

## Head 194 — WATER SUPPLIES DEPARTMENT

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

<b>Estimate 2007–08</b> .....	<b>\$5,079.1m</b>
<b>Establishment ceiling 2007–08</b> (notional annual mid-point salary value) representing an estimated 4 459 non-directorate posts as at 31 March 2007 and as at 31 March 2008 .....	<b>\$969.3m</b>
In addition, there will be an estimated 23 directorate posts as at 31 March 2007 and as at 31 March 2008.	
<b>Commitment balance</b> .....	<b>\$0.1m</b>

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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 (Secretary for the Environment, Transport and Works).

#### Detail

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

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	<b>2007–08 (Estimate)</b>
Financial provision (\$m)	4,628.2	4,626.9	4,583.6 (–0.9%)	<b>4,590.7</b> (+0.2%)
				(or –0.8% on 2006–07 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 meet the demand of 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 on 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 2006, 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	2005 (Actual)	2006 (Actual)	<b>2007 (Plan)</b>
fresh water supply pressure—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 pressure—maintaining normally a minimum residual head of 15 metres in the distribution systems except at their extremities (%).....	100	100	100	<b>100</b>

### *Indicators*

	2005 (Actual)	2006 (Actual)	<b>2007 (Estimate)</b>
projects under planning .....	19	19	<b>19</b>
value of projects under planning (\$m).....	1,200.0	1,202.7	<b>1,154.2</b>
projects under design.....	28	28	<b>22</b>
value of projects under design (\$m) .....	2,300.0	2,607.3	<b>2,820.8</b>
projects under construction .....	60	55	<b>48</b>
expenditure of works under construction (\$m).....	1,350.0	1,490.4	<b>1,410.8</b>
fresh water supplied (m <sup>3</sup> ).....	967 713 000	963 422 000	<b>977 000 000</b>
salt water supplied (m <sup>3</sup> ).....	262 760 000	259 624 000	<b>263 000 000</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) .....	326	327	<b>327</b>
leakage rate of watermains (%) .....	23.6	23.0	<b>22.5</b>

### *Matters Requiring Special Attention in 2007–08*

6 During 2007–08, the Department will:

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

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

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	<b>2007–08 (Estimate)</b>
Financial provision (\$m)	138.2	131.1	131.2 (+0.1%)	<b>131.3</b> (+0.1%)
				(or +0.2% on 2006–07 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 fresh water and salt water conform to international and established standards respectively, 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 2006, 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	2005 (Actual)	2006 (Actual)	<b>2007 (Plan)</b>
fresh water quality—water supplied to customers at the connection points complies with the World Health Organization guideline standards (%) ....	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 (%) .....	95	95	95	<b>96</b>

### *Indicators*

	2005 (Actual)	2006 (Actual)	<b>2007 (Estimate)</b>
<i>Treated fresh water</i>			
samples taken from treatment works, service reservoirs and consumers' taps.....	25 445	26 344	<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 2007–08*

11 During 2007–08, 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 system;
- 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 develop and implement a water safety plan according to the latest World Health Organization guidelines.

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### Programme (3): Customer Services

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	<b>2007–08 (Estimate)</b>
Financial provision (\$m)	340.9	358.9	355.5 (–0.9%)	<b>357.1</b> (+0.5%)
				(or –0.5% on 2006–07 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 The Department commenced implementing the main features of the new Customer Care and Billing System in December 2004. It has worked to improve steadily the performance measures during 2005 and 2006 despite the continued growth in the number of consumer accounts. Satisfactory enforcement of the Waterworks Ordinance and Regulations was maintained.

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

#### Targets

	Target	2005 (Actual)#	2006 (Actual)	<b>2007 (Plan)</b>
processing applications for taking up of consumership				
by post within seven days (%) .....	100	99.7	99.0	<b>99.5</b>
in person at Customer Enquiry Centres (All-purpose counter)				
within 15 minutes (%) .....	100	99.0	99.4	<b>99.7</b>
issue of final bill upon closure of account				
within three days (%) .....	100	98.7	99.5	<b>99.5</b>
refund of water deposit within nine days (%) .....	100	92.5	99.0	<b>99.0</b>
processing applications for meter test within eight days (%).....	100	100	99	<b>100</b>
processing applications for autopay service (excluding one-month processing time by bank) within three days (%) .....	100	100	99.7	<b>100</b>
accuracy of water meters (inaccuracy not exceeding +/- 3%) (%) .....	100	93.1	92.7	<b>93.7</b>
response time for attendance to fault complaints				
within half a day for fresh water supply faults (%) .....	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 three days in advance (%).....	100	100	99.9	<b>100</b>

# The figures do not cover the initial six-month run-in period of the new Customer Care and Billing System. The performance of the Department was affected at the early stage of the implementation of the new system.

