立法會 Legislative Council

LC Paper No. PWSC194/18-19 (These minutes have been seen by the Administration)

Ref : CB1/F/2/1(15)B

Public Works Subcommittee of the Finance Committee of the Legislative Council

Minutes of the 15th meeting held in Conference Room 1 of the Legislative Council Complex on Wednesday, 20 March 2019, at 8:30 am

Members present:

Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Chairman)

Hon Abraham SHEK Lai-him, GBS, JP

Hon Tommy CHEUNG Yu-yan, GBS, JP

Hon Starry LEE Wai-king, SBS, JP

Hon CHAN Hak-kan, BBS, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

Hon Claudia MO

Hon Michael TIEN Puk-sun, BBS, JP

Hon Frankie YICK Chi-ming, SBS, JP

Hon WU Chi-wai, MH

Hon MA Fung-kwok, SBS, JP

Hon CHAN Chi-chuen

Hon CHAN Han-pan, BBS, JP

Hon LEUNG Che-cheung, SBS, MH, JP

Hon Alice MAK Mei-kuen, BBS, JP

Dr Hon KWOK Ka-ki

Dr Hon Helena WONG Pik-wan

Hon Alvin YEUNG

Hon Andrew WAN Siu-kin

Hon CHU Hoi-dick

Hon HO Kai-ming

Hon Holden CHOW Ho-ding

Hon Wilson OR Chong-shing, MH

Hon Tanya CHAN

Hon HUI Chi-fung

Hon LUK Chung-hung, JP

Hon LAU Kwok-fan, MH

Dr Hon CHENG Chung-tai

Hon KWONG Chun-yu

Hon Jeremy TAM Man-ho

Hon Gary FAN Kwok-wai

Hon AU Nok-hin

Hon Vincent CHENG Wing-shun, MH

Hon Tony TSE Wai-chuen, BBS

Hon CHAN Hoi-yan

Members absent:

Hon Charles Peter MOK, JP (Deputy Chairman)
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Junius HO Kwan-yiu, JP
Hon CHEUNG Kwok-kwan, JP

Public officers attending:

Mr Raistlin LAU Chun, JP Deputy Secretary for Financial Services

and the Treasury (Treasury)3

Mr LAM Sai-hung, JP Permanent Secretary for Development

(Works)

Ms Bernadette LINN, JP Permanent Secretary for Development

(Planning and Lands)

Mr Elvis AU Wai-kwong, JP Deputy Director of Environmental

Protection (1)

Ms Margaret HSIA Mai-chi Principal Assistant Secretary for Financial

Services and the Treasury (Treasury)

(Works)

Mr David LAM Chi-man Principal Assistant Secretary for

Development (Planning and Lands)5

Mr Ricky LAU Chun-kit, JP Director of Civil Engineering and

Development

Mr LAI Cheuk-ho Project Manager (North)

North Development Office

Civil Engineering and Development

Department

Mr Zorro YUEN Tat-yung Chief Engineer (North)2

North Development Office

Civil Engineering and Development

Department

Mr John CHUNG Wing-hong Chief Engineer (North)3

North Development Office

Civil Engineering and Development

Department

Mr Kelvin LO Kwok-wah, JP Director of Drainage Services

Mr Walter LEUNG Wing-yuen Chief Engineer (Sewerage Projects)

Drainage Services Department

Mr CHEN Che-kong Assistant Director (Water Policy)

Environmental Protection Department

Mr Anthony FOK Principal Environmental Protection

Officer (Sewerage Infrastructure) Environmental Protection Department

Ms Lily CHIU Lee-lee Chief Estate Surveyor (Acquisition

Section)

Lands Department

Mr Andy LAM Siu-hong Principal Assistant Secretary for Transport

and Housing (Transport)3

Dr Esther TO Man-wai Senior Veterinary Officer (Animal

Management) (Operations)

Agriculture, Fisheries and Conservation

Department

Mr Stephen LAI Yue-hong Senior Agricultural Officer (Agri-Park &

Land)

Agriculture, Fisheries and Conservation

Department

Mr TSE Chin-wan, BBS, JP Under Secretary for the Environment

Mrs Vicki KWOK WONG Deputy Director of Environmental

Wing-ki, JP Protection (2)

