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ACE Paper 7/2011
For advice on 16 May 2011

**Report on the 117th
Environmental Impact Assessment Subcommittee Meeting**

PURPOSE

At its meeting on 18 April 2011, the Environmental Impact Assessment (EIA) Subcommittee considered the EIA report on “Pilot Project for Public-Private Partnership Conservation Scheme at Sha Lo Tung Valley, Tai Po” submitted by the Sha Lo Tung Development Company Ltd. (ACE-EIA Paper 5/2011 refers).

ADVICE SOUGHT

2. Members are requested to consider the views of the Subcommittee and advise on the EIA report.

BACKGROUND AND NEED FOR THE PROJECT

3. The New Nature Conservation Policy (NNCP) promulgated by the Government since 2004 aims at regulating, protecting and managing natural resources that are important for the conservation of biological diversity of Hong Kong in a sustainable manner, taking into account social and economic considerations, for the benefit and enjoyment of the present and future generations of the community. Under the NNCP, 12 priority sites have been identified for enhanced conservation under a scoring system drawn up by an Expert Group with membership comprising key academics and major green/interest groups with expertise in ecology.

4. Under the NNCP, the Government has proposed to implement a Pilot Scheme for Public-Private Partnership (PPP), with a view to striking a balance between sustainable development and nature conservation. Under the scheme, development of an agreed scale will be allowed at the ecologically less sensitive portion of a priority site, provided that the project proponent undertakes to conserve and manage the rest of the site that is ecologically more sensitive on a long-term basis. The project is an application received by the Government under the Pilot Scheme.

5. The project was first discussed by the Nature Conservation Subcommittee (NCSC) of the Advisory Council on the Environment (ACE) on 9 April 2008 and then by the ACE on 14 April 2008. The ACE noted the merits of the proposal and agreed that the Government should support the project from the nature conservation angle. The NCSC further discussed the proposed conservation management plan of the project on 14 August 2008 and agreed that the proposed measures could enhance the ecological value of Sha Lo Tung (SLT) Valley.

6. The original scope of the works proposed by the project proponent in 2008 did not make the project a designated project under the EIA Ordinance (EIAO). Nonetheless, the project proponent submitted an environmental assessment (EA) report, which was endorsed by the ACE with conditions in October 2008, taking into account recommendations by the EIA Subcommittee. Subsequent to that the project proponent has made certain revisions to the proposal and the changes constituted the project to become a designated project under the EIAO. The current EIA report is submitted to fulfill the EIAO requirements.

DESCRIPTION OF THE PROJECT

7. The project includes three components, i.e. (a) Ecological Reserve, (b) Development Site and (c) SLT Road improvement. A brief description is set out below and their locations are shown in **Annex A1** –

- (a) *Ecological Reserve*: The applicant proposes to dedicate all of the land it owns in SLT Valley (about 27 ha, representing 96% of the private land in the valley) for setting up an Ecological Reserve of approximately 52 ha and to implement a comprehensive conservation management plan for the

Ecological Reserve. Under the plan, the important habitats will be protected and enhanced. Moreover, the applicant has proposed to implement measures to prevent hill fire, remove exotic vegetation, enhance the quality of secondary woodland, conserve target species and habitats, restore abandoned agricultural lands, manage a Nature Interpretation Centre at the Development Site, and to promote conservation education. To finance the long-term operation of the Ecological Reserve, the applicant has undertaken to inject a one-off capital of an amount to be agreed by the Government into a Government statutory fund.

- (b) *Development Site:* The applicant proposes to develop a Nature Interpretation Centre and a Multi-cultural Education Retreat cum Columbarium Complex (with a building footprint of approximately 1.7 ha) on a piece of government land of some 5 ha in the adjacent “Green Belt”. The land exchange terms will be agreed with the Government separately.
- (c) *SLT Road improvement:* The proposed project includes upgrading of the existing SLT Road (approximately 2.3 km) which is the only access road to SLT Valley. The applicant has undertaken to finance the road improvement works and also the subsequent management and maintenance of the road.

