

## Head 194 — WATER SUPPLIES DEPARTMENT

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

**Estimate 2009–10** ..... **\$5,755.4m**

**Establishment ceiling 2009–10** (notional annual mid-point salary value) representing an estimated 4 474 non-directorate posts as at 31 March 2009 rising by 3 posts to 4 477 as at 31 March 2010..... **\$1,109.1m**

In addition, there will be an estimated 23 directorate posts as at 31 March 2009 and as at 31 March 2010.

**Commitment balance** ..... **\$0.1m**

### Controlling Officer's Report

#### Programmes

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

These programmes contribute to Policy Area 24: Water Supply (Secretary for Development).

**Programme (2) Water Quality Control**

**Programme (3) Customer Services**

#### Detail

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

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	4,656.7	4,639.0	4,772.9 (+2.9%)	5,224.5 (+9.5%)
				(or +12.6% on 2008–09 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 an 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 2008, 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	2007 (Actual)	2008 (Actual)	2009 (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*

	2007 (Actual)	2008 (Actual)	2009 (Estimate)
projects under planning .....	19	19	<b>19</b>
value of projects under planning (\$m).....	4,559.5	6,490.6	<b>7,717.7</b>
projects under design .....	22	24	<b>22</b>
value of projects under design (\$m) .....	2,997.0	3,372.8	<b>7,000.0</b>
projects under construction.....	46	40	<b>38</b>
expenditure of works under construction (\$m).....	1,448.5	2,043.9	<b>2,460.0</b>
fresh water supplied (m <sup>3</sup> ).....	950 894 000	956 154 000	<b>956 000 000</b>
salt water supplied (m <sup>3</sup> ) .....	270 538 000	274 529 000	<b>277 000 000</b>
days on full supply.....	365	366	<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) .....	327	329	<b>329</b>
leakage rate of water mains (%) .....	22.5	21.8	<b>21.0</b>

### *Matters Requiring Special Attention in 2009–10*

6 During 2009–10, 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, 2 and 3 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
- take forward the implementation of the long-term strategy on total water management for sustainable use of water resources.

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

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	126.6	135.3	138.8 (+2.6%)	<b>143.6</b> (+3.5%)

(or +6.1% on  
2008–09 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, 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 2008, 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	2007 (Actual)	2008 (Actual)	2009 (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	<b>100</b>
salt water quality—water supplied to customers at the connection points complies with Water Quality Objectives set by Water Supplies Department (%)Ω .....	96	96	96	<b>96</b>

Ω The target was revised from 95 per cent to 96 per cent to reflect service improvement.

### *Indicators*

	2007 (Actual)	2008 (Actual)	2009 (Estimate)
<i>Treated fresh water</i>			
samples taken from treatment works, service reservoirs and consumers' taps.....	26 636	26 643	<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 2009–10*

11 During 2009–10, 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;

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- 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.

### Programme (3): Customer Services

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	362.8	364.7	381.1 (+4.5%)	387.3 (+1.6%)
				(or +6.2% on 2008–09 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	2007 (Actual)	2008 (Actual)	2009 (Plan)
processing application for taking up of consumership				
by post within seven days (%) .....	100	99.3	99.5	99.5
in person at Customer Enquiry Centres (All-purpose counter)				
within 15 minutes (%) .....	100	100	100	99.9
issue of final bill upon closure of account within three days (%) .....	100	99.5	99.6	99.7
refund of water deposit within nine days (%) .....	100	99.0	99.5	99.5
processing application for meter test within eight days (%) .....	100	100	100	100
processing application for autopay service (excluding one-month processing time by bank) within three days (%) .....	100	100	100	100
accuracy of water meters (inaccuracy not exceeding +/- 3%)(%) .....	100	93.1	93.6	94.5
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	99.9	100
notice for planned suspension of water supply issued not less than four days in advance (%)Ψ .....	100	100	99.4	100

Ψ The target is revised from “three days” to “four days” to reflect service improvement.

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### *Indicators*

	2007 (Actual)	2008 (Actual)	2009 (Estimate)
no. of consumer accounts .....	2 700 000	2 727 000	<b>2 762 000</b>
fees, water charges and deposits demanded (\$m).....	2,650.0	2,640.0	<b>2,668.0</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>
prosecutions .....	171	149	<b>150</b>
finest imposed (\$) .....	399,250	341,650	<b>360,000</b>
house service inspections due to irregular consumption .....	6 068	6 402	<b>6 500</b>
public enquiries and requests for services .....	1 477 370	1 563 426	<b>1 590 900</b>
disputes and complaints handled .....	18 780	18 195	<b>17 250</b>

