

立法會
Legislative Council

LC Paper No. CB(1)2365/03-04
(These minutes have been seen
by the Administration)

Ref : CB1/PL/PLW/1

Panel on Planning, Lands and Works

Minutes of meeting
held on Tuesday, 18 May 2004 at 2:30 pm
in Conference Room A of the Legislative Council Building

- Members present** : Dr Hon TANG Siu-tong, JP (Chairman)
Hon LAU Ping-cheung (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Ir Dr Hon Raymond HO Chung-tai, JP
Hon James TO Kun-sun
Hon WONG Yung-kan
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon WONG Sing-chi
Hon IP Kwok-him, JP
- Members attending** : Hon LEE Cheuk-yan
Hon CHAN Yuen-han, JP
- Members absent** : Dr Hon David CHU Yu-lin, JP
Hon LAU Wong-fat, GBS, JP
Hon Timothy FOK Tsun-ting, SBS, JP
Hon Albert CHAN Wai-yip
- Public officers attending** : Mr KWOK Ka-keung
Deputy Secretary for the Environment, Transport and
Works (Works) 1
- Mr C C CHAN
Deputy Director of Water Supplies

Mr Steven DAVIDSON
Consultant

Mr Bruce WILLIAMSON
Consultant

Mr Greg CASHIN
Consultant

Ms Michelle KAM
Consultant

Attendance by invitation : Alliance of Staff Unions of Water Supplies Department (WSD)

Mr TAM Wing-tai
Speaker
Alliance of Staff Unions of WSD

Mr LAU Siu-key
Chairman
Government Waterworks Professionals Association

Mr LEE Chi-kin
Executive
Government Waterworks Professionals Association

Mr LI Yiu-man
Vice-Chairman
Government Waterworks Professionals Association

Mr SUEN Ming-fung
Chairman
Hong Kong Government Water Supplies Department
Employees Union

Mr SO Cheuk-tim
Union Affairs Officer
Hong Kong Government Water Supplies Department
Employees Union

Mr CHAN Yam-chuen
Chairman
Waterworks Inspectors' Association

Mr CHIU Siu-keung
Secretary
Waterworks Inspectors' Association

Mr HUNG Siu-kei
Chairman
Consumer Services Inspectors' Association-WSD

Mr CHEUNG Wai-ying
Vice-Chairman
Consumer Services Inspectors' Association-WSD

Mr CHU Tat-chee
Chairman
Association of Water Meter Reading Staff

Mr YUNG Chun-chiu
Vice-Chairman
Association of Government Technical and Survey Officers

Mr CHENG Kam-fook
Executive
Association of Government Lands and Engineering
Surveying Officers

Clerk in attendance : Miss Odelia LEUNG
Chief Council Secretary (1)4

Staff in attendance : Ms Sarah YUEN
Senior Council Secretary (1)6

Ms Rosalind MA
Senior Council Secretary (1)8

Ms Christina SHIU
Legislative Assistant

I. Confirmation of minutes

(LC Paper No. CB(1)1642/03-04 -- Minutes of the joint meeting with the Panel on Housing on 8 March 2004)

1. The minutes of the joint meeting with the Panel on Housing held on 8 March 2004 were confirmed.

II. Information paper issued since last meeting

2. Members noted the following information paper issued since the last monthly regular meeting of the Panel on 27 April 2004 -

(LC Paper No. CB(1)1812/03-04(01) -- Information paper on "4126CD - Drainage improvement in East Kowloon")

III. Items for discussion at the next meeting

(LC Paper No. CB(1)1823/03-04(01) -- List of outstanding items for discussion
LC Paper No. CB(1)1823/03-04(02) -- List of follow-up actions)

3. The next regular meeting was scheduled for Tuesday, 29 June 2004, at 2:30 pm. Members agreed to discuss the review of project implementation issues of the Harbour Area Treatment Scheme Stage 1.

(Post-meeting note: At the request of the Administration and with the concurrence of the Chairman, the agenda of the meeting was revised to include "Pedestrian plan for Causeway Bay" and "Work of Urban Renewal Authority".)

Clerk

4. A member suggested that the Panel discuss the reprovisioning of the Prince of Wales Hospital. Members agreed that the Clerk liaise with the Clerk of the Panel on Health Services on the appropriate Panel to discuss the issue.

(Post-meeting note: The Panel on Health Services discussed the issue at its meeting on 14 June 2004 and invited the Panel on Planning, Lands and Works to attend the meeting.)

