

Head 194 — WATER SUPPLIES DEPARTMENT

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

Estimate 2012–13..... **\$6,487.0m**

Establishment ceiling 2012–13 (notional annual mid-point salary value) representing an estimated 4 480 non-directorate posts as at 31 March 2012 rising by three posts to 4 483 as at 31 March 2013 ... **\$1,177.9m**

In addition, there will be an estimated 23 directorate posts as at 31 March 2012 and as at 31 March 2013.

Commitment balance **\$2.5m**

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, Drainage and Slope Safety (Secretary for Development).

Detail

Programme (1): Water Supply: Planning and Distribution

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	5,423.8	5,583.4	5,698.6 (+2.1%)	5,925.6 (+4.0%)
				(or +6.1% on 2011–12 Original)

Aim

2 The aim is to plan and develop 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 round-the-clock supply of water throughout the year to meet the demand of the territory;
- developing fresh water resources to cope with such requirements;
- planning, designing and constructing reliable and efficient fresh water supply and distribution systems to meet such requirements in good time; and
- operating and maintaining fresh water supply and distribution systems.

Salt water for flushing

- assessing salt water supply requirements;
- planning, designing and constructing reliable and efficient salt water supply and distribution systems to meet such requirements in good time; and
- operating and maintaining salt water supply and distribution systems.

4 In 2011, 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 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	2010 (Actual)	2011 (Actual)	2012 (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

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
projects under planning.....	19	19	19
value of projects under planning (\$m)	6,081.1	5,857.3	5,624.0
projects under design	23	24	24
value of projects under design (\$m).....	6,224.5	6,217.5	6,124.6
projects under construction.....	38	39	39
expenditure of works under construction (\$m)	3,387.7	3,311.2	3,815.7
fresh water supplied (m ³)	935 558 000	923 346 000	924 000 000
salt water supplied (m ³)	269 852 000	270 271 000	270 000 000
days on full supply	365	365	366
total treatment works capacity (m ³ /day).....	4 795 600	4 795 600	4 945 600
total pumping plant capacity (megawatts).....	330	340	341
leakage rate of water mains (%).....	20.0	19.0	18.0

Matters Requiring Special Attention in 2012–13

6 During 2012–13, 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 3 and 4 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;
- continue to take forward the implementation of the total water management strategy for sustainable use of water resources with a focus on water conservation;
- continue to identify a suitable industrial building to accommodate its New Territories West Regional Office with funding approved by the Legislative Council; and
- commence a planning and investigation study for a desalination plant at Tseung Kwan O.

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Programme (2): Water Quality Control

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	147.3	143.9	146.6 (+1.9%)	148.3 (+1.2%)

(or +3.1% on
2011–12 Original)

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 (WHO Guidelines), 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. This work involves:

Fresh water

- water treatment—ensuring that treated water conforms chemically and bacteriologically to the standards stipulated in the WHO Guidelines; 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 WHO Guidelines.

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 2011, the Department achieved the set quality standards in the treatment of water and maintained 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	2010 (Actual)	2011 (Actual)	2012 (Plan)
fresh water quality—water supplied to customers at the connection points complies with the standards stipulated in the WHO Guidelines (%)	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 (%)	96	96	96	96

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
<i>Treated fresh water</i>			
samples taken from treatment works, service reservoirs and consumers' taps	26 198	26 162	26 000
chemical quality satisfying standards (%)	100	100	100
bacteriological quality satisfying standards (%)	100	100	100

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Matters Requiring Special Attention in 2012–13

11 During 2012–13, 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 execute a water safety plan for the Department according to the WHO Guidelines.

Programme (3): Customer Services

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	380.6	391.5	400.0 (+2.2%)	413.1 (+3.3%)
				(or +5.5% on 2011–12 Original)

Aim

12 The aims are to provide customer services and to enforce the Waterworks Ordinance (Cap. 102) and Waterworks Regulations (Cap. 102A).

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 Waterworks Regulations. This work involves:

- improving efficiency and effectiveness in dealing with customer enquiries and complaints;
- enforcing the Waterworks Ordinance and Waterworks 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	2010 (Actual)	2011 (Actual)	2012 (Plan)
processing application for taking up of consumership				
by post within seven days (%).....	100	99.5	99.5	99.5
in person at Customer Enquiry Centres (All-purpose counter)				
within 15 minutes (%).....	100	100	100	100
issue of final bill upon closure of account within three days (%).....	100	99.8	99.8	99.8
refund of water deposit within nine days (%).....	100	99.6	99.7	99.7
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	94.8	95.3	95.5

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	Target	2010 (Actual)	2011 (Actual)	2012 (Plan)
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 four days in advance (%)	100	100	100	100

