



香港高級公務員協會

Hong Kong Senior Government Officers Association

香港下亞厘畢道政府合署東座地下G13室 Rm. G13, Central Government Offices, East Wing, G/F, Lower Albert Road, H.K.
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17th May 2004

The Chairman
Panel on Planning, Lands and Works
Legislative Council
(Attn: Dr. the Hon. TANG Siu-tong, JP)

Dear *Dr. Tang,*

**Public Private Partnership Plan
for Water Supplies Department**

We have learned that the Financial Secretary has included in his budget speech delivered in March 2004 that the Administration is planning to include the management and operation of the Sha Tin Water Treatment (STWT) Plant of WSD in the Public Private Partnership (PPP) Programme. Furthermore, in a paper named "Reprovisioning of Sha Tin Water Treatment Works and Delivering of Water Supply Distribution and Customer Services Using Public Private Partnership" prepared for the discussion in your Panel on 18 May 2004, we have been given to know that the consultant who carried out the feasibility study of applying PPP approach to the STWT has recommended to extend the scope of the programme to cover both water supply, distribution and customer service as well. Three scenarios have been mentioned in the above Paper and the one with largest geographical scale covers up to 33% of the 2.6 million water accounts in the territory and would affect over 800 WSD staffs.

We understand that although the consultant has claimed successful PPP cases in other countries, we must point out that there are also many failure cases overseas including those in the water industry and irrespective of how stringent the performance specification and control/monitoring mechanism is said to be. "Water" is considered a primary needs of human and water supply is an essential service to the community that should not take the risks of becoming a commodity to be "monopolised" by a few private parties/operators.



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Besides, we are of the view that since the private sector has a duty to shareholders or owners to maximize profits, it may not accord the same priority as the civil service to serving the community. The implementation of PPP would therefore cast doubt on the continued supply of fresh water of prescribed quality to consumers and this has significant implications on safeguarding public health.

Finally, there is no doubt that the PPP approach, particularly having such a large geographic scale scenario, creates a threat of unemployment to the loyal civil servants. This situation has certainly given rise to anxiety in the staff concerned about their job security and career prospects and has affected their morale. There is also the possibility of highly experienced and competent staff leaving, causing draining of expertise which is considered to be a great asset of WSD.

We object to any approach that will affect the job security of the civil servants until and unless their interest is fully safeguarded, and any approach that will pose possible health risks to the public.

We should be grateful if your Panel can consider our views as given above.

Yours sincerely,

(CHAN Pak-fong, Peter)

Chairman