

## Head 194 — WATER SUPPLIES DEPARTMENT

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

**Estimate 2011–12**..... **\$6,118.8m**

**Establishment ceiling 2011–12** (notional annual mid-point salary value) representing an estimated 4 479 non-directorate posts as at 31 March 2011 rising by one post to 4 480 as at 31 March 2012 ..... **\$1,105.5m**

In addition, there will be an estimated 23 directorate posts as at 31 March 2011 and as at 31 March 2012.

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### 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, Drainage and Slope Safety (Secretary for Development).

#### Detail

##### Programme (1): Water Supply: Planning and Distribution

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	<b>2011–12 (Estimate)</b>
Financial provision (\$m)	5,226.4	5,415.9	5,415.7 (—)	<b>5,583.4</b> (+3.1%)
				(or +3.1% on 2010–11 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 supplies throughout the year to meet the demands of the territory.

#### Brief Description

**3** The Department is responsible for providing adequate and satisfactory supplies of water to the territory. This work involves:

##### *Fresh water*

- assessing fresh water supply requirements on the basis of providing round-the-clock supply of water throughout the year to meet the demand of the territory;
- developing fresh water resources to cope with such requirements;
- planning, designing and constructing reliable and efficient fresh water supply and distribution systems to meet such requirements in good time; and
- operating and maintaining fresh water supply and distribution systems.

##### *Salt water for flushing*

- assessing salt water supply requirements;
- planning, designing and constructing reliable and efficient salt water supply and distribution systems to meet such requirements in good time; and
- operating and maintaining salt water supply and distribution systems.

**4** In 2010, 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 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	2009 (Actual)	2010 (Actual)	2011 (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	100	100	<b>100</b>
salt water supply—maintaining normally a minimum residual head of 15 metres in the distribution systems except at their extremities (%) .....	100	100	100	<b>100</b>

### *Indicators*

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
projects under planning.....	19	19	<b>19</b>
value of projects under planning (\$m) .....	7,717.7	6,081.1	<b>5,857.3</b>
projects under design .....	22	23	<b>23</b>
value of projects under design (\$m).....	7,006.4	6,224.5	<b>6,205.9</b>
projects under construction .....	39	38	<b>38</b>
expenditure of works under construction (\$m) .....	2,808.8	3,387.7	<b>3,353.1</b>
fresh water supplied (m <sup>3</sup> ) .....	952 032 000	935 558 000	<b>938 000 000</b>
salt water supplied (m <sup>3</sup> ).....	270 812 000	269 852 000	<b>272 000 000</b>
days on full supply .....	365	365	<b>365</b>
total treatment works capacity (m <sup>3</sup> /day).....	4 795 600	4 795 600	<b>4 795 600</b>
total pumping plant capacity (megawatts).....	329	330	<b>330</b>
leakage rate of water mains (%).....	21.0	20.0	<b>19.0</b>

### *Matters Requiring Special Attention in 2011–12*

6 During 2011–12, the Department will:

- continue to plan and develop water resources and supply systems to provide water supplies round-the-clock throughout the year to the territory;
- continue with the construction of stages 2 and 3, and commence stage 4 of the replacement and rehabilitation programme of water mains;
- 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 with the inspection and maintenance of slopes and water pipes which may affect slopes, and the improvement to sub-standard slopes; and
- continue to take forward the implementation of total water management strategy for sustainable use of water resources with a focus on implementing in phases the Water Efficiency Labelling Scheme to facilitate consumers to choose water efficient products for water conservation.

### **Programme (2): Water Quality Control**

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	146.7	142.5	142.8 (+0.2%)	<b>143.9</b> (+0.8%)

(or +1.0% on  
2010–11 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 fresh water conform to international standards, i.e. the World Health Organization's Guidelines for Drinking-water Quality (WHO Guidelines), in all respects and at all times. The Department is also responsible for ensuring that the quality of salt water for flushing conforms to the Department's standards. This work involves:

#### *Fresh water*

- water treatment—ensuring that treated water conforms chemically and bacteriologically to the standards stipulated in the WHO Guidelines; and
- water quality control—ensuring that test samples taken from treatment works, service reservoirs, connection points, consumers' taps, etc., conform to the standards stipulated in the WHO Guidelines.

#### *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 2010, 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 supplied to consumers.