Dr Samuel CHUI Ho-kwong Assistant Director of Environmental

Protection (Waste Infrastructure Planning)

Mr Michael LUI Hok-leung Principal Environmental Protection

Officer (Food Waste Recycling)

Environmental Protection Department

Clerk in attendance:

Ms Doris LO Chief Council Secretary (1)2

Staff in attendance:

Mr Keith WONG

Ms Christina SHIU

Ms Christy YAU

Ms Clara LO

Council Secretary (1)2

Legislative Assistant (1)2

Legislative Assistant (1)8

Legislative Assistant (1)9

<u>Action</u>

The Chairman advised that there were three funding proposals on the agenda for the meeting. All of them were items carried over from the previous meeting of the Subcommittee. These three funding proposals involved a total funding allocation of \$38,442.6 million. He 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

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discussion at the meeting before they spoke on the proposals. He also drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

Head 707 — New Towns and Urban Area Development

PWSC(2018-19)41 747CL Advance site formation and engineering infrastructure works at Kwu Tung North new development area and Fanling North new development area

759CL First stage of site formation and engineering infrastructure at Kwu Tung North new development area and Fanling North new development area

828CL Remaining phase of site formation and engineering infrastructure works at Kwu Tung North new development area and Fanling North new development area

793CL Site formation and infrastructure works for Police facilities in Kong Nga Po

Head 704 — Drainage

388DS Shek Wu Hui Effluent Polishing Plant

Head 701 — Land Acquisition

37CA Special Ex-gratia Cash Allowance for the Kwu Tung North and Fanling North New Development Area

- 2. <u>The Chairman</u> advised that the proposal, i.e. <u>PWSC(2018-19)41</u>, sought to upgrade 747CL, 759CL, part of 828CL, 793CL and 388DS to Category A at the estimated costs of \$17,320.1 million, \$896.4 million, \$764.5 million, \$1,913 million and \$11,972.8 million in money-of-the-day ("MOD") prices respectively, and reserve funding for an estimated total cost of \$732.6 million for Subhead 37CA under Head 701 Land Acquisition. The Subcommittee had commenced deliberation on the proposal at the meetings on 27 February and 18 March 2019.
- 3. <u>The Chairman</u> said that he would allow members who were waiting for their turn to raise questions to each raise one question. After that, the "question time" would end and motions proposed by members under paragraph 32A of the Public Works Subcommittee Procedure ("32A motions") would be proceeded forthwith. <u>The Chairman</u> pointed out that he had received one motion proposed by Mr CHU Hoi-dick at the meeting on 18 March 2019.

Rehousing arrangement for affected households

4. <u>Ms Tanya CHAN</u> was concerned that some households affected by the land resumption and clearance exercises of the new development areas ("NDAs") in Kwu Tung North ("KTN") and Fanling North ("FLN") which were rehoused to public rental housing ("PRH") estates of the Hong Kong Housing Authority ("HKHA") wished to move in with the dogs they had been keeping. Some other residents also hoped that a dedicated fund could be set up by the Administration so that arrangements could be made for receiving and adopting stray/abandoned animals in the area. She enquired how the Administration would respond to those requests.

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- 5. Permanent Secretary for Development (Planning and Lands) ("PS(PL)/DEVB") said that HKHA would adhere to the established policy when processing the applications from affected households for moving in the PRH units to which they were rehoused with their dogs but would also grant discretionary approval for keeping companion dogs and service dogs. For dogs that were not allowed to be kept and other stray animals in the area, the Agriculture, Fisheries and Conservation Department was liaising with non-profit-making organizations to assist them in strengthening their work on receiving and adopting animals, including exploring the possibility of setting up adoption centres at vacant government sites under a new funding scheme.
- 6. <u>Dr CHENG Chung-tai</u> pointed out that some affected residents did not understand the Administration's rehousing policy and were unaware that households which had received housing benefits in the past from the Government were not eligible for the Government's rehousing arrangement. He requested the Administration to step up communication with residents and explain its rehousing policy, and suggested that the Government might set up resident liaison groups to handle residents' enquiries concerning rehousing and compensation in a "one-stop" manner.
- 7. PS(PL)/DEVB clarified that for households which had previously been admitted to PRH but had surrendered the PRH units before the Government's freezing survey for NDA development, their eligibility for rehousing would not be affected for that reason. However, households which had previously acquired and resold subsidized sale flats provided by HKHA/Hong Kong Housing Society ("HKHS") were generally ineligible for rehousing. Chief Estate Surveyor (Acquisition Section), Lands Department ("CES(A)/LandsD"), supplemented that the Lands Department ("LandsD") had sent its staff to explain to affected households the rehousing arrangement on a regular basis. Residents might also make enquiries with LandsD. The Social Service Teams of the Civil Engineering and Development Department ("CEDD") would also do their best to provide assistance.