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### *Indicators*

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
no. of consumer accounts .....	2 635 179	2 668 726	<b>2 702 000</b>
fees, water charges and deposits demanded (\$m).....	2,675	2,578	<b>2,675</b>
arrears of water charges at year end in terms of no. of days of water charges demanded.....	1.5	1.6	<b>1.5</b>
prosecutions.....	213	206	<b>190</b>
finances imposed (\$).....	371,600	389,230	<b>360,000</b>
house service inspections due to irregular consumption.....	6 391	6 035	<b>6 000</b>
public enquiries and requests for services .....	1 138 221	1 338 207	<b>1 290 000</b>
disputes and complaints handled .....	27 862	28 814	<b>30 000</b>

### *Matters Requiring Special Attention in 2007–08*

**16** During 2007–08, 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 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 to implement a five-year water meter replacement programme to speed up the replacement of aged water meters in order to improve the overall meter accuracy.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	2005-06 (Actual) (\$m)	2006-07 (Original) (\$m)	2006-07 (Revised) (\$m)	2007-08 (Estimate) (\$m)
(1) Water Supply: Planning and Distribution .....	4,628.2	4,626.9	4,583.6	<b>4,590.7</b>
(2) Water Quality Control .....	138.2	131.1	131.2	<b>131.3</b>
(3) Customer Services .....	340.9	358.9	355.5	<b>357.1</b>
	5,107.3	5,116.9	5,070.3 (-0.9%)	<b>5,079.1</b> <b>(+0.2%)</b>
				<b>(or -0.7% on 2006-07 Original)</b>

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2007-08 is \$7.1 million (0.2%) higher than the revised estimate for 2006-07. This is mainly due to increased provision for salary increments and filling of vacancies, partly offset by reduced cash flow requirement for non-recurrent projects.

##### Programme (2)

Provision for 2007-08 is \$0.1 million (0.1%) higher than the revised estimate for 2006-07. This is mainly due to increased provision for salary increments and general departmental expenses, partly offset by reduced requirement for non-recurrent and capital items.

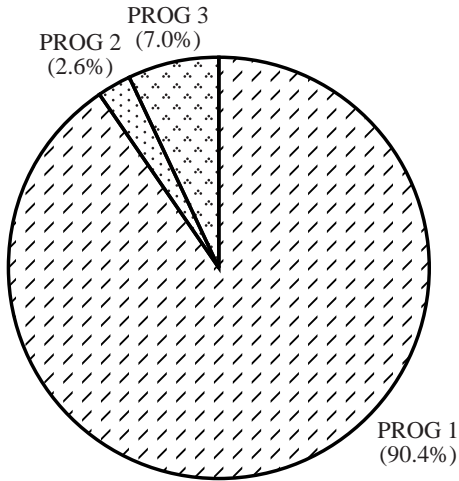
##### Programme (3)

Provision for 2007-08 is \$1.6 million (0.5%) higher than the revised estimate for 2006-07. This is mainly due to increased provision for salary increments and filling of vacancies, partly offset by reduced requirement upon completion of a non-recurrent project and a capital item.

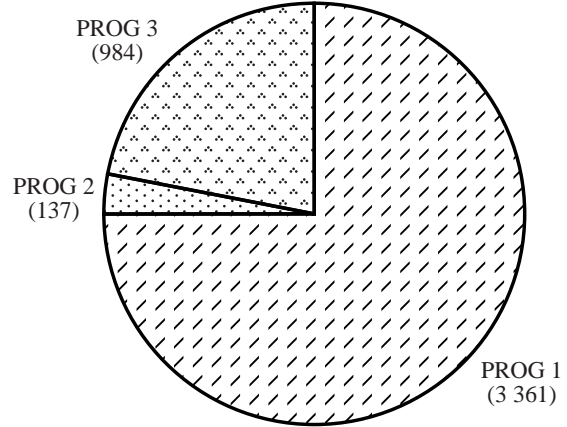
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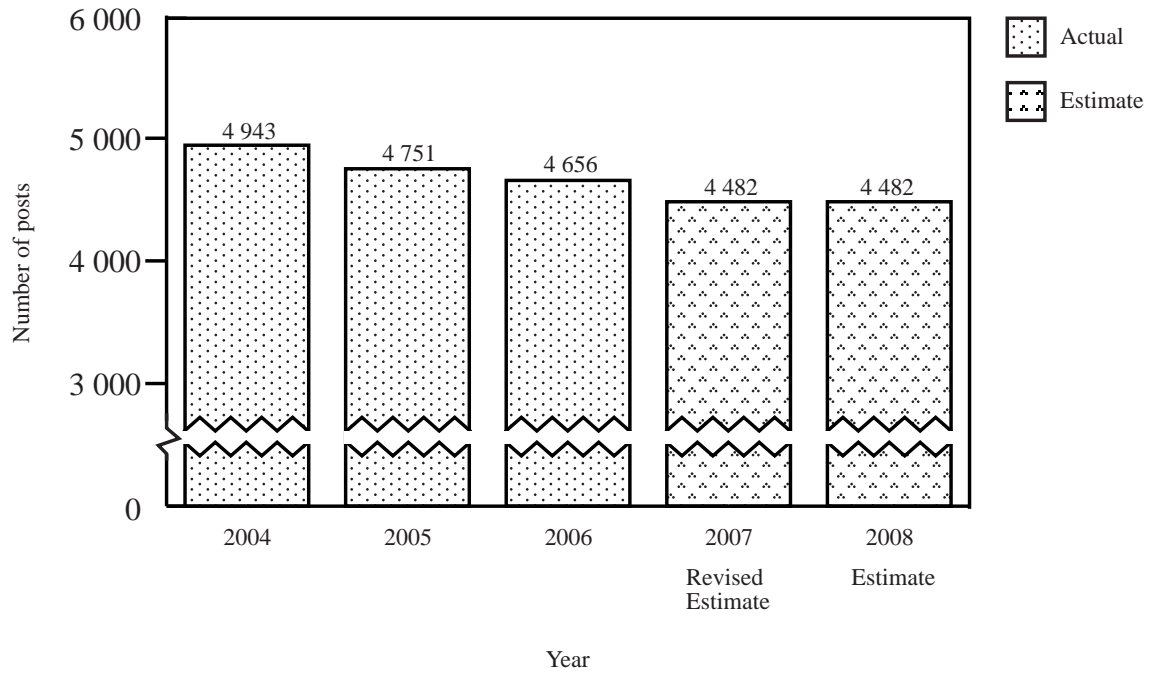
*Allocation of provision  
to programmes  
(2007-08)*



