

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1959/06-07  
(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 second meeting**  
**held on Tuesday, 24 April 2007, at 8:30 am**  
**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 WONG Yung-kan, JP  
Hon Howard YOUNG, SBS, JP  
Hon CHOY So-yuk, JP  
Hon WONG Kwok-hing, MH  
Hon LEE Wing-tat  
Hon WONG Ting-kwong, BBS  
Hon TAM Heung-man

**Members absent** : Hon Miriam LAU Kin-ye, GBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon Tommy CHEUNG Yu-yan, JP  
Hon Andrew LEUNG Kwan-yuen, SBS, JP

**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

Mr Justin TAM  
Council Secretary (1)3

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Action

**I Meeting with the Administration**

(LC Paper No. CB(1)1435/06-07(01) — List of follow-up actions to be taken by the Administration for the meeting on 19 April 2007

LC Paper No. CB(1)1435/06-07(02) — Administration's response dated 23 April 2007 to issues raised at the meeting on 19 April 2007

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
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
EP(CR)9/35/16	— The Legislative Council Brief issued by the Environmental Protection Department)

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

Follow-up actions to be taken by the Administration

2. The Administration was requested to provide further information to address members' concerns raised at the meeting, as follows:

- (a) On the recycling of treated sludge and effluent (say, for use in flushing or brick-making), the Administration undertook to provide information on various initiatives undertaken under the Government's policy on total water management.
- (b) On the pollutant removal efficiency and the resultant water quality improvements of the various stages of the Harbour Area Treatment Scheme (HATS), the Administration was requested to provide further information on the following:
  - (i) The absolute figures on the level of different pollutants/parameters in sewage discharged under Stage 1, Stage 2A and Stage 2B (with reference to the pollutants/parameters set out in Annex D to its response issued through LC Paper No. CB(1)1435/06-07(02)); and
  - (ii) The unit treatment cost per tonne of sewage with a breakdown by costs for staff and energy etc.
- (c) As regards members' concern that specifying the Sewage Charge fee levels for the coming 10 years in a single item of legislation without an

interim review would fail to take into account changes in future circumstances (such as unexpected economic fluctuations and the affordability of the community), the Administration was requested to confirm in writing the mechanism to be put in place for undertaking regular reviews of the fee levels during the 10-year period.

- (d) As regards the Administration's commitment to implementing HATS Stage 2B, the Administration was requested to provide information on the following:
- (i) The exact timing for implementation of HATS Stage 2B;
  - (ii) The process of the site search in respect of the land earmarked for construction of the biological treatment plant under HATS Stage 2B, including consideration of alternative sites, if any, which could provide land for the sole construction of the biological treatment plant above ground, instead of co-using the site;
  - (iii) Progress of work in addressing the planning, interface and development issues involving the use of the site at Stonecutters Island earmarked for the biological treatment plant, including the comments of the relevant policy bureau i.e. the Economic Development and Labour Bureau for co-use of the site with "container related" operations; and
  - (iv) Where possible, to provide a comparison of operating costs for the biological treatment plant under Stage 2B if it was constructed underground or above ground.

*(Post-meeting note: The Administration's responses to the requests in paragraph 2 above were issued to members vide LC Paper Nos. CB(1)1449/06-07(03) and CB(1)1467/06-07(02) on 26 April 2007 and 2 May 2007 respectively.)*

## **II Any other business**

### Date of next meeting

3. Members noted that the next meeting of the Subcommittee would be held on Friday, 27 April 2007 at 8:30 am to receive views from deputations.
4. There being no other business, the meeting ended at 10:30 am.

**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**

**Second meeting on Tuesday, 24 April 2007, at 8:30 am  
in Conference Room A of the Legislative Council Building**

Time Marker	Speaker	Subject(s)	Action Required
000000 – 000122	Chairman	Introductory remarks	
000123 – 002130	Administration Chairman Mr LEE Wing-tat Ir Dr Raymond HO	(a) Briefing by the Administration ( <i>LC Paper No. CB(1)1435/06-07(02)</i> )  (b) Members sought clarification on figures presented in the Annexes to the Administration's paper.	
002131 – 002711	Mr LEE Wing-tat Administration	(a) Mr LEE Wing-tat's concern about the reasons for the substantial variation in the recurrent consequences of the different sewage treatment projects to be implemented in the coming 10 years.  (b) The Administration's explanation that the sewage projects could be grouped under two broad categories, namely, those for the construction of sewerage for collection and conveyance of sewage; and those for construction of sewage treatment plants. Higher recurrent consequences would be required for the latter category as expenditure on electricity, chemicals and staff would be incurred.	