### *Matters Requiring Special Attention in 2009–10*

**15** During 2009–10, 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;
- 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	2007-08 (Actual) (\$m)	2008-09 (Original) (\$m)	2008-09 (Revised) (\$m)	2009-10 (Estimate) (\$m)
(1) Water Supply: Planning and Distribution .....	4,656.7	4,639.0	4,772.9	5,224.5
(2) Water Quality Control.....	126.6	135.3	138.8	143.6
(3) Customer Services.....	362.8	364.7	381.1	387.3
	5,146.1	5,139.0	5,292.8 (+3.0%)	5,755.4 (+8.7%)
				(or +12.0% on 2008-09 Original)

### Analysis of Financial and Staffing Provision

#### Programme (1)

Provision for 2009-10 is \$451.6 million (9.5%) higher than the revised estimate for 2008-09. It is mainly due to the increased provision for purchase of water under the new agreement, the filling of vacancies and increased requirements in contract maintenance and other operating expenses. There will be creation of three posts in 2009-10 to replace positions currently filled by contract staff.

#### Programme (2)

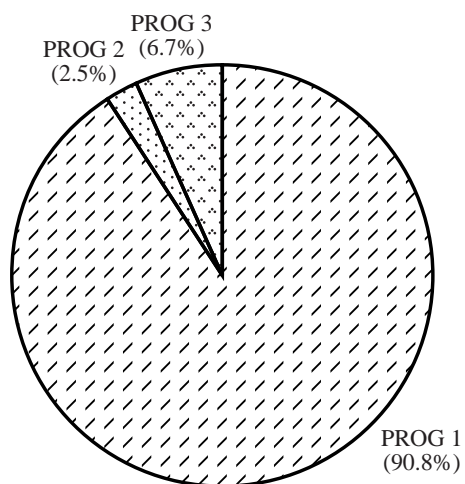
Provision for 2009-10 is \$4.8 million (3.5%) higher than the revised estimate for 2008-09. This is mainly due to increased requirements for purchase of equipment.

#### Programme (3)

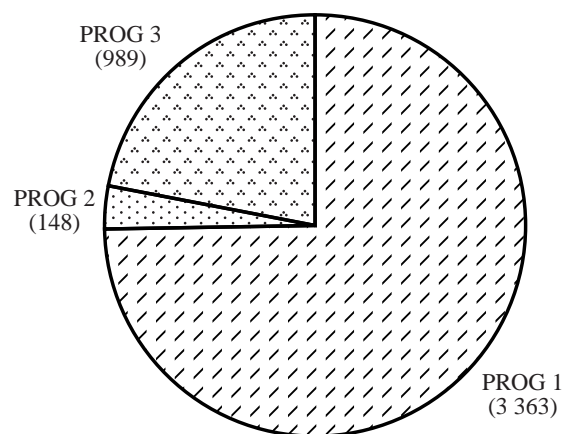
Provision for 2009-10 is \$6.2 million (1.6%) higher than the revised estimate for 2008-09. This is mainly due to the filling of vacancies.

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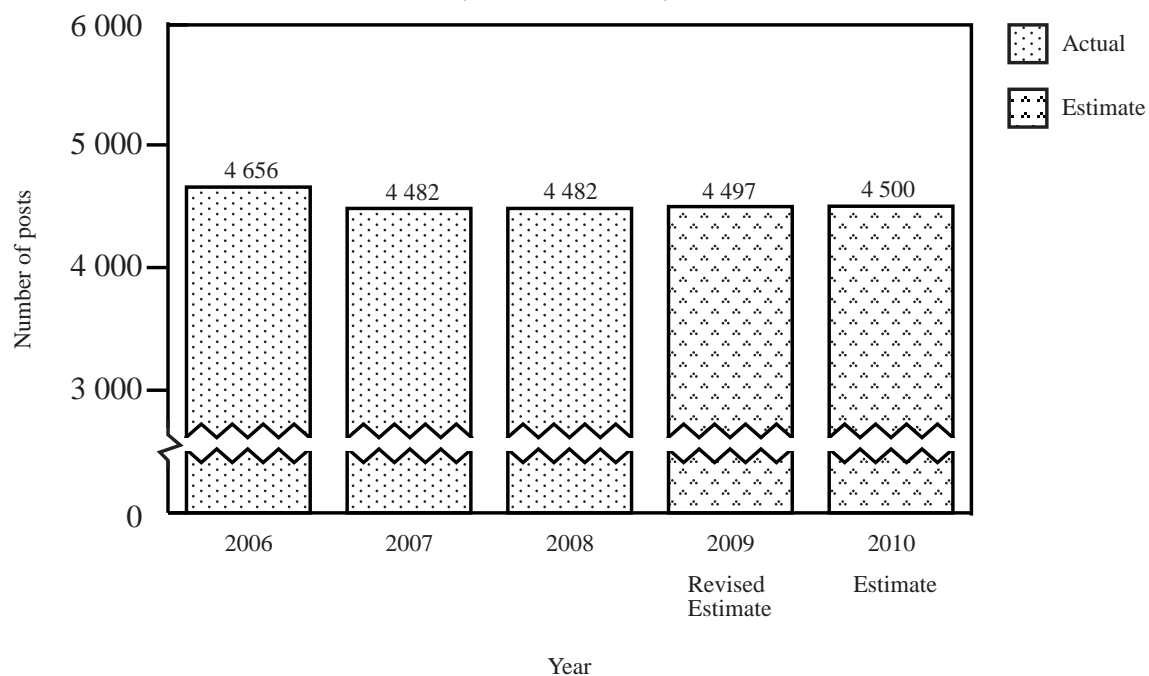
*Allocation of provision  
to programmes  
(2009-10)*



