

Head 194 — WATER SUPPLIES DEPARTMENT

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

Estimate 2005–06..... **\$5,121.4m**

Establishment ceiling 2005–06 (notional annual mid-point salary value) representing an estimated 4 740 non-directorate posts as at 31 March 2005 reducing by 84 posts to 4 656 posts as at 31 March 2006 **\$1,015.4m**

In addition, there will be an estimated 23 directorate posts as at 31 March 2005 and as at 31 March 2006.

Commitment balance **\$9.2m**

Controlling Officer's Report

Programmes

Programme (1) Water Supply: Planning and Distribution

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

Programme (2) Water Quality Control

Programme (3) Customer Services

Detail

Programme (1): Water Supply: Planning and Distribution

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	4,829.6	4,717.5	4,716.3 (—)	4,632.5 (–1.8%)
				(or –1.8% on 2004–05 Original)

Aim

2 The aim is to plan water resources and to design, construct, maintain and operate water supply systems in order to provide round-the-clock supply throughout the year 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 round-the-clock supply of water throughout the year 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 2004, 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 adequate and uninterrupted supplies of water throughout the year.

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

Targets

	Target	2003 (Actual)	2004 (Actual)	2005 (Plan)
supply pressure				
fresh water supply—maintaining normally a minimum residual head of between 15 and 30 metres in the distribution systems except at their extremities (%)	100	99.9	100	99.9
salt water supply—maintaining normally a minimum residual head of 15 metres in the distribution systems except at their extremities (%)	100	100	100	100

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
projects under planning.....	17	17	18
value of projects under planning (\$m)	2,500	800	800
projects under design	35	26	28
value of projects under design (\$m).....	2,100	1,240	2,300
projects under construction.....	73	66	60
expenditure of works under construction (\$m)	1,490	1,350	1,450
fresh water supplied (m ³)	973 750 000	955 333 000	975 000 000
salt water supplied (m ³)	241 363 000	255 431 000	252 000 000
days on full supply	365	366	365
total treatment works capacity (m ³ /day).....	4 795 600	4 795 600	4 795 600
total pumping plant capacity (megawatts).....	319.3	323.7	324.0
leakage rate of watermains (%).....	25	24.5	24.5

Matters Requiring Special Attention in 2005–06

6 During 2005–06, the Department will:

- continue to plan and develop water resources and supply systems to provide water supply round-the-clock throughout the year 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;
- continue inspection and maintenance of slopes and water pipes which may affect slopes, and improvement to sub-standard slopes; and
- explore alternative approaches to achieve greater efficiency in the delivery of water supply services.

Programme (2): Water Quality Control

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	137.3	146.1	143.7 (–1.6%)	140.6 (–2.2%)
				(or –3.8% on 2004–05 Original)

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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 Organization guidelines, in all respects and at all times. This work involves:

Fresh water

- water treatment—ensuring that the treated water conforms chemically and bacteriologically to international standards for drinking water recommended by the World Health Organization; and
- water quality control—ensuring that test samples taken from treatment works, service reservoirs, connection points, consumers' taps, etc. conform to the World Health Organization 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 2004, 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	2003 (Actual)	2004 (Actual)	2005 (Plan)
fresh water quality—water supplied to customers at the connection points complies with the World Health Organization guideline standards (%).....	100	100	100	100
salt water quality—water supplied to customers at the connection points complies with Water Quality Objectives set by Water Supplies Department (%)#	95	93	95	95

Target has been improved from 93% to 95% as from 1 April 2004. The figure for 2003 related to the previous target.

Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
samples taken from treatment works, service reservoirs and consumers' taps	25 638	25 592	25 000
chemical quality satisfying standards (%)	100	100	100
bacteriological quality satisfying standards (%)	100	100	100

Matters Requiring Special Attention in 2005–06

11 During 2005–06, 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.

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Programme (3): Customer Services

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	372.8	359.8	362.3 (+0.7%)	348.3 (–3.9%)
				(or –3.2% on 2004–05 Original)

Aim

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

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 2004, 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	2003 (Actual)	2004 (Actual)	2005 (Plan)
process application for taking up of consumership				
by post within seven days (%).....	100	99.6	99.6	99.6
in person at Customer Enquiry Centres (All-purpose counter)				
within 15 minutes (%).....	100	99.8	99.9	99.9
issue of final bill upon closure of account				
within three days (%).....	100	99.4	99.3	99.4
refund of water deposit within nine days				
(%).....	100	99.7	99.7	99.7
process application for meter test within				
eight days (%).....	100	99.6	99.4	100
process application for autopay service				
(excluding one month process time by				
bank) within three days (%).....	100	99.5	99.5	99.5
accuracy of water meters (inaccuracy not				
exceeding +/- 3%) (%).....	100	92.5	94.3	94.3
response time for attendance to fault				
complaints				
within half a day for fresh water				
supply fault (%).....	100	100	100	100
within 24 hours for others (%).....	100	100	100	100
notice for planned suspension of water				
supply issued not less than three days				
in advance (%).....	100	100	100	100

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Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
no. of consumer accounts.....	2 580 985	2 628 095	2 680 000
fees, water charges and deposits demanded (\$m)	2,099	2,700	2,720
arrears of water charges at year end in terms of no. of days of water charges demanded	1.3	0.9	0.9
prosecutions	189	155	155
finés imposed (\$)	262,400	255,600	260,000
house service inspections due to irregular consumption	6 571	5 491	5 500
public enquiries and requests for services.....	1 351 370	1 255 238	1 350 000
disputes and complaints handled.....	28 994	29 471	31 000

Matters Requiring Special Attention in 2005–06

16 During 2005–06, 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;
- 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; and
- continue to review the systems and procedures and the information technology in use to ensure cost-effectiveness in delivering customer services.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2003-04 (Actual) (\$m)	2004-05 (Original) (\$m)	2004-05 (Revised) (\$m)	2005-06 (Estimate) (\$m)
(1) Water Supply: Planning and Distribution	4,829.6	4,717.5	4,716.3	4,632.5
(2) Water Quality Control.....	137.3	146.1	143.7	140.6
(3) Customer Services.....	372.8	359.8	362.3	348.3
	<u>5,339.7</u>	<u>5,223.4</u>	<u>5,222.3</u> (—)	<u>5,121.4</u> (-1.9%)
				(or -2.0% on 2004-05 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2005-06 is \$83.8 million (1.8%) lower than the revised estimate for 2004-05. This is mainly due to the full-year effect of the 2005 civil service pay cut, reduced operating expenses and deletion of 44 posts.

Programme (2)

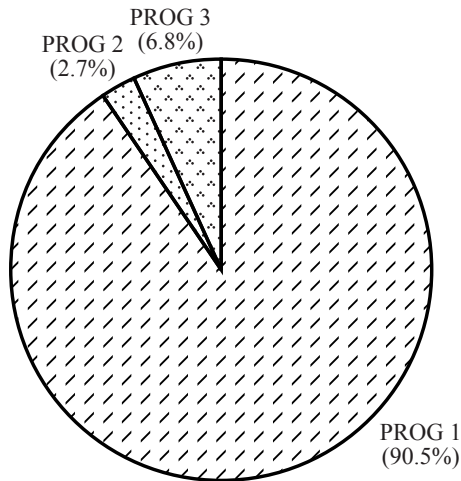
Provision for 2005-06 is \$3.1 million (2.2%) lower than the revised estimate for 2004-05. This is mainly due to the full-year effect of the 2005 civil service pay cut and reduced operating expenses, partly offset by increased requirements for purchase of equipment.

