

Head 194 — WATER SUPPLIES DEPARTMENT

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

Estimate 2008–09	\$5,139.0m
Establishment ceiling 2008–09 (notional annual mid-point salary value) representing an estimated 4 459 non-directorate posts as at 31 March 2008 rising by 52 posts to 4 511 as at 31 March 2009.	\$1,049.6m
In addition, there will be an estimated 23 directorate posts as at 31 March 2008 and as at 31 March 2009.	
Commitment balance	\$0.3m

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 Development).

Detail

Programme (1): Water Supply: Planning and Distribution

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	4,576.8	4,590.7	4,641.0 (+1.1%)	4,639.0 (—)
				(or +1.1% on 2007–08 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 a round-the-clock supply of water throughout the year to meet the demand of the territory;
- developing fresh water resources and supply systems to cope with such requirements;
- designing and constructing reliable and efficient fresh water supply and distribution systems to meet such requirements in good time; and
- operating and maintaining the fresh water supply and distribution systems.

Salt water for flushing

- assessing salt water supply requirements;
- developing salt water supply systems to cope with such requirements;
- designing and constructing reliable and efficient salt water supply and distribution systems to meet such requirements in good time; and
- operating and maintaining the salt water supply and distribution systems.

4 In 2007, 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	2006 (Actual)	2007 (Actual)	2008 (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	100
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

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
projects under planning.....	19	19	19
value of projects under planning (\$m).....	1,202.7	4,559.5	6,829.3
projects under design.....	28	22	28
value of projects under design (\$m).....	2,607.3	2,997.0	3,097.6
projects under construction.....	55	46	41
expenditure of works under construction (\$m).....	1,490.4	1,448.5	1,505.1
fresh water supplied (m ³).....	963 422 000	950 894 000	969 000 000
salt water supplied (m ³).....	259 624 000	270 538 000	271 000 000
days on full supply.....	365	365	366
total treatment works capacity (m ³ /day).....	4 795 600	4 795 600	4 795 600
total pumping plant capacity (megawatts).....	327	327	328
leakage rate of watermains (%).....	23.0	22.5	21.8

Matters Requiring Special Attention in 2008–09

6 During 2008–09, 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 1 and 2 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; and
- continue with the inspection and maintenance of slopes and water pipes which may affect slopes, and the improvement to sub-standard slopes.

Programme (2): Water Quality Control

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	123.1	131.3	132.7 (+1.1%)	135.3 (+2.0%)
				(or +3.0% on 2007–08 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 conform to international standards, i.e. the World Health Organization's Guidelines for Drinking-water Quality, 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. These works involve:

Fresh water

- water treatment—ensuring that the treated water conforms chemically and bacteriologically to the standards stipulated in the World Health Organization's Guidelines for Drinking-water Quality; 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 World Health Organization's Guidelines for Drinking-water Quality.

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 2007, 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	2006 (Actual)	2007 (Actual)	2008 (Plan)
fresh water quality—water supplied to customers at the connection points complies with the standards stipulated in the World Health Organization's Guidelines for Drinking-water Quality (%).....	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	95	96	96

Indicators

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
<i>Treated fresh water</i>			
samples taken from treatment works, service reservoirs and consumers' taps.....	26 344	26 636	26 000
chemical quality satisfying standards (%).....	100	100	100
bacteriological quality satisfying standards (%).....	100	100	100

Matters Requiring Special Attention in 2008–09

11 During 2008–09, 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 implement a water safety plan for the Department according to the World Health Organization's Guidelines for Drinking-water Quality.

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Programme (3): Customer Services

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	367.5	357.1	364.8 (+2.2%)	364.7 (—)

(or +2.1% on
2007–08 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 key performance measures in respect of customer services are:

Targets

	Target	2006 (Actual)	2007 (Actual)	2008 (Plan)
processing application for taking up of consumership				
by post within seven days (%).....	100	99.0	99.3	99.5
in person at Customer Enquiry Centres (All-purpose counter)				
within 15 minutes (%).....	100	99.4	100	99.9
issue of final bill upon closure of account within three days (%).....	100	99.5	99.5	99.6
refund of water deposit within nine days (%).....	100	99.0	99.0	99.5
processing application for meter test within eight days (%).....	100	99.0	100	100
processing application for autopay service (excluding one-month processing time by bank) within three days (%).....	100	99.7	100	100
accuracy of water meters (inaccuracy not exceeding +/- 3%) (%).....	100	92.7	93.1	93.7
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	99.9	100	100

