

**Confirmed Minutes of the 210th Meeting of
the Advisory Council on the Environment (ACE)
held on 9 November 2015 at 2:30 pm**

Present:

Prof Paul LAM, SBS, JP (Chairman)

Prof CHAU Kwai-cheong, BBS, JP (Deputy Chairman)

Prof FUNG Tung

Dr Billy HAU

Dr HUNG Wing-tat, MH

Prof Albert LEE

Ir Prof Irene LO

Mr Anthony LOCK

Ir MA Lee-tak, SBS

Prof John NG

Miss Yolanda NG, MH

Prof Nora TAM, BBS, JP

Dr Eric TSANG

Dr Carrie WILLIS, SBS, JP

Ir Conrad WONG, BBS, JP

Prof Jonathan WONG, MH, JP

Mr Luther WONG, JP

Mr Stanley WONG, SBS, JP

Mr Andrew LAI (Secretary)

Absent with Apologies:

Ir Cary CHAN

Dr Michael LAU

Ms Pansy YAU

In Attendance:

Ms Anissa WONG, JP

Permanent Secretary for the Environment / Director
of Environmental Protection

Mr Simon CHAN

Assistant Director (Conservation), Agriculture,
Fisheries and Conservation Department (AFCD)

Mr Wilson CHAN

Assistant Director of Planning / Technical Services,
Planning Department (PlanD)

Ms Esther LI

Principal Information Officer, Environmental
Protection Department (EPD)

Miss Evelyn LEUNG

Chief Executive Officer (CBD), EPD

Miss Dora CHU

Executive Officer (CBD), EPD

Ms Daicie TONG

Executive Manager (CBD), EPD

In Attendance for Item 3:

Miss YUEN Wai-yin, Amy

Assistant Director (Water Policy), EPD

Dr CHUI Ho-kwong, Samuel

Principal Environmental Protection Officer
(Sewerage Infrastructure), EPD

Mr YUEN Tat-yung, Zorro

Acting Chief Engineer / Harbour Area Treatment
Scheme, Drainage Services Department

In Attendance for Items 4:

Mr WONG Hon-meng

Assistant Director (Waste Reduction & Recycling),
EPD

Mr WONG Siu-wai, Kenny

Programme Manager, Recycling Fund Secretariat

Action

The Chairman informed Members that apologies of absence had been received from Ir Cary Chan, Dr Michael Lau and Ms Pansy Yau.

Item 1 : Confirmation of the draft minutes of the 209th meeting held on 12 October 2015

2. The draft minutes were confirmed subject to the amendments proposed by two Members in paras. 28 and 12 of the draft respectively.

3. As regards the post-meeting note in para. 12, a Member clarified that her concern was on the future use of landfill gas as an alternative source of energy given that more landfill gas would be generated from the extension of the three landfills. The Secretariat would seek information from the subject team and Secretariat update the post-meeting note accordingly.

[Post-meeting note: The post-meeting note in para. 12 of the last meeting regarding the utilization of landfill gas from the three strategic landfills had been updated as follows –

- *Landfill gas (LFG) had been put into beneficial uses in the three existing strategic landfills for electricity and heat generation, supporting the daily operation of the landfill sites.*
- *To maximize the gainful use of the LFG, off-site LFG utilization had also been put in place at NENT Landfill since May 2007 to transfer treated LFG from the landfill to a gas production plant in Tai Po as an alternate fuel for town gas production; LFG reprocessing facilities would also be commissioned*

at SENT Landfill in 2016 to allow off-site gainful use of the LFG from the landfill.

- *Similarly, the contractor of the WENT Landfill is also actively exploring possible arrangement for off-site utilization of LFG generated from the Landfill.*
- *For all the landfill extension projects, the tenderers would be required to submit LFG utilization plans to maximize the gainful uses of the LFG generated from these projects.*

The updated information had been incorporated in the minutes of the 209th meeting and uploaded on ACE's website.]

