

Head 194 — WATER SUPPLIES DEPARTMENT

Controlling officer: the Director of Water Supplies will account for expenditure under this Head.

Estimate 2003–04 **\$5,374.5m**

Establishment ceiling 2003–04 (notional annual mid-point salary value) representing an estimated 5 127 non-directorate posts as at 31 March 2003 and as at 31 March 2004 **\$1,166.1m**

In addition there will be an estimated 23 directorate posts as at 31 March 2003 and as at 31 March 2004.

Capital Account commitment balance **\$11.5m**

Controlling Officer's Report

Programmes

- Programme (1) Water Supply: Planning and Distribution**
- Programme (2) Water Quality Control**
- Programme (3) Customer Services**

These programmes contribute to Policy Area 24: Water Supply (Secretary for the Environment, Transport and Works).

Detail

Programme (1): Water Supply: Planning and Distribution

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	4,772.4	4,910.6 (+2.9%)	4,821.7 (–1.8%)	4,843.8 (+0.5%)

Aim

2 The aim is to plan water resources and to design, construct, maintain and operate water supply systems in order to provide a full supply to meet the demands of the territory.

Brief Description

3 The department is responsible for providing an adequate and satisfactory supply of water to the territory. This work involves:

Fresh Water

- planning water supply requirements on the basis of providing full supply of water to the territory;
- developing water resources and supply systems to cope with these requirements;
- designing and constructing reliable and efficient water supply and distribution systems to meet these requirements in good time; and
- operating and maintaining the water supply and distribution systems.

Salt Water for Flushing

- planning salt water supply requirements;
- developing salt water supply systems to cope with these requirements;
- designing and constructing reliable and efficient salt water supply and distribution systems to meet the requirements in good time; and
- operating and maintaining the salt water supply and distribution systems.

4 In 2002, the department was able to plan, design and construct new projects in time for extension of fresh and salt water supplies to new developments and to operate and maintain the water supply systems to provide an adequate supply. Full supply was maintained throughout the year.

5 The key performance measures in respect of water supply are:

Head 194 — WATER SUPPLIES DEPARTMENT

Targets

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
supply pressure				
fresh water supply—normally a minimum residual head of between 15 and 30 metres is maintained in the distribution systems except at their extremities	>15-30m	99.9%	99.9%	99.9%
salt water supply—normally a minimum residual head of 15 metres is maintained in the distribution systems except at their extremities.....	>15m	100.0%	100.0%	100.0%

Indicators

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
projects under planning	19	19	17
value of projects under planning (\$m).....	6,700	7,300	2,600
projects under design.....	40	42	35
value of projects under design (\$m)	2,350	2,450	2,600
projects under construction	75	75	73
expenditure of works under construction (\$m).....	1,940	1,674	1,400
fresh water supplied (m ³).....	940 000 000	948 653 000	951 000 000
salt water supplied (m ³).....	236 000 000	234 710 000	239 000 000
days on full supply.....	365	365	365
total treatment works capacity (m ³ /day)	4 545 600	4 545 600	4 795 600
total pumping plant capacity (megawatts)	308.9	311.8	318.5
new leakage rate of watermains.....	26%	25%	25%

Matters Requiring Special Attention in 2003–04

6 During 2003–04, the department will:

- continue to plan and develop water resources and supply systems to provide full water supply to the territory;
- ensure that new waterworks projects serving urban and new town developments are completed on time;
- continue to plan, design and construct water supply systems for new town development;
- ensure that adequate and uninterrupted supplies of fresh and salt water are maintained throughout the territory in accordance with planning standards and in compliance with environmental standards;
- continue to implement the asset management plan for improving the efficiency and conditions of the water supply facilities; and
- continue inspection and maintenance of slopes and water pipes which may affect slopes, and improvement to sub-standard slopes.

Programme (2): Water Quality Control

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	160.3	172.4 (+7.5%)	160.6 (–6.8%)	158.8 (–1.1%)

Aim

7 The aim is to control the quality of water supplied to consumers in accordance with international and the department's standards.

Brief Description

8 The department is responsible for ensuring that the purity, wholesomeness and safety of treated water conform to international standards, such as the World Health Organisation guidelines, in all respects and at all times. This work involves:

Head 194 — WATER SUPPLIES DEPARTMENT

Fresh Water

- water treatment—ensuring that the treated water conforms chemically and bacteriologically to international standards for drinking water recommended by the World Health Organisation; and
- water quality control—ensuring that test samples taken from treatment works, service reservoirs, connection points, consumers' taps, etc. conform to the World Health Organisation standards.

Salt Water for Flushing

- water treatment—ensuring that the water supplied conforms chemically and bacteriologically to the department's standards; and
- water quality control—ensuring that test samples taken from pumping stations, service reservoirs, connection points, etc. conform to the department's standards.