Indicators

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
no. of consumer accounts.....	2 668 726	2 700 000	2 732 000
fees, water charges and deposits demanded (\$m).....	2,578.0	2,650.0	2,715.0
arrears of water charges at year end in terms of no. of days of water charges demanded.....	1.6	1.5	1.5

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	2006 (Actual)	2007 (Actual)	2008 (Estimate)
prosecutions	206	171	190
finest imposed (\$)	389,230	399,250	480,000
house service inspections due to irregular consumption	6 035	6 068	6 300
public enquiries and requests for services	1 338 207	1 477 370	1 494 000
disputes and complaints handled	28 814	18 780	19 600

Matters Requiring Special Attention in 2008–09

15 During 2008–09, 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 Regulations 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	2006-07 (Actual) (\$m)	2007-08 (Original) (\$m)	2007-08 (Revised) (\$m)	2008-09 (Estimate) (\$m)
(1) Water Supply: Planning and Distribution	4,576.8	4,590.7	4,641.0	4,639.0
(2) Water Quality Control.....	123.1	131.3	132.7	135.3
(3) Customer Services.....	367.5	357.1	364.8	364.7
	5,067.4	5,079.1	5,138.5 (+1.2%)	5,139.0 (—)
				(or +1.2% on 2007-08 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2008-09 is \$2 million (0.0%) lower than the revised estimate for 2007-08. This is mainly due to the decrease in departmental expenses, partly offset by the net increase of 25 posts and filling of vacancies.

Programme (2)

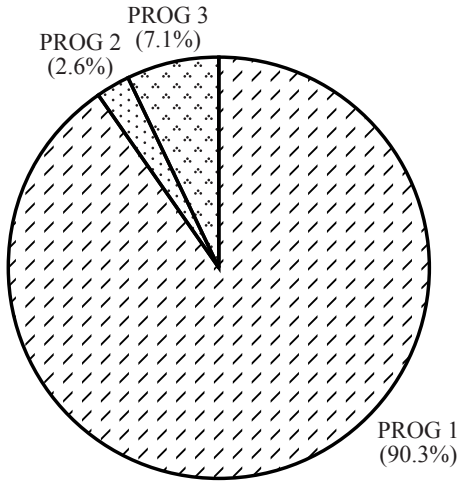
Provision for 2008-09 is \$2.6 million (2.0%) higher than the revised estimate for 2007-08. This is mainly due to increased requirements for purchases of equipment and creation of nine posts, partly offset by the decrease in other operating expenses.

Programme (3)

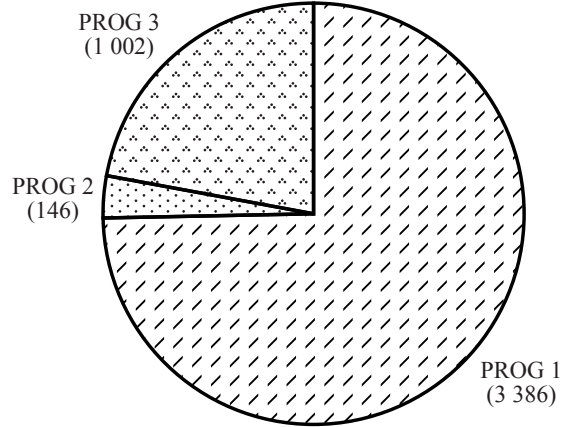
Provision for 2008-09 is \$0.1 million (0.0%) lower than the revised estimate for 2007-08. This is mainly due to the decrease in departmental expenses, partly offset by the creation of 18 posts.