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

### *Targets*

	Target	2009 (Actual)	2010 (Actual)	2011 (Plan)
fresh water quality—water supplied to customers at the connection points complies with the standards stipulated in the WHO Guidelines (%).....	100	100	100	<b>100</b>
salt water quality—water supplied to customers at the connection points complies with Water Quality Objectives set by Water Supplies Department (%) .....	96	96	96	<b>96</b>

### *Indicators*

	2009 (Actual)	2010 (Actual)	2011 (Estimate)
<i>Treated fresh water</i>			
samples taken from treatment works, service reservoirs and consumers' taps .....	26 540	26 198	<b>26 000</b>
chemical quality satisfying standards (%) .....	100	100	<b>100</b>
bacteriological quality satisfying standards (%).....	100	100	<b>100</b>

### *Matters Requiring Special Attention in 2011–12*

11 During 2011–12, the Department will:

- continue to ensure that the quality of treated fresh 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 systems;
- continue to monitor radiation levels in raw and treated fresh water at radiation screening centres;
- continue to publish water quality data through the Department's website; and
- continue to execute a water safety plan for the Department according to the WHO Guidelines.

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### Programme (3): Customer Services

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	<b>2011–12 (Estimate)</b>
Financial provision (\$m)	385.6	385.9	385.3 (–0.2%)	<b>391.5</b> (+1.6%)
				(or +1.5% on 2010–11 Original)

#### *Aim*

**12** The aims are to provide customer services and to enforce the Waterworks Ordinance (Cap. 102) and Waterworks Regulations (Cap. 102A).

#### *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 Waterworks Regulations. This work involves:

- improving efficiency and effectiveness in dealing with customer enquiries and complaints;
- enforcing the Waterworks Ordinance and Waterworks 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** The key performance measures in respect of customer services are:

#### *Targets*

	Target	2009 (Actual)	2010 (Actual)	<b>2011 (Plan)</b>
processing application for taking up of consumership				
by post within seven days (%).....	100	99.5	99.5	<b>99.5</b>
in person at Customer Enquiry Centres (All-purpose counter) within 15 minutes (%).....	100	100	100	<b>100</b>
issue of final bill upon closure of account within three days (%).....	100	99.7	99.8	<b>99.8</b>
refund of water deposit within nine days (%).....	100	99.5	99.6	<b>99.7</b>
processing application for meter test within eight days (%).....	100	100	100	<b>100</b>
processing application for autopay service (excluding one-month processing time by bank) within three days (%).....	100	100	100	<b>100</b>
accuracy of water meters (inaccuracy not exceeding +/- 3%)(%).....	100	94.1	94.8	<b>95.3</b>
response time for attendance to fault complaints				
within half a day for fresh water supply fault (%).....	100	100	100	<b>100</b>
within 24 hours for others (%).....	100	100	100	<b>100</b>
notice for planned suspension of water supply issued not less than four days in advance (%).....	100	100	100	<b>100</b>

#### *Indicators*

	2009 (Actual)	2010 (Actual)	<b>2011 (Estimate)</b>
no. of consumer accounts.....	2 747 000	2 777 000	<b>2 795 000</b>
fees, water charges and deposits demanded (\$m).....	2,665.0	2,690.0	<b>2,720.0</b>
arrears of water charges at year end in terms of no. of days of water charges demanded.....	1.5	1.5	<b>1.5</b>

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	2009 (Actual)	2010 (Actual)	2011 (Estimate)
prosecutions .....	195	167	<b>190</b>
finest imposed (\$) .....	374,800	366,500	<b>378,000</b>
house service inspections due to irregular consumption .....	5 919	6 277	<b>6 350</b>
public enquiries and requests for services.....	1 602 013	1 580 594	<b>1 600 000</b>
disputes and complaints handled.....	17 836	16 714	<b>17 300</b>

### *Matters Requiring Special Attention in 2011–12*

**15** During 2011–12, the Department will:

- continue to conduct the annual review of water tariffs and other waterworks fees and charges, process new applications for metered supplies, improve services to consumers to meet their increased expectation and 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 Waterworks Regulations, and distribute information leaflets to consumers;
- continue to review the systems and procedures as well as the information technology in use to ensure cost-effectiveness in delivering customer services;
- continue to implement the water meter replacement programme to replace aged water meters in order to improve the overall meter accuracy; and
- continue to enhance the billing system.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	2009–10 (Actual) (\$m)	2010–11 (Original) (\$m)	2010–11 (Revised) (\$m)	2011–12 (Estimate) (\$m)
(1) Water Supply: Planning and Distribution .....	5,226.4	5,415.9	5,415.7	<b>5,583.4</b>
(2) Water Quality Control .....	146.7	142.5	142.8	<b>143.9</b>
(3) Customer Services .....	385.6	385.9	385.3	<b>391.5</b>
	5,758.7	5,944.3	5,943.8 (—)	<b>6,118.8</b> <b>(+2.9%)</b>
				<b>(or +2.9% on 2010–11 Original)</b>

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2011–12 is \$167.7 million (3.1%) higher than the revised estimate for 2010–11. This is mainly due to the increased provision in purchase of water under the water supply agreement and the filling of vacancies, partly offset by completion of a non-recurrent project.

