

**EXTRACT**

**Speech by the Hon Eric LI Ka-cheung, JP  
Chairman, Public Accounts Committee  
in tabling the Supplemental Report  
to the PAC Report No.33  
in the Legislative Council on 12 April 2000**

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Water purchased from Guangdong Province

The overflow from reservoirs and the quality of water supplied by Guangdong Province have been a matter of considerable public concern in recent years. Naturally, the community wish to be assured that the valuable water resources will not continue to be wasted and that Dongjiang water, purchased by Hong Kong at a significant price, will meet the required quality standards, so that value for money is achieved and public health is guaranteed.

Over the years, the mishaps committed by the Administration in dealing with the Dongjiang water saga are legion. The Committee are dismayed that in concluding the 1989 Agreement with the Guangdong Authority, the Administration committed Hong Kong to a long period of fixed supply quantity without any mechanism for adjusting the annual supply quantities in ensuing years. Neither was there any mechanism for ensuring that the water quality standard stipulated in the Agreement i.e. the 1983 Standard would be complied with, nor was there any mechanism for resolving disputes in case of non-compliance with the terms of the Agreement by either party.

The Committee are concerned that prior to 1995, the Government had not raised the concern about excess water supply with the Guangdong Authority, despite the fact that the rate of growth in actual and industrial water consumption and dropped since 1990. We are seriously dismayed that the Government had once again failed to make use of the golden opportunity in 1998, when negotiating the Loan Agreement with the Guangdong Authority, to incorporate more flexibility for adjusting the annual supply quantities and to insist that water supplied to Hong Kong complied with a more comprehensive and stringent water quality standard i.e. the 1988 Standard.

In the course of examining the evidence relevant to the subject, the Committee were dismayed to find that even though the Administration had been aware of the deterioration in the quality of Dongjiang water for some time and had taken various measures to try to improve the water quality, the matter was only revealed to the Legislative Council at the meeting of the Panel on Environmental Affairs in April 1997. More seriously, information of a material nature had been omitted from the papers submitted for discussion at the meetings of the Panel on Environmental Affairs on 10 April 1997 and 2 July 1999, the Finance Committee on 3 April 1998, and the joint meeting of the Panels on Environmental Affairs and Planning, Lands and Works on 5 February 1999. The information includes:

- (a) the adoption of the 1988 Standard in the Mainland since 1 June 1988 and in Guangdong Province since 1991;
- (b) the discussion with the Guangdong Authority on the deterioration of water quality as early as in 1993;
- (c) the results of the consultancy study in 1996 which indicated that the quality of raw water would continue to deteriorate;
- (d) the approval of \$14.7 million in 1995 and \$13.8 million in 1997 to improve the chlorination facilities at the various water treatment works; and
- (e) a total of \$115 million of additional recurrent costs and \$35 million of capital costs having been incurred for water treatment since 1993.

Although the above material information was available at the time, the Administration still maintained at the meetings mentioned above that there was no trend in quality changes of any proportion which warranted material concern. It had further stated that there was no cause for alarm and that the water supplied was clean at source and was up to the standard stipulated in the 1989 Agreement.

The Committee condemn the Administration for not providing Members of the Legislative Council with accurate and complete information. Such omission had influenced the direction of Members' discussion at the relevant meetings leading to approval of various financial proposals concerning the quantity and quality of Dongjiang water. We also reject the explanation given by the Secretary for Works that such information was not disclosed because it was not related to the focus of the issue being discussed. Such a state of affairs is highly unsatisfactory and should be put right promptly.

The Committee note that the Guangdong Authority has implemented a considerable number of environmental protection and improvement measures to protect and improve the quality of Dongjiang water. We also acknowledge that the Secretary for Works and the Director of Water Supplies gave an assurance that the quality of Dongjiang water had improved significantly since 1999 and that the quality of treated water had complied with the World Health Organisation standards.

We urge the Administration to continue to negotiate with the Guangdong Authority with a view to:

- (a) incorporating in future water supply agreements more flexibility in adjusting the annual supply quantities;
- (b) stipulating a requirement that the water supplied to Hong Kong must comply with the 1988 Standard; and
- (c) enabling Hong Kong to stop drawing unneeded water in order to avoid wasting water due to overflow and to achieve some savings in the electricity cost of pumping operations and treatment cost.

We also urge the Administration to continue to discuss the subject of the quality of Dongjiang water at the Joint Working Group on Sustainable Development and Environmental Protection, and consider escalating the level of discussion to Beijing if the various issues raised cannot be resolved.

The Committee have also recommended, among others, that the Administration should adopt a more reasonable water storage level, and explore alternative sources of water supply if the quality of Dongjiang water continues to deteriorate. To increase the transparency of the monitoring and reporting process, we urge the Administration to publish, on a timely and regular basis, the test results of both raw water and treated water. To this end, we hope that the independent Advisory Committee on Water Supply will be established at the earliest possible date.

In the final analysis, water is so basic a commodity to our daily living that we must not let loose the control on its quality and public health standards. The Government owes this responsibility to the people of Hong Kong.

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