14. AD(EI) said that urban RTSs, namely the Island East Transfer Station, Island West Transfer Station, West Kowloon Transfer Station and the North Lantau Transfer Station, would be deployed for transporting waste by sea to the WENT landfill. These RTSs had sufficient capacity to ensure that the bulk of waste was processed appropriately.

Development of IWMF phase 1

15. Mr Albert HO considered IWMF phase 1 not cost-effective and requested the Administration to provide a fair comparison on cost per tonne with other incineration facilities of similar capacities.

16. AD(NC&IP) said that the need of land reclamation had driven up the cost per tonne of IWMF phase 1. If land reclamation cost was excluded, the cost per tonne of waste treated by IWMF phase 1 would be similar to comparable facilities in overseas countries such as the Netherlands.

17. Mr LEUNG Kwok-hung was concerned that the construction of IWMF phase I would exacerbate the air pollution problem faced by Hong Kong. He expressed doubt towards the Administration's claim on the safety of IWMF phase 1, as there were incidents in Kaohsiung and Huizhou where improper operation of incinerators polluted the environment. Mr Gary FAN expressed similar concern.

18. SEN said that impact of emissions of IWMF phase I on the overall air quality of Hong Kong would be insignificant. He said that the incident of Huizhou incineration facility was unrelated as it processed industrial waste, and that incidents like the one in Kaohsiung would not happen again in IWMF phase 1 where waste would be properly sorted before incineration. AD(NC&IP) said that sorting of waste first at RTS and then at the IWMF phase 1 would adequately prevent improper materials from entering incinerators. Moreover, the Administration would carefully scrutinize the details of operation provided by the contractor.

19. Mr Albert HO expressed concern about the possibility of conflict of interest in the IWMF phase 1 project as the Administration had been repeatedly engaging one company, AECON, for consultancy projects.

20. AD(NC&IP) replied that the Environmental Protection Department had all along ensured that its tendering exercises were open and fair in nature. As the consultant involved in designing and scrutinizing the Design-Build-Operate ("DBO") contract was prohibited from bidding for the DBO contract, so there would be no question of a conflict of interest.

21. Mr James TO asked the Administration to explain why it adopted European Union ("EU") standard for regulating emission of IWMF phase 1 but adopted United States standard in assessing health risks.

22. AD(NC&IP) said that it was an internationally accepted practice to use the EU standard, being the most stringent, to regulate emission of IWMF phase 1 at exhaust. The Administration adopted US standard for assessing health risks in order to have extra assurance of the safety of IWMF phase 1. Moreover, EU did not have a standard for assessing health risks.

23. Mr TO warned the Administration that EU could have adopted other administrative measures to ensure the safety of incinerator emission, and urged the Administration to further study the regulatory framework of EU. AD(NC&IP) said that incinerators with similar technologies had been built close to residential neighbourhoods in EU countries, which proved the safety of IWMF phase 1.

24. Mr LEE Cheuk-yan asked whether the Administration would enact legislation or implement measures to regulate and monitor the type of waste to be incinerated at IWMF phase 1, such as clinical waste, which was regulated by Waste Disposal (Clinical Waste) (General) Regulation, Cap. 354O. He also enquired whether local residents could be involved in the monitoring.

25. AD(NC&IP) said that the disposal of waste was regulated by the Waste Disposal Ordinance, Cap. 354, and government staff would monitor the waste to be incinerated.

26. Mr Albert HO enquired about the impact of pollutants emitted by the IWMF phase 1 from incineration, such as carbon dioxide, sulphur dioxide and dioxins, as well as incinerator ash, on the environment.

27. AD(NC&IP) said that a thorough environmental impact assessment was conducted on the IWMF phase 1 project. It was estimated that the concentration of nitrogen oxides at nearby locations such as Cheung Chau would be well within the required air quality standards. Incinerator ash and other dusts would be stabilized by cement before disposal at landfills, which would minimize impact on air quality.

Waste reduction and management

28. Ms Emily LAU requested the Administration to respond to the assertion by green groups, namely the Friends of Earth, the Conservancy Association and the Greeners Action, in their joint submission that the Administration had not achieved adequate progress in waste reduction measures.

29. SEN said that the Administration was indeed implementing measures promulgated in the Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022 ("Action Blueprint") in collaboration with the said green groups and other stakeholders.

30. Dr Fernando CHEUNG contended the Administration's claim that recycling at three-colour waste separation bins only constituted a small portion of waste recycling in the territory. He said that according to local studies, a large portion of waste disposed at orange litter bins was recyclable, and material recycling could be done more effectively if the Administration replaced orange litter bins with more three-colour waste separation bins. He enquired whether the Administration had analyzed the portion of recyclable waste disposed at public orange litter bins.

31. AD(EI) said that Administration did not conduct such an analysis; however, the Administration had conducted analysis of recyclable material in refuse contents at disposal facilities such as RTS and landfills, and Legislative Council ("LegCo") members had been invited to study the analysis.