##### Programme (2)

Provision for 2011–12 is \$1.1 million (0.8%) higher than the revised estimate for 2010–11. This is mainly due to the increased provision for general departmental expenses, partly offset by the reduced requirements for replacing ageing plant and equipment.

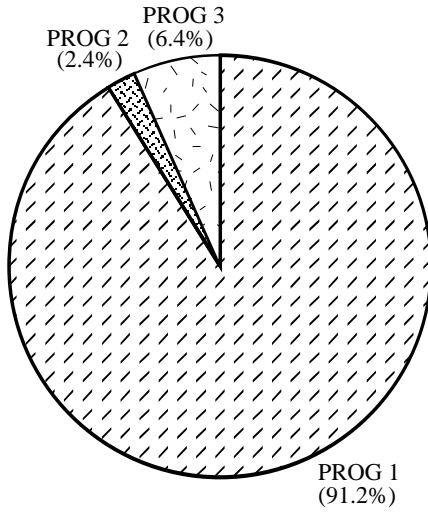
##### Programme (3)

Provision for 2011–12 is \$6.2 million (1.6%) higher than the revised estimate for 2010–11. This is mainly due to the increased provision, including the creation of one post, for enhancing the regulatory control of water cooling towers and filling of vacancies, partly offset by the reduced requirements for replacing ageing plant and equipment.

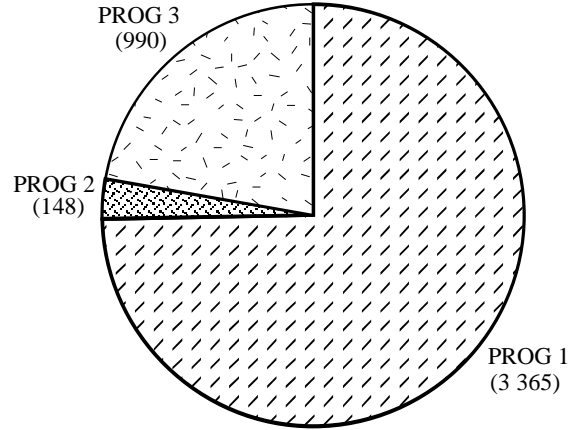
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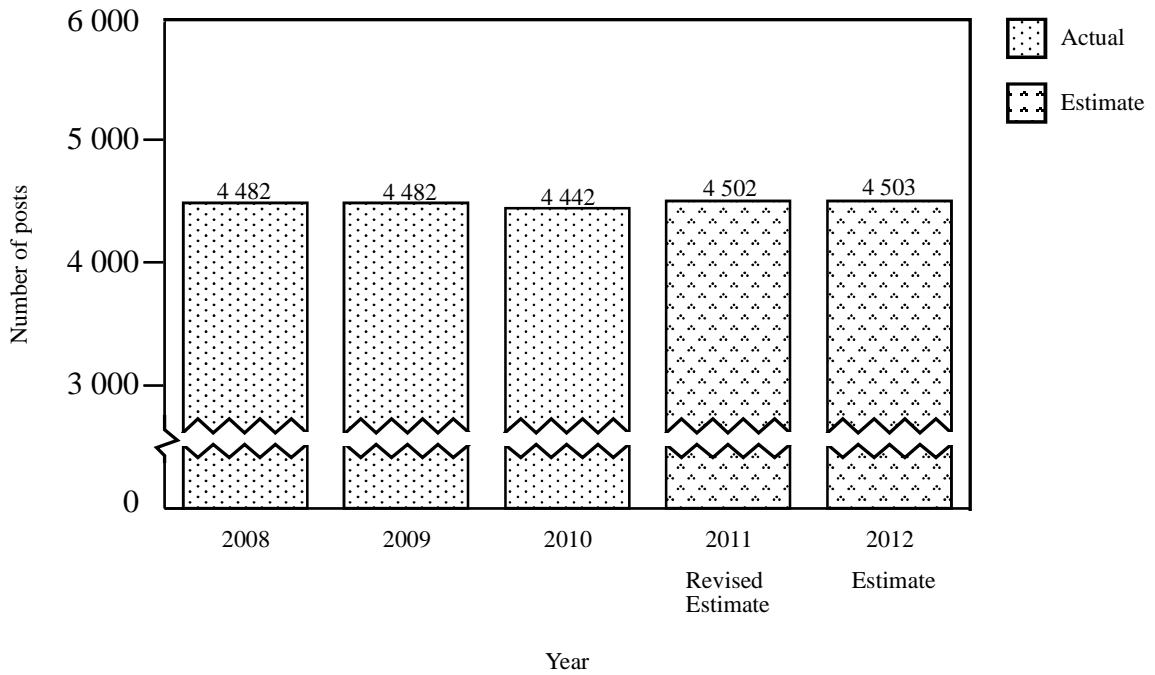
*Allocation of provision  
to programmes  
(2011-12)*