- IV. Proposed in-situ reprovisioning of Sha Tin Water Treatment Works**
(LC Paper No. CB(1)1823/03-04(03) -- Information paper provided by the Administration
LC Paper No. CB(1)1823/03-04(04) -- Submission dated 27 April 2004 from the Alliance of Staff Unions of WSD
LC Paper No. CB(1)1823/03-04(05) -- Submission dated 26 April 2004 from HKSAR Government Civil Engineers Association)

5. Members noted the following papers tabled at the meeting -

- (a) Hard copy of powerpoint presentation by the Administration;
- (b) Hard copy of powerpoint presentation by the Alliance of Staff Unions of WSD;
- (c) Speaking note of the Alliance of Staff Unions of WSD;
- (d) Reference materials provided by the Alliance of Staff Unions of WSD; and
- (e) Submission dated 17 May 2004 from the Hong Kong Senior Government Officers Association.

(Post-meeting note: The above papers were circulated to members vide LC Paper No. CB(1)1874/03-04 on 20 May 2004.)

6. The Deputy Secretary for the Environment, Transport and Works (Works)1 (DSETW(W)1) briefed members on the Administration's paper on the key findings and recommendations of the feasibility study (the feasibility study) on the reprovisioning of Sha Tin Water Treatment Works (STWTW) and delivery of water supply, distribution and customer services using the public private partnership (PPP) approach, and the Administration's proposals to invite comments before deciding on the way forward. With the aid of powerpoint, Messrs Steven DAVIDSON and Bruce WILLIAMSON, consultants from IBM Business Consulting Services which conducted the feasibility study, explained the feasibility of using PPP approaches.

7. With the aid of powerpoint, Mr TAM Wing-tai, speaker of the Alliance of Staff Unions of WSD, briefed members on the Alliance's submission. In gist, the Alliance was opposed to using the PPP approach because of its significant implications in many aspects.

Justifications for using the PPP approach

8. Many members expressed reservation about using the PPP approach to re-provision STWTW which was the largest water treatment works in Hong Kong and, meeting about 40% of the total water demand in the territory, affected 3 million people. They raised the following concerns -

- (a) Water was an essential element of life and, to ensure its safe supply, its treatment and distribution should remain in the hands of the Government. This was because water supply was too important to allow any operational mistake, which could lead to water contamination and affect public health, or even give rise to security issues at war times. Lives could also be threatened;
- (b) It was both risky and unwise that Government shirked its duty to deliver water supply but transferred the responsibility to a private sector operator, whose background could be complicated. The private sector operator, who did not have any social obligation, might be more inclined to sacrifice service quality for the purpose of making more profits. He might drastically increase water charges to the detriment of the public or even jeopardize the service if he could not get his contract renewed;
- (c) There were many failure cases in the adoption of the PPP approach both locally and overseas. Local examples included the Tai Lam Tunnel and the Western Harbour Tunnel. Moreover, the Government would normally lose in the long run although it seemed to have benefitted at the beginning;
- (d) Adoption of the PPP approach would seriously affect the job security and hence morale of WSD staff. This was not conducive to smooth public governance as the civil service was playing an important role in maintaining satisfactory operation of the Government;
- (e) Certain justifications highlighted by the Administration for pursuing the PPP approach could not stand. For example, on the claim that such an approach could effect access to international water service providers' technology and management know-how to develop solutions that better fitted Hong Kong's needs, there was at present no restriction on WSD to introduce new technologies and management methods. Details of the report of the feasibility study were also not available to demonstrate the feasibility and merits of the PPP model; and
- (f) WSD had been delivering an effective and quality service so far. There was no need to make hasty changes. In fact, WSD was doing

better than many of its overseas counterparts. It was risky to engage an inexperienced private sector operator to provide the service in place of the experienced WSD.

9. Ir Dr Raymond HO Chung-tai and Mr TAM Yiu-chung commented that, instead of pursuing the PPP approach, the Administration should aim to implement as soon as practicable the overdue major renovation or replacement of the old plant and equipment of the STWTW. Mr TAM urged the Administration to shelve the proposal as the Legislative Council (LegCo) would unlikely approve the relevant funding.

