

# LCQ11: Large-scale compressed gases depots

Following is a question by the Hon Shiu Ka-fai and a written reply by the Secretary for Security, Mr Tang Ping-keung, in the Legislative Council today (July 21):

Question:

Under the Dangerous Goods Ordinance (Cap. 295), any person who manufactures, stores, conveys or uses dangerous goods under the Ordinance is required to obtain a licence. Compressed gases are classified as a category of dangerous goods. Some suppliers of compressed gases have relayed to me that the Government has not provided sufficient sites for lease under short-term tenancies (STTs) to the industry for setting up large-scale (i.e. with a storage capacity of 100 cubic metres of liquid, 100 tonnes of solid, or 15 000 cubic metres of gas or above) depots for imports and exports of compressed gases. In this connection, will the Government inform this Council:

(1) of the policies, guidelines and requirements in respect of the granting and renewal of STTs for setting up compressed gases depots on government sites;

(2) as a member of the public lodged a complaint with the Office of The Ombudsman (the Office) last year against the Lands Department (LandsD) for failing, over the years, to adhere to the departmental guidelines to conduct a tender exercise for letting anew a site, which had been leased under STTs for setting up dangerous goods depots, when the relevant leases expired, and the Office found the complaint substantiated upon investigation, of the reasons why the relevant officials of the LandsD had failed to adhere to the departmental guidelines, and the follow-up actions taken by the LandsD;

(3) of the respective numbers of sites leased under STTs for setting up compressed gases depots for which tender exercises were (i) conducted and (ii) not conducted for letting anew the sites when the relevant leases expired in the past years, and set out the relevant information in a table (including the reasons for not conducting tender exercises);

(4) of the respective procedure and time needed for licence applications for setting up compressed gases depots on (i) government and (ii) private lands;

(5) of the respective current numbers and locations of licensed compressed gases depots set up on (i) government and (ii) private lands in the territory; and

(6) whether it assessed, in the past ten years, the demand for sites for setting up compressed gases depots, and what measures it took to ensure

sufficient supply of the relevant sites?

Reply :

President,

Compressed gases involve many types and varieties. Compressed gases regulated under the Dangerous Goods Ordinance (Cap. 295) (DGO) are Category 2 Dangerous Goods. In addition, certain compressed gases (such as liquefied petroleum gas) are regulated under the Gas Safety Ordinance (Cap. 51) by the Electrical and Mechanical Services Department. Regarding the issues on the granting and continuation of short-term tenancies (STTs), supply of land and application of licence for storage of compressed gas etc. as asked in the question, according to the information provided by relevant policy bureau and departments, the consolidated reply is as follows:

(1) and (2) According to information provided by the Development Bureau in respect of the arrangements for STTs and land, to optimise the utilisation of land resources, the Lands Department (LandsD) has an established mechanism to let out, where practicable, unleased land not immediately required for development by STTs for gainful uses, including uses with policy or district needs so considered by relevant bureaux or departments. Currently, to support enterprises facing the impact of the epidemic on the economic environment, the Government has suspended re-tendering of STTs for business and community use until September 30, 2021 (unless termination is required for other policy considerations or initiated by the tenants themselves). The Government will process the re-tendering as appropriate after the suspension period, in accordance with the established mechanism.

For STTs let by tender, the fixed tenancy term ranges from one to seven years depending on individual case circumstances. Upon expiry of the fixed term or when the tenancy has continued for three years (whichever date is the later), the LandsD will generally re-tender the site, unless continuation of tenancy (usually on a quarterly or monthly basis) under the terms and conditions of the tenancy agreement is considered more appropriate in the light of the circumstances, for example, the sites concerned have to be vacated for other purposes in the near future, or the relevant bureaux or departments have requested temporary continuation of tenancy in light of their policy review or policy objectives, etc.

As for the case in Tuen Mun investigated by the Office of The Ombudsman last year, it involves an STT site for storage of dangerous goods that was granted by open tender many years ago at the request of the then New Territories Administration. The LandsD has previously taken into account the views of relevant departments that re-tendering upon demolition of the existing structure may require conducting the environmental impact assessment and planning application processes afresh, rendering the land idle for quite some time. In the light of the Ombudsman's views, the LandsD has reviewed the case and is actively exploring possible ways to put up the site for re-tendering, while minimising the vacuum period during the transition of the existing and the new tenancies (for example, to put up the site together with

the existing structure thereon for tender). Upon completion of all the preparatory work, the relevant STT tender forecast will be uploaded to the LandsD's website.

(3) and (6) According to information provided by the Development Bureau, in the past ten years, there was no other similar STTs (i.e. those let by tender for storage of compressed gases regulated under DGO or related purposes) with fixed term expired or having continued for three years and hence due for re-tendering in accordance with the established mechanism.

The demand for storage for compressed gases is market-driven. The Government has not assessed the demand for land use for storage for compressed gas. As a matter of fact, many dangerous goods stores are set up on private land (such as land for industrial use or industrial buildings).

(4) DGO regulates the manufacture, storage, conveyance and use of dangerous goods in Hong Kong. Compressed gases regulated under DGO are Category 2 Dangerous Goods. Anyone who wishes to set up a Category 2 Dangerous Goods store is required to submit an application to the Fire Services Department (FSD) for a Dangerous Goods store licence.

Generally speaking, after the applicant has submitted all the information required by the FSD, officers of the FSD will conduct inspection and on-site risk assessment within 28 working days. Fire Safety Requirements will then be issued to the applicant for compliance after risk assessment. After the applicant has complied with the Fire Safety Requirements and reported to the FSD, officers of the FSD will conduct compliance inspection within seven working days. Once the Fire Safety Requirements are found to be fully complied with, a Dangerous Goods licence will be issued within six working days from the date of inspection. Regardless of whether the premises of the application is located on government or private land, the relevant application procedures and performance targets are identical.

(5) According to the information provided by the FSD, there are about 1 200 Category 2 Dangerous Goods (Compressed Gases) store licences. Category 2 Dangerous Goods stores are mainly located in hospitals, construction sites, and industrial buildings; The FSD does not have the breakdown of statistics on whether they are on government or private land.