Item 2 : Matters arising

4. The Chairman reported that the collective views of ACE on the SkyPier Plan submitted by the Airport Authority Hong Kong (AAHK) together with comments of individual Members on the plan as reflected in the confirmed minutes of meeting would be forwarded to EPD for follow up with AAHK.

5. There was no other matter arising from the minutes of the last meeting.

Item 3 : Update on the Implementation of Harbour Area Treatment Scheme Stage 2A

(ACE Paper 15/2015)

6. The Chairman said that the paper reported on the implementation progress of the Harbour Area Treatment Scheme (HATS) Stage 2A in further improving the collection and treatment of sewage generated around the Victoria Harbour and the overall improvement of the water quality in the harbour area. The discussion would be divided into two parts. The Presentation cum Question-and-Answer Session would be opened to the public while the Internal Discussion Session which would remain closed. There was no declaration of interest from Members.

[The presentation team joined the meeting at this juncture.]

Presentation cum Question-and-Answer Session (Open Session)

7. Miss Amy Yuen briefed Members on the background and implementation of HATS since 1994. She introduced the key features of HATS Stage 2A which involved (i) upgrading of eight preliminary treatment works (PTWs) for collection

and preliminary treatment of sewage; (ii) construction of a network of deep tunnels to collect sewage from these PTWs and convey it to the Stonecutters Island Sewage Treatment Works (SCISTW) for centralized treatment; and (iii) expansion of SCISTW to increase its treatment capacity with provision of disinfection facilities. Miss Yuen also advised on the commissioning of a study in early 2016 on improving near shore pollution problems and odour nuisance in the Victoria Harbour with a long-term objective of enhancing its leisure and recreational value.

PTWs and flow turning process under HATS Stage 2A

8. The Chairman and a Member asked about the primary function of the PTWs and the operation of the flow turning process. Another Member asked whether there would be a change in the function of the PTWs after undergoing the flow turning process. A Member sought clarification on whether the capacity of HATS Stage 2A had taken into account the population forecast around the Victoria Harbour.

9. Miss Amy Yuen informed the meeting that the population forecast based on the “Year 2030 Planning Data for HATS” prepared by the Planning Department was 5.23 million around the Victoria Harbour. The capability of HATS Stage 2A was so designed to support this population growth in the ultimate scenario with some buffers, which would be more than sufficient to handle the flows arising from the latest estimate for 2041. As regards the flow turning process, Miss Yuen said that the preliminarily treated sewage collected by the PTWs had been progressively diverted to SCISTW via deep tunnels for centralized treatment before discharge. Mr Zorro Yuen supplemented that the PTWs would help remove large solids and grits in the sewage while SCISTW would provide the centralized chemically-enhanced primary treatment and disinfection processes. In addition, the odour control system would also be enhanced. The Wan Chai East PTW was the first PTW to undergo the flow turning process, followed by the North Point PTW and the Central PTW by the end of September 2015. About 70% of the total flow from HATS Stage 2A had been intercepted. This also signified that all sewage generated from both sides of the Victoria Harbour would from then on be collected and treated at SCISTW. The upgrading works for the remaining five PTWs on the southern side of Hong Kong Island would be completed in November 2015. Miss Yuen advised that HATS Stage 2A would enter its full operation by end 2015.

Contingency plan for SCISTW

10. A Member asked if the Government had put in place a contingency plan for SCISTW in case of operational failure or emergency. Mr Zorro Yuen replied that SCISTW was equipped with a dual electricity supply system and adequate standby facilities. It had not experienced any service breakdown since its commissioning in 2001. Dr Samuel Chui added that the parallel operation at SCISTW with built-in backup channels had catered for routine maintenance and emergency situations. He advised that the existing outfalls for the PTWs would be retained. Even in the unlikely extreme event that a section of the tunnels connecting to SCISTW had broken down, the existing outfalls of the PTWs could be used to discharge the preliminarily treated sewage. Hence, the scenario would not be worse than the current situation.

