

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2271/07-08  
(These minutes have been seen  
by the Administration)

Ref : CB1/SS/10/07

**Subcommittee on Sewage Services (Trade Effluent Surcharge)  
(Amendment) Regulation 2008**

**Minutes of fifth meeting on  
Tuesday, 17 June 2008, at 8:00 am  
in Conference Room A of the Legislative Council Building**

**Members present** : Hon Audrey EU Yuet-mee, SC, JP (Chairman)  
Dr Hon LUI Ming-wah, SBS, JP  
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP  
Hon SIN Chung-kai, SBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon CHOY So-yuk, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon WONG Ting-kwong, BBS

**Public Officers attending** : Mr Albert LAM  
Deputy Director of Environmental Protection  
Environmental Protection Department

Mr Elvis AU  
Assistant Director of Environmental Protection (Water Policy)  
Environmental Protection Department

Mr CHUI Wing-wah  
Assistant Director of Drainage Services (Sewage Services)  
Drainage Services Department

Mr Allen LAI Kai-pang  
Senior Assistant Law Draftsman (Atg)  
Department of Justice

**Clerk in attendance :** Ms Debbie YAU  
Senior Council Secretary (1)1

**Staff in attendance :** Mr Kelvin LEE  
Assistant Legal Adviser 1

Mr Justin TAM  
Council Secretary (1)3

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Action

**I Meeting with the Administration**

(LC Paper No. CB(1)1902/07-08(01) -- List of follow-up actions arising from the discussion on 12 June 2008 prepared by the Legislative Council Secretariat

LC Paper No. CB(1)1902/07-08(02) -- Administration's response to LC Paper No. CB(1)1902/07-08(01)

LC Paper No. CB(1)1902/07-08(03) -- List of organizations consulted by the Panel on Environmental Affairs and the Subcommittee prepared by the Legislative Council Secretariat

LC Paper No. CB(1)1929/07-08(01) -- Submission from Hong Kong and Kowloon Vermicelli & Noodle Manufacturing Industry Merchants' General Association (Chinese version only)

LC Paper No. CB(1)1929/07-08(02) -- Submission from Maxim's Caterers Limited (English version only)

LC Paper No. CB(1)1858/07-08(01) -- Draft "Proposed amendment to the Sewage Services (Trade Effluent Surcharge) (Amendment) Regulation 2008" prepared by Assistant Legal Adviser)

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

2. To address members' concern, the Administration was requested to provide a comparison, including percentage changes, on the existing Trade Effluent Surcharge (TES) Rate matrices and new TES Rate matrices as set out in Part I and II of Schedule 4 under section 8 of the Amendment Regulation.

Date of next meeting

3. The Chairman suggested and members agreed that the next meeting of the Subcommittee would be held on 19 June 2008, at 8:00 am.

**II Any other business**

4. There being no other business, the meeting ended at 9:15 am.

Council Business Division 1  
Legislative Council Secretariat  
25 August 2008

**Proceedings of the fifth meeting of  
the Subcommittee on Sewage Services (Trade Effluent Surcharge)  
(Amendment) Regulation 2008  
on Tuesday, 17 June 2008, at 8:00 am  
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000400 – 000453	Chairman	Welcoming remarks by the Chairman	
000454 – 001213	Chairman Administration	<p>Briefing by the Administration on its response to members' views expressed at the meeting on 12 June 2008 (LC Paper No. CB(1)1902/07-08(01).</p> <p>The Administration's advice that as suggested by Members at the last meeting, it proposed amending the Sewage Services (Trade Effluent Surcharge) (Amendment) Regulation 2008 (the Amendment Regulation) to the effect that the Drainage Authority (DA) would determine the apportionment of the volume of water consumption during the billing period on a pro rata basis using 31 July 2008 as the cut-off date so that the existing and new generic trade effluent surcharge (TES) rates could be applied to the first part ending 31 July 2008 and the second part after that date respectively.</p>	
001214 – 002744	Chairman Mr Tommy CHEUNG Administration	<p>Mr Tommy CHEUNG's welcome to the Administration's proposal and his views/concerns –</p> <p>(a) The Administration had not informed the affected trades that their new TES rates would be adjusted upward. The Hong Kong Productivity Council (HKPC), which was commissioned to conduct the trade-specific survey, had no role to inform the trades about the resultant TES rates.</p> <p>(b) It was unreasonable that the pro-rata billing method was not applicable to the TES reassessment, the rate of which was calculated based on the TES rate matrices, made during the transitional period.</p> <p>The Administration's reiteration about the consultation with the trades conducted by the Environmental Protection Department and HKPC before the effluent survey as set out in paragraphs 15 to 18 of LC Paper No. CB(1)1902/07-08(02). For TES account holders whose reassessed TES rates remained valid before the effective date of the Amendment Regulation, such rates would be used for three years according to the Administration's latest proposal.</p> <p>The Chairman's reference to LC Paper No.</p>	