		<p>(c) On the rationale behind the recovery of recurrent cost for sludge treatment facilities from the Sewage Charge (SC), the Administration's advice that this was made on the basis that sludge had been accumulated from the process of sewage treatment.</p> <p>(d) Mr LEE Wing-tat's concern about recycling of sludge (say, for use in brick-making) to generate income instead of being disposed at landfills.</p> <p>(e) The Administration's response that the best approach was to explore the feasibility of using sludge in waste-to-energy facilities.</p>	
002712 – 003407	Mr Howard YOUNG Administration Chairman	<p>(a) Mr Howard YOUNG's concern about the following:</p> <ul style="list-style-type: none"> <li>● The assumed inflation rates for projecting the increases in SC rates in the coming 10 years.</li> <li>● Factors accounting for the substantial increase in operating costs under HATS Stage 2B.</li> </ul> <p>(b) The Administration's response that average inflation rates of 2% and 2.5% were assumed for the computation in the first four years and from the fifth to tenth year respectively. Whilst the annual operating costs (estimated at \$700 million) under Stage 2B would not be recovered in</p>	

		<p>the proposed increase of SC in the coming 10 years, biological treatment would incur higher recurrent cost because of electricity consumption.</p> <p>(c) Concern shared by Mr Howard YOUNG and the Chairman about difference in operating costs for the biological treatment plant under Stage 2B if it was constructed underground or at-grade and the Administration's confirmation that the cost estimation for Stage 2B were based on constructing the facility underground which would incur higher capital and recurrent costs.</p>	<p>The Administration to provide information as requested in paragraph 2(d)(iv) of the minutes.</p>
<p>003408 – 004339</p>	<p>Mr WONG Kwok-hing Administration Chairman</p>	<p>(a) Mr WONG Kwok-hing's concern that specifying the SC fee levels for the coming 10 years in a single item of legislation without any statutory requirement for conducting an interim review would fail to take into account changes in future circumstances and remove the incentive for the Administration to explore initiatives to reduce energy consumption and operating costs.</p> <p>(b) The Administration's response that the proposed increase of SC rates over a 10 year period could allow modest, gradual, predictable and affordable increases. The polluter-pays principle would remain a long-term policy.</p>	

		<p>(c) Mr WONG Kwok-hing's enquiry on whether revenue generated from co-use of the site for other purposes (e.g. container facilities) could be used to subsidize the operating costs of the biological treatment plant.</p> <p>(d) The Administration's advice that there were separate costings for the operation of the biological treatment plant and the "container related" operations.</p>	
004340 – 004939	Miss TAM Heung-man Administration Chairman	<p>(a) Miss TAM Heung-man's concern about legality of the proposed increase of SC rates over a 10-year period, which would exceed the current term of LegCo.</p> <p>(b) The Administration's response that the proposed increase over a 10-year period was constitutionally and legally in order and would remain in force.</p> <p>(c) The Administration's response that the SC rates increment, if approved by LegCo, would not be revised unless there were substantial deviations from the estimations. Given the 80% cost recovery to be achieved, there would be room for deviations in operating costs. The Administration would review the SC rates if the deviations were very substantial.</p> <p>(d) Miss TAM Heung-man's concern about the</p>	

		<p>affordability of the proposed SC increases to affected trades including restaurants and laundry shops.</p> <p>(e) The Administration's response that the sewage services charges comprised SC and the Trade Effluent Surcharges (TES). The increase in SC would raise operating costs of the restaurant trade by a mere 0.018 percentage points a year. TES was applicable to 30 trades, the rates of which would be subject to adjustment upon completion (by the end of 2007) of the effluent surveys for all the TES trades.</p>	
004940 – 005501	Mr WONG Yung-kan Administration	<p>(a) Mr WONG Yung-kan's view that the Administration should make reference to the experience of the Mainland in the recycling of sludge and effluent.</p> <p>(b) The Administration's response that the Government had carried out pilot schemes for the use of reclaimed effluent in flushing. For sludge, the Administration's strategy was to use the sludge for waste-to-energy facilities.</p>	The Administration to provide information as requested in paragraph 2(a) of the minutes.
005502 – 010746	Ir Dr Raymond HO Chairman Administration	<p>(a) Ir Dr Raymond HO's concern about the need for disinfection after HATS Stage 2B was commissioned.</p> <p>(b) The Administration's response that the water</p>	

		<p>quality modeling could not fully predict the high variability of factors that affect the density of <i>E. coli</i> in the receiving waters, particularly in localized areas such as beaches. It was therefore prudent to plan for disinfection under Stage 2B.</p> <p>(c) Ir Dr Raymond HO's concern about the higher costs for construction of the biological treatment plant underground and his view that the Administration should consider alternative sites which could accommodate the sole construction of the plant at-grade.</p> <p>(d) The Administration's response that a site near the Stonecutters Island Sewage Treatment Works (SCISTW) had been identified for the biological treatment plant under Stage 2B. To maximize the efficient use of the available land, the Administration proposed to construct the plant underground to allow other operations to take place above it. The Administration had to address the planning, interface and development issues involved.</p>	
010747 – 011512	Miss CHOY So-yuk Administration	<p>(a) Miss CHOY So-yuk's concern about the following:</p> <ul style="list-style-type: none"> <li>● The site recommendations of the International Review Panel (IRP) for the biological treatment plant.</li> </ul>	The Administration to provide information as requested in paragraph 2(b) of the minutes.