- 8. Mr Gary FAN learnt that so far, more than 500 affected households had registered for accepting the rehousing arrangement. If taking into account the households which had applied for splitting of households, the Administration would have to provide about 680 rehousing units. He doubted if Po Shek Wu ("PSW") Estate, the public housing estate in Sheung Shui used for rehousing, had sufficient one/two-person units to accommodate all the households. Moreover, he was also dissatisfied that the Administration was unable to arrange rehousing for affected farmers in a way that allowed them to lead a "living-cum-farming" lifestyle.
- 9. <u>PS(PL)/DEVB</u> advised that the number of rehousing units required was not yet confirmed as the Government was still processing the rehousing applications of affected households. She stressed that the Government had always aimed at providing local rehousing for eligible affected households. If PSW Estate could not provide enough units to accommodate the eligible households, the Government would rehouse them to PRH units in other existing or new estates in the North District as far as practicable.
- 10. Mr CHU Hoi-dick was concerned that HKHS would charge rents at it prevailing Group B standard for the rental units in the dedicated rehousing estate at Pak Wo Road, Fanling, which meant that the monthly rent would be close to \$6,000. He enquired whether the Administration had asked HKHS to charge lower rents, so as to make the dedicated rehousing estate a more attractive option for the household.
- PS(PL)/DEVB explained that as some affected households were 11. better-off and hence unable to pass the means test for HKHA's PRH application, the Government offered these eligible households a non-means tested rehousing option in the dedicated rehousing estate. Since it was a non-means tested rehousing option, eligible households opting for rehousing to rental units in the dedicated rehousing estate were required to pay rents chargeable at HKHS's prevailing Group B standard. She added that the Government understood some households, though being able to pass the means test and thus eligible for admission to HKHA's PRH units, would prefer moving to the dedicated rehousing estate together with their neighbours. These households might apply for rent reduction under HKHS's Nonetheless, the Development Bureau was Rent Assistance Scheme. willing to work with HKHS to simplify the application procedure for those households which could have passed the means test of HKHA.
- 12. <u>Mr CHU Hoi-dick</u> said that as the Administration had planned to provide new facilities for the Hong Kong Police Force ("HKPF") in Kong Nga Po, the sites located in FLN ("the FLN sites") which were originally

reserved for reprovisioning of HKPF's training facilities at Fan Garden would be re-planned. Since the planning work of the FLN sites was yet to commence, he enquired whether the households residing in the vicinity were not required to move out shortly.

13. <u>PS(PL)/DEVB</u> advised that the Government intended to review the land use planning of the four sites (which included the FLN sites) originally earmarked for reprovisioning HKPF's training facilities during the stage of detailed design of works in the Remaining Phase development. For the FLN sites, the Government had sought the views of villagers residing in the vicinity on whether they would prefer early rehousing. If the villagers preferred staying in their homes, the Government would not force them to move out early.

Relocation of elderly homes at Dills Corner Garden

- 14. <u>Mr Alvin YEUNG</u> enquired whether, instead of undergoing a tender process, the Government would give priority to the existing operators of residential care homes for the elderly ("RCHEs") at Dills Corner Garden ("DCG") to operate the RCHE service to be provided in the new Multi-welfare Services Complex ("the new complex") in KTN.
- 15. <u>PS(PL)/DEVB</u> said that for the sake of ensuring the service quality of RCHEs, the Social Welfare Department ("SWD") would invite operators to bid for the contracts for providing RCHE service in the new complex through an open tender. During the tender exercise, SWD would consider whether the potential operators had plans to properly handle and accommodate the RCHE residents and staff affected by the demolition of DCG in tender assessment. In other words, the existing operators with a proper take-over plan would have an advantage in bidding for the service contract. She added that the Government was also discussing the relevant transitional arrangements with the existing operators.