*Staff by programme  
(as at 31 March 2010)*



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



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Sub-head (Code)		Actual expenditure 2007-08	Approved estimate 2008-09	Revised estimate 2008-09	Estimate 2009-10
		\$'000	\$'000	\$'000	\$'000
<b>Operating Account</b>					
	Recurrent				
000	Operational expenses .....	2,651,166	2,639,138	2,710,725	2,757,838
223	Purchase of water.....	2,494,800	2,494,800	2,579,200	2,993,000
	Total, Recurrent.....	5,145,966	5,133,938	5,289,925	5,750,838
	Non-Recurrent				
	General non-recurrent.....	169	274	274	—
	Total, Non-Recurrent.....	169	274	274	—
	Total, Operating Account .....	5,146,135	5,134,212	5,290,199	5,750,838
<b>Capital Account</b>					
	Plant, Equipment and Works				
603	Plant, vehicles and equipment.....	—	—	—	100
661	Minor plant, vehicles and equipment (block vote).....	—	4,830	2,596	4,480
	Total, Plant, Equipment and Works.....	—	4,830	2,596	4,580
	Total, Capital Account.....	—	4,830	2,596	4,580
	Total Expenditure .....	5,146,135	5,139,042	5,292,795	5,755,418



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### Details of Expenditure by Subhead

The estimate of the amount required in 2009–10 for the salaries and expenses of the Water Supplies Department is \$5,755,418,000. This represents an increase of \$462,623,000 over the revised estimate for 2008–09 and an increase of \$609,283,000 over actual expenditure in 2007–08.

#### *Operating Account*

#### Recurrent

**2** Provision of \$2,757,838,000 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 2009 will be 4 497 permanent posts. It is expected that there will be an increase of three permanent posts in 2009–10. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2009–10, but the notional annual mid-point salary value of all such posts must not exceed \$1,109,141,000.

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

	2007–08 (Actual) (\$'000)	2008–09 (Original) (\$'000)	2008–09 (Revised) (\$'000)	2009–10 (Estimate) (\$'000)
Personal Emoluments				
- Salaries .....	1,193,067	1,218,219	1,263,670	<b>1,282,030</b>
- Allowances .....	77,742	73,682	82,088	<b>82,088</b>
- Job-related allowances .....	4,619	6,120	6,462	<b>6,462</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	66	864	1,077	<b>3,015</b>
- Civil Service Provident Fund contribution .....	151	321	321	<b>352</b>
Departmental Expenses				
- Light and power .....	510,602	514,414	514,414	<b>522,679</b>
- Hire of services and professional fees .....	62,304	59,480	60,564	<b>63,564</b>
- Fuel and lubricating oil .....	98	1,000	120	<b>120</b>
- Specialist supplies and equipment .....	66,165	75,098	81,561	<b>83,561</b>
- Maintenance materials .....	52,310	55,092	55,092	<b>55,092</b>
- Contract maintenance .....	556,981	524,827	528,335	<b>541,416</b>
- General departmental expenses .....	127,061	110,021	117,021	<b>117,459</b>
	<u>2,651,166</u>	<u>2,639,138</u>	<u>2,710,725</u>	<u><b>2,757,838</b></u>

**5** Provision of \$2,993,000,000 under *Subhead 223 Purchase of water* is for the purchase of water from Guangdong. The increase of \$413,800,000 (16.0%) over the revised estimate for 2008–09 is due to the price increase under the new arrangements for the supply of water between 2009 and 2011.

**6** Provision of \$4,480,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$1,884,000 (72.6%) over the revised estimate for 2008–09. This is mainly due to increased requirements in 2009–10 for replacing ageing water wagon, plant and equipment.

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### Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2008	Revised estimated expenditure for 2008–09	Balance
			\$'000	\$'000	\$'000	\$'000
<b><i>Capital Account</i></b>						
603		<i>Plant, vehicles and equipment</i>				
	801	Replacement of inflatable rubber dinghy .....	100	—	—	100
		Total .....	100	—	—	100
			<u>100</u>	<u>—</u>	<u>—</u>	<u>100</u>