

香港特別行政區政府

The Government of the Hong Kong Special Administrative Region

政府總部
環境運輸及工務局
局長辦公室
香港花園道三號
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4 May 2007

Chairman of 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
Honorable Audrey EU Yuet-mee, SC, JP
Room 601, Citibank Tower
3 Garden Road
Central, Hong Kong,
(By fax: 2899 2249)

Dear Chairman,

**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**

At the fifth meeting of the captioned Sub-committee yesterday (May 3, 2007), the Administration undertook to amend the ten-year period of scheduled sewage charge increases specified in the Sewage Services (Sewage Charge) (Amendment) Regulation 2007 to start on April 1, 2008. As agreed, we will also expand on the proposed framework of review of the cost recovery of sewage charges during the ten-year period.

After the said Regulations and Technical Memorandum have been passed, the Administration will provide annually to the Environmental Affairs Panel of the Legislative Council the summary of the sewage services operating accounts of the previous financial year and projection for the following financial year for

monitoring. The Administration further undertakes that if, at any time during the ten year period,

- i) the sewage services accounts show that the 80% cost recovery target for sewage charge has been exceeded or is projected to be exceeded in the following year; or
- ii) the programme of the planned major sewage services related infrastructural projects i.e. Advanced Disinfection Facilities, Sludge Treatment Facilities and HATS 2A will be delayed by more than one year,

we will conduct a review of the schedule of increases specified in the legislation and seek the views of the Environmental Affairs Panel on how the application of the polluter pays principle should continue to be manifested.

Notwithstanding the above, we will conduct and present the results of the reviews to the Environmental Affairs Panel of the Legislative Council in mid-2011 containing:

A. Sewage Charge Account

- (i) a summary of the sewage services operating accounts for the previous period and projections for the coming period, including information on the actual and projected operating cost recovery rates for the sewage charge;
- (ii) an assessment of the economic impact of the prevailing and projected rates;
- (iii) an account of the savings and efficiency measures adopted and planned by the Drainage Services Department over the review period and for the coming period respectively.

B. Progress Report and Programme for Stage 2B of HATS

I trust this commitment to transparency and clear benchmarks for any necessary review will reassure members as to the Administration's commitment.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Sarah Liao". The signature is fluid and cursive, with a prominent initial "S".

(Sarah Liao)
Secretary for the Environment, Transport and Works