

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1886/06-07  
(These minutes have been seen  
by the Administration)

Ref : CB1/SS/5/06/1

**Subcommittee on**  
**Sewage Services (Sewage Charge) (Amendment) Regulation 2007,**  
**Sewage Services (Trade Effluent Surcharge) (Amendment) Regulation 2007**  
**and Technical Memorandum on Procedures and Methods for Sampling and**  
**Analysis of Trade Effluents**

**Minutes of the first meeting**  
**held on Thursday, 19 April 2007, at 2:30 pm**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Hon Audrey EU Yuet-mee, SC, JP (Chairman)  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J.,JP  
Hon SIN Chung-kai, JP  
Hon Howard YOUNG, SBS, JP  
Hon Miriam LAU Kin-yee, GBS, JP  
Hon CHOY So-yuk, JP  
Hon Tommy CHEUNG Yu-yan, JP  
Hon WONG Kwok-hing, MH  
Hon LEE Wing-tat  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Hon TAM Heung-man

**Members absent** : Hon WONG Yung-kan, JP  
Hon Emily LAU Wai-hing, JP  
Hon WONG Ting-kwong, BBS

**Public officers attending** : Mr Raymond FAN  
Deputy Director of Environmental Protection (2)

Dr Malcolm James BROOM  
Assistant Director (Water Policy)  
Environmental Protection Department

Mr KO Wing-hon, JP  
Assistant Director / Sewage Services  
Drainage Services Department

Mr CHUI Wing-wah  
Chief Engineer / Harbour Area Treatment Scheme  
Drainage Services Department

Ms Camy WAN  
Senior Treasury Accountant  
Drainage Services Department

Miss Clara LEUNG  
Government Counsel  
Department of Justice

**Clerk in attendance :** Miss Polly YEUNG  
Chief Council Secretary (1)5

**Staff in attendance :** Mr Timothy TSO  
Assistant Legal Adviser 2

Ms Rosalind MA  
Senior Council Secretary (1)8

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Action

**I Election of Chairman**

Ir Dr Raymond HO, the member who had the highest precedence in the Council among all members of the Subcommittee, presided over the election of the Chairman of the Subcommittee. He invited nominations for the chairmanship of the Subcommittee.

2. Ms Audrey EU was nominated by Miss TAM Heung-man and seconded by Mr SIN Chung-kai. Ms EU accepted the nomination. There being no other nominations, Ms Audrey EU was elected the Chairman. Ms EU took over the chair.

## II Meeting with the Administration

- (LC Paper No. CB(1)1392/06-07(01) — Marked-up copy of Sewage Services (Sewage Charge) Regulation and Schedule 1 (Cap. 463 sub. leg.) as amended by L.N. 45 of 2007
- LC Paper No. CB(1)1392/06-07(02) — Marked-up copy of Sewage Services (Trade Effluent Surcharge) Regulation as amended by L.N. 46 of 2007
- LC Paper No. CB(1)1392/06-07(03) — Letter dated 27 March 2007 from the Assistant Legal Adviser (ALA) to the Administration
- LC Paper No. CB(1)1392/06-07(04) — Reply dated 28 March 2007 from the Administration to ALA's letter of 27 March 2007
- LC Paper No. CB(1)1392/06-07(05) — Letter dated 28 March 2007 from ALA to the Administration
- LC Paper No. CB(1)1392/06-07(06) — Reply dated 17 April 2007 from the Administration to ALA's letter of 28 March 2007
- L.N. 45 of 2007 — Sewage Services (Sewage Charge) (Amendment) Regulation 2007
- L.N. 46 of 2007 — Sewage Services (Trade Effluent Surcharge) (Amendment) Regulation 2007
- S.S.No.5 to Gazette No. 12/2007 — Technical Memorandum on Procedures and Methods for Sampling and Analysis of Trade Effluents
- LC Paper No. LS52/06-07 — The Legal Service Division Report on the Subsidiary Legislation
- EP(CR)9/35/16 — The Legislative Council Brief issued by the Environmental Protection Department

LC Paper No. CB(1)1391/06-07 — Background brief on the Subcommittee prepared by the Secretariat)

3. The Subcommittee deliberated (Index of proceedings attached at **Appendix**).

Follow-up actions to be taken by the Administration

4. To facilitate members' consideration of the proposed increase of the cost recovery rate for sewage services from about 54% to about 80% in 10 years' time, the Administration was requested to provide the following information:

- (a) The cost recovery rates in fee-charging of other government services which operated under the user-pays principle;
- (b) A detailed breakdown on comparison of the operating costs for sewage services under the existing sewage treatment facilities and upon implementation of Stage 2A and Stage 2B of the Harbour Area Treatment Scheme (HATS);
- (c) A breakdown of the amount of operating costs to be recovered under the proposed increase in Sewage Charge rates in the coming 10-year period by various sewage treatment schemes, including the amount of operating costs for Stage 2A to be recovered over the 10-year period;
- (d) The effect of sewage treatment and improvements in reducing the pollutant levels of sewage discharge i.e. the level of Biochemical Oxygen Demand (in particular, the level of *E.coli* which was an indicator of disease-causing organisms and the level of other bacteria) achieved by the present facilities and those to be provided under HATS Stage 2A and Stage 2B; and
- (e) The need for and the effects of chlorination/dechlorination when the Administration proceeded with HATS Stage 2B.