9 In 2002, the department was able to achieve the set quality standards in the treatment of water and maintain effective measures in monitoring and controlling the quality of the water it supplies to consumers.

10 The key performance measures in respect of water quality control are:

Targets

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
fresh water quality—water supplied to customers at the connection points complies with the World Health Organisation guideline standards (%).....	100	100.0	100.0	100.0
salt water quality—93% of water supplied to customers at the connection points complies with Water Quality Objectives set by Water Supplies Department (%).....	100	100.0	100.0	100.0

Indicators

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
samples taken from treatment works, service reservoirs and consumers' taps.....	25 590	25 286	25 000
chemical quality satisfying standards (%)	100.0	100.0	100.0
bacteriological quality satisfying standards (%).....	100.0	100.0	100.0

Matters Requiring Special Attention in 2003–04

11 During 2003–04, the department will:

- continue to ensure the quality of treated water supplied to consumers conforms to current international standards;
- continue with the regular water quality surveys and monitoring at all source points, in various treatment stages and throughout the entire supply and distribution system;
- continue to monitor radiation levels in raw and treated water at radiation screening centres; and
- continue to publish water quality data through the department's website.

Programme (3): Customer Services

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	367.0	410.4 (+11.8%)	379.5 (–7.5%)	371.9 (–2.0%)

Aim

12 The aims are to provide customer services and to enforce the Waterworks Ordinance and Regulations.

Head 194 — WATER SUPPLIES DEPARTMENT

Brief Description

13 The department is responsible for the provision of efficient and effective services to consumers and for taking enforcement action on offences under the Waterworks Ordinance and Regulations. This work involves:

- improving efficiency and effectiveness in dealing with customer enquiries and complaints;
- enforcing the Waterworks Ordinance and Regulations;
- ensuring timeliness of billing and promptness in updating consumer accounts;
- monitoring closely the level of arrears of water charges; and
- coping with the growth in the number of consumer accounts.

14 Despite the continued growth in the number of consumer accounts in 2002, the department was able to attain a high achievement rate for its customer service targets. Satisfactory enforcement of the Waterworks Ordinance and Regulations was maintained.

15 The key performance measures in respect of customer services are:

Targets

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
take up of consumership				
by post	seven days	99.7%	99.5%	99.5%
in person at Customer Enquiry Centres				
(All-purpose counter).....	15 mins	99.8%	99.8%	99.8%
issue of final bill upon closure of account ..	three days	99.2%	99.2%	99.2%
refund of water deposit	nine days	99.7%	99.7%	99.7%
application for meter test#	eight days	100.0%	99.6%	100.0%
application for autopay service (excluding one month process time by bank)	three days	99.5%	99.5%	99.5%
accuracy of water meters.....	inaccuracy not exceeding +/-3%	91.5%	91.5%	91.5%
response time for attendance to fault complaints				
fresh water supply fault.....	within half a day	99.7%	100.0%	100.0%
others	within 24 hours	100.0%	100.0%	100.0%
notice for planned suspension of water supply	three days in advance	99.9%	99.8%	99.9%

Target has been improved from nine days to eight days as from 1.4.2002. The figure for 2001 is related to the previous target.

Indicators

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
number of consumer accounts	2 476 484	2 539 235	2 590 000
fees, water charges and deposits demanded (\$m).....	2,909	1,945	2,470
arrears of water charges at year end in terms of number of days of water charges demanded.....	1.6	2.0	1.6
prosecutions.....	228	211	220
finest imposed (\$).....	351,846	337,650	350,000
house service inspections due to irregular consumption.....	10 536	8 674	10 000
public enquiries and requests for services	1 039 446	1 066 757	1 068 000
disputes and complaints handled	36 830	31 580	32 000

Matters Requiring Special Attention in 2003–04

16 During 2003–04, the department will:

- continue to conduct the annual review of water tariffs and other waterworks fees and charges, to process new applications for metered supplies, to improve services to consumers to meet their increased expectation and to review and adjust regularly the water deposits;

Head 194 — WATER SUPPLIES DEPARTMENT

- publicise regularly through the mass media the various customer services provided by the department and the responsibilities of consumers under the Waterworks Ordinance and distribute information leaflets to consumers;
- continue to review the systems and procedures and the information technology in use to ensure cost-effectiveness in delivering customer services; and
- continue the development of a new customer-oriented computer system which will provide a one-stop service for all customers.

Head 194 — WATER SUPPLIES DEPARTMENT

ANALYSIS OF FINANCIAL PROVISION

Programme	2001-02 (Actual) (\$m)	2002-03 (Approved) (\$m)	2002-03 (Revised) (\$m)	2003-04 (Estimate) (\$m)
(1) Water Supply: Planning and Distribution ...	4,772.4	4,910.6	4,821.7	4,843.8
(2) Water Quality Control	160.3	172.4	160.6	158.8
(3) Customer Services	367.0	410.4	379.5	371.9
	5,299.7	5,493.4 (+3.7%)	5,361.8 (-2.4%)	5,374.5 (+0.2%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2003-04 is \$22.1 million (0.5%) higher than the revised estimate for 2002-03. This is mainly due to increased provision for the purchase of water.

