

**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
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**Submission
by**

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I would like to offer my views as a former member of the Second International Review Panel (IRP) on the proposed Sewage Services (Sewage Charge) (Amendment) Regulation 2007. Whilst I strongly welcome the Government's initiative to implement the polluter-pays-principle, I have some reservations about the following aspects of the proposal:

1. It appears highly unusual to ask for approval of sewage charges in advance of completion of projects not even vetted yet. Since sewage charges cover only recurrent costs, they occur only after completion of projects and are independent of the capital costs (which should also include the project design and planning costs).
2. The list of capital projects with recurrent consequences does not indicate the intended treatment level for sewage treatment works. For example, the upgrading of Pillar Point Sewage Treatment Works (STW) may provide only CEPT plus disinfection but no secondary treatment. Among the listed future projects, the advance chlorination facility of HATS Stage 2A is highly controversial. Capital outlay for these and other facilities is subject to vetting by LegCo, so how can charges be collected for facilities not even existing yet? On the other hand, there seems to be no provision made for consultants' fees and investigations for HATS Stage 2B, while such provision is made for the Yuen Long and Kam Tin sewerage and sewage disposal project. There is also no provision made for sludge treatment facilities. Does this mean that there is no intention to start design work for HATS Stage 2B and the sludge facilities even by 2016/17?
3. It would seem fair to me, to implement adjustment of sewage charges in two phases:
 - First phase: raise charges to 80% of current operating costs of existing facilities.
 - Second phase: raise charges in line with completion of approved projects.
4. It is important that the proposed increase in sewage charges is not linked to HATS. There are many other sewerage and sewage treatment works projects in the pipeline, which contribute to an increase in overall operating costs, but are not as closely scrutinized as HATS. For example, Sha Tin and Tai Po STWs provide secondary and tertiary treatment, yet they discharge via the effluent export scheme to the same Victoria Harbour, for which Stonecutters Island STW, by far the largest STW in Hong Kong, does not need to provide even secondary treatment, according to Government.

5. The 10-year blanket approval requested apparently precludes any possibility that the Government will adopt a minimum effluent standard of secondary treatment for all sewage discharges within the next 10 years. This is not in line with the national standards of China or the Macau SAR. Since the clean up the Pearl River estuary should be a common effort by all jurisdictions, Hong Kong should equally contribute by requiring a minimum level of secondary treatment.

In view of the above reservations and uncertainties about future treatment levels, I do not consider it prudent to approve this unwarranted blank check to Government at this time.