10. While supporting the adoption of the PPP approach for providing public services, Mr Abraham SHEK Lai-him opined that there were at present insufficient details to decide whether the approach should be extended to water supply. In consideration of the principle of "big market, small government", and the merits of the PPP approach in bringing about cost-effectiveness and in accelerating the commencement of the relevant works project, Mr LAU Ping-cheung also supported in principle the adoption of the PPP approach for public services. He was however concerned about the application of the approach to STWTW because of its large scale and hence difficulty in providing backup. He called upon the Administration to experiment the adoption of the PPP approach on a smaller scale first.

11. Addressing members' queries about the benefits of using the PPP approach, DSETW(W)1 explained that to enhance public sector productivity, it was desirable to make full use of the resources of the private sector to improve the efficiency and quality of public services. In fact, many important public services had made use of the resources of the private sector with success. In particular, many developed countries like the United Kingdom (UK), the United States and France had also adopted the PPP approach in providing water supply service. Based on the past experience of other jurisdictions and the findings of the feasibility study, the consultants had concluded that it was both feasible and practical for Government to adopt the PPP approach for reprovisioning and operating STWTW. The consultants were of the view that Government was more likely to attain better value for money and cost savings through the PPP approach as compared with the conventional procurement and internal reprovisioning model. Furthermore, it was likely to be beneficial to adopt the PPP approach for water supply, distribution, and customer services as well. He assured members that the proposal would not diminish the role of WSD, which could switch to a regulatory role to ensure service quality.

12. In response to Mr LAU Ping-cheung's call to experiment the PPP approach on a smaller project first, DSETW(W)1 emphasized that it was after very detailed consideration that the Administration had concluded that it was suitable to adopt the PPP approach for reprovisioning the STWTW and related facilities. This was because firstly, the project was large enough to allow the private sector operator to

achieve economies of scale, which would provide an operation base large enough to justify his investment in technology for improving efficiency. Secondly, there were numerous international precedents for reference. Thirdly, there was a strong market with sufficient interested and capable providers. Fourthly, adoption of the PPP approach in water supply and other important facilities was common in overseas countries.

13. Mr WONG Sing-chi was not convinced of the appropriateness of applying the PPP approach to water supply. He pointed out that according to his understanding, in the countries quoted in paragraph 11 above, the scope of PPP in water supply was small, covering only about 15% of water demand at most. He also pointed out that adoption of the PPP approach for public services such as bus service and electricity supply was acceptable because these services could be replaced by other modes of transport and solar energy respectively. Most important of all, failure of these services would not necessarily threaten life. Water supply was however different. He stressed the uniqueness and importance of water and urged the Administration to recognize such. Ir Dr Raymond HO shared Mr WONG's points. He opined that the consultants had only quoted successful examples but there were many failure examples. In Adelaide of Australia, a 15-year water supply contract awarded to a private sector operator had resulted in water becoming odorous after only fifteen months, and the operation had to close down after nine years. In Atlanta of the United States, a 20-year contract had to be terminated after only four years. In the Philippines, some operations had to be terminated too. In the UK, certain private sector operators of water supply cut down their services arbitrarily in 1995, which was an exceptionally dry and hot year, and the move had led to public outcry.

14. In response, DSETW(W)1 reiterated that the adoption of the PPP approach for water supply was wide and common overseas. Mr Greg CASHIN supplemented that the approach had in fact become wider and more common. For example, half of the water service in Australia and France was presently provided by the private sector. Larger water contracts instead of small and short ones were presently being let in the United States. He further pointed out that public-run operations might not necessarily do better than private-run operations. In fact, there were also incidents in public-run water supply operations that led to deaths of people. DSETW(W)1 echoed his points and said that with proper monitoring, application of the PPP approach to water supply was safe.

15. Mr LEE Cheuk-yan cautioned that the private sector operator might sacrifice water quality because of cost considerations. He was concerned that as in the case of Sydney, the water quality deteriorated after the responsibility for water supply was passed onto the private sector. The problem was later solved by the construction of a filtration plant funded by the Government. In this case, both the public and the Government had to suffer because, understandably, the private sector operator cared more about cost than about quality.

16. In response, DSETW(W)1 assured members that the Government was keen to ensure water quality and, as learnt from overseas experience, there were many mechanisms in this regard that could be put in place. Moreover, it was the Administration's objective to improve not only service quality and efficiency but also water quality through the PPP approach, so that while saving costs, public health would not be affected. The Sydney incident had already been studied to avoid recurrence. He believed that with so much overseas experience to learn from, Hong Kong was better poised for success. He further explained that with greater flexibility and ample experience in applying new technologies, new management methods and new operation modes, the private sector operator could derive profits without necessarily compromising service quality. Mr Steven DAVIDSON confirmed his points and supplemented that cost savings from adoption of the PPP approach in the UK were 10 to 20% compared to public sector benchmark. In the UK case, notwithstanding the need to make substantial capital investment, profits could be made by more efficient delivery of service at lower cost.

