Hon Tony TSE Wai-chuen's Follow-up Questions on Supply of Dongjiang Water

In regard to the letter of 8 February 2021 from Hon Tony TSE Wai-chuen to the Chairman of the Panel on Development (the Panel) of the Legislative Council (LegCo), the Development Bureau would like to provide the following information regarding the supply of Dongjiang (DJ) water at the request of the Chairman.

- 2. The expenditure for the purchase of DJ water falls under the recurrent expenditure of the Water Supplies Department. Same as Government's other recurrent expenditures, it is set out in the Budget and submitted to the LegCo for approval each fiscal year. The estimated expenditure for the purchase of DJ water from April 2020 to March 2021 has been reserved and included in the 2020-21 Budget and was approved by the LegCo in May 2020. While the 2021-2023 DJ Water Supply Agreement (the New Agreement) came into effect on 1 January 2021, as the increase in water price in the New Agreement is in line with the expectation and our reserved fund in the 2020-21 Budget is sufficient to pay for the expenditure for the purchase of DJ water, application for approval from the Finance Committee of the LegCo for a change to the approved Estimates of Expenditure is not required. As for the remaining annual expenditures under the New Agreement, we will include them in subsequent respective Budgets for approval of the LegCo.
- 3. In the past, when Guangdong and Hong Kong signed a DJ water supply agreement, the Government would generally brief the LegCo on the content of the agreement. As mentioned in our reply on 5 February 2021, we originally scheduled to brief the Panel on the content of the New Agreement at its meeting on 22 December 2020. However, the meeting was eventually cancelled owing to the severe situation of the COVID-19 epidemic. We therefore circulated an information paper on the New Agreement to the Panel Members on 21 December 2020 and uploaded the paper onto the LegCo's website on the same day for the Panel Members and public's reference. We will attend the Panel meeting in due course to brief Panel Members on the content of the New Agreement.

Development Bureau Water Supplies Department February 2021