11. In the related context, a Member suggested that a schematic flow diagram of SCISTW could be presented by the Government to illustrate the backup capabilities of the various components of SCISTW during different contingency events. A risk register setting out the various risk factors and contingency events with corresponding prevention and remedial action plans should also be developed to help ensuring the resilience of SCISTW. EPD/DSD

Monitoring of the water quality of Victoria Harbour

12. A Member asked whether there was any benchmarking of water quality in terms of components of pollutants. Another Member requested for a more detailed breakdown of the water quality monitoring data apart from the three parameters provided in the current presentation, i.e. *E coli*, organic load and ammonia-nitrogen so as to illustrate the water quality trend, especially for the eastern waters where the Harbour Race had been organised. A Member also enquired about the feasibility of setting a target level for different pollutant components with a view to improving the water quality of the Victoria Harbour.

13. In reply, Miss Amy Yuen advised that the Government had a territory-wide water quality monitoring programme including the Victoria Harbour, with a total of 76 water sampling stations at different parts of Hong Kong. Information on water quality monitoring had been uploaded on EPD website for public reference. Water quality objectives (WQOs) had also been set for the Victoria Harbour. After completion of HATS Stage 1 in 2001, a WQO compliance rate of 70-80% had been achieved for the Victoria Harbour and the water quality had been relatively stable since then. Miss Yuen said that while

there was no specific objective on *E. coli* level set for the Victoria Harbour due to the main beneficial use of the harbour, it would be one of the important parameters to consider whether the water quality would be suitable for water sports activities. She however pointed out that the levels of dissolved oxygen (DO) and Total Inorganic Nitrogen (TIN) did vary, and the former were particularly dependent on the weather, e.g. the phenomenon of low levels of DO in relation to the unusually hot weather recorded in June, July and September 2014. The data cited in the current presentation were for the three water monitoring stations in the centre of the Victoria Harbour as there had been greater concern about the water quality in the central harbour area pending the completion of HATS Stage 2A. She assured Members that extensive post-commissioning monitoring would be continued to confirm the long-term trend of improvement of the water quality of the Victoria Harbour upon the full operation of HATS Stage 2A by end 2015. By then, water samples would be collected twice instead of once per month from 14 selected water monitoring stations including nine in the Victoria Harbour, three in the Western Buffer and two in the Southern water control zones.

14. A Member asked whether the Government would consider conducting bio-monitoring of water quality. He suggested that a university could be commissioned to conduct the research so as to provide supplementary information for evaluating the long-term impact of bio-change in the water quality. In reply, Mr Zorro Yuen said that whole effluent toxicity tests had been carried out with water samples on fish and shrimps on a quarterly basis since 2010. The Chairman clarified that the bio-monitoring suggested by a Member was different from the effluent tests as it could offer another perspective for assessing the water quality improvement level. Miss Amy Yuen replied that there was currently no bio-monitoring of the water quality specifically for the HATS project. They EPD/DSD would look into the feasibility of having this arrangement.

15. A Member proposed that in view of the favourable result of the HATS Stage 2A, the Government could liaise with relevant professional associations such as Hong Kong Institution of Engineers to showcase the HATS project or turn it into an educational exercise on engineering technology for intern students and the public.

Effluent from the Pearl River Delta

16. A Member asked about the possible impact on the water quality in the Victoria Harbour in respect of the effluent from the Pearl River Delta (PRD). Another Member was also concerned about the water quality of Hong Kong's

western waters as the sewage discharge points were located in the west of the territory. Miss Amy Yuen replied that while the waters in the northwestern and southern parts of Hong Kong were more affected by the flow from the PRD in terms of TIN, the water quality of the Victoria Harbour would be more affected by local discharges rather than that of the PRD. Dr Samuel Chui added that such impact had already been factored in the modelling results for the design of HATS Stage 2A, taking into account the hydraulic, tidal and current models in connection with the effluent from the PRD as the boundary conditions of the modelling runs.