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
no. of consumer accounts.....	2 777 000	2 797 000	2 822 000
fees, water charges and deposits demanded (\$m)	2,690.0	2,698.0	2,730.0
arrears of water charges at year end in terms of no. of days of water charges demanded	1.5	1.4	1.4
prosecutions	167	188	180
finances imposed (\$)	366,500	469,200	387,000
house service inspections due to irregular consumption	6 277	6 870	7 000
public enquiries and requests for services.....	1 580 594	1 601 477	1 600 000
disputes and complaints handled	16 714	15 374	16 000

Matters Requiring Special Attention in 2012–13

15 During 2012–13, 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 Waterworks Regulations, and distribute information leaflets to consumers;
- continue to review the systems and procedures as well as 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	2010–11 (Actual) (\$m)	2011–12 (Original) (\$m)	2011–12 (Revised) (\$m)	2012–13 (Estimate) (\$m)
(1) Water Supply: Planning and Distribution	5,423.8	5,583.4	5,698.6	5,925.6
(2) Water Quality Control.....	147.3	143.9	146.6	148.3
(3) Customer Services.....	380.6	391.5	400.0	413.1
	5,951.7	6,118.8	6,245.2 (+2.1%)	6,487.0 (+3.9%)
				(or +6.0% on 2011–12 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2012–13 is \$227.0 million (4.0%) higher than the revised estimate for 2011–12. This is mainly due to the increased provision for purchase of water under the new water supply agreement and filling of vacancies. There will be creation of three posts in 2012–13 for new railway and other mega works projects and conducting feasibility study on relocation of service reservoirs into caverns.

Programme (2)

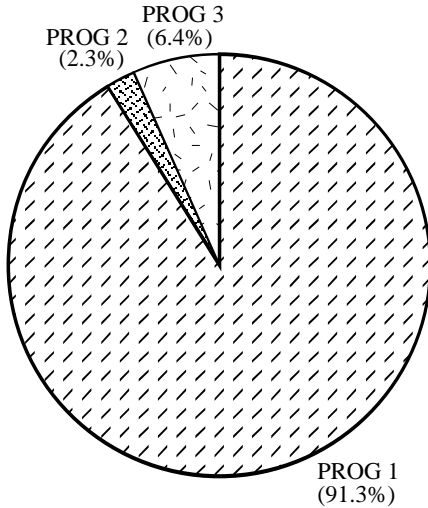
Provision for 2012–13 is \$1.7 million (1.2%) higher than the revised estimate for 2011–12. This is mainly due to the increased provision for general departmental expenses and replacement of ageing plant and equipment.

Programme (3)

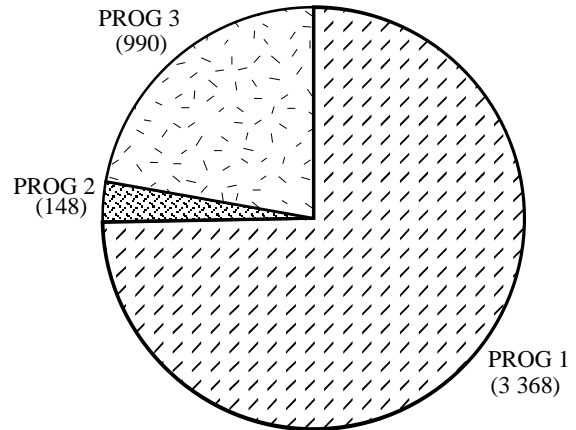
Provision for 2012–13 is \$13.1 million (3.3%) higher than the revised estimate for 2011–12. This is mainly due to the increased provision for the replacement of water meters, procurement of water wagons and replacement of ageing plant and equipment.

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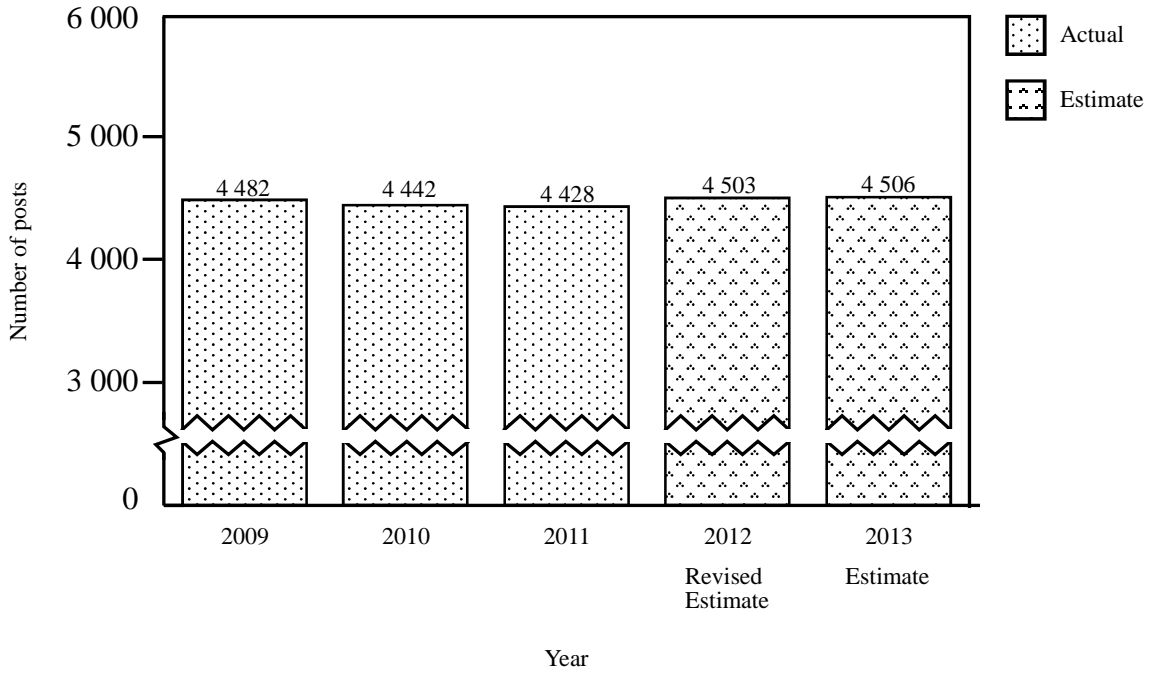
*Allocation of provision
to programmes
(2012-13)*