The Government vis-à-vis the private sector in delivery of water supply

17. Responding to Mr WONG Sing-chi's comment that the Government was shirking its duties for providing water supply service by adopting the PPP approach, DSETW(W)1 clarified that on the contrary, the Government was proactively exploring new ways by studying overseas experience to improve the service. Hence the proposal to adopt the PPP approach to reduce cost and provide better and more reliable service.

18. Messrs WONG Sing-chi and LEE Cheuk-yan were concerned that to shirk its duty for water supply, the Government might adopt the PPP approach for the service regardless of the consequences. Addressing their concerns, DSETW(W)1 assured members that the PPP approach would not be adopted unless the benefits could be established. To proceed with the proposal, the Efficiency Unit had required that comparison had to be made between operation by the Government and by the private sector. Before that, a detailed implementation study would need to be commissioned to assess the benefits and risks of adopting the PPP approach. Since such risks would have significant implications for the successful adoption of the PPP approach, Government would thoroughly examine the possible risk mitigation or minimization strategies and the commercial principles involved before making a decision on whether and if so, the extent to which the PPP approach should be adopted. Apart from the technical and financial aspects, Government would also take into consideration other important factors, including potential implications for human resources, possible impact on the legislative and regulatory framework, the interfacing issues between public and private service operator and the feedback from interested parties and the public. Before commission of the implementation study, the Administration would consult the Panel and seek funding approval from the LegCo. As such, all benefits, risks and

implications would be properly and carefully weighed before deciding whether to adopt the PPP approach.

19. Mr TAM Yiu-chung urged the Government to consider from a long term perspective when assessing the benefits of adopting the PPP approach for reprovisioning and operating the STWTW and related facilities. In response, DSETW(W)1 emphasized that engaging the service of the private sector operator in both the construction and operation of the STWTW and related facilities would minimize whole lifecycle costs by optimization between construction and operation, balancing costs and risks in different stages, and delivering ongoing value for money. For example, the private sector operator, who would be responsible for the plant from design to operation, might be more ready to select more expensive but better material at the design stage to facilitate operation and hence reduce operation and maintenance cost. Since the Government would ensure that it and the public could also benefit from such cost savings, the PPP approach should bring long-term benefits. Mr Greg CASHIN added that a fully integrated approach from design, reprovision to operation/maintenance could also ensure smooth operation.

20. Mr James TIEN Pei-chun highlighted the serious problem of the leakage of water pipes, and enquired whether the Government or the private sector operator would be responsible for rectifying the problem after adoption of the PPP approach for delivery of water supply. In response, DSETW(W)1 assured members that according to overseas experience, if the private sector operator was to be responsible for water distribution, he would have incentives to reduce water leakage because this would affect the cost of operation and hence the profits. Notwithstanding, the Administration would still put in place a mechanism for ensuring proper maintenance of the water supply network to minimize water leakage and wastage.

21. Mr James TIEN asked how the private sector operator could tackle the water pipe leakage problem. In reply, DSETW(W)1 reported that WSD had already been implementing a major water mains rehabilitation programme by phases. He reiterated that for the purpose of saving water and hence resources, the operator would make effort to contain the water leakage problem. The Deputy Director of Water Supplies (DDWS) echoed his views, and supplemented that the above rehabilitation programme would be conducted in different districts at the same time to maximize the effect. He however pointed out that being responsible for only a part of the water distribution system and enjoying greater flexibility, the private sector operator would be in a better position to address the problem.

22. Mr James TIEN suspected that the public would be made to bear the substantial expenses of replacing the water pipes after the adoption of the PPP approach in terms of higher water charges. In reply to him on any control mechanism on the water charges should the PPP approach be adopted, DSETW(W)1 advised that to ensure that water charges would not be increased for

the sole purpose of enabling the private sector operator to gain more profits, the billing and charging of water and related tariffs would remain the responsibility of WSD.