Leisure and recreational activities in Victoria Harbour

17. A Member enquired about the data of the *E. coli* level at major beaches in Hong Kong and whether water samples were periodically sent to microbiologists/laboratories for analysis and investigation as certain sub-types of *E. coli* could cause fatal illness, e.g. haemorrhagic gastroenteritis. Miss Amy Yuen informed that there were 41 gazetted public beaches in the territory where water samples were collected weekly during the bathing season. She said that all public beaches managed by the Leisure and Cultural Services Department had attained the standard *E. coli* level of 180 counts/100mL since 2010. That was calculated based on the annual geometric mean of the water samples collected during the bathing season. Dr Samuel Chui supplemented that *E. coli* had been chosen as the pathogenic indicator at public beaches for setting the bathing the water quality objectives after detailed epidemiological studies. The *E. coli* level of 180 counts/100mL suggested that less than 10 out of 1 000 swimmers might experience minor swimming-associated discomfort symptoms such as skin and gastrointestinal illness. He said that frequent monitoring of beach the water quality would be conducted especially during the bathing season to better assess the effectiveness of HATS Stage 2A. Dr Chui also advised that water samples were not sent to microbiologists/laboratories for analysis of specific sub-types of *E. coli* as *E. coli* itself was used as an indicative organism for demonstrating the levels of pathogens and risk of illnesses.

18. In consideration that no effluent would be discharged into the Victoria Harbour by end 2015, a Member asked if the Government would set a target date when the public could have secondary contact recreational activities in the harbour area, e.g. the Harbour Race or wind surfing while taking into account the impact associated with the effluent from the PRD. Another Member also asked about the level of the water quality improvement specifically for the Kai Tak Development Area where plans were in hand to develop the water channel between the runway of the ex-Kai Tak Airport and Kwun Tong into an area for water sports and

recreational activities such as canoeing and sailing.

19. Miss Amy Yuen replied that while water samples were collected from the monitoring stations in different water control zones on a monthly basis for long-term monitoring, the data currently presented were used to illustrate the effect of diversion of discharges for further improvement of the water quality in the central harbour area. She further explained that the Harbour Race had been held in the eastern waters of Hong Kong where the water quality had greatly improved after the implementation of HATS Stage 1. Further improvement to the water quality of the central harbour was expected upon full operation of HATS Stage 2A. Concerning the Kai Tak Development Area, Miss Yuen said that notwithstanding the improvement in the water quality of the main body of the Victoria Harbour, local and/or near shore pollution had to be addressed such as through biomediation and rectification of illegally connected drain pipes. She said that the *E. coli* level near the typhoon shelter in the Kai Tak Development Area was close to 610 counts/100mL, the standard applicable to secondary contact recreational subzones, as opposed to the 180 counts/100mL standard for gazetted beaches. Dr Samuel Chui added that EPD and CEDD would undertake further improvement works for the Kai Tak Approach Channel and monitor the water quality thereat.

EPD/CEDD

20. A Member said that upon the full operation of HATS Stage 2A, the *E. coli* level in the open water areas of the Victoria Harbour would still be far from the standard of 180 counts/100mL for primary contact water sports and recreational activities. He suggested the Government to inject more resources in enhancing the water quality of the harbor area since that could help further promote tourism in Hong Kong and yield both societal and economic returns.

Greening and mitigation measures for SCISTW and sewage treatment facilities

21. A Member enquired about the green features apart from green roofing to be adopted for the sewage treatment facilities in the urban setting. Another Member also suggested decking up the preliminary sewage treatment facilities and incorporating them with other government/community uses such as carpark for more efficient land use. The Member said that the odour control measures in SCISTW required further improvement as the odour issue had been a great concern in the local community.

22. Mr Zorro Yuen advised that given the location of these facilities in the urban neighbourhoods, relevant District Councils had been consulted on the green features to be incorporated, e.g. green roofing and landscaping. He added that the

PTWs were existing facilities that were upgraded to serve HATS Stage 2A. Members' suggestion on the land use issue could be considered in future. Mr Yuen also advised that the odour control measures at SCISTW would be enhanced under HATS Stage 2A whereby the odour sources such as sedimentation tanks would be properly covered or housed with provision of independent deodourization facilities to treat the foul gas before discharging into the atmosphere.

