

Head 194 — WATER SUPPLIES DEPARTMENT

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

Estimate 2004–05	\$5,223.4m
Establishment ceiling 2004–05 (notional annual mid-point salary value) representing an estimated 4 920 non-directorate posts as at 31 March 2004 reducing by 135 posts to 4 785 posts as at 31 March 2005	\$1,090.2m
In addition there will be an estimated 23 directorate posts as at 31 March 2004 and as at 31 March 2005.	
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

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	4,817.0	4,843.8	4,802.7 (–0.8%)	4,717.5 (–1.8%)
				(or –2.6% on 2003–04 Original)

Aim

2 The aim is to plan for a full and satisfactory supply of water resources to meet the demands of the territory and to design, construct, maintain and operate water supply systems for that purpose.

Brief Description

3 The department is responsible for providing a full 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 2003, 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 supply throughout the year.

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

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Targets

	Target	2002 (Actual)	2003 (Actual)	2004 (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

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
projects under planning	19	17	18
value of projects under planning (\$m).....	7,300	2,500	900
projects under design.....	42	35	26
value of projects under design (\$m)	2,450	2,100	2,300
projects under construction	75	73	67
expenditure of works under construction (\$m).....	1,674	1,490	1,550
fresh water supplied (m ³).....	948 653 000	973 750 000	976 000 000
salt water supplied (m ³).....	234 710 000	241 363 000	245 000 000
days on full supply.....	365	365	366
total treatment works capacity (m ³ /day)	4 545 600	4 795 600	4 795 600
total pumping plant capacity (megawatts)	311.8	319.3	323.2
leakage rate of watermains (%)	25	25	25

Matters Requiring Special Attention in 2004–05

6 During 2004–05, 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

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	160.9	158.8	153.8 (–3.1%)	146.1 (–5.0%)

(or –8.0% on
2003–04 Original)

Aim

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

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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:

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 2003, 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	2002 (Actual)	2003 (Actual)	2004 (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—water supplied to customers at the connection points complies with Water Quality Objectives set by Water Supplies Department (%).....	93	93.0	93.0	93.0

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
samples taken from treatment works, service reservoirs and consumers' taps.....	25 286	25 638	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 2004–05

11 During 2004–05, 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

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision (\$m)	390.1	371.9	375.0 (+0.8%)	359.8 (–4.1%)

(or –3.3% on
2003–04 Original)

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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 2003, 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	2002 (Actual)	2003 (Actual)	2004 (Plan)
take up of consumership				
by post	7 days	99.5%	99.6%	99.6%
in person at Customer Enquiry				
Centres	15 mins	99.8%	99.8%	99.8%
issue of final bill upon closure of account ..	3 days	99.2%	99.4%	99.4%
refund of water deposit	9 days	99.7%	99.7%	99.7%
application for meter test	8 days	99.6%	99.6%	100.0%
application for autopay service (excluding				
one month process time by bank)	3 days	99.5%	99.5%	99.5%
accuracy of water meters.....	inaccuracy not exceeding +/-3%	91.5%	92.5%	93.0%
response time for attendance to fault				
complaints				
fresh water supply fault.....	within half a day	100.0%	100.0%	100.0%
others	within 24 hours	100.0%	100.0%	100.0%
notice for planned suspension of water				
supply	3 days in advance	99.8%	100.0%	100.0%

Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
consumer accounts	2 539 235	2 580 985	2 640 000
fees, water charges and deposits demanded (\$m).....	1,945	2,099	2,737
arrears of water charges at year end in terms of number of			
days of water charges demanded.....	2.0	1.3	1.5
prosecutions.....	211	189	200
finest imposed (\$).....	337,650	262,400	280,000
house service inspections due to irregular consumption.....	8 674	6 571	6 000
public enquiries and requests for services	1 066 757	1 351 370	1 130 000
disputes and complaints handled	31 580	28 994	30 000

Matters Requiring Special Attention in 2004–05

16 During 2004–05, 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;

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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;
- 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 and implementation of a new customer-oriented computer system which will provide a one-stop service for all customers. A new electronic document management system which is the Phase I of the above system has been implemented since 1 December 2003 to turn customer services related paper based information into electronic document based information. This enhanced the efficiency of information transmission and improved the sharing of information in the provision of services to customers.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2002-03 (Actual) (\$m)	2003-04 (Original) (\$m)	2003-04 (Revised) (\$m)	2004-05 (Estimate) (\$m)
(1) Water Supply: Planning and Distribution	4,817.0	4,843.8	4,802.7	4,717.5
(2) Water Quality Control	160.9	158.8	153.8	146.1
(3) Customer Services	390.1	371.9	375.0	359.8
	5,368.0	5,374.5	5,331.5 (-0.8%)	5,223.4 (-2.0%)
				(or -2.8% on 2003-04 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2004-05 is \$85.2 million (1.8%) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut, reduced operating expenses and deletion of 69 posts in 2004-05.