Risks in adopting the PPP approach for reprovisioning STWTW and delivery of water supply

23. Members were concerned about the risks associated with the PPP approach. In particular, Ir Dr Raymond HO was not convinced that the relevant risk assessment was sufficient. Highlighting smaller projects like the Harbour Fest and the ferry service for the outlying islands, which in his view were unsuccessful PPP projects, he stressed that the risk to the wellbeing of 40% population should not be under-estimated. In response, DSETW(W)1 pointed out that every large project had risks. The question was how to ensure the risks could be assessed, allocated and managed properly. Mr Steven DAVIDSON echoed his points, and supplemented that a whole range of risks and how they were managed in other places had already been analyzed in the consultancy report. He further pointed out that to allay concerns about water quality, water service could, as in the case of the Mainland, be provided by the private sector with the Government still bearing the risk regarding water quality. As to security risks, such risks would still exist even when water supply service was provided by the Government. Where risks about incomes and costs were concerned, it was believed that adoption of the PPP approach would result in better risk management.

24. In reply to Mr WONG Sing-chi on details of the above risk assessment and analysis, DSETW(W)1 said that the risks included those associated with technological developments in water treatment, which might result in much cheaper ways of water treatment to the advantage of the private sector operator, or developments in alternative technologies such as seawater desalination technique, which might drastically change the source of water supply and water treatment methods. To prepare for the former case, there would be a need to build in a mechanism to ensure that the cost savings so arising would be shared by all parties concerned and not just the private sector operator. In preparation for the latter case, there might be a need to manage the risk of technological changes.

25. Ir Dr Raymond HO enquired whether seawater desalination, if found feasible, would have any implications on the relevant PPP contract, which could be as long as 30 years. In response, DSETW(W)1 said that a pilot scheme on desalination was being implemented by WSD and the result was good. The prospect of a switch to desalination would, as mentioned in paragraph 24 above, need to be included as a risk for proper risk management if the PPP approach was to be adopted for reprovisioning STWTW and related services. Similarly, the implications of any decreases in the price of Dongjiang water would also be included in risk assessment. DDWS assured members that even if desalination was found to be feasible, it would take years to implement. Hence developments in this direction should not implicate on the PPP proposal. He further advised that to

prepare for the emergence of this new source of water, flexibility would be built into the relevant contract to adjust the output where necessary. Moreover, the new technology could be deployed to meet the remaining 60% of water demand first.

26. On Mr WONG Sing-chi's concern about lack of details of the feasibility study report to facilitate assessment of the relevant risks, DSETW(W)1 confirmed that the full feasibility report, apart from the commercially sensitive data, had already been uploaded onto the Internet. He further explained that both successful and unsuccessful experiences were covered in the report, and the Administration would work out the best way forward taking into consideration both types of experiences.

Staff concerns

27. In reply to Mr James TIEN on implications of the PPP proposal on WSD staff, DSETW(W)1 reported that if the PPP approach was adopted for the reprovisioning of the STWTW only, about 100 staff would be affected and they could be redeployed to other duties. Should the PPP approach be adopted for a greater scope, WSD staff would be closely consulted on their views and concerns, and various measures, such as retraining, redeployment and natural wastage, would be used to avoid forced redundancy. Arrangement would also be made to help WSD staff seek employment with the private sector operator where practicable to mitigate the impact.

28. Mr WONG Sing-chi was unassured. In his view, although the number of affected staff might be small, morale of the civil service would be affected. Moreover, even if the affected staff could be employed by the private sector operator, there was no guarantee how they would be treated. WSD staff would therefore face an uncertain future.

29. Miss CHAN Yuen-han and Ir Dr Raymond HO were dissatisfied that WSD staff had been kept in the dark about the adoption of the PPP approach for reprovisioning STWTW, which might be the first step to privatize WSD. In response, DSETW(W)1 emphasized that WSD had been keeping its staff informed of the above feasibility study for the purpose of identifying the best arrangement in this regard. In fact, the Director of Water Supplies (DWS) had held a number of meetings with staff representatives on this subject since August 2003. To enhance two-way communication with staff on matters concerning the feasibility study, DWS had set up a Special Consultative Committee which provided an ongoing forum for discussing the proposals and gathering feedback from staff. At a meeting on 3 May 2004, it was clearly conveyed to WSD staff that Government had no plan to carry out any major institutional reform in WSD along the line of privatization. Instead, it was only studying whether the PPP approach could be adopted for the operation of certain WSD facilities and services.