32. Dr Fernando CHEUNG considered that in comparison with the charge of \$125 per tonne for construction waste, the Administration's proposed charge of \$500 per tonne for MSW under the pilot scheme on municipal solid waste ("MSW") charging was too high. He asked the Administration to explain its principle in setting the relevant charges and to provide a timetable for promulgation of MSW charging.

33. SEN said that both charging policies on construction waste and MSW were under review and the Administration would duly consider these factors during upcoming public consultations with the relevant stakeholders. The Administration planned to proceed with tabling MSW charging for discussion at LegCo in early to mid-2015.

34. Mr CHAN Chi-chuen and Mr LEE Cheuk-yan expressed worries that the Administration would renege on its commitment to waste reduction measures outlined in the Action Blueprint after the landfill extensions and IWMF phase 1 had been approved, and the pressure to reduce waste at source was alleviated. Mr CHAN opined that the Administration should implement waste management facilities in other districts to evenly distribute responsibilities for handling waste. Mr LEE asked whether the Administration would enhance its Producer Responsibility Schemes ("PRS").

35. SEN reiterated the Administration's commitment to the Action Blueprint. SEN said that the Administration planned to undertake a study on long-term waste management infrastructure requirements, which would consider all options to expand waste capacities. He also replied that a key element of the Action Blueprint was promulgating MSW charging, and there were various measures implemented under PRS, both of which demonstrated the Administration's commitment on waste reduction at source.

36. Mr LEUNG Kwok-hung said that the Administration's measures on waste separation and recycling, such as three-colour waste separation bin, was ineffective. He questioned how the Administration could implement effective waste separation to extract incombustible waste for operation of IWMF phase 1, and asked the Administration to consider introducing bins for collecting organic waste.

37. SEN said that waste separation and recycling would be done properly at IWMF phase 1, but different kinds of waste warranted different treatment methods, and the Administration would devise appropriate measures for handling these.

38. Mr Alan LEONG said that SEN had earlier indicated that Hong Kong's waste processing capacity had not been expanded commensurate with the territory's needs. He noted the Administration's difficulties in handling waste management, but expressed worries that the Administration would again renege on its commitment on waste reduction if landfill extensions and IWMF phase 1 were approved by this Committee. He asked whether the Administration could instead adopt an incremental approach to expand waste processing capacities in tandem with implementation of waste reduction measures.

39. SEN said that the WENT Landfill extension was indeed adopting an incremental approach, where the current item FCR(2014-15)33A sought funding for consultants' fee and investigations in order to proceed with outlining the design of the extension scheme, studying interfacing and handing-over etc., all of which were preparatory work only. The actual extension would be passed onto this Committee for consideration in approximately two years.

40. Ms Emily LAU noted that the Administration had engaged a professional contractor to patrol areas around the SENT landfill to combat fly-tipping, and asked the Administration whether it knew the cause of fly-tipping.

41. SEN said that the extended opening hours of Refuse Transfer Stations and designation of the SENT landfill for construction waste only would help solve the problem. AD(EI) clarified that in addition to patrols, close-circuit television cameras were installed and the situation of fly-tipping had vastly improved with the amount of waste found dropped significantly.

42. Dr Fernando CHEUNG said that according to the Administration's statistics, despite a high recycling rate, the annual amount of construction waste disposed in Hong Kong was extraordinarily high. He asked whether the Administration had exported construction waste since to his understanding, some of the construction waste had been transported to Taishan for disposal.

43. SEN clarified that no construction waste would be exported for disposal, while some of the recyclable construction waste was used as inert fill material, a portion of which would be transported to Mainland cities as construction materials. He said that as regards construction waste, the Administration's policy objective was to reduce the generation of such waste, but he considered that was unrelated to the items under discussion.

44. Noting that the emission performance of the IWMF phase 1 would meet the EU standards, Mr Gary FAN enquired whether the Administration to

explain the assumptions behind the estimation and whether the IWMF phase 1 had prepared for interruptions in continuous 24-hour operation, such as maintenance.

45. AD(NC&IP) said that the IWMF phase 1 would implement pollution control and ash treatment systems to achieve EU standards continuously. Maintenance of incinerators would be done without interruptions to the continuous operation.

46. Ms Cyd HO urged the Administration to consider more effective measures to separate wet waste to improve the efficiency of incinerators in IWMF phase 1 since it would lower the efficiency of the incineration process. Ms HO asked whether the Administration had assessed the energy requirements for restarting an incinerator and how the Administration would ensure that the DBO contractor of the IWMF phase 1 could meet performance requirements set out by the Administration.

47. SEN said that the Netherlands had not implemented a complete separation of wet waste, and the Administration had adopted measures to ensure that the IWMF phase 1 adhered to EU standards and would not present a health risk. AD(NC&IP) said that the amount of energy content within the waste to be incinerated was on par with internationally accepted standards. The DBO contract would set out clearly requirements laid down by the Administration.

48. The meeting was adjourned at 7:23 pm.