Protecting the important trees affected by development

16. Ms Tanya CHAN noted from paragraph 37 of Enclosure 1 to the funding submission (i.e. PWSC(2018-19)41) that there were more than 8 000 trees within the project boundary of 747CL (advance site formation and engineering infrastructure works at KTN NDA and FLN NDA). She requested the Administration to provide the relevant Report for Tree Preservation and Removal Proposal. PS(PL)/DEVB said that of CEDD had representatives undertaken to provide the relevant supplementary information at the Subcommittee's meeting on 18 March 2019.

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[At 8:43 am, the Chairman said that he would not accept further 32A motions proposed by members on the current agenda item.]

Motions proposed under paragraph 32A of the Public Works Subcommittee Procedure

- 17. The Chairman said that he had received one 32A motion proposed by Mr CHU Hoi-dick. He considered the proposed motion directly related to the agenda item. The Chairman also advised that he had directed earlier that further motions proposed by members on the current agenda item would not be accepted. As such, he would not handle the motion that Mr Gary FAN proposed after the relevant direction had been given. Besides, the Chairman considered that the proposed motion by Mr FAN involved broader policy issues. According to paragraph 37 of the Public Works Subcommittee Procedure, Mr FAN should follow up on those issues at a relevant Panel.
- 18. At 8:48 am, the Subcommittee proceeded to vote on the question as to whether the 32A motion (Chinese version only) proposed by Mr CHU Hoi-dick should be proceeded with forthwith. At the request of members, the Chairman ordered a division.
- 19. After the division, the Chairman declared that the question was negatived.

Voting on PWSC(2018-19)41

20. <u>The Chairman</u> then put PWSC(2018-19)41 to vote. At the request of members, <u>the Chairman</u> ordered a division. Eighteen members voted for, seven members voted against the proposal and no member abstained. The votes of individual members were as follows:

For:

Mr Tommy CHEUNG Ms Starry LEE Mr CHAN Hak-kan Dr Priscilla LEUNG Mr Frankie YICK Mr WU Chi-wai Mr MA Fung-kwok Mr LEUNG Che-cheung Ms Alice MAK Mr Andrew WAN Mr HO Kai-ming Mr Holden CHOW Mr Wilson OR Mr LUK Chung-hung Mr Vincent CHENG Mr LAU Kwok-fan Ms CHAN Hoi-yan Mr Tony TSE (18 members)

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Against:

Mr CHAN Chi-chuenMr Alvin YEUNGMr CHU Hoi-dickMs Tanya CHANDr CHENG Chung-taiMr Jeremy TAM

Mr Gary FAN (7 members)

Abstained: (0 member)

21. <u>The Chairman</u> declared that the item was endorsed by the Subcommittee. <u>The Chairman</u> consulted members on whether the item would require separate voting at the relevant meeting of the Finance Committee ("FC"). <u>Mr CHAN Chi-chuen</u> requested that the item (i.e. <u>PWSC(2018-19)41</u>) be voted on separately at the relevant FC meeting.

Head 705 — Civil Engineering PWSC(2018-19)32 173DR Organic Resources Recovery Centre Phase 2

- 22. The Chairman advised that the proposal, i.e. PWSC(2018-19)32, sought to upgrade 173DL to Category A at an estimated cost of \$2,453 million in MOD prices for the design and construction of the Organic Resources Recovery Centre ("ORRC") Phase 2 ("ORRC2") at Sha Ling of the North District. The Government had consulted the Panel on Environmental Affairs on the proposed works on 19 July 2018. A report on the gist of the Panel's discussion was tabled at the meeting.
- 23. <u>The Chairman</u> pointed out that the Subcommittee had considered the proposal at the meetings on 14 and 28 November 2018. The discussion was adjourned at the meeting on 28 November 2018. The Administration had responded to members' concerns and suggestions in a supplementary information paper (<u>LC Paper No. PWSC105/18-19(01)</u>).