Implementation of HATS Stage 2B

23. A Member asked about the way forward should HATS Stage 2A do not result in significant improvement of the water quality in the Victoria Harbour, e.g. to implement HATS Stage 2B with adoption of biological treatment. Miss Amy Yuen said that as only limited data were available following the commencement of the flow turning process under HATS Stage 2A in September 2015, EPD would collect further information for a more comprehensive review. She advised that HATS Stage 2A had adequate capacity to support the sewage collection and treatment work at least until 2041, and the Government would keep in view the implementation of HATS Stage 2B at this stage taking into account the substantial capital investment and resources involved. Given the progress made in the improvement in water quality as well as the continuous development in biological treatment technology, the timing on the implementation of HATS Stage 2B could be decided later. Miss Yuen recapped that the Government in parallel had already commissioned a study in early 2016 on improving the water quality of the coastal waters for tackling near shore pollution problems and odour nuisance where the local communities were most affected.

24. On the further enquiry from a Member on the benchmarking of monitoring results to be adopted before the Government would decide whether to proceed with HATS Stage 2B, Miss Amy Yuen said that a number of factors including population forecast and urban planning around the Victoria Harbour would be taken into consideration rather than based on specific parameters. She advised that the on-going monthly water quality monitoring and annual reports of water quality could help indicate the level of water quality improvement upon the full operation of HATS Stage 2A.

25. A Member drew Members' attention on the long debate over the efficiency of sewage treatment by chemically-enhanced primary treatment (CEPT) adopted in HATS Stage 2A as compared to biological treatment proposed in HATS Stage 2B. He opined that modelling results could be generated to determine whether and how the two stages of HATS could proceed. In reply, Miss Amy

Yuen said that based on the studies about the efficacy in improving the water quality by CEPT or by biological treatment, the level of reduction of suspended solids was 80% for CEPT versus 90% for biological treatment, and 70% for CEPT versus 90% for biological treatment in respect of the level of reduction of Biochemical Oxygen Demand (BOD). Furthermore, 99% of *E. coli* had already been removed from the treated effluent by the Advance Disinfection Facilities at SCISTW. Having regard to the substantial capital investment and the technological development in the long term, Miss Yuen reiterated that it would be prudent for the Government to review all relevant factors involved before deciding on the timing for the implementation of HATS Stage 2B. As a point of reference, the estimated capital costs and annual operating costs of HATS Stage 2B would range from \$22 to \$30 billion and \$1.2 to \$1.8 billion respectively, depending on the type of biological treatment method to be adopted.

26. A Member advised that the effect of sewage treatment by CEPT and biological treatment were not comparable in terms of the suspended solids, BOD, TIN and Un-ionised Ammonia. As regards the cost consideration for implementing HATS Stage 2B, she said that sludge collected by sewage treatment could be used to support the energy demand of the biological treatment facilities. In view of technological advancement, biological treatment had become more effective at lower costs. The Member suggested that the Government should clarify the matter in terms of their decision-making process and the cost-benefit analysis so as to allay Members' concerns as well as to foster a better public understanding on the Government's stance on HATS Stage 2B.

27. Dr Samuel Chui in reply said that they would continue to monitor and review the development of sewage treatment technology viz. CEPT and biological treatment, taking into account the cost factors as well as land requirement for setting up the biological treatment facilities. He also advised that while sludge could be used as a source of energy, further energy input would be required to support secondary treatment.

28. The Chairman concluded that Members in general were supportive of HATS Stage 2A and the improvements in the water quality to be brought about by the scheme. He invited EPD and DSD to take into account Members' comments and suggestions when reviewing the way forward for the HATS project.

[The presentation team left the meeting at this juncture.]

Internal Discussion Session

29. A Member suggested to have a site visit to SCISTW so as to give Members a better understanding on the operation of HATS Stage 2A. Members supported the proposal and suggested to include an introduction on the hydraulic models during the visit. Secretariat

Item 4 : Implementation of the Recycling Fund ***(ACE Paper 16/2015)***

30. The Chairman said that the paper introduced the launch of the Recycling Fund which aimed to support the sustainable development of the recycling industry, with a view to enhancing the quality and quantity of recyclables to be collected and reducing the burden on landfills. The discussion would be divided into the open Presentation cum Question-and-Answer Session while the Internal Discussion Session would remain closed.