8. The project involves earthworks (building a temporary footbridge of about 2.2 m long and 1.5 m wide across the stream) inside the SLT Site of Special Scientific Interest (SSSI). It is a designated project under item Q.1 of Part 1, Schedule 2 of the EIAO: *All projects including new access roads, railways, sewers, sewage treatment facilities, earthworks, dredging works and other building works partly or wholly in an existing or gazetted proposed country park or special area, a conservation area, an existing or gazetted proposed marine park or marine reserve, a site of cultural heritage, and a site of special scientific interest, except for the items described in (a) to (j).*

CONSIDERATION OF ALTERNATIVE OPTIONS

9. The EIA report has considered three alternative layout options for the development site. Environmental benefits and dis-benefits of these three options have

been evaluated. The EIA report presented detailed assessment results for the preferred option as shown in **Annex A2** which has the following features –

- (a) no encroachment onto the nearby country park, conservation area and SSSI;
- (b) provision of a 20 m non-building buffer between the development site and the SLT SSSI;
- (c) majority of the building works are located at the southern part of the development site and away from the secondary woodland and SLT SSSI;
- (d) least development scale among the three options (no restaurant in the development to reduce human disturbance); and
- (e) relatively less visible from most of the existing sensitive receivers.

VIEWS OF THE SUBCOMMITTEE

10. Members noted that the public inspection period of the EIA report was from 7 March 2011 to 5 April 2011. As an administrative arrangement, public comments received by the Environmental Protection Department (EPD) were circulated to members for reference before the meeting. Separately, submissions addressed to the Council or the Subcommittee were circulated to members before the Subcommittee meeting for members' information. Written response of the project proponent to members' questions was also circulated to members for information before the meeting.

11. A summary of issues discussed by the Subcommittee is at **Annex B**.

RECOMMENDATION OF THE SUBCOMMITTEE

12. Having regard to the findings and recommendations of the EIA report and information provided by the project proponent, the Subcommittee agreed to recommend to the full Council that the EIA report could be endorsed with the following proposed conditions –

- (a) the project proponent should submit a detailed Conservation Management Plan (i.e. a Habitat Enhancement and Management Plan for the project), including detailed measures to prevent and suppress the occurrence of hill fire during operation, for the proposed Ecological Reserve to the EPD and Agriculture, Fisheries and Conservation Department (AFCD) for approval

prior to the construction of the Ecological Reserve and the proposed development;

- (b) the project proponent should submit a tree-felling and re-planting plan to the EPD and AFCD for agreement before commencement of the construction works;
- (c) a secure and legally binding mechanism should be put in place to ensure that the financial commitment made by the project proponent to provide an adequate amount of funding for the long-term sustainable management of the Ecological Reserve, as set out in the EIA report, be materialized;
- (d) the project proponent should take measures to ensure that the operation of the Multi-cultural Education Retreat cum Columbarium Complex would not have any unacceptable environmental impact on the Ecological Reserve, in particular that the Multi-cultural Education Retreat would not be turned to a resort-type facility or any other facilities with a business nature;
- (e) the project proponent should control the number of visitors during the “Ching Ming and Chung Yeung festival days” by prior appointment limited to the buyers of the niches sold under Class A (i.e. buyers may visit the columbarium at any time) and that the number of such niches should not be more than 20,000. The remaining 40,000 niches should be sold under Class B (i.e. buyers will not be allowed to visit the columbarium during the “festival days”). The special traffic and visitor management arrangements should be set out in the sales and purchase agreement prominently between the project proponent and niche buyers to avoid dispute in future. The traffic management measures and the definition of “festival days” should be reviewed regularly and agreed by the relevant authorities, including the Transport Department and Hong Kong Police Force;
- (f) the project proponent should ensure that burning of effigies, paper offerings and candles should be prohibited in the development site. Burning of incense will be allowed only within the Multi-cultural Education Retreat on special supervised occasions with only one incense lit within the Multi-cultural Education Retreat at all times; and
- (g) the project proponent should submit reports of the Environmental Monitoring and Auditing results on ecological and water quality monitoring during the construction phase to the ACE on a quarterly basis and those reports during the operational phase on an annual basis until the end of the first year after full operation of the Columbarium. The project proponent should also submit monitoring reports for the Ecological Reserve to the ACE on an annual basis, subject to a review on the need for further submission of reports three years

after establishment of the Ecological Reserve.

13. The Subcommittee also made the following recommendations on the EIA report –

- (a) to review the scale and length of the SLT Road improvement works, including the replacing of a section of SLT Road widening by provisioning of an internal road from the southern side of the site, with a view to reducing the associated environmental impacts;
- (b) to use electric vehicles and/or low emission vehicles for the project as far as possible for transportation along SLT Road;
- (c) the Government Statutory Fund, from which the Conservation Agent is proposed to apply funding to implement the Conservation Management Plan, to set up a monitoring group to ensure the objectives of conserving and protecting the natural habitats of the site could be achieved; and
- (d) to preserve the graded historical buildings of the Hakka culture in the site, such as in the form of museums or exhibition halls, with a view to achieving environmental and cultural preservation of the ethnic group in totality.

EIA Subcommittee Secretariat

May 2011