

Head 194 — WATER SUPPLIES DEPARTMENT

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

Estimate 2001–02	\$5,430.0m
Establishment ceiling 2001–02 (notional annual mid-point salary value) representing an estimated 5 707 non-directorate posts at 31 March 2001 and at 31 March 2002.....	\$1,254.5m
In addition there will be an estimated 23 directorate posts at 31 March 2001 and at 31 March 2002.	
Capital Account commitment balance	\$11.7m

Controlling Officer's Report

Programmes

<p>Programme (1) Water Supply: Planning and Distribution</p> <p>Programme (2) Water Quality Control</p> <p>Programme (3) Customer Services</p>	<p>These programmes contribute to Policy Area 24: Water Supply (Secretary for Works).</p>
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Detail

Programme (1): Water Supply: Planning and Distribution

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	4,618.7	4,803.5 (+4.0%)	4,705.3 (–2.0%)	4,844.2 (+3.0%)

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 (i.e. 24 hours) 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 on the basis of providing full supply (i.e. 24 hours) to about 90% of the population;
- 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 2000, 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:

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Targets

	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
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	100.0%	100.0%	100.0%
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

	1999 (Actual)	2000 (Actual)	2001 (Estimate)
projects under planning	30	22	19
value of projects under planning (\$m)	3,100	3,000	2,800
projects under design	39	32	34
value of projects under design (\$m)	2,700	2,320	2,200
projects under construction.....	93	81	75
expenditure of works under construction (\$m).....	2,880	2,180	1,920
fresh water supplied (m ³).....	911 000 000	924 000 000	926 000 000
salt water supplied (m ³).....	212 000 000	229 000 000	240 000 000
days on full supply	365	366	365
total treatment works capacity (m ³ /day).....	4 315 600	4 545 600	4 545 600
total pumping plant capacity (megawatts).....	295.7	304.7	313.4
new leakage rate of watermains†.....	N.A.§	26%	26%

† New indicator as from 2001

§ Not applicable

Matters Requiring Special Attention in 2001–02

6 During 2001–02, 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 extend metered water supply to remote villages in the New Territories;
- 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

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	151.8	183.1 (+20.6%)	173.5 (–5.2%)	168.8 (–2.7%)

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:

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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 2000, 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	1999 (Actual)	2000 (Actual)	2001 (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

	1999 (Actual)	2000 (Actual)	2001 (Estimate)
samples taken from treatment works, service reservoirs and consumers' taps	25 771	25 172	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 2001–02

11 During 2001–02, 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; and
- continue to monitor radiation levels in raw and treated water at radiation screening centres.

Programme (3): Customer Services

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	378.9	412.4 (+8.8%)	401.2 (–2.7%)	417.0 (+3.9%)

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 water 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;

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- 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 2000, 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	1999 (Actual)	2000 (Actual)	2001 (Plan)
take up of consumership				
by post.....	seven days	99.8%	99.8%	99.8%
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	N.A.§	99.2%	99.2%
refund of water deposit #	nine days	99.6%	99.7%	99.7%
application for meter test.....	nine days	100.0%	100.0%	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%	90.7%	91.1%	91.5%
response time for attendance to fault complaints				
fresh water supply fault	within half a day	99.5%	99.4%	100.0%
others	within 24 hours	99.9%	99.9%	100.0%
notice for planned suspension of water supply	three days in advance	99.7%	99.7%	100.0%

† Target has been improved from 20 minutes to 15 minutes as from 1 April 2000. The 1999 figure of this target is related to the previous target.

+ New target as from 2001

§ Not applicable

Target has been improved from 12 days to nine days as from 1 April 2000. The 1999 figure of this target is related to the previous target.

Indicators

	1999 (Actual)	2000 (Actual)	2001 (Estimate)
number of consumer accounts	2 328 768	2 399 252	2 436 000
fees, water charges and deposits demanded (\$m)	2,750	2,850	2,860
arrears of water charges at year end in terms of number of days of water charges demanded	2.4	1.8	1.8
prosecutions	287	255	250
finest imposed (\$).....	481,400	532,150	500,000
house service inspections due to irregular consumption.....	12 610	11 820	12 000
public enquiries and requests for services	968 644	992 445	995 000
disputes and complaints handled	40 019	34 544	34 600

Matters Requiring Special Attention in 2001-02

16 During 2001-02, 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;

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- 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
- 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	1999-2000 (Actual) (\$m)	2000-01 (Approved) (\$m)	2000-01 (Revised) (\$m)	2001-02 (Estimate) (\$m)
(1) Water Supply: Planning and Distribution ...	4,618.7	4,803.5	4,705.3	4,844.2
(2) Water Quality Control.....	151.8	183.1	173.5	168.8
(3) Customer Services	378.9	412.4	401.2	417.0
	5,149.4	5,399.0 (+4.8%)	5,280.0 (-2.2%)	5,430.0 (+2.8%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2001-02 is \$138.9 million (3.0%) higher than the revised estimate for 2000-01. This is mainly due to increased requirements for operating and maintaining additional waterworks installations as well as improving the supply and distribution systems, and the additional cost of slope maintenance and implementation of the “Cleaning and Greening” initiative for environmental improvement of waterworks compounds.