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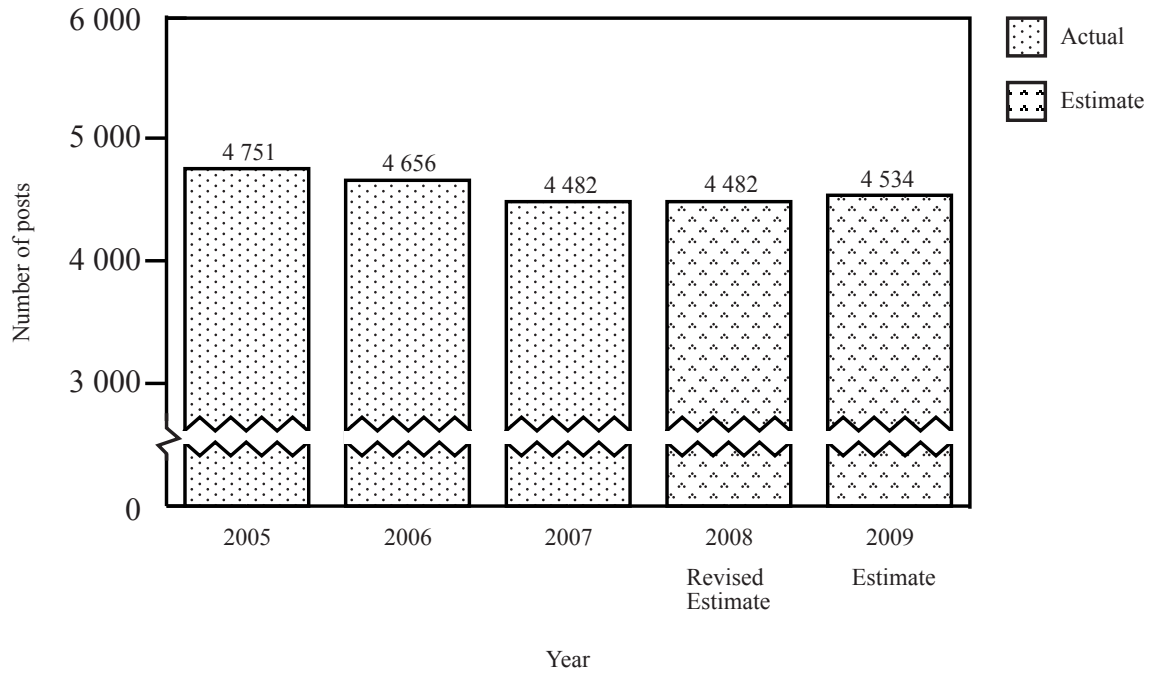
*Allocation of provision
to programmes
(2008-09)*



*Staff by programme
(as at 31 March 2009)*



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



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Sub-head (Code)		Actual expenditure 2006-07	Approved estimate 2007-08	Revised estimate 2007-08	Estimate 2008-09
		\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses	2,569,987	2,584,168	2,643,492	2,639,138
223	Purchase of water	2,494,800	2,494,800	2,494,800	2,494,800
	Total, Recurrent	<u>5,064,787</u>	<u>5,078,968</u>	<u>5,138,292</u>	<u>5,133,938</u>
Non-Recurrent					
700	General non-recurrent	1,917	106	175	274
	Total, Non-Recurrent	<u>1,917</u>	<u>106</u>	<u>175</u>	<u>274</u>
	Total, Operating Account	<u>5,066,704</u>	<u>5,079,074</u>	<u>5,138,467</u>	<u>5,134,212</u>
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote)	50	—	—	4,830
	Plant, vehicles and equipment	662	—	—	—
	Total, Plant, Equipment and Works	<u>712</u>	<u>—</u>	<u>—</u>	<u>4,830</u>
	Total, Capital Account	<u>712</u>	<u>—</u>	<u>—</u>	<u>4,830</u>
	Total Expenditure	<u><u>5,067,416</u></u>	<u><u>5,079,074</u></u>	<u><u>5,138,467</u></u>	<u><u>5,139,042</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2008–09 for the salaries and expenses of the Water Supplies Department is \$5,139,042,000. This represents an increase of \$575,000 over the revised estimate for 2007–08 and of \$71,626,000 over actual expenditure in 2006–07.

Operating Account

Recurrent

2 Provision of \$2,639,138,000 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 2008 will be 4 482 permanent posts. It is expected that there will be a net increase of 52 permanent posts in 2008–09. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2008–09, but the notional annual mid-point salary value of all such posts must not exceed \$1,049,606,000.

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

	2006–07 (Actual) (\$'000)	2007–08 (Original) (\$'000)	2007–08 (Revised) (\$'000)	2008–09 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	1,161,572	1,179,959	1,198,942	1,218,219
- Allowances	72,929	70,361	73,682	73,682
- Job-related allowances	4,266	5,844	6,120	6,120
Personnel Related Expenses				
- Mandatory Provident Fund contribution	105	164	164	864
- Civil Service Provident Fund contribution	81	160	160	321
Departmental Expenses				
- Light and power	506,416	520,014	513,014	514,414
- Hire of services and professional fees	53,096	55,780	59,480	59,480
- Fuel and lubricating oil	1,077	1,300	1,000	1,000
- Specialist supplies and equipment	62,233	72,787	75,098	75,098
- Maintenance materials	59,505	52,092	55,092	55,092
- Contract maintenance	525,844	506,014	535,998	524,827
- General departmental expenses	122,863	119,693	124,742	110,021
	2,569,987	2,584,168	2,643,492	2,639,138

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 31.3.2007	Revised estimated expenditure for 2007-08	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
	516	Replacement of imperial meters	7,350	7,076	—	274
		Total	7,350	7,076	—	274