Programme (3)

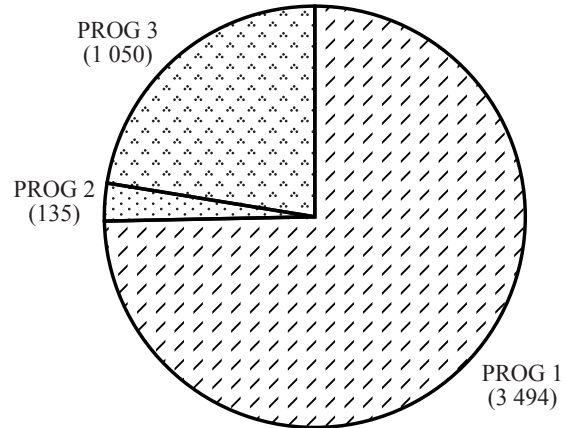
Provision for 2005-06 is \$14.0 million (3.9%) lower than the revised estimate for 2004-05. This is mainly due to the full-year effect of the 2005 civil service pay cut, reduced operating expenses and deletion of 40 posts.

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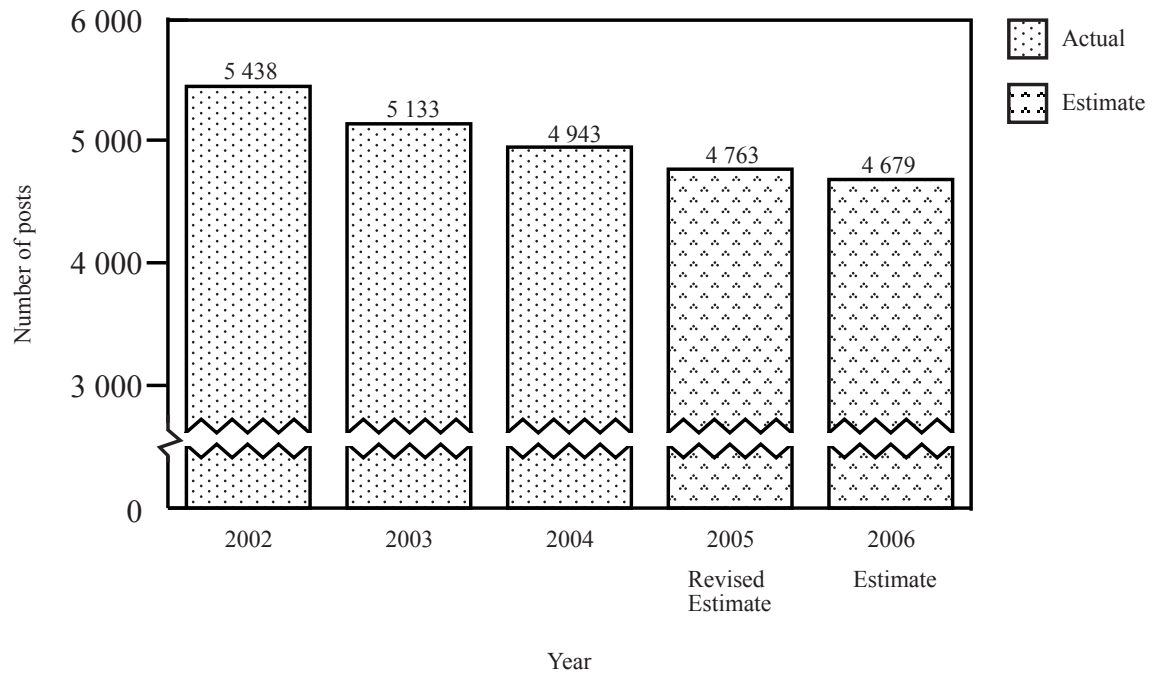
*Allocation of provision
to programmes
(2005-06)*



