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ACE Paper 8/2012
For advice on 16 July 2012

Report on the 120th Environmental Impact Assessment Subcommittee Meeting

PURPOSE

At the meeting on 25 June 2012, the Environmental Impact Assessment Subcommittee (EIASC) considered the EIA report on “Pilot Project for Public-Private Partnership Conservation Scheme at Sha Lo Tung Valley, Tai Po” (hereafter known as the SLT project) submitted by the project proponent Sha Lo Tung Development Company Ltd. (SLTDC) under section 6(2) of the Environmental Impact Assessment Ordinance (EIAO) (ACE-EIA Paper 5/2012 refers).

ADVICE SOUGHT

2. Members are requested to consider the views of EIASC 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 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 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 SLT project is an application received by the Government under the Pilot Scheme.

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

6. The original scope of the works proposed in 2008 did not make the project a designated project under the EIAO. Nonetheless, SLTDC submitted an environmental assessment (EA) report, which was endorsed by ACE with conditions in October 2008, taking into account recommendations by NCSC. Subsequently, SLTDC had made certain revisions to the proposal and the changes constituted the project to become a designated project under the EIAO.

7. SLTDC submitted an EIA report under the EIAO in December 2010, exhibited the report for public inspection and discussed the report with EIASC at the meeting in April 2011. The Subcommittee decided to recommend to the Council endorsement of the EIA report with conditions. Nevertheless, the EIA report was withdrawn from the statutory EIAO process before the Council met in May 2011. Hence, ACE has not drawn any conclusion on the EIA report.

DESCRIPTION OF THE PROJECT

8. The project scope presented in the present EIA report is largely similar to that presented in the last report, which includes three components – (a) Ecological Reserve; (b) Development Site; and (c) SLT Road improvement. A brief description is set out below and their locations are shown in **Figure 1** :-

- (a) *Ecological Reserve*: SLTDC 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 52.5 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, SLTDC 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 and sufficient to generate recurrent incomes to support the pledged conservation programme into a Government statutory fund.

- (b) *Development Site:* SLTDC proposes to develop a Nature Interpretation Centre, and a Multi-cultural Education Retreat cum Columbarium Complex (with a building footprint of approximately 1.27 ha which is 0.03 ha less than the previous design) on a piece of government land of 4.1 ha (which is 1.4 ha less than the previous design) in the adjacent “Green Belt”. The land arrangement 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 the SLT Valley. SLTDC has undertaken to finance the road improvement works and also the subsequent management and maintenance of the road.

9. 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

10. 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 **Figure 2** 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 the SLT SSSI;
- (d) least development scale among the three options (no restaurant in the development to reduce human disturbances); and
- (e) relatively less visible from most of the existing sensitive receivers.

VIEWS OF THE DIRECTOR AND RELEVANT AUTHORITIES

11. The Director of Environmental Protection (DEP), in conjunction with the relevant authorities, considers that the EIA report meets the requirements of the EIA Study Brief and the Technical Memorandum on EIA Process (TM). Comments from the public and ACE will be taken into account by DEP in deciding whether or not to approve the EIA report under the EIAO.

VIEWS OF THE SUBCOMMITTEE

12. Members noted that public inspection of the EIA report was from 21 May to 19 June 2012. As an administrative arrangement, 335 sets of public comments and 27 sets of late comments (as at 22 June 2012) received by Environmental Protection Department (EPD) were circulated to Members for reference before the EIASC meeting on 25 June 2012. Separately, four submissions addressed to the Council or to the Subcommittee were circulated to Members before the meeting for Members' information. Written response of the project proponent to Members' questions was also circulated to Members for information before the meeting.

13. Since EIASC had given a long and detailed deliberation of the EIA report in April 2011 and that the present report contains only a few revisions, Members focused their discussion on the new information made available and any clarifications which they required from SLTDC.

14. A summary of issues discussed at the meeting is at **Annex**.

RECOMMENDATIONS OF THE SUBCOMMITTEE

15. Having regard to the findings and recommendations of the EIA report on the SLT project and information provided by SLTDC, EIASC 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 (CMP) (i.e. 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 EPD and AFCD for approval prior to the construction of the Ecological Reserve and the proposed development;
- (b) the project proponent should update the baseline ecological survey on the Ecological Reserve for drawing up the CMP and serving as benchmark for subsequent assessment of the effectiveness of the CMP measures. The survey findings should be prepared to the satisfaction of AFCD and submitted as part of the detailed CMP;
- (c) the project proponent should submit a tree-felling and re-planting plan to EPD and AFCD for agreement before commencement of the construction works;
- (d) 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;
- (e) 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 Retreat would not be turned to a resort-type facility or any other facilities with a business nature;
- (f) 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 definition of “festival days” should be reviewed regularly and agreed by the relevant authorities, including Transport Department and Hong Kong Police Force;

- (g) the project proponent should only use electric vehicles for shuttle bus services along Sha Lo Tung Road during normal days. During festival days, the project proponent should, when necessary, hire additional electric vehicles or other low emission vehicles as approved by EPD for transportation along Sha Lo Tung Road;
- (h) 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 Retreat at all times;
- (i) the project proponent should submit reports of the Environmental Monitoring and Auditing (EM&A) results on ecological and water quality monitoring during the construction phase to 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 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; and
- (j) the project proponent should, before commencement of the construction works, submit a detailed surface drainage/hydrology plan for the water catchment area of the Development Site with an aim to directing the natural surface runoff to the north side of the Development Site and maintaining the existing quality and quantity of water flow into the natural stream systems.

16. The meeting also made the following recommendations on the EIA report –

- (a) to review the scale and length of the Sha Lo Tung Road improvement works, including the replacing of a section of Sha Lo Tung 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 minimise the use of soil nailing as far as possible in the Sha Lo Tung Road improvement works and other construction work sites;
- (c) to set up a steering group for the project, including a representative of AFCD, to ensure that the objectives for conserving and protecting the natural habitats of the site would 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.

17. The Subcommittee Members also agreed that SLTDC would not be required to attend the full Council meeting scheduled for 16 July 2012 unless there were any unanticipated developments of the project during the period which would warrant the team to give further presentation at the meeting.

**EIA Subcommittee Secretariat
July 2012**