Programme (2)

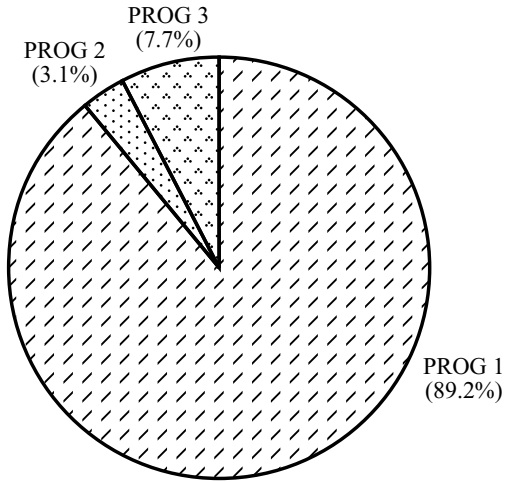
Provision for 2001-02 is \$4.7 million (2.7%) lower than the revised estimate for 2000-01. This is mainly due to the reduction in capital expenditure for laboratory facilities.

Programme (3)

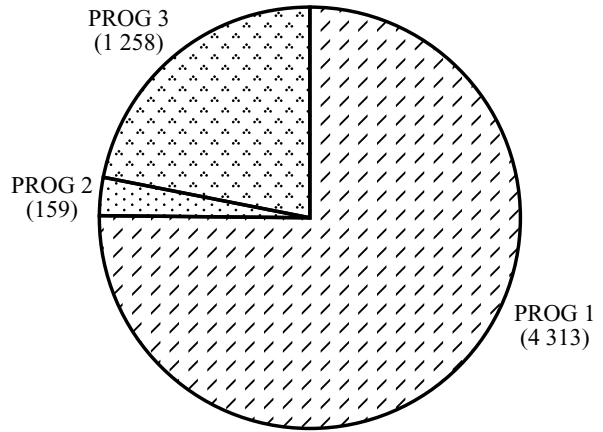
Provision for 2001-02 is \$15.8 million (3.9%) higher than the revised estimate for 2000-01. This is mainly due to the additional provision required to meet the growth of customer accounts and the increase in cost and quantity of water meters to be installed and replaced.

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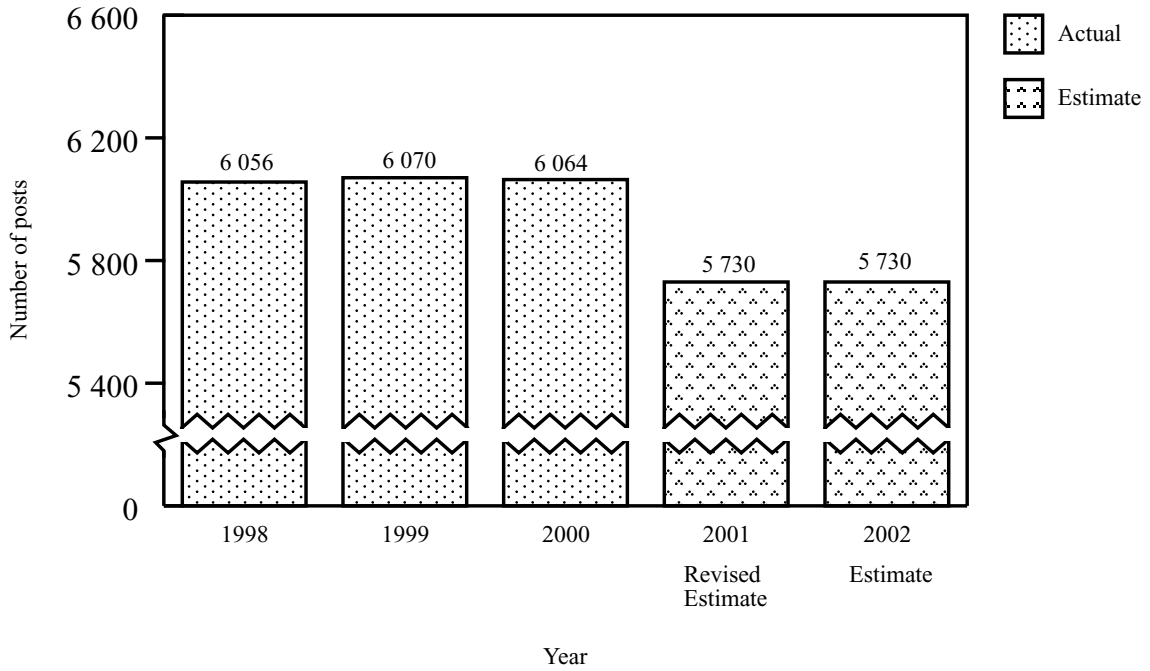
Allocation of provision to programmes (2001-02)



Staff by programme (as at 31 March 2002)