		<ul style="list-style-type: none"><li>● The pollutant removal efficiency and the resultant water quality improvement under the various stages of HATS.</li><li>● The unit treatment cost of sewage.</li></ul> <p>(b) The Administration's advice that IRP had recommended a number of site options for further examination. After detailed site search, the Administration concluded that the site adjacent to SCISTW was the most preferred option.</p>	
011513 – 012142	Miss CHOY So-yuk Mr LEE Wing-tat Administration Chairman	<p>(a) Members' query about the Administration's commitment for implementing Stage 2B.</p> <p>(b) The Administration's reiteration of its commitment and explanation on its adopting a phased approach for Stage 2, with improvements achieved through the less complicated treatment under Stage 2A at the earliest possible date pending resolution of the land issues for Stage 2B. Upon completion of the review on the timing for Stage 2B in 2010-11, the Administration would draw up an implementation programme.</p> <p>(c) Mr LEE Wing-tat's remark that in the absence of a clear time table for the implementation of Stage 2B, Members of the Democratic Party might not support the proposed</p>	

		subsidiary legislation on increases in SC fee levels.	
012143 – 012549	Mr SIN Chung-kai Administration Chairman	(a) Mr SIN Chung-kai's view that the Administration should demonstrate its determination to implement Stage 2B through identifying alternative sites for the biological treatment plant.  (b) The Administration's response that the site earmarked for Stage 2B could accommodate the treatment facilities on a co-use basis. Given the competing use of the site, a number of issues had to be resolved between the bureaux and departments concerned.	
012550 – 014535	Miss TAM Heung-man Administration Chairman Mr WONG Kwok-hing Mr Howard YOUNG Miss CHOY So-yuk	(a) The view shared by Miss TAM Heung-man, Mr WONG Kwok-hing and Miss CHOY So-yuk that a mechanism should be put in place for undertaking regular reviews of the fee levels during the 10-year period to cater for changes in future circumstances.  (b) The Administration's explanation that the proposed increase over a 10-year period aimed to ensure gradual and affordable increases with certainty to all sectors of the community. The Administration would monitor and review the cost recovery for sewage services regularly and report to the Panel on Environmental Affairs (EA Panel). Consideration would be given to adjusting the SC fees levels should	The Administration to provide information as requested in paragraph 2(c) of the minutes.

		<p>there be substantial deviations from the original estimations.</p> <p>(c) Mr WONG Kwok-hing's view that the requirement for regular reviews should be set out in the subsidiary legislation.</p> <p>(d) Mr Howard YOUNG considered the proposed increase over a 10-year period acceptable for providing certainty on SC fee levels. The Administration should undertake to submit proposals on downward adjustment of SC rates in the event that the cost recovery rate exceeded the target of 80% during the 10 years in question.</p> <p>(e) The Administration's reiteration to report to the EA Panel/LegCo if there were substantial deviations from the estimations.</p>	
014536 – 014843	Ir Dr Raymond HO Administration	Ir Dr Raymond HO's view that the proposed site for Stage 2B to be used on a co-use basis had imposed uncertainties on the timing for availability, as well as constraints on the design of the biological treatment plant. The Administration should confirm in writing the exact timing for implementation of Stage 2B.	The Administration to provide information requested in paragraph 2(d)(i) of the minutes.
014844 –015158	Chairman Administration Miss CHOY So-yuk	Timing for provision of responses to members' concerns raised at the first meeting and this meeting.	
015159 –015726	Mr WONG Kwok-hing Chairman Administration	(a) Mr WONG Kwok-hing's view that the Administration should enhance the economic	

	Ir Dr Raymond HO	<p>benefits of co-use of the site, including whether the revenue generated from other operations on the site above ground could offset the higher costs for constructing and operating the biological treatment plant underground.</p> <p>(b) The Administration's view that the operating cost for Stage 2B was to be recovered according to the polluter-pays principle and that it might not be appropriate nor feasible to fund its operating cost by the revenue generated from other operations on the site.</p> <p>(c) The Chairman's concern about the comments of the relevant bureau(x) for co-use of the site and the feasibility of cost-sharing between the co-users and the polluters.</p> <p>(d) Ir Dr Raymond HO's concern about the process of the site search conducted by the Administration and the difference in operating costs for the biological treatment plant under Stage 2B if it was constructed underground or at-grade.</p>	<p>The Administration to provide information as requested in paragraph 2(d)(iii) of the minutes.</p> <p>The Administration to provide information as requested in paragraphs 2(d)(ii) and 2(d)(iv) of the minutes.</p>
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