

## LCQ8: Supply of water to Hong Kong

Following is a question by the Hon Lau Kwok-fan and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (June 26):

Question:

The new agreement on the supply of Dongjiang (DJ) water to Hong Kong from 2018 to 2020, signed by the Government and the Guangdong provincial authorities in December 2017, continues to adopt the "package deal lump sum" approach in calculating water prices. However, both parties have agreed to conduct a review of the future payment approach for water supply. In addition, it has been reported that the Pearl River Delta Water Resources Allocation Project (commonly known as the "West to East Water Diversion Project") commenced last month and is expected to be completed in 2024. In this connection, will the Government inform this Council:

(1) whether it has started discussing with the Mainland authorities the arrangements for making Xijiang water a backup supply for Hong Kong; if so, of the details; if not, the reasons for that;

(2) given that the quality standard of DJ water supplied to Hong Kong is in compliance with Type II waters in the Environmental Quality Standards for Surface Water (GB3838-2002), which is the highest national standard for surface water quality applicable for the abstraction for human consumption, and the quality standard of Xijiang water supplied to Macao from 2014 to 2016 was in compliance with the national standard at a grade lower (i.e. Type III waters), whether the Government has conducted studies and made preparation in this regard to ensure that the quality of Xijiang water to be supplied to Hong Kong meets the highest standard; if so, of the details; if not, the reasons for that; and

(3) of the details, specific timetable and progress in respect of the review of the payment approach for DJ water; as the Democratic Alliance for the Betterment and Progress of Hong Kong has suggested switching to the adoption of a combined payment approach for the purpose of securing stable water supply and reasonable charges, whether the Government has assessed if Xijiang water as a backup supply may provide a better assurance for water supply, so that the feasibility of adopting a combined payment approach is enhanced; if it has conducted such an assessment and the outcome is in the affirmative, whether the Government will discuss with the Guangdong provincial authorities the adoption of a combined payment approach?

Reply:

President,

In all the Dongjiang (DJ) water supply agreements signed with the

Guangdong (GD) authorities since 2006, the "package deal lump sum" approach has been adopted to ensure reliable and flexible supply of DJ water to Hong Kong. As Hong Kong's fresh water resources come from local yield and DJ water, the "package deal lump sum" approach allows us to import DJ water as needed based on the actual local yield and up to an annual supply ceiling specified in the supply agreements. This not only ensures adequate water supply for Hong Kong under the drought condition with a return period of 1 in 100 years, but also avoids wastage of the DJ water resources and saves related operating costs when more local yield is available in a particular year. Nevertheless, given the "package deal lump sum" approach has been adopted for more than 10 years, it is considered an appropriate time to review the payment approach. To this end, we set up a working group with the GD authorities in August 2017 to take forward the review on the "package deal lump sum" payment approach.

Moreover, since the water resource utilisation rate of DJ has already reached a level very close to its exploitation limit, the Pearl River Delta Water Resources Allocation Project is to divert water from Xijiang to the eastern part of the Pearl River Delta (including Guangzhou Nansha, Shenzhen and Dongguan) to alleviate the pressure of demand for DJ water in those areas. At the same time, the Project will provide an opportunity for the provision of emergency backup to areas including Hong Kong, Panyu, Shunde to further safeguard the reliability of water supply in these areas.

The responses to the Hon Lau's three queries are as follows:

(1) The Pearl River Delta Water Resources Allocation Project will provide an opportunity for the provision of emergency backup to the DJ water imported to Hong Kong. As the works of the Project have just started, details of the emergency backup arrangements have not yet been worked out by the GD authorities. We will follow up with the Water Resources Department of the GD Province on the related arrangements in due course.

(2) The Pearl River Delta Water Resources Allocation Project takes water from the main branch of Xijiang at Liyuzhou in Shunde district of Foshan, which is different from the location where Macao takes water from Xijiang. Based on our understanding, the quality of the water near the water intake point at Liyuzhou meets the Type II waters in the "Environmental Quality Standards for Surface Water (GB3838-2002)" (i.e. the highest national standard for surface water applicable for the abstraction for human consumption) which is the same as the water quality standard of DJ water specified in the DJ water supply agreements.

(3) A working group has been set up with the GD authorities for reviewing the "package deal lump sum" payment approach. Apart from reviewing the existing "package deal lump sum" payment approach, the review will explore other payment approaches. As the review is still ongoing, it is premature to disclose the details at this stage. However, no matter which payment approach is to be adopted, we will ensure that it will not affect the reliability of water supply to Hong Kong. We will strive to complete the review before the negotiation of the next supply agreement in 2020.