Programme (2)

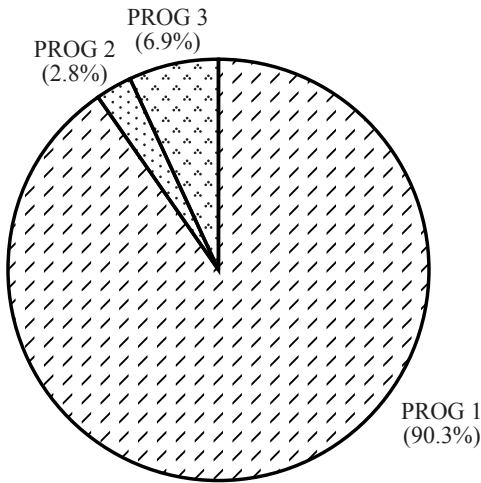
Provision for 2004-05 is \$7.7 million (5.0%) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut, reduced operating expenses and deletion of five posts in 2004-05.

Programme (3)

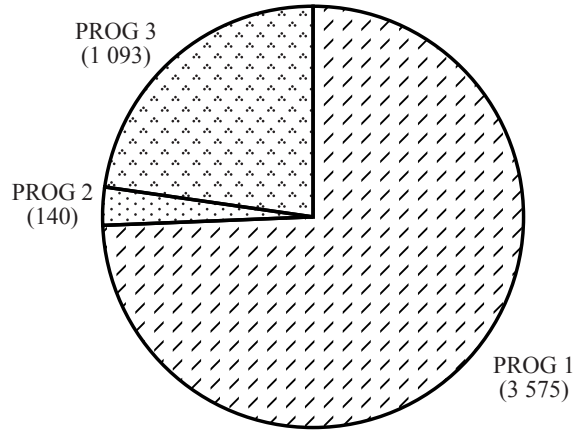
Provision for 2004-05 is \$15.2 million (4.1%) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut, reduced operating expenses and deletion of 61 posts in 2004-05.

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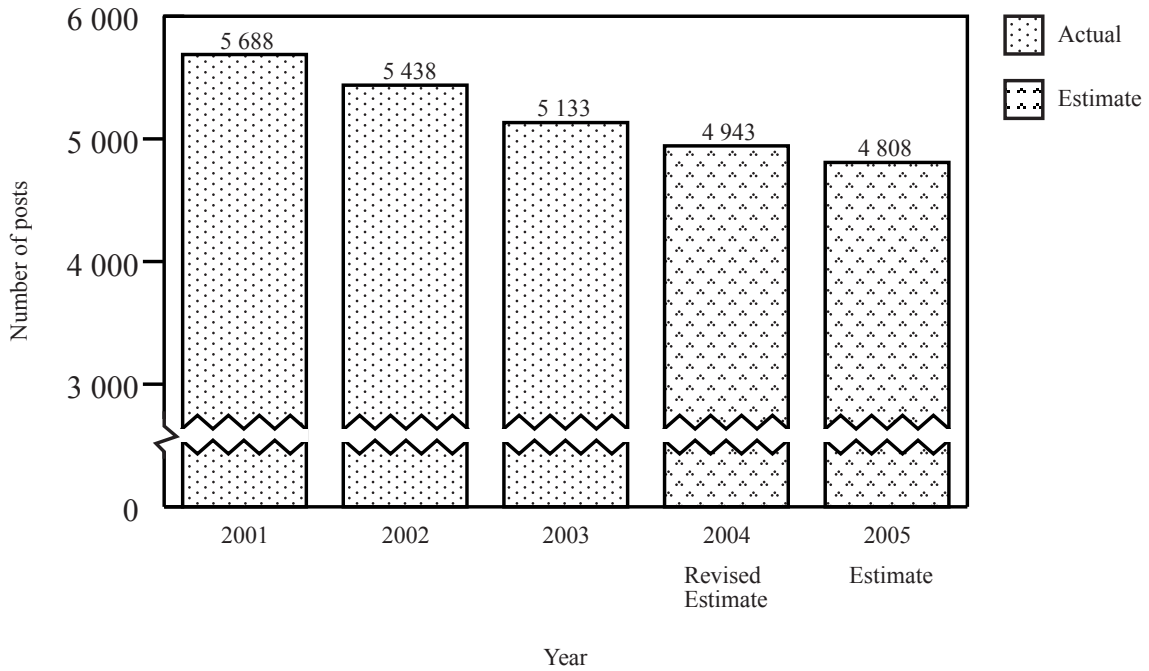
*Allocation of provision
to programmes
(2004-05)*