5. To address members' concern about the Administration's commitment to implementing HATS Stage 2B, the Administration was requested to provide information on the following:

- (a) The rationale for reviewing the timing for implementation of HATS Stage 2B in 2010-11;
- (b) The objective and parameters of the review as well as factors for consideration in the review;

- (c) The proposed thresholds, if any, on population changes, which the Administration would have regard to in considering the timing to take forward HATS Stage 2B; and
- (d) Preparatory work for Stage 2B to be undertaken from now till the conduct of the review in 2010-11, including the latest projection of the capital costs and operating costs for Stage 2B and the earliest possible date for resolving the land issues relating to the site at Stonecutters Island earmarked for the biological treatment plant under HATS Stage 2B.

*(Post meeting note: The Administration's responses to paragraphs 4 and 5 were circulated to members via LC Paper Nos. CB(1)1435/06-07(02), CB(1)1449/06-07(03), CB(1)1467/06-07(02) and CB(1)1488/06-07(02).)*

### III Any other business

#### Legislative timetable

6. Members noted that as agreed at the House Committee meeting on 13 April 2007, the Deputy Chairman of the House Committee would move a motion at the Council meeting on 25 April to extend the scrutiny period of the Regulations and Technical Memorandum respectively to 16 May 2007. Members noted the following legislative timetable for the Regulations and Technical Memorandum:

<b>Date of reporting to House Committee</b>	<b>Deadline for giving notice of motion to amend Regulations and Technical Memorandum</b>	<b>Council meeting</b>
4 May 2007 (Friday)	9 May 2007 (Wednesday)	16 May 2007 (Wednesday)

#### Invitation for views

7. Members agreed that the Subcommittee would receive deputations' views on the Regulations and Technical Memorandum at the meeting on 27 April 2007, and a general invitation for submissions would be posted on the website of the Legislative Council (LegCo) on the Internet. Members also agreed that the organizations/individual which had been invited by the Panel on Environmental Affairs to give/had given views on the Administration's proposals at the Panel meeting on 22 January 2007 should be invited to provide views on the Regulations and Technical Memorandum (as per Appendix IV of the members' brief), and if they so wished, to attend the meeting of the Subcommittee on 27 April 2007. In

addition, members also agreed to invite the Federation of Hong Kong Industries, the Hong Kong General Chamber of Commerce and the Association of Consulting Engineers of Hong Kong, as well as members of the former International Review Panel to review the plans for HATS, to give views and/or to attend the meeting on 27 April 2007. In line with the usual practice, the 18 District Councils would also be invited to submit views on the Regulations and Technical Memorandum.

*(Post-meeting note: Invitation for submissions on the Regulations and Technical Memorandum was posted on the website of LegCo on 19 April 2007. Invitation letters were sent to relevant organizations/individuals on 19 and 20 April 2007).*

Dates of subsequent meetings

8. Members agreed that the next four meetings of the Subcommittee would be held as follows:

- (a) Tuesday, 24 April 2006 at 8:30 am;
- (b) Friday, 27 April 2007 at 8:30 am  
(meeting to receive views from deputations);
- (c) Monday, 30 April 2007 at 10:45 am; and
- (d) Thursday, 3 May 2007 at 4:30 pm, or immediately after the Chief Executive's Question and Answer Session, whichever is later.

9. There being no other business, the meeting ended at 4:17 pm.

Council Business Division 1  
Legislative Council Secretariat  
12 June 2007

**Proceedings of the  
Subcommittee on Sewage Services (Sewage Charge) (Amendment) Regulation 2007,  
Sewage Services (Trade Effluent Surcharge) (Amendment) Regulation 2007 and  
Technical Memorandum on Procedures and Methods for Sampling and Analysis of  
Trade Effluents**