*Staff by programme
(as at 31 March 2006)*



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



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Sub-head (Code)		Actual expenditure 2003-04	Approved estimate 2004-05	Revised estimate 2004-05	Estimate 2005-06
		\$'000	\$'000	\$'000	\$'000
Operating Account					
	Recurrent				
000	Operational expenses	2,821,501	2,688,078	2,688,018	2,580,857
223	Purchase of water	2,510,544	2,528,934	2,528,934	2,528,934*
	Total, Recurrent	5,332,045	5,217,012	5,216,952	5,109,791
	Non-Recurrent				
700	General non-recurrent	3,241	6,014	4,929	6,880
	Total, Non-Recurrent	3,241	6,014	4,929	6,880
	Total, Operating Account	5,335,286	5,223,026	5,221,881	5,116,671
Capital Account					
	Plant, Equipment and Works				
603	Plant, vehicles and equipment	252	—	60	1,360
661	Minor plant, vehicles and equipment (block vote)	4,209	380	380	3,340
	Total, Plant, Equipment and Works	4,461	380	440	4,700
	Total, Capital Account	4,461	380	440	4,700
	Total Expenditure	5,339,747	5,223,406	5,222,321	5,121,371

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Details of Expenditure by Subhead

The estimate of the amount required in 2005–06 for the salaries and expenses of the Water Supplies Department is \$5,121,371,000. This represents a decrease of \$100,950,000 against the revised estimate for 2004–05 and of \$218,376,000 against actual expenditure in 2003–04.

Operating Account

Recurrent

2 Provision of \$2,580,857,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Water Supplies Department.

3 The establishment as at 31 March 2005 will be 4 763 permanent posts. It is expected that there will be a deletion of 84 permanent posts in 2005–06. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2005–06, but the notional annual mid-point salary value of all such posts must not exceed \$1,015,403,000.

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

	2003–04 (Actual) (\$'000)	2004–05 (Original) (\$'000)	2004–05 (Revised) (\$'000)	2005–06 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	1,326,571	1,267,826	1,251,271	1,206,047
- Allowances	70,672	67,309	71,309	67,815
- Job-related allowances	5,680	6,192	6,146	5,844
Personnel Related Expenses				
- Mandatory Provident Fund contribution	228	279	351	351
Departmental Expenses				
- Light and power	535,509	541,413	535,330	517,170
- Hire of services and professional fees	55,286	64,962	57,713	54,943
- Fuel and lubricating oil	349	315	400	400
- Specialist supplies and equipment	60,884	76,859	73,330	69,810
- Maintenance materials	70,662	62,660	54,719	52,092
- Contract maintenance	563,191	477,427	517,684	492,369
- General departmental expenses	132,469	122,836	119,765	114,016
	<u>2,821,501</u>	<u>2,688,078</u>	<u>2,688,018</u>	<u>2,580,857</u>

5 Provision of \$2,528,934,000 under *Subhead 223 Purchase of water* is for the purchase of water from Guangdong.

Capital Account

Plant, Equipment and Works

6 Provision of \$3,340,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$2,960,000 (778.9%) over the revised estimate for 2004–05. This is mainly due to increased requirement for new equipment.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2004	Revised estimated expenditure for 2004-05	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	507	Consultancy on underground asset management	30,000	28,329	5	1,666
	508	Consultancy for the surface asset management study	2,810	1,912	430	468
	510	Hire of service for implementation of the surface asset management and the pressure management schemes	4,400	2,167	600	1,633
	511	Hire of service for implementation of energy audit programme.....	1,530	1,125	126	279
	514	Replacement and enhancement of computers and systems	2,460	1,191	768	501
	516	Replacement of imperial meters	7,350	1,088	3,000	3,262
			<u>48,550</u>	<u>35,812</u>	<u>4,929</u>	<u>7,809</u>
<i>Capital Account</i>						
603		<i>Plant, vehicles and equipment</i>				
	466	Replacement of one glass reinforced plastic vessel and associated accessories.....	1,360	—	—	1,360
		Total	<u>49,910</u>	<u>35,812</u>	<u>4,929</u>	<u>9,169</u>