Tender arrangement and construction works

24. <u>Mr CHAN Chi-chue</u>n pointed out that the Design-Build-and-Operate ("DBO") contract of ORRC Phase 1 ("ORRC1") was awarded to a joint venture through an open tender. However, since the company had made several shareholding changes, ORRC1 commenced operation almost a year behind the original schedule. He enquired whether the Administration would take into account the delay in the development of ORRC1 in tender

assessment should the said company submit tender for the DBO contract of ORRC2.

- Under Secretary for the Environment ("USEN") said that the track record of the tenderer would be considered in assessing the tender for the DBO contract of ORRC2. So far, five companies had submitted tenders for ORRC2, and the bidding process was expected to be competitive. He also explained that a number of factors had contributed to the delayed commencement of ORRC1, including the several rounds of modifications to the internal design in order to meet the fire safety requirements. As the Government had gained more experience in designing fire safety installations at ORRCs, the design work of ORRC2 was expected to progress more smoothly.
- 26. <u>Dr CHENG Chung-tai</u> pointed out that the final cost for the construction of ORRC1 turned out to exceed the original estimate by nearly 200%. He was worried that the construction of ORRC2 would also experience serious cost overruns. <u>Mr KWONG Chun-yu</u> also enquired about how the Administration arrived at the estimated annual recurrent expenditure of \$107.92 million for ORRC2.
- 27. <u>USEN</u> explained that ORRC1 was the first ever facility in Hong Kong dedicated to treatment of food waste. Owing to the lack of experience in designing and building similar facilities, the actual construction cost deviated significantly from the project estimate. For ORRC2, the Government had launched a global tendering for the DBO contract and worked out the estimates of the construction cost and annual recurrent expenditure with reference to the tender prices received. Therefore, the current estimate was believed to be not far off the mark. He added that the Project Cost Management Office of the Development Bureau had reviewed the content of the proposed works and considered the current project cost estimate reasonable.
- 28. <u>Dr KWOK Ka-ki</u> enquired whether all the available space at the project site of ORRC2 had been taken up for development of relevant facilities, and whether ORRC facilities could be accommodated in caverns.
- 29. <u>USEN</u> said that there were slopes at the project site of ORRC2. The current design had maximized the space available for facilities development in order to achieve the capacity target of treating 300 tonnes of food waste per day. He added that caverns were found unsuitable location as the operation of ORRC facilities would generate explosive gases.

Operation mode of Organic Resources Recovery Centre Phase 2

- 30. Mr AU Nok-hin enquired whether the operator of ORRC2 was obliged to collect food waste generated by the commercial and industrial ("C&I") sectors for delivery to ORRC2. Mr WU Chi-wai enquired which party would be held responsible if the volume of food waste delivered to ORRC2 fell short of the treatment capacity of 300 tonnes per day. Mr CHU Hoi-dick also enquired whether the DBO contract had specified the minimum amount of food waste to be delivered to ORRC2 per day.
- 31. <u>USEN</u> said that under the DBO contract of ORRC2, the operator was not required to collect and deliver food waste to ORRC2, as the tasks would be undertaken by the Government. <u>Assistant Director of Environmental Protection (Waste Infrastructure Planning)</u> ("AD(WIP)/EPD") supplemented that the contract also required the Government to deliver at least around 70 tonnes of food waste to ORRC2 per day.
- 32. <u>Dr KWOK Ka-ki</u> was concerned that currently, the actual amount of food waste being treated at ORRC1 was only 100 tonnes per day, which was far less than the expected treatment capacity of 200 tonnes per day. As ORRC2 would adopt the same anaerobic digestion and composting technologies as those of ORRC1, he was worried that the same would happen to ORRC2.
- 33. <u>AD(WIP)/EPD</u> explained that since the treatment capacity of ORRC1 during the start-up period would depend on the growth of the anaerobic bacteria, it would take about one year from the date of the commissioning of the facilities to reach the designed food waste treatment capacity. The current treatment capacity of ORRC1 was within expectation.
- 34. <u>Mr Jeremy TAM</u> and <u>Ms Claudia MO</u> were concerned whether the commissioning of ORRC2 would bring about odour nuisance to the residential dwellings in the vicinity, and how the Administration ensured that the collection and delivery of C&I food waste would not emit foul odours.
- 35. <u>USEN</u> advised that ORRC2, equipped with exhaust and purification systems operating under negative pressure, would not cause odour nuisance to residential dwellings. In addition, the C&I food waste collected was pumped into fully enclosed tankers by enclosed conduits before being delivered to ORRC2. No foul odours would be released throughout the process.