30. Miss CHAN Yuen-han recalled the Chief Executive's undertaking made a few years ago of not privatizing WSD, and urged the Administration to honour this undertaking. She also expressed regret that WSD staff had not been consulted before the feasibility study was conducted. In response, DSETW(W) clarified that before completion of the feasibility study, the consultants had already met with WSD staff. He also reiterated that the Plan was by no means the first step towards privatization of WSD.

31. Miss CHAN Yuen-han pointed out that WSD staff were informed of the study only at a very late stage. She also expressed dissatisfaction that before the feasibility study was conducted, the Administration had failed to, as the established practice, consult LegCo first. She suspected that the Administration was trying to proceed with the PPP proposal in secret, and asked who gave the go-ahead to commission the feasibility study.

32. In response, DSETW(W)¹ pointed out that in the 2004 Policy Agenda, the Chief Executive had already committed to the wider use of alternative approaches, including PPP, in the delivery of large scale projects under the Public Works Programme. In the 2004-05 Budget Speech, the Financial Secretary also undertook to consider the way forward in the light of the encouraging results of the preliminary feasibility study on the in-situ reprovisioning of STWTW through the PPP approach. He further explained that the feasibility study had been conducted for the purpose of producing some basic information for consultation with staff and the public on whether the PPP approach should be pursued. The proposal was by no means finalized. The way forward would be considered in the light of the comments received. If it was found that the proposal would bring little benefits but increase risks and costs, it would not be pursued. Miss CHAN Yuen-han was still not assured. She urged the Administration to note the public's grave concern about the proposal.

Other concerns

33. Mr James TIEN highlighted the unique feature of water supply in Hong Kong, namely, that water was bought from the Mainland, and enquired whether this factor had been taken into account when considering the feasibility of the PPP proposal. He also sought to know whether the Government or the private operator would be responsible for negotiating with the Mainland authorities concerned in future on matters relating to the Dongjiang water supply agreement and assurance of the quality of the water supplied should the PPP approach be adopted. In response, DSETW(W)¹ confirmed that the Government would continue to be responsible for such matters.

34. In reply to Mr LEE Cheuk-yan on whether the private sector operator could make use of the STWTW to manufacture distilled water so as to make more profits, DSETW(W)¹ assured members that provisions on what the operator could and could not do would be clearly set out in the relevant contract. In principle, he

would not be allowed to engage in non-core businesses which might unduly expose the operation to additional risks. However, he would be given flexibility to achieve cost savings to the benefit of both himself and the Government. Any such arrangements would be reported to LegCo for information.

35. Mr Abraham SHEK highlighted the serious unemployment situation in the construction industry, and enquired whether there would be any difference in the relevant works programme should the PPP approach be adopted. In reply, DSETW(W)1 reported that since the STWTW plant and equipment concerned were already old and required major renovation or replacement, the Administration aimed to upgrade the project to Category A this year to commence works in 2006 which would take 14 years to complete. If the PPP approach was to be adopted, more detailed consultation and planning at the beginning might be needed to assure members and the public the approach was beneficial. Notwithstanding, it was expected that funding for a detailed implementation study could be secured within this year to facilitate the award of contract within 12 months thereafter. Moreover, funds for reprovisioning of the STWTW could be diverted elsewhere to facilitate implementation of other works projects to improve the employment situation.

Motion

36. Ir Dr Raymond HO proposed to move the following motion -

“本會要求政府在未向本會提交及獲得本會通過有關沙田瀘水廠顧問研究報告之前，不作任何私有化決定。”

“That this Panel calls on the Government not to make any decisions on privatization of the Sha Tin Water Treatment Works before the relevant consultancy report is submitted to and endorsed by this Panel.”

37. Explaining the motion, Ir Dr Raymond HO said that it was undesirable that the Government should pursue the PPP approach without sufficient consultation and communication with the public and the staff concerned, not to mention that WSD had been providing a reliable water service, and that the move might affect public hygiene, public health and even lives of 3 million people. The motion was seconded by Mr WONG Sing-chi. The Chairman put the motion to vote. Ir Dr Raymond HO and Messrs. WONG Yung-kan, TAM Yiu-chung, WONG Sing-chi and IP Kwok-him voted for the motion. The Chairman declared that the motion was carried.

(Post-meeting note: A letter formally advising the Administration of the passing of the above motion was issued on 19 May 2004. The Administration's response to the motion was circulated to members vide LC Paper No. CB(1)2074/03-04.)

V. Any other business

38. There being no other business, the meeting ended at 4:50 pm.

Council Business Division 1
Legislative Council Secretariat
13 July 2004