Programme (2)

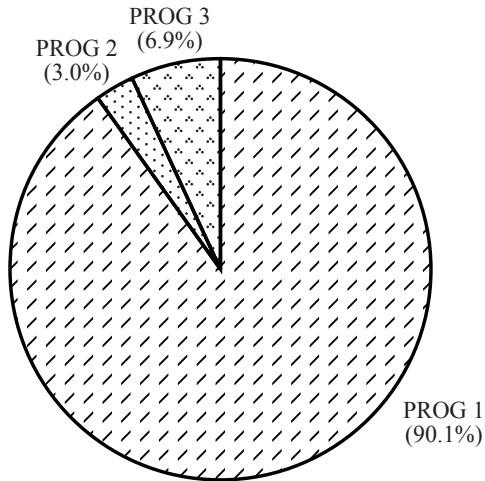
Provision for 2003-04 is \$1.8 million (1.1%) lower than the revised estimate for 2002-03. This is mainly due to reduced operating expenses in 2003-04.

Programme (3)

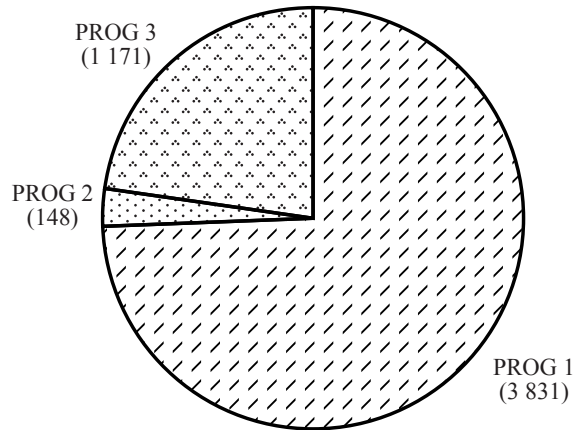
Provision for 2003-04 is \$7.6 million (2.0%) lower than the revised estimate for 2002-03. This is mainly due to the full-year effect of civil service pay cut.

Head 194 — WATER SUPPLIES DEPARTMENT

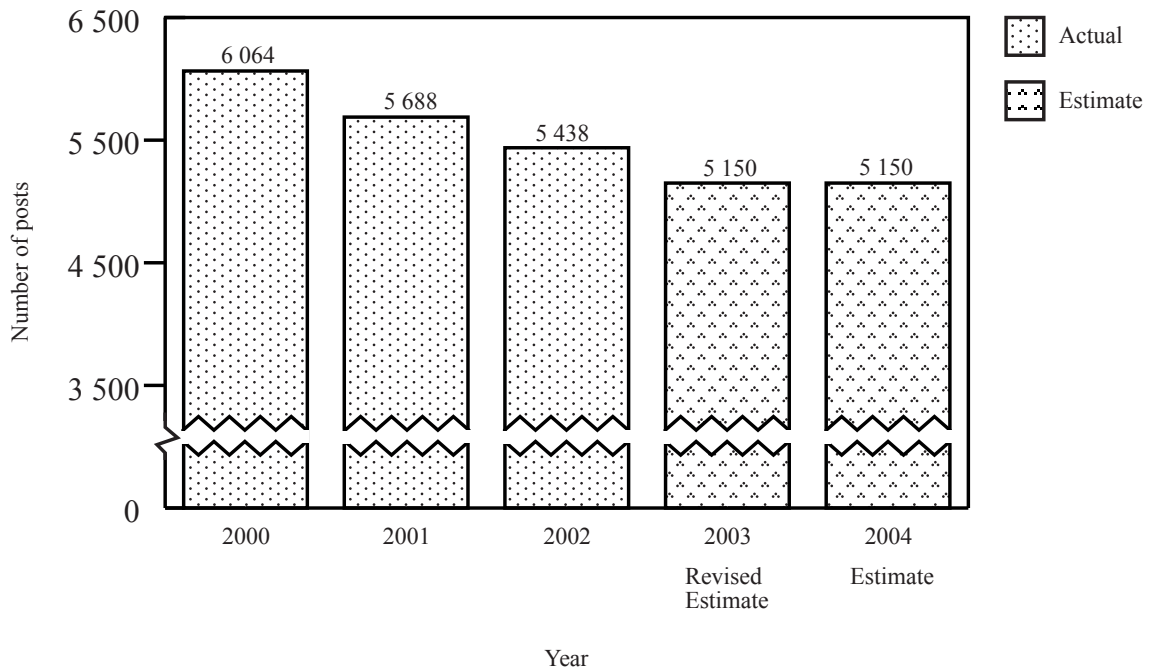
*Allocation of provision
to programmes
(2003-04)*