Renewable energy produced by Organic Resources Recovery Centre Phase 2

- 36. Mr CHAN Hak-kan and Mr Jeremy TAM noted from the Administration's supplementary information paper (LC Paper No. PWSC105/18-19(01)) that ORRC2 could convert the surplus biogas generated into electricity. The electricity produced, which amounted to about 24 million kilowatt-hours annually, could be sold to the power companies at fuel cost to generate an annual revenue of about \$7 million. They criticized that the price of about 30 cents/kilowatt-hour charged by the Administration for the electricity sold to the power companies was too low.
- 37. <u>USEN</u> explained that the Government intended to sell the electricity to the power companies at a price equivalent to their fuel cost per kilowatt-hour. If the electricity was sold to the power companies at a price higher than their fuel cost, the fuel expenses of the power companies would increase. Under the virtue of the Scheme of Control Agreements signed with the Government, the power companies might pass the costs onto consumers, subjecting consumers to the pressure of tariff increase. He pointed out that tenderers of ORRC2 were required to specify in their tenders whether the surplus biogas would be sold to the gas company, or the electricity generated would be sold to power companies. As tender assessment was still in progress, no decision had yet been made on the handling of the surplus biogas.
- 38. Mr Jeremy TAM requested the Administration to provide supplementary information comparing the original estimation of ORRC1's annual amount of surplus electricity produced and the justifications for setting the offtake price of the surplus electricity to the power companies with that of the current situation since its actual operation. Moreover, he requested the Administration to explain how the annual amount of surplus electricity of ORRC2 and the revenue generated from selling the surplus electricity were estimated.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide <u>LC Paper No. PWSC178/18-19(01)</u> on 23 April 2019.)

- 39. <u>USEN</u> explained that a direct comparison between ORRC1 and ORRC2 was not possible as the direct sale of surplus biogas to the gas company was not an option for ORRC1 due to geographical constraints.
- 40. <u>Mr Tommy CHEUNG</u> criticized that it was not cost-effective for the Administration to spend nearly \$200 million on developing the heat recovery and power generation systems at ORRC2 to generate electricity for ORRC2's

internal use instead of selling the biogas directly to the gas company for production of town gas.

41. <u>USEN</u> explained that apart from day-to-day operation, ORRC2 needed extra electricity to generate the heat required for composting. Moreover, with the development of the combined heat and power system for in-house power and heat production, the power generation efficiency could reach 86%, as opposed to merely 45% of the power companies.

Development programme of Organic Resources Recovery Centre Phase 3

- 42. <u>Mr HUI Chi-fung</u>, <u>Mr KWONG Chun-yu</u> and <u>Mr CHU Hoi-dick</u> enquired about the Administration's plan for ORRC Phase 3 ("ORRC3") development, including whether a site had been reserved for this purpose and the location.
- 43. <u>USEN</u> replied that the Environment Bureau was working with the Development Bureau and the government departments responsible for land management to conduct a strategic study on the development of waste handling facilities, so as reserve adequate land for developing such facilities in long-term planning. Moreover, a site at Shek Kong near Lam Kam Road had been reserved for ORRC3 development.
- 44. Mr Tony TSE expressed support for the proposed project, which would expedite the pace of the Government's work to promote food waste recovery and turning of waste into energy. He pointed out that the existing practice of outsourcing the management of ORRC1 and ORRC2 to private companies under the DBO contracts might make it difficult for the Government to monitor effectively the operation of the two ORRCs. Mr TSE, Dr KWOK Ka-ki and Mr CHU Hoi-dick suggested that the Administration should finance its own study on food waste treatment technology with a view to managing and operating ORRC3 by itself.
- 45. <u>USEN</u> said that it was more appropriate to invite companies with the relevant experience to operate ORRCs under the DBO contracts for development of ORRC1 and ORRC2 as the Government lacked such experience at that time. In the long run, the Government was exploring different operation modes for ORRC3, including the introduction of new technologies and management modes for food waste treatment through a public-private collaboration model.