*Staff by programme
(as at 31 March 2005)*



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



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Sub-head (Code)		Actual expenditure 2002-03	Approved estimate 2003-04	Revised estimate 2003-04	Estimate 2004-05
		\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses.....	2,868,593	2,852,977	2,810,035	2,688,078
223	Purchase of water	2,484,991	2,510,548	2,510,548	2,528,934*
	Total, Recurrent	<u>5,353,584</u>	<u>5,363,525</u>	<u>5,320,583</u>	<u>5,217,012</u>
Non-Recurrent					
700	General non-recurrent.....	4,281	5,402	5,268	6,014
	Total, Non-Recurrent	<u>4,281</u>	<u>5,402</u>	<u>5,268</u>	<u>6,014</u>
	Total, Operating Account.....	<u>5,357,865</u>	<u>5,368,927</u>	<u>5,325,851</u>	<u>5,223,026</u>
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	8,626	4,600	4,600	380
	Plant, vehicles and equipment	1,478	1,000	1,000	—
	Total, Plant, Equipment and Works	<u>10,104</u>	<u>5,600</u>	<u>5,600</u>	<u>380</u>
	Total, Capital Account	<u>10,104</u>	<u>5,600</u>	<u>5,600</u>	<u>380</u>
	Total Expenditure.....	<u><u>5,367,969</u></u>	<u><u>5,374,527</u></u>	<u><u>5,331,451</u></u>	<u><u>5,223,406</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2004–05 for the salaries and expenses of the Water Supplies Department is \$5,223,406,000. This represents a decrease of \$108,045,000 against the revised estimate for 2003–04 and of \$144,563,000 against actual expenditure in 2002–03.

Operating Account

Recurrent

2 Provision of \$2,688,078,000 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 2004 will be 4 943 permanent posts. It is expected that 135 permanent posts will be deleted in 2004–05. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2004–05, but the notional annual mid-point salary value of all such posts must not exceed \$1,090,176,000.

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

	2002–03 (Actual) (\$'000)	2003–04 (Original) (\$'000)	2003–04 (Revised) (\$'000)	2004–05 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	1,371,273	1,361,386	1,338,514	1,267,826
- Allowances.....	84,733	87,650	72,982	67,309
- Job-related allowances	6,561	6,886	6,586	6,192
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	186	279	279
Departmental Expenses				
- Light and power	540,619	552,413	552,413	541,413
- Hire of services and professional fees.....	73,109	74,601	66,457	64,962
- Fuel and lubricating oil	368	471	322	315
- Specialist supplies and equipment.....	84,992	78,628	78,628	76,859
- Maintenance materials	58,356	55,660	65,660	62,660
- Contract maintenance.....	516,398	489,511	501,511	477,427
- General departmental expenses.....	132,184	145,585	126,683	122,836
	2,868,593	2,852,977	2,810,035	2,688,078

5 Provision of \$2,528,934,000 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 \$380,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$4,220,000 (91.7%) against the revised estimate for 2003–04. This is mainly due to reduced requirement for new equipment.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2003	Revised estimated expenditure for 2003-04	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	507	Consultancy on Underground Asset Management	30,000	28,305	995	700
	508	Consultancy for the surface asset management study.....	2,810	1,742	508	560
	510	Hire of service for implementation of the surface asset management and the pressure management schemes.....	4,400	1,189	1,161	2,050
	511	Hire of service for implementation of energy audit programme	1,530	445	700	385
	514	Replacement and enhancement of computers and systems.....	2,460	1,191	800	469
	516	Replacement of imperial meters	7,350	—	—	7,350
		Total.....	<u>48,550</u>	<u>32,872</u>	<u>4,164</u>	<u>11,514</u>