**First meeting on Thursday, 19 April 2007, at 2:30 pm  
in Conference Room A of the Legislative Council Building**

<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
000000 – 000430	Ir Dr Raymond HO Miss Mandy TAM	Election of Chairman	
000431 – 001805	Chairman Mr Howard YOUNG Mr Tommy CHEUNG Ms Miriam LAU Clerk Ir Dr Raymond HO Miss CHOY So-yuk	(a) Legislative timetable (b) Invitation of views (c) Dates of subsequent meetings	
001806 – 002427	Administration	Briefing by the Administration	
002428 – 002703	Chairman Mr Howard YOUNG Miss CHOY So-yuk Miss TAM Heung-man Ir Dr Raymond HO	Arrangements for meeting in May 2007	
002704 – 002947	Mr Howard YOUNG Administration	(a) Mr Howard YOUNG supported the principle of recovering only the operating costs but not the capital costs for sewage services and considered the proposed increase of the Sewage Charge (SC) rates over a 10-year period acceptable.  (b) On the rationale behind the proposal to reduce the sampling requirement for small Trade Effluent Surcharge (TES) accounts from three days to two days through amendments to the Technical Memorandum,	

Time Marker	Speaker	Subject(s)	Action Required
		<p>the Administration's explanation that the proposed reduction of the sampling requirement would reduce the cost relating to TES reassessments and hence encourage small establishments to adopt pollution reduction measures.</p>	
002948 – 003400	Mr LEE Wing-tat Administration	<p>(a) Mr LEE Wing-tat's concern about the improvements in treatment of sewage to be achieved by HATS Stage 2A, and the prospect for re-opening of the closed beaches along the Tsuen Wan coast.</p> <p>(b) The Administration's advice that with the plan to advance part of the disinfection facilities under Stage 2A for commissioning in 2009, four of the seven closed beaches in Tsuen Wan should be able to re-open shortly after 2009, whilst the re-opening of the other three beaches would not be achieved until around 2011 when the local sewage improvement works in progress would be completed.</p>	
003401 – 004254	Miss CHOY So-yuk Administration Chairman	<p>(a) Miss CHOY So-yuk sought information on the comparison of sewage services under the existing sewage treatment facilities and upon implementation of HATS Stage 2A and Stage 2B, including the operating costs and the effect of</p>	<p>The Administration to provide information as requested in paragraph 4(b) and (d) of the minutes.</p>



Time Marker	Speaker	Subject(s)	Action Required
		<p>sewage treatment on reducing the pollutant levels of sewage discharge (i.e. the level of Biochemical Oxygen Demand). She was also concerned about the timing and the obstacles anticipated for implementing HATS Stage 2B.</p> <p>(b) The Administration's advice that sewage pathogens in the harbour environment would be reduced by 90% upon commissioning of disinfection facilities under both Stage 2A and Stage 2B. Toxic ammonia would be further reduced and dissolved oxygen level would increase.</p>	
004255 – 005250	Ir Dr Raymond HO Administration Chairman	<p>(a) Ir Dr Raymond HO was concerned about the following:</p> <ul style="list-style-type: none"> <li>• Whether the target of increasing the rate of cost recovery rate for sewage services from 54% to 80% was reasonable compared with those for fee-charging of other government services.</li> <li>• Impact of disinfection by chlorination/dechlorination on the environment.</li> <li>• The Administration's commitment to implementing HATS Stage 2B.</li> </ul> <p>(b) The Administration stressed its commitment to pursuing</p>	The Administration to provide information as requested in paragraph 4(a) and (e) of the minutes.

Time Marker	Speaker	Subject(s)	Action Required
		<p>biological treatment under HATS Stage 2B, but considered it prudent to adopt a phased approach for the implementation of Stage 2 to allow the step-by-step upgrading of existing sewage treatment facilities so as to properly manage the uncertainties arising from future population growth and sewage flow build-up. This approach could also avoid saddling users of sewage services with the extra operating costs of biological treatment under Stage 2B before it was necessary. The Administration aimed to review the timing of Stage 2B in 2010-11, when more information would be collected for projection of sewage flow.</p>	
005251 – 010739	<p>Mr SIN Chung-kai Chairman ALA2 Administration</p>	<p>(a) Mr SIN Chung-kai's concern that the proposed increase of SC rate over a 10-year period straddling the next LegCo term, if approved, would pre-empt Members of the next legislative term from consideration of adjustment to the SC rates. He was gravely concerned that the current proposal would set an undesirable precedent for fee increase proposals for other government services.</p> <p>(b) ALA2's advice that while he was not aware of similar arrangement for fee increase, LegCo's approval of fee increase, be it one-off</p>	