Strategies for recovery and treatment of food waste from commercial and industrial and domestic sources

- 46. <u>Ms Tanya CHAN</u> said that she and members belonging to the Civic Party supported the proposed project. <u>Ms Tanya CHAN</u> and <u>Mr CHAN Hak-kan</u> enquired about the Administration's specific measures to develop the local network for recovery and treatment of C&I and domestic food waste.
- 47. <u>USEN</u> said that ORRC2 had a food waste treatment capacity of Together with the daily treatment capacities of 300 tonnes per day. 200 tonnes of ORRC1, and another 100 tonnes of Tai Po Sewage Treatment Works ("STW") and Sha Tin STW under the "Food waste/sewage sludge anaerobic co-digestion" pilot trial ("the pilot trial"), the total treatment capacity of various food waste treatment facilities was expected to reach 600 tonnes per day after ORRC2 commenced operation in 2022. Government would then allocate 200 tonnes of the daily treatment capacity to conduct a trial of free collection and treatment of domestic food waste from individual housing estates. In the long run, the Government planned to extend the trial programme to STWs in Yuen Long and Hung Shui Kiu. Along with ORRC3 under planning, the overall food waste treatment capacity was expected to increase to 1800 tonnes per day by mid-2030s. Moreover, the Government would also continue to promote food waste reduction through the Food Wise Hong Kong Campaign.
- 48. Mr CHAN Hak-kan requested the Administration to provide supplementary information explaining the details of the free collection of domestic food waste under the pilot trial at Tai Po STW and Sha Tin STW, including the housing estates and districts where food waste would be collected.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide <u>LC Paper No. PWSC178/18-19(01)</u> on 23 April 2019.)

49. <u>AD(WIP)/EPD</u> said that the Government planned to allocate part of the treatment capacities of ORRC1 and the pilot trial at Tai Po STW to the trial of free collection and treatment of domestic food waste in late 2019, and priority would be given to food waste from housing estates with experience in food waste separation and recovery, such as the 35 private housing estates having participated in the "Food Waste Recycling Projects in Housing Estates" under the Environment and Conservation Fund. As a next step, the Government would collect and treat domestic food waste on a trial basis

under the pilot trial at Sha Tin STW, and the participation of major housing estates in Sha Tin would be considered.

- 50. <u>Dr KWOK Ka-ki</u> was concerned that if the Administration only let some housing estates participate in the trial scheme on recovery of domestic food waste, households from housing estates excluded from the trial scheme would have to dispose of their food waste as general waste, which would be subject to waste charges after the implementation of the Municipal Solid Waste Charging Scheme ("the Charging Scheme").
- 51. <u>USEN</u> said that free collection of plastics would be provided along with the implementation of the Charging Scheme, so as to reduce the cost of solid waste disposal borne by the public.
- 52. Regarding the Administration's plan to implement the trial of free recovery and treatment of domestic food waste in late 2019, Mr WU Chi-wai was concerned whether the Administration had formulated specific strategies for domestic food waste recovery and how it would deal with the local nuisance arising from the handling of the domestic food waste recovered. He requested the Administration to provide supplementary information explaining the implementation details of the trial scheme on recovery of domestic food waste, including the timetable of implementation, method of food waste collection, the collection quantity target, and how to avoid public nuisance when collecting food waste.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide <u>LC Paper No. PWSC178/18-19(01)</u> on 23 April 2019.)

- 53. <u>USEN</u> said that a consultant had been engaged to look into the specific strategies for the collection and treatment of domestic food waste, including ways to minimize the nuisance caused to residents when collecting food waste. <u>Deputy Director of Environmental Protection (2)</u> ("DDEP(2)") supplemented that the Government was gathering information on state-of-the-art solutions to domestic food waste collection from around the world and would introduce collection equipment suitable for Hong Kong's environment for trial under the upcoming trial scheme on recovery of domestic food waste.
- 54. Mr HUI Chi-fung pointed out that as early as in 2014, the Administration had said that a consultant would be engaged to conduct the relevant study. However, the study still had not been completed nor had its specific contents been published. He requested the Administration to provide supplementary information elaborating the details of the study,

including the specific study direction and focus area. <u>USEN</u> said that given the time required for the tender exercise, the study formally commenced only about two years ago.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide <u>LC Paper No. PWSC178/18-19(01)</u> on 23 April 2019.)