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



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Sub-head (Code)	Actual expenditure 1999-2000	Approved estimate 2000-01	Revised estimate 2000-01	Estimate 2001-02
	\$ 000	\$ 000	\$ 000	\$'000
Recurrent Account				
000	Operational expenses	—	—	2,975,149
223	Purchase of water.....	2,386,832	2,405,838	2,442,616*
	Salaries	1,451,868	1,488,890	—
	Allowances	121,059	135,601	—
	Job-related allowances	6,851	8,417	—
	Light and power	505,187	559,225	—
	Hire of services and professional fees	54,437	83,839	—
	Fuel and lubricating oil	430	556	—
	Specialist supplies and equipment	81,662	100,443	—
	Maintenance materials	60,867	69,901	—
	Contract maintenance.....	384,387	417,290	—
	General departmental expenses.....	83,118	119,185	—
	Total, Recurrent Account	5,136,698	5,389,185	5,417,765
Capital Account				
I — Plant, Equipment and Works				
603	Plant, vehicles and equipment	5,692	4,290	4,900
661	Minor plant, vehicles and equipment (block vote).....	3,742	4,820	4,694
	Total, Plant, Equipment and Works	9,434	9,110	9,594
II — Other Non-Recurrent				
700	General other non-recurrent.....	3,247	700	2,600
	Total, Other Non-Recurrent.....	3,247	700	2,600
	Total, Capital Account.....	12,681	9,810	12,194
	Total Expenditure	5,149,379	5,398,995	5,429,959

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Details of Expenditure by Subhead

The estimate of the amount required in 2001–02 for the salaries and expenses of the Water Supplies Department is \$5,429,959,000. This represents an increase of \$149,942,000 over the revised estimate for 2000–01 and of \$280,580,000 over actual expenditure in 1999–2000.

Recurrent Account

2 Provision of \$2,975,149,000 under *Subhead 000 Operational expenses* is for the salaries and allowances of staff of the Water Supplies Department and its other operating expenses. Management and control of the department's operational expenses takes the form of a one-line vote. The controlling officer is given flexibility in the virement of funds within the subhead to facilitate the achievement of greater efficiency and enhanced productivity.

3 As a vote-funded department, the department is subject to establishment control. The establishment at 31 March 2001 will be 5 730 permanent posts. No change in establishment is expected in 2001–02. Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2001–02, but the notional annual mid-point salary value of all such posts must not exceed \$1,254,548,000.

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

	1999–2000 (Actual) (\$' 000)	2000–01 (Original Estimate) (\$' 000)	2000–01 (Revised Estimate) (\$' 000)	2001–02 (Estimate) (\$'000)
Personal emoluments				
- Salaries	1,451,868	1,488,890	1,450,438	1,483,606
- Allowances	121,059	135,601	114,435	116,233
- Job-related allowances	6,851	8,417	8,572	9,319
Departmental expenses				
- Light and power	505,187	559,225	502,982	505,252
- Hire of services and professional fees	54,437	83,839	85,657	85,576
- Fuel and lubricating oil	430	556	816	1,089
- Specialist supplies and equipment	81,662	100,443	88,544	94,870
- Maintenance materials	60,867	69,901	70,087	67,109
- Contract maintenance	384,387	417,290	420,040	468,376
- General departmental expenses	83,118	119,185	121,898	143,719
	2,749,866	2,983,347	2,863,469	2,975,149

5 Subject to the cash-limited ceiling \$2,975,149,000 which will not be increased in the course of the year except for increases to the personal emoluments portion in line with the civil service pay adjustment, the controlling officer may deploy funds freely to meet requirements under each of the various expenditure components. The Administration will provide to Finance Committee quarterly financial reports showing actual spending and any redeployment of funds within *Subhead 000 Operational expenses* based on the above analysis.

6 Provision of \$2,442,616,000 under *Subhead 223 Purchase of water* is for the purchase of water from Guangdong in accordance with the agreement with the Guangdong authorities.

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Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2000	Revised estimated expenditure for 2000-01	Balance
			\$ 000	\$ 000	\$ 000	\$ 000
603		<i>Plant, vehicles and equipment</i>				
	312	Replacement of one fresh water pumpset and accessories for Elliot Fresh Water Pumping Station.....	2,100	—	200	1,900
	314	Replacement of the air-conditioning plant system at Mong Kok Office.....	4,478	—	—	4,478
			<u>6,578</u>	<u>—</u>	<u>200</u>	<u>6,378</u>
700		<i>General other non-recurrent</i>				
	507	Consultancy on Underground Asset Management.....	30,000	26,915	200	2,885
	508	Consultancy for the surface asset management study.....	2,810	—	1,400	1,410
	509	Publicity Programme – “Quality life needs Quality water”.....	1,000	—	—	1,000
			<u>33,810</u>	<u>26,915</u>	<u>1,600</u>	<u>5,295</u>
		Total.....	<u><u>40,388</u></u>	<u><u>26,915</u></u>	<u><u>1,800</u></u>	<u><u>11,673</u></u>