*Staff by programme  
(as at 31 March 2008)*



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



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Sub-head (Code)	Actual expenditure 2005-06	Approved estimate 2006-07	Revised estimate 2006-07	<b>Estimate 2007-08</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses.....	2,567,723	2,583,040	2,571,703	<b>2,584,168</b>
223	Purchase of water .....	2,529,666	2,528,934	2,494,800	<b>2,494,800</b>
	Total, Recurrent .....	<u>5,097,389</u>	<u>5,111,974</u>	<u>5,066,503</u>	<b><u>5,078,968</u></b>
Non-Recurrent					
700	General non-recurrent.....	6,240	3,525	2,295	<b>106</b>
	Total, Non-Recurrent .....	<u>6,240</u>	<u>3,525</u>	<u>2,295</u>	<b><u>106</u></b>
	Total, Operating Account.....	<u>5,103,629</u>	<u>5,115,499</u>	<u>5,068,798</u>	<b><u>5,079,074</u></b>
<b>Capital Account</b>					
Plant, Equipment and Works					
	Plant, vehicles and equipment .....	358	544	665	—
	Minor plant, vehicles and equipment (block vote).....	3,284	850	850	—
	Total, Plant, Equipment and Works .....	<u>3,642</u>	<u>1,394</u>	<u>1,515</u>	—
	Total, Capital Account .....	<u>3,642</u>	<u>1,394</u>	<u>1,515</u>	—
	Total Expenditure.....	<u><u>5,107,271</u></u>	<u><u>5,116,893</u></u>	<u><u>5,070,313</u></u>	<b><u><u>5,079,074</u></u></b>



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### Details of Expenditure by Subhead

The estimate of the amount required in 2007–08 for the salaries and expenses of the Water Supplies Department is \$5,079,074,000. This represents an increase of \$8,761,000 over the revised estimate for 2006–07 and a decrease of \$28,197,000 against actual expenditure in 2005–06.

#### Operating Account

##### Recurrent

**2** Provision of \$2,584,168,000 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 2007 will be 4 482 permanent posts. No change in establishment is expected in 2007–08. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2007–08, but the notional annual mid-point salary value of all such posts must not exceed \$969,330,000.

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

	2005–06 (Actual) (\$'000)	2006–07 (Original) (\$'000)	2006–07 (Revised) (\$'000)	2007–08 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	1,179,708	1,185,374	1,170,054	<b>1,179,959</b>
- Allowances.....	73,282	70,611	70,361	<b>70,361</b>
- Job-related allowances .....	4,433	5,844	5,556	<b>5,844</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	172	351	164	<b>164</b>
- Civil Service Provident Fund contribution.....	—	—	98	<b>160</b>
Departmental Expenses				
- Light and power .....	520,014	524,788	520,014	<b>520,014</b>
- Hire of services and professional fees.....	54,067	54,943	54,880	<b>55,780</b>
- Fuel and lubricating oil .....	823	465	1,300	<b>1,300</b>
- Specialist supplies and equipment.....	51,217	72,787	72,787	<b>72,787</b>
- Maintenance materials .....	58,093	52,092	52,092	<b>52,092</b>
- Contract maintenance.....	500,305	496,327	504,939	<b>506,014</b>
- General departmental expenses.....	125,609	119,458	119,458	<b>119,693</b>
	2,567,723	2,583,040	2,571,703	<b>2,584,168</b>

**5** Provision of \$2,494,800,000 under *Subhead 223 Purchase of water* is for the purchase of water from Guangdong.

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### Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2006	Revised estimated expenditure for 2006-07	Balance
			\$'000	\$'000	\$'000	\$'000
<b><i>Operating Account</i></b>						
700		<i>General non-recurrent</i>				
510		Hire of service for implementation of the surface asset management and the pressure management schemes.....	4,400	3,498	800	102
514		Replacement and enhancement of computers and systems.....	2,460	1,606	850	4
		Total.....	<u>6,860</u>	<u>5,104</u>	<u>1,650</u>	<u>106</u>