

Our Ref. LL/L-046/04

Lambert Leung
Chief Executive Officer

16th November 2004

Dr Sarah Liao Secretary Environment, Transport and Works Bureau 10/F, Citibank Tower 3 Garden Road, Central Hong Kong

Dear Dr. Liao,

Response to the Consultation Document for the Harbour Area Treatment Scheme Stage 2

As a member of Hong Kong, we are delighted to see the commitment of the Government to improve the water quality of our Victoria Harbour by initiating the Harbour Area Treatment Scheme (HATS) Stage 2.

As a socially and environmentally responsible corporation, we would like to extend our support by making this response to the captioned consultation document.

We are more than happy to be included in the contact list of the ETWB so as to be informed of any updates relating to this clean harbour scheme in the future.

Should you have any enquiry, please do not hesitate to contact Ms. Vivian Kwok, our Environmental Project Officer

Yours truly, CKI Materials

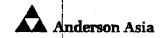
Lambert Leung
Chief Executive Officer

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Draft Response to Consultation Document for the Harbour Area Treatment Scheme Stage 2

Q. Do you agree with the preferred option, i.e. Option A – centralized treatment at Stonecutter Island?

Agree. Option A, by expanding and upgrading the existing sewage treatment works at Stonecutter Island for centralized treatment, could be acceptable given that the related environmental impact assessment (EIA) and risk analysis are scrutinized properly. Since the planned HATS Stage 2 will double the size of the existing sewage treatment works, a comprehensive feasibility study on the site capacity needs to be conducted prior to a decision.

In the consultation document, no information was provided on **sludge disposal management**. Sludge is a key by-product from sewage treatment works, and the current treatment is by disposal at landfill only. Due to expansion associated with the HATS Stage 2, the amount of sludge generated from sewage treatment works is expected to increase from 600 tonnes per day to 1,200 tonnes per day. Landfill can never be a sustainable means of waste disposal, which is particularly true for Hong Kong given its limited supply of suitable land. So, what would be a more sustainable means for Hong Kong to treat the sludge from its sewage treatment works in the long term?

Sewage sludge could be used as an alternative fuel to supplement the use of fossil fuel (e.g. coal) in a manufacturing process. It is especially valuable for the industries involving intensive use of fuel for the high-temperature processes (e.g. cement). To be used as so-called "sludge-derived fuel", it provides a beneficial means of sewage sludge treatment. On the one hand, it provides an alternative solution to landfill for sludge treatment; on the other, it provides an alternative fuel as supplement to valuable fossil fuel.

Q. Do you agree that Stage 2 should be implemented in two phases, i.e. HATS Stage 2A and Stage 2B?

Disagree. Biological treatment proposed by the Government is welcomed. Biological treatment, also known as secondary treatment, has been commonly recognized as the minimum requirement in sewage treatment in many places in the world (e.g. the Nordic countries; Western-Central Europe; the United

The consultation document sets out good reasons for separating the process into two phases, but makes no commitment to implement Stage 2 at the earliest possible opportunity. We think that this approach is wrong. We understand that one of the concerns is the huge capital and recurrent costs involved. An alternate possibility could be to include in Stage 2A a smaller chemically enhanced primary treatment (CEPT) plant expansion as well as some modules for biological treatment. Then, when implementing the Stage 2B, it should include the full-sized modules for both CEPT and biological treatment.

Q. Do you agree that protecting the water quality of Victoria Harbour is essential and that it is worth you paying higher sewage charges in line with the "Polluter Pays Principle"?

Agree. In line with the Polluters Pay Principle (PPP), polluters should bear the full costs of any pollution as a result of their actions. Victoria Harbour is an invaluable asset of Hong Kong. It has been polluted over the years due to the human activities within the area. In order to protect our Harbour and restore its quality, every household and business in Hong Kong should have the responsibility to bear the cost of sewage treatment services. We are sympathetic with the political difficulties in doing so, but until the community (as a whole) has the courage to make this decision, Hong Kong will only have a second rate polluted harbour.