31. A Member declared that she was a member of the Advisory Committee on Recycling Fund (RFAC). Members agreed that she could stay and participate in the discussion.

[The presentation team joined the meeting at this juncture.]

Presentation cum Question-and-Answer Session (Open Session)

32. Mr H M Wong introduced the background and set up of the Recycling Fund, followed by Mr Kenny Wong who briefed Members on its scope and operation.

Challenges of the recycling trade

33. On behalf of another Member who had left the meeting, a Member conveyed her view that the Government should place greater emphasis on waste reduction, followed by reuse and recycle given that the recycling process would consume a significant amount of energy and generate greenhouse emissions. The Member also pointed out that the Recycling Fund had not addressed the major difficulties faced by the recycling trade including the lack of demand for recycled products, shortage of manpower and high land costs. She said that a successful recycling programme must have a clear outlet to absorb the recyclable materials collected and convert them into gainful resources. She opined that the

Government must resolve these issues in order to support the sustainable development of the recycling industry. Since the recent economic downturn had largely undermined the markets for recycled products, the Member suggested that the Government could consider procuring those recycled products which were not financially self-sustainable and turning them into marketable products for beneficial uses, e.g. eco-pavers made from recycled glass as construction materials.

34. Mr H M Wong in reply advised that various promotional activities and measures had been undertaken to raise public awareness and participation on waste reduction and separation at source. With the implementation of the Recycling Fund, the Government would indeed enhance its efforts in promoting waste reduction at source. Given that the marketability of recyclables was highly influenced by external economic conditions, recyclers could consider using the Recycling Fund for investment in better technology and equipment so as to increase their efficiency and reduce the operating costs. As regards the shortage of manpower, Mr Wong said that while it was a challenge to attract the younger generation to join the workforce as the recycling operators generally offered relatively low-skilled jobs and not-too-pleasant working environment, enterprises could apply for funding to provide staff training or to join accreditation schemes such as those under the Hong Kong Quality Assurance Agency for better branding and marketing of their recycled products. On high land costs, Mr Wong advised that EcoPark in Tuen Mun had provided long-term land to recyclers at an affordable cost. The Government had also been providing short-term tenancy sites as well as berths in the Public Cargo Working Areas for exclusive use of the recycling trade.

35. A Member noted that while the trade in general was supportive of the Recycling Fund as it could meet short-term capital needs for the enterprises for expanding their scope of business or revamping their mode of operation, it could not help sustain the recycling industry in the long run given that the business was vulnerable to fluctuating market situations. Mr H M Wong replied that a mid-term review would be conducted two years after the launch of the Recycling Fund. With other waste-related policies and initiatives to be launched progressively, e.g. the Municipal Solid Waste Charging and Producer Responsibility Schemes on waste electrical and electronic equipment and glass beverage containers, the Government would keep in view the feedback of these initiatives on the changing landscape of the local recycling industry.

36. A Member opined that the marketability of recycled products was of utmost importance to sustain the industry. He suggested that the Government

could introduce incentives, such as tax refund, to encourage the private sector to procure more recycled products. Since the Enterprise Support Programme (ESP) under the Recycling Fund provided project-based matching funds, he suggested the RFAC should carefully assess the financial capability of individual enterprises undertaking the projects as they had to shoulder at least half of the investment. Mr H M Wong said that both EPD and the RFAC had been communicating closely with the trade and had reminded potential applicants to prudently assess their financial capability as well as the feasibility of their proposed projects before making applications to the Recycling Fund. Regarding the provision of incentives to encourage the private sector to procure more recycled products, Mr Wong said that this would involve the introduction of new policies or initiatives outside the remit of the Environment Bureau.