- 55. <u>The Chairman</u> pointed out that the specific operation mode of domestic food waste collection was a matter of broader environmental policy issues. He suggested that members should follow up on the matter at the Panel on Environmental Affairs.
- 56. Mr KWONG Chun-yu enquired how the Administration would facilitate the expansion of the C&I food waste collection network following the commissioning of ORRC2 and other food waste treatment facilities.
- 57. <u>USEN</u> said that constrained by the daily food waste treatment capacity of 200 tonnes currently provided by ORRC1, the Government could only invite some C&I establishments to participate in food waste recovery on a voluntary basis. In the long run, with the implementation of the Charging Scheme, the Government would allocate the revenue generated from the Charging Scheme on the basis of "dedicated fund for dedicated use" to support waste reduction and recycling, including free delivery of C&I food waste to ORRCs for treatment. The Government believed that in order to spend less under the Charging Scheme, the C&I sectors would separate food waste at source and deliver the food waste to ORRCs for treatment proactively.

[At 10:24 am, the Chairman asked members if they agreed to extend the meeting for 15 minutes to 10:45 am. No member raised objection.]

58. Mr WU Chi-wai requested the Administration to provide supplementary information explaining how it would provide financial incentives to motivate the C&I sectors to practise source separation of food waste and deliver the food waste to the Government for treatment after the implementation of the Charging Scheme.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide <u>LC Paper No. PWSC178/18-19(01)</u> on 23 April 2019.)

<u>Action</u> - 18 -

- 59. Mr AU Nok-hin opined that for the sake of boosting the amount of food waste delivered to ORRCs for treatment, the Administration should take the lead to practise food waste recovery at government-managed facilities. He enquired about the Administration's relevant work plans.
- DDEP(2) said that since 2018, the Government had been providing food waste collection service for public markets and cooked food venues under the management of the Food and Environmental Hygiene Department, as well as wet markets and shopping centres managed by the Hong Kong Housing Authority for onward delivery to ORRC1 for treatment. addition, the Government also planned to further extend the scope of free collection of food waste to shopping malls and markets in public housing estates, wholesale food markets managed by the Agriculture, Fisheries and Conservation Department, and government facilities such as public hospitals. She added that in implementing the free service of central collection of C&I food waste, the Government would initially focus on treating food waste collected from government facilities. Then priority would be given to recovering food waste from C&I establishments which had been taking the initiative to deliver food waste to ORRC1. The service could be extended to cover all C&I establishments when sufficient food waste treatment capacity was available.

[At 10:43 am, the Chairman asked members if they agreed to further extend the meeting to 10:50 am in order to complete the voting on the item. No member raised objection.]

Voting on PWSC(2018-19)32

61. There being no further questions from members on the item, the Chairman put PWSC(2018-19)32 to vote. At the request of members, the Chairman ordered a division. Twenty-three members voted for, one member voted against the proposal and no member abstained. The votes of individual members were as follows:

For:

Mr Abraham SHEK Ms Starry LEE Dr Priscilla LEUNG Ms Claudia MO Mr MA Fung-kwok Mr Michael TIEN Ms Alice MAK Mr LEUNG Che-cheung Dr Helena WONG Dr KWOK Ka-ki Mr Alvin YEUNG Mr Andrew WAN Mr HO Kai-ming Mr CHU Hoi-dick Ms Tanya CHAN Mr Holden CHOW Mr LAU Kwok-fan Mr LUK Chung-hung

Action - 19 -

Mr KWONG Chun-yu Mr Gary FAN Mr Tony TSE Mr Jeremy TAM Mr AU Nok-hin

Against:

Dr CHENG Chung-tai

(1 member)

(23 members)

Abstained:

(0 member)

62. <u>The Chairman</u> declared that the item was endorsed by the Subcommittee. <u>The Chairman</u> consulted members on whether the item would require separate voting at the relevant FC meeting. No member made such a request.

63. The meeting ended at 10:49 am.

Council Business Division 1 <u>Legislative Council Secretariat</u> 2 May 2019