*Staff by programme
(as at 31 March 2004)*



*Changes in the size of the establishment
(as at 31 March)*



Head 194 — WATER SUPPLIES DEPARTMENT

Sub-head (Code)		Actual expenditure 2001-02	Approved estimate 2002-03	Revised estimate 2002-03	Estimate 2003-04
		\$'000	\$'000	\$'000	\$'000
Recurrent Account					
000	Operational expenses.....	2,837,628	2,995,790	2,864,170	2,852,977
223	Purchase of water	2,452,183	2,484,690	2,484,690	2,510,548*
	Total, Recurrent Account	5,289,811	5,480,480	5,348,860	5,363,525
Capital Account					
I — Plant, Equipment and Works					
603	Plant, vehicles and equipment	3,583	1,478	1,478	1,000
661	Minor plant, vehicles and equipment (block vote).....	4,555	8,450	8,450	4,600
	Total, Plant, Equipment and Works	8,138	9,928	9,928	5,600
II — Other Non-Recurrent					
700	General other non-recurrent	1,730	2,990	2,990	5,402
	Total, Other Non-Recurrent	1,730	2,990	2,990	5,402
	Total, Capital Account	9,868	12,918	12,918	11,002
	Total Expenditure.....	5,299,679	5,493,398	5,361,778	5,374,527

Head 194 — WATER SUPPLIES DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2003–04 for the salaries and expenses of the Water Supplies Department is \$5,374,527,000. This represents an increase of \$12,749,000 over the revised estimate for 2002–03 and of \$74,848,000 over actual expenditure in 2001–02.

Recurrent Account

2 Provision of \$2,852,977,000 under *Subhead 000 Operational expenses* is for the salaries and allowances of staff of the Water Supplies Department and its other operating expenses.

3 The establishment as at 31 March 2003 will be 5 150 permanent posts. No change in establishment is expected in 2003–04. Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2003–04, but the notional annual mid-point salary value of all such posts must not exceed \$1,166,120,000.

4 An analysis of financial provision under *Subhead 000 Operational expenses* is as follows:

	2001–02 (Actual) (\$'000)	2002–03 (Original Estimate) (\$'000)	2002–03 (Revised Estimate) (\$'000)	2003–04 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	1,443,141	1,495,839	1,388,946	1,361,386
- Allowances.....	89,363	113,281	89,257	87,650
- Job-related allowances	6,798	7,715	7,012	6,886
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	—	—	186
Departmental Expenses				
- Light and power	506,798	532,413	532,413	552,413
- Hire of services and professional fees.....	64,901	81,332	75,968	74,601
- Fuel and lubricating oil	477	630	480	471
- Specialist supplies and equipment.....	76,750	93,590	80,069	78,628
- Maintenance materials	53,567	61,133	56,680	55,660
- Contract maintenance.....	478,328	455,091	485,091	489,511
- General departmental expenses.....	117,505	154,766	148,254	145,585
	2,837,628	2,995,790	2,864,170	2,852,977

5 Provision of \$2,510,548,000 under *Subhead 223 Purchase of water* is for the purchase of water from Guangdong in accordance with the agreement with the Guangdong authorities.

Capital Account

Plant, Equipment and Works

6 Provision of \$4,600,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$3,850,000 (45.6%) against the revised estimate for 2002–03. This is mainly due to reduced requirement for new equipment.

Head 194 — WATER SUPPLIES DEPARTMENT

Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2002	Revised estimated expenditure for 2002-03	Balance
			\$'000	\$'000	\$'000	\$'000
603	314	<i>Plant, vehicles and equipment</i> Replacement of the air-conditioning plant system at Mong Kok Office	4,478	2,000	1,478	1,000
700	507	<i>General other non-recurrent</i> Consultancy on Underground Asset Management	30,000	28,080	288	1,632
	508	Consultancy for the surface asset management study.....	2,810	1,572	200	1,038
	509	Publicity Programme - "Quality life needs Quality water"	1,000	868	130	2
	510	Hire of service for implementation of the surface asset management and the pressure management schemes.....	4,400	239	1,212	2,949
	511	Hire of service for implementation of energy audit programme	1,530	—	660	870
	514	Replacement and enhancement of computers and systems.....	2,460	—	—	2,460
	515	Training workshops for professional and technical staff	1,550	—	—	1,550
			<u>43,750</u>	<u>30,759</u>	<u>2,490</u>	<u>10,501</u>
		Total.....	<u>48,228</u>	<u>32,759</u>	<u>3,968</u>	<u>11,501</u>