Eligibility for the Recycling Fund

37. In reply to a Member's enquiry concerning the funding ceiling of the Small-Scale Standard Projects (SSP), Mr Kenny Wong said that small and medium-sized enterprises under the Enterprise Support Programme (ESP) could in parallel apply for small projects under the SSP, up to a cumulative funding cap of \$5 million under the ESP. Mr H M Wong added that a streamlined application process had been developed to facilitate the applications of small projects under \$150,000.

38. A Member was concerned that the Recycling Fund might encourage the generation of more recyclable wastes. She reiterated that the scheme should give priority on waste reduction, and that the Government should provide support to recyclers specializing in recycling materials that were not of high demand in the market such as glass containers. While the recycling of these materials were non-profitable, it was not desirable to dispose of them in landfills. Mr H M Wong advised that the Government was planning to introduce a producer responsibility scheme on glass beverage bottles. Further, one of the lots in EcoPark had been awarded to a waste glass recycler producing eco-pavers. Construction materials made with recycled glass were being used in public works projects. He stressed that different policies and measures had been introduced to complement each other for enhancing the sustainability of the recycling industry.

39. A Member asked about the number of applications for the Recycling Fund received so far. He shared that creating a market for recycled products was crucial to sustain the industry, and that the Government should take the lead in driving market demand. The Member also opined that the Recycling Fund should

primarily be used to assist the local recycling industry. Applications by recyclers who recycled imported materials or only engaged in exporting activities should not be considered. He further opined that the RFAC should prioritize applications based on the effectiveness of the projects in alleviating the burden on landfills. Mr H M Wong replied that three applications under the SSP had been received. With close communication with the recycling industry, more applications from individual enterprises and non-profit distributing organizations (NPOs) were expected before the closing date by end November 2015. As the Recycling Fund was to support the local recycling industry, projects for processing of imported materials would not be considered. Mr Wong pointed out that one of the main recycling activities was to turn the collected recyclables into reusable materials after suitable treatment such as sorting and cleansing. At the moment, over 90% of the recyclables in Hong Kong were exported after treatment. Enterprises involved in this recycling procedure process would also be eligible to apply for the Recycling Fund. Mr Wong also informed that the Government had taken the lead in adopting the green procurement policy. At present, the number of items on the Government procurement list with green specifications had expanded to 150 items. The Government had procured over \$1 billion worth of products made with recycled contents, including eco-pavers and biodiesel. He further informed that a seminar on green procurement would be organized in December 2015 to encourage the business sector to incorporate more green specifications in their procurements.

40. In reply to a Member's further enquiry, Mr H M Wong said that NPOs including recycling trade associations and green groups could make applications under the Industry Support Programme (ISP). RFAC would assess whether the projects were effective and beneficial to the recycling industry in general.

41. A Member asked whether the requirement of having at least one year's proven track record in the recycling industry would deter some entities from expanding their undertakings into the recycling field. Mr Kenny Wong replied that the one-year criterion was to ensure that applicants did have the necessary business network, experience and capability to undertake the projects.

42. A Member enquired whether producers of recyclables were eligible to submit applications. He also sought clarification on the rationale of the Recycling Fund for not accepting a proposed project that had been funded by other Government schemes, and whether information on different funds and schemes could be made available to potential applicants to facilitate their comparison and selection. Mr H M Wong said that while enterprises directly involved in recycling-related operation were eligible to apply for the Recycling Fund, these

enterprises could also engage other stakeholders on the supply chain, such as cleansing and property management companies in their projects so as to ensure a stable supply of recyclable materials and demand for their recycled products. Applicants were required to explain clearly their working relationship with other stakeholders, which would be considered by the RFAC. Mr Wong also advised that as a fundamental principle of use of public funds, projects in receipt of other Government funding support would not be double-funded. If applications were received on projects that could be funded by other public funds/schemes, the Hong Kong Productivity Council (HKPC) would explain the differences to the applicants so that they could make the choice in their best interest.