*Staff by programme
(as at 31 March 2013)*



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



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Sub-head (Code)		Actual expenditure 2010-11	Approved estimate 2011-12	Revised estimate 2011-12	Estimate 2012-13
		\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses	2,755,066	2,771,492	2,860,733	2,899,926
223	Purchase of water	3,182,000	3,344,000	3,379,400	3,575,900
	Total, Recurrent	<u>5,937,066</u>	<u>6,115,492</u>	<u>6,240,133</u>	<u>6,475,826</u>
Non-Recurrent					
	General non-recurrent	9,308	—	—	—
	Total, Non-Recurrent	<u>9,308</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Total, Operating Account	<u>5,946,374</u>	<u>6,115,492</u>	<u>6,240,133</u>	<u>6,475,826</u>
Capital Account					
Plant, Equipment and Works					
603	Plant, vehicles and equipment	2,200	—	—	2,450
661	Minor plant, vehicles and equipment (block vote)	3,088	3,269	5,069	8,750
	Total, Plant, Equipment and Works	<u>5,288</u>	<u>3,269</u>	<u>5,069</u>	<u>11,200</u>
	Total, Capital Account	<u>5,288</u>	<u>3,269</u>	<u>5,069</u>	<u>11,200</u>
	Total Expenditure	<u><u>5,951,662</u></u>	<u><u>6,118,761</u></u>	<u><u>6,245,202</u></u>	<u><u>6,487,026</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2012–13 for the salaries and expenses of the Water Supplies Department is \$6,487,026,000. This represents an increase of \$241,824,000 over the revised estimate for 2011–12 and of \$535,364,000 over actual expenditure in 2010–11.

Operating Account

Recurrent

2 Provision of \$2,899,926,000 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 2012 will be 4 503 permanent posts. It is expected that there will be an increase of three posts in 2012–13. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2012–13, but the notional annual mid-point salary value of all such posts must not exceed \$1,177,902,000.

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

	2010–11 (Actual) (\$'000)	2011–12 (Original) (\$'000)	2011–12 (Revised) (\$'000)	2012–13 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	1,232,818	1,256,911	1,298,389	1,307,423
- Allowances	91,442	81,577	89,243	89,743
- Job-related allowances.....	4,218	6,416	5,145	5,545
Personnel Related Expenses				
- Mandatory Provident Fund contribution	2,807	5,043	2,806	2,707
- Civil Service Provident Fund contribution	1,572	5,163	5,498	11,749
Departmental Expenses				
- Light and power.....	534,061	532,675	556,524	557,924
- Hire of services and professional fees	76,173	80,437	84,918	89,107
- Fuel and lubricating oil.....	124	120	170	170
- Specialist supplies and equipment.....	78,688	83,723	83,723	86,080
- Maintenance materials	53,826	53,610	54,100	55,050
- Contract maintenance	568,050	542,280	554,075	560,702
- General departmental expenses	111,287	123,537	126,142	133,726
	2,755,066	2,771,492	2,860,733	2,899,926

5 Provision of \$3,575,900,000 under *Subhead 223 Purchase of water* is for the purchase of water from Guangdong.

Capital Account

Plant, Equipment and Works

6 Provision of \$8,750,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$3,681,000 (72.6%) over the revised estimate for 2011–12. This is mainly due to increased requirement in 2012–13 for procurement of water wagons.

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Commitments

Sub- head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2011	Revised estimated expenditure for 2011-12	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Capital Account</i>						
603		<i>Plant, vehicles and equipment</i>				
	868	Replacement of one gas chromatographic system and accessories at Mainland East Laboratory	2,450	—	—	2,450
		Total	2,450	—	—	2,450