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Hon LAU Wong-fat, GBM, GBS, JP Chairman Panel on Development Legislative Council Legislative Council Building 8 Jackson Road, Central, Hong Kong panel dev@legco.gov.hk

Honorable Chair and Members,

Water management: The need to increase water charges

With demand for water growing throughout the Pearl River Delta and supply of water compromised by pollution and climate change, access to clean water is far from certain.

Hong Kong has a responsibility to become more self-sufficient by reducing water consumption and by increasing our own water supply (currently 20-30%) through harvesting rainwater, grey water recycling and desalination.

A critical component in effective water management is the <u>need to raise water charges in addition to the water</u> demand and supply management initiatives considered by the Water Supplies Department.

With Hong Kong's low water charges there is little incentive to reduce the use of water. The price of water does not reflect the cost of producing more drinking water in Hong Kong. At the recent "CitySpeak: The Water We Drink" forum it was disclosed that the production cost of water using conventional means is \$0.16/m3 whereas desalination and filtration costs is ranging between \$4 to \$5.2/m3.

Yours sincerely,

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