43. A Member sought clarification on whether the Recycling Fund could be used to subsidize research and development (R&D) projects for improving the quality of recycled products. Mr H M Wong explained that while R&D projects were outside the scope of the Recycling Fund, the RFAC would consider projects for introducing new technologies to enhance the operational efficiency of the recycling industry. There were other public funds, e.g. the Innovation and Technology Fund, to support R&D projects. Mr Wong advised that successful applicants would be required to sign a funding agreement with the Government, and they would be required to share experience with the recycling trade when needed. They would also be required to provide feedback on the Recycling Fund and any difficulties encountered during the periodic review. While HKPC would levy an administration fee in serving the Secretariat of the Recycling Fund, it would also serve as the implementation partner and was responsible for conducting market analysis and introducing overseas technologies to the local recycling trade. In reply to a Member's enquiry, Mr Wong confirmed that HKPC was not eligible to apply for the Recycling Fund.

44. A Member opined that at this early stage, enhancing the sustainability of the recycling industry should take precedence over the promotion of the trade in general. As such, funding support should first be allocated to enterprises rather than NPOs. Mr H M Wong explained that the ISP could be used to fund projects of various nature, such as certification and accreditation of recycling operations, and schemes to enhance the overall occupational safety standard of the industry. On the basis that these projects would benefit the recycling industry as a whole with the project outcome opened for sharing with other members in the trade, these projects would be considered by the RFAC.

45. In view that the Recycling Fund had proposed defined project scopes for both the ESP and ISP, the Chairman enquired whether a new catch-all category

encompassing all projects outside the defined scopes would be established to allow greater flexibility in the types of applications. Mr H M Wong replied that the project scopes would follow the broad framework approved by the Legislative Council's Finance Committee. Mr Kenny Wong supplemented that the scopes of projects were provided as references for easy understanding of the trade on the types of applications that could be made. As long as the projects could meet the objectives of the Recycling Fund, the two current programmes in fact should allow applications of creative nature relevant to the recycling trade.

HKPC serving the Recycling Fund Secretariat

46. In reply to a Member's enquiry about HKPC's role as the Secretariat of the Recycling Fund in facilitating a free flow of market information, Mr Kenny Wong said that HKPC had been in close communication with the recycling industry in the past years. It would conduct at least three market surveys and release the survey results to the recycling trade for reference. RFAC had endorsed HKPC to launch the first survey in late 2015 on the flow of recyclables within the market, changes in market prices of recycled materials and import/export restrictions, and the identification of more cost-effective recycling technologies, etc.. Mr Wong also mentioned that a seminar for sharing of recycling approaches and technologies was held during the recent Eco Expo Asia co-organized by the Environment Bureau in late October 2015. HKPC had taken the opportunity to bring local and international industry practitioners together and provide a platform in facilitating their cooperation and exchange of information.

47. The Chairman thanked Mr H M Wong and Mr Kenny Wong for their presentation and concluded that Members were in general supportive of the Recycling Fund.

[The presentation team left the meeting at this juncture.]

Item 5 : Any other business

48. Mr Andrew Lai reported that following ACE's discussion on the SkyPier Plan relating to the third runway EIA project, the Airport Authority Hong Kong (AAHK) planned to submit a further paper for discussion by the Council in December 2015 in respect of the proposed plans on (i) the marine park proposal; (ii) Marine Ecology Conservation Plan and Marine Ecology Enhancement Fund; and (iii) Fisheries Management Plan and Fisheries Enhancement Fund as required in the project Environmental Permit. The Secretariat had just received an

invitation from AAHK on a visit to the Deep Cement Mixing construction method on contaminated mud pits and the relevant environmental monitoring as well as a briefing on the three proposed plans to be arranged on 17 November afternoon. As some Members were not available to join this visit-cum-briefing, the Secretariat would liaise with AAHK on the feasibility of organizing another briefing session before the meeting. Secretariat

49. In response to a Member's enquiry, Mr Andrew Lai said that while the discussion paper and related documents would be forwarded to Members generally one week before the Council meeting, AAHK would be requested to provide the three proposed plans for Members' perusal as early as practicable. Secretariat

50. There was no other business for discussion at the meeting.

Item 6: Date of next meeting

51. The next ACE meeting was scheduled on 7 December 2015 (Monday). Members would be advised on the agenda in due course.

ACE Secretariat
November 2015