Time marker	Speaker	Subject(s)	Action required
		CB(1)1902/07-08(03) for the organizations consulted by the Panel on Environmental Affairs and the Subcommittee on the TES scheme.	
002745 – 003738	Chairman Administration Assistant Legal Adviser (ALA) Mr Tommy CHEUNG	<p><b>Clause-by-clause examination of the draft amendments proposed by the Administration</b> (Annex D to LC Paper No. CB(1)1902/07-08(02))</p> <p><u>Proposed section 3 – TES rates</u></p> <p>ALA's advice that the proposed section reflected the policy intent in using pro-rata billing method during the transitional period.</p>	
003739 – 011132	Chairman ALA Administration Mr Tommy CHEUNG Miss CHOY So-yuk	<p><u>Proposed section 3A – Variation of TES rate</u></p> <p>ALA's advice that the Amendment Regulation did not involve section 4 of the Sewage Services (Trade Effluent Surcharge) Regulation, the Administration's proposal to extend the validity of a reassessed COD value/TES rate from two years to three years would necessitate amendment to the section, which would nevertheless provide a platform for amendments requiring the Administration to refund the cost of reassessment to successful applicants to be moved, if any, but it would still be subject to the President's ruling on whether it would carry a charging effect.</p> <p>The Chairman's concern about the application of the pro-rata billing method to the variation of trade effluent surcharge rate made during the transitional period.</p> <p>The Administration's advice that the TES rate in Section 3A referred to the reassessed TES rates. During the transitional period, the use of the existing or new TES rate matrices in calculating the reassessed TES rate depended on the first date of the billing period during which the Drainage Authority (DA) made the determination. If the billing period began before 1 August 2008, the reassessed TES rates would be calculated based on the existing matrices and such rates would continue to apply until the expiry of their validity period on condition that it was the same TES account holder throughout the period. Under the Administration's latest proposal, such rates would be valid for three years. Changes in reassessed TES rates would kick in only when the TES accounts renew their reassessment applications. Therefore, the pro-rata billing method would not apply.</p> <p>Mr Tommy CHEUNG's concern that the wordings of proposed section 8(1) could not reflect such policy intent</p>	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
011133 – 011229	Chairman Mr Tommy CHEUNG Administration	<p>The Chairman's advice that the Subcommittee had examined all clauses of the Amendment Regulation and the Administration's proposed amendments. She also referred members to two submissions provided by Hong Kong and Kowloon Vermicelli &amp; Noodle Manufacturing Industry Merchants' General Association (LC Paper No. CB(1)1929/07-08(01)) and Maxim's Caterers Limited (LC Paper No. CB(1)1929/07-08(02)).</p> <p>Mr Tommy CHEUNG's request for the Administration to provide further information.</p>	The Administration to provide information as requested in paragraph 2 of the minutes.
011230 – 011548	Chairman Mr Tommy CHEUNG Mr SIN Chung-kai	<p>(a) Mr Tommy CHEUNG's intention to move an amendment to repeal new Schedule 4 under the Amendment Regulation and his suggestion of holding one more meeting for further discussion.</p> <p>(b) Members' agreement that the next meeting would be held on 19 June 2008 at 8:00 am.</p>	