*Staff by programme  
(as at 31 March 2012)*



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



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Sub-head (Code)	Actual expenditure 2009-10	Approved estimate 2010-11	Revised estimate 2010-11	<b>Estimate 2011-12</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses.....	2,761,492	2,747,267	2,746,842	<b>2,771,492</b>
223	Purchase of water .....	2,993,000	3,182,000	3,182,000	<b>3,344,000</b>
	Total, Recurrent .....	<u>5,754,492</u>	<u>5,929,267</u>	<u>5,928,842</u>	<b><u>6,115,492</u></b>
Non-Recurrent					
	General non-recurrent .....	—	9,700	9,700	—
	Total, Non-Recurrent .....	<u>—</u>	<u>9,700</u>	<u>9,700</u>	<u>—</u>
	Total, Operating Account.....	<u>5,754,492</u>	<u>5,938,967</u>	<u>5,938,542</u>	<b><u>6,115,492</u></b>
<b>Capital Account</b>					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	4,140	3,100	3,100	<b>3,269</b>
	Plant, vehicles and equipment .....	82	2,200	2,200	—
	Total, Plant, Equipment and Works .....	<u>4,222</u>	<u>5,300</u>	<u>5,300</u>	<b><u>3,269</u></b>
	Total, Capital Account .....	<u>4,222</u>	<u>5,300</u>	<u>5,300</u>	<b><u>3,269</u></b>
	Total Expenditure .....	<u><u>5,758,714</u></u>	<u><u>5,944,267</u></u>	<u><u>5,943,842</u></u>	<b><u><u>6,118,761</u></u></b>



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### Details of Expenditure by Subhead

The estimate of the amount required in 2011–12 for the salaries and expenses of the Water Supplies Department is \$6,118,761,000. This represents an increase of \$174,919,000 over the revised estimate for 2010–11 and of \$360,047,000 over actual expenditure in 2009–10.

#### Operating Account

##### Recurrent

**2** Provision of \$2,771,492,000 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 2011 will be 4 502 permanent posts. It is expected that there will be an increase of one post in 2011–12. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2011–12, but the notional annual mid-point salary value of all such posts must not exceed \$1,105,506,000.

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

	2009–10 (Actual) (\$'000)	2010–11 (Original) (\$'000)	2010–11 (Revised) (\$'000)	2011–12 (Estimate) (\$'000)
Personal Emoluments				
- Salaries .....	1,245,882	1,249,324	1,245,428	<b>1,256,911</b>
- Allowances .....	86,895	80,881	81,577	<b>81,577</b>
- Job-related allowances.....	5,427	6,361	5,416	<b>6,416</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	2,487	5,163	3,197	<b>5,043</b>
- Civil Service Provident Fund contribution .....	396	363	1,523	<b>5,163</b>
Departmental Expenses				
- Light and power .....	524,247	529,175	532,675	<b>532,675</b>
- Hire of services and professional fees .....	74,836	72,400	76,950	<b>80,437</b>
- Fuel and lubricating oil.....	84	120	120	<b>120</b>
- Specialist supplies and equipment .....	80,492	81,723	82,723	<b>83,723</b>
- Maintenance materials .....	54,115	53,510	53,510	<b>53,610</b>
- Contract maintenance .....	564,632	541,560	542,036	<b>542,280</b>
- General departmental expenses.....	121,999	126,687	121,687	<b>123,537</b>
	2,761,492	2,747,267	2,746,842	<b>2,771,492</b>

**5** Provision of \$3,344,000,000 under *Subhead 223 Purchase of water* is for the purchase of water from Guangdong.