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		<p>or scaled over a period of time, would remain valid until the Administration put forward another proposal for fee adjustment which was duly enacted.</p> <p>(c) The Administration recapped its legal advice confirming that the current proposal for fee increase over a 10-year period was constitutionally and legally in order. There was no question of pre-empting LegCo Members' consideration of the matter.</p> <p>(d) Mr SIN Chung-kai's observation that if the proposed fee increases was passed, then, Members of the next LegCo term would not have any means to revise the rates unless the Administration introduced another Amendment Regulation to that effect.</p> <p>(e) The Chairman's remark that as advised by the Administration earlier on, the funding proposal to upgrade certain sewage treatment facilities under HATS Stage 2A would not be put forward if the Amendment Regulation on the proposed increase of SC rates over the coming 10 years could not be passed by LegCo.</p> <p>(f) The Administration's further explanation that the rationale for implementing the proposed adjustment over a 10-year period was</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>to enable a gradual and affordable increase under which all sectors of the community would have certainty over the timing and scale of increases. The SC rates proposed for the coming 10 years would not be revised unless there was significant deviation from the Administration's previous estimates.</p>	
010740 - 011155	Chairman Administration	<p>Noting the Administration's advice that treatment facilities under Stage 2A would only be commissioned in 2014, the Chairman's concern about the timing for operating costs of Stage 2A to be incurred and the amount of operating costs to be recovered under the proposed increase in SC rates in the coming 10-year period for various sewage treatment projects, including those for Stage 2A.</p>	<p>The Administration to provide information as requested in paragraph 4(c) of the minutes.</p>
011156 – 013000	Chairman Administration Ir Dr Raymond HO Mr SIN Chung-kai	<p>(a) The query of the Chairman and Ir Dr Raymond Ho on the rationale for including the rate of future population growth as a key factor in reviewing the timing for implementation of Stage 2B. Ir Dr HO's view that the Administration should demonstrate its commitment to pursuing secondary sewage treatment for improvement of water quality by taking forward Stage 2 in one-go instead of taking a phased approach.</p> <p>(b) The Administration's reiteration of its commitment to take</p>	<p>The Administration to provide information as requested in paragraph 5(a) and (b) of the minutes</p>

<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
		<p>forward Stage 2B and that it was prudent to adopt a phased approach. Future population growth would have an impact on sewage flow build-up and hence the need for biological treatment to achieve the water quality objectives in the harbour area. The additional information on population distribution, sewage flow and changes in water quality to be collected in the coming four years would help the Administration to work out a more practicable implementation schedule for Stage 2B in the 2010-11 review.</p> <p>(c) The view shared by the Chairman and Ir Dr HO that the availability of land for the construction of the biological treatment plant should be the only factor in determining the timing for implementation of Stage 2B, not population growth.</p> <p>(d) While agreeing that population growth should be a factor for consideration, Mr SIN Chung-kai considered that the growth rate in population would likely remain rather stable, and that the Administration should not refrain from implementing Stage 2B on the ground that there had not been big changes in population growth.</p>	

<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
013001 – 013512	Mr SIN Chung-kai Chairman Administration	<p>(a) Mr SIN Chung-kai's view that the Administration should introduce subsidiary legislation for SC rate increase which tied in with the duration of each LegCo term.</p> <p>(b) The Administration's explanation that the proposed increase in cost recovery rate to 80% over a 10-year period was made in accordance with the polluter-pays principle which Members were understood strongly to support, and having regard to the need of having a gradual and affordable increase. The Administration would still share the financial burden for the remaining 20% of the operating costs for sewage services even after the increase over the 10-year period.</p>	
013513 – 014012	Ir Dr Raymond HO Administration Chairman	The strong view of the Chairman and Ir Dr Raymond HO that the availability of land for the construction of the biological treatment plant should be the only factor in determining the timing for implementation of Stage 2B. They questioned the thresholds, if any, on population changes, which the Administration would have regard to in considering the timing to take forward Stage 2B.	The Administration to provide information as requested in paragraph 5(c) and of the minutes.
014013 – 015034	Chairman Administration Ir Dr Raymond HO	(a) The Chairman's concern about the need for chlorination/dechlorination if the Administration proceeded with HATS	

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		<p>Stage 2B now and the difference in the amount of chlorine used under Stage 2A and 2B.</p> <p>(b) The Administration's advice that with the biological treatment under Stage 2B, the amount of chlorine used would reduce from 11-13 milligram/liter to 2-3 milligram/liter compared with that under Stage 2A. Nevertheless, according to the estimates made in 2004, the recurrent cost for the biological treatment under Stage 2B required an additional \$700 million per annum.</p> <p>(c) Ir Dr Raymond HO's view that the Administration should expedite the implementation of Stage 2B to achieve early improvement to water quality. The Chairman's request for the Administration to provide information on the latest projection of the capital costs and operating costs for Stage 2B and the earliest possible date for resolving the land issues relating to the site earmarked for the biological treatment plant.</p>	<p>The Administration to provide information as requested in paragraph 5(d) of the minutes.</p>