

Head 194 — WATER SUPPLIES DEPARTMENT

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

Estimate 2002–03 **\$5,493.4m**

Establishment ceiling 2002–03 (notional annual mid-point salary value) representing an estimated 5 415 non-directorate posts at 31 March 2002 reducing by 243 posts to 5 172 posts at 31 March 2003..... **\$1,216.6m**

In addition there will be an estimated 23 directorate posts at 31 March 2002 and at 31 March 2003.

Capital Account commitment balance..... **\$9.5m**

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 Works).

Detail

Programme (1): Water Supply: Planning and Distribution

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	4,576.3	4,844.2 (+5.9%)	4,809.5 (–0.7%)	4,910.6 (+2.1%)

Aim

2 The aim is to plan water resources and to design, construct, maintain and operate water supply systems in order to provide a full supply 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 full supply (i.e. 24 hours a day) 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 2001, 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 an adequate supply. Full supply was maintained throughout the year.

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

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Targets

	Target	2000 (Actual)	2001 (Actual)	2002 (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	100.0%	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

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
projects under planning	22	19	19
value of projects under planning (\$m)	3,000	6,700	7,300
projects under design	32	40	42
value of projects under design (\$m)	2,320	2,350	2,450
projects under construction	81	75	75
expenditure of works under construction (\$m)	2,180	1,940	1,400
fresh water supplied (m ³)	924 000 000	940 000 000	942 000 000
salt water supplied (m ³)	229 000 000	236 000 000	241 000 000
days on full supply	366	365	365
total treatment works capacity (m ³ /day)	4 545 600	4 545 600	4 795 600
total pumping plant capacity (megawatts)	304.7	308.9	314.8
new leakage rate of watermains	26%	26%	26%

Matters Requiring Special Attention in 2002–03

6 During 2002–03, 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 extend metered water supply to remote villages in the New Territories;
- 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

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	165.3	168.8 (+2.1%)	166.8 (–1.2%)	172.4 (+3.4%)

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 water conform to international standards, such as the World Health Organisation guidelines, in all respects and at all times. This work involves:

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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 2001, 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	2000 (Actual)	2001 (Actual)	2002 (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—93% of water supplied to customers at the connection points complies with Water Quality Objectives set by Water Supplies Department (%).....	100	100.0	100.0	100.0

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
samples taken from treatment works, service reservoirs and consumers' taps.....	25 172	25 590	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 2002–03

11 During 2002–03, 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

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	370.9	417.0 (+12.4%)	402.4 (–3.5%)	410.4 (+2.0%)

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:

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- 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 2001, 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	2000 (Actual)	2001 (Actual)	2002 (Plan)
take up of consumership				
by post.....	seven days	99.8%	99.7%	99.8%
in person at Customer Enquiry Centres (All-purpose counter).....	15 mins	99.8%	99.8%	99.8%
issue of final bill upon closure of account	three days	99.2%	99.2%	99.2%
refund of water deposit	nine days	99.7%	99.7%	99.7%
application for meter test	nine days	100.0%	100.0%	100.0%
application for autopay service (excluding one month process time by bank).....	three days	99.5%	99.5%	99.5%
accuracy of water meters.....	inaccuracy not exceeding +/-3%	91.1%	91.5%	91.6%
response time for attendance to fault complaints				
fresh water supply fault.....	within half a day	99.4%	99.7%	99.5%
others.....	within 24 hours	99.9%	100.0%	100.0%
notice for planned suspension of water supply	three days in advance	99.7%	99.9%	99.9%

Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
number of consumer accounts.....	2 399 252	2 476 484	2 538 000
fees, water charges and deposits demanded (\$m)	2,850	2,909	2,935
arrears of water charges at year end in terms of number of days of water charges demanded	1.8	1.6	1.6
prosecutions	255	228	250
finances imposed (\$m).....	532,150	351,846	500,000
house service inspections due to irregular consumption	11 820	10 536	10 000
public enquiries and requests for services.....	992 445	1 039 446	1 040 000
disputes and complaints handled.....	34 544	36 830	36 950

Matters Requiring Special Attention in 2002–03

16 During 2002–03, the department will:

- continue to conduct the annual review of water tariffs and other waterworks fees and charges, to process new applications for metered supplies, to improve services to consumers to meet their increased expectation and to 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;
- review the systems and procedures and the information technology in use to ensure cost-effectiveness in delivering customer services; and

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- commence work on the development of a new customer-oriented computer system which will provide a one-stop service for all customers.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2000-01 (Actual) (\$m)	2001-02 (Approved) (\$m)	2001-02 (Revised) (\$m)	2002-03 (Estimate) (\$m)
(1) Water Supply: Planning and Distribution ...	4,576.3	4,844.2	4,809.5	4,910.6
(2) Water Quality Control.....	165.3	168.8	166.8	172.4
(3) Customer Services	370.9	417.0	402.4	410.4
	5,112.5	5,430.0 (+6.2%)	5,378.7 (-0.9%)	5,493.4 (+2.1%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2002-03 is \$101.1 million (2.1%) higher than the revised estimate for 2001-02. This is mainly due to increased requirements for operating and maintaining additional waterworks installations, improving the supply and distribution systems and the commissioning of Tai Po Treatment Works, partly offset by deletion of 167 posts in 2002-03.

Programme (2)

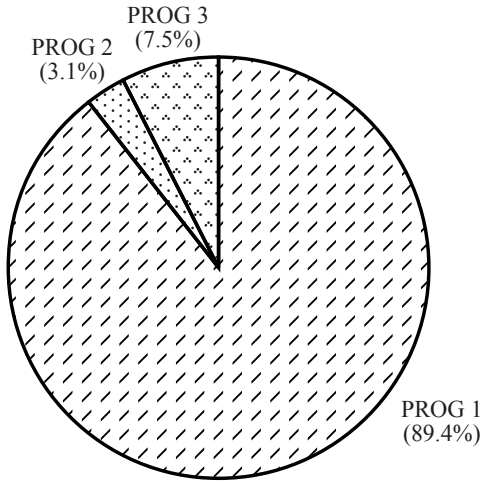
Provision for 2002-03 is \$5.6 million (3.4%) higher than the revised estimate for 2001-02. This is mainly due to the additional provision required for treating water after the commissioning of Tai Po Treatment Works and the enhancement of laboratory facilities.

Programme (3)

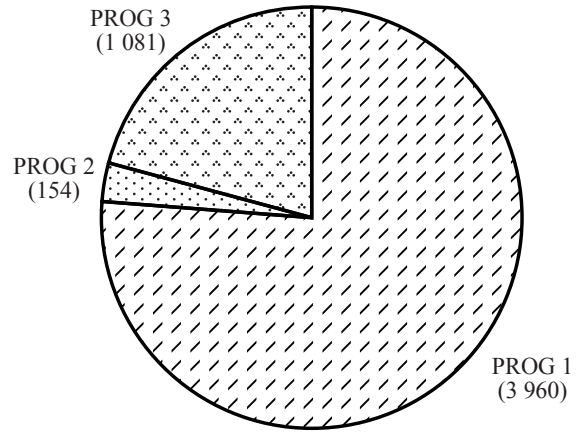
Provision for 2002-03 is \$8.0 million (2.0%) higher than the revised estimate for 2001-02. This is mainly due to the additional provision required to meet the growth of customer accounts, partly offset by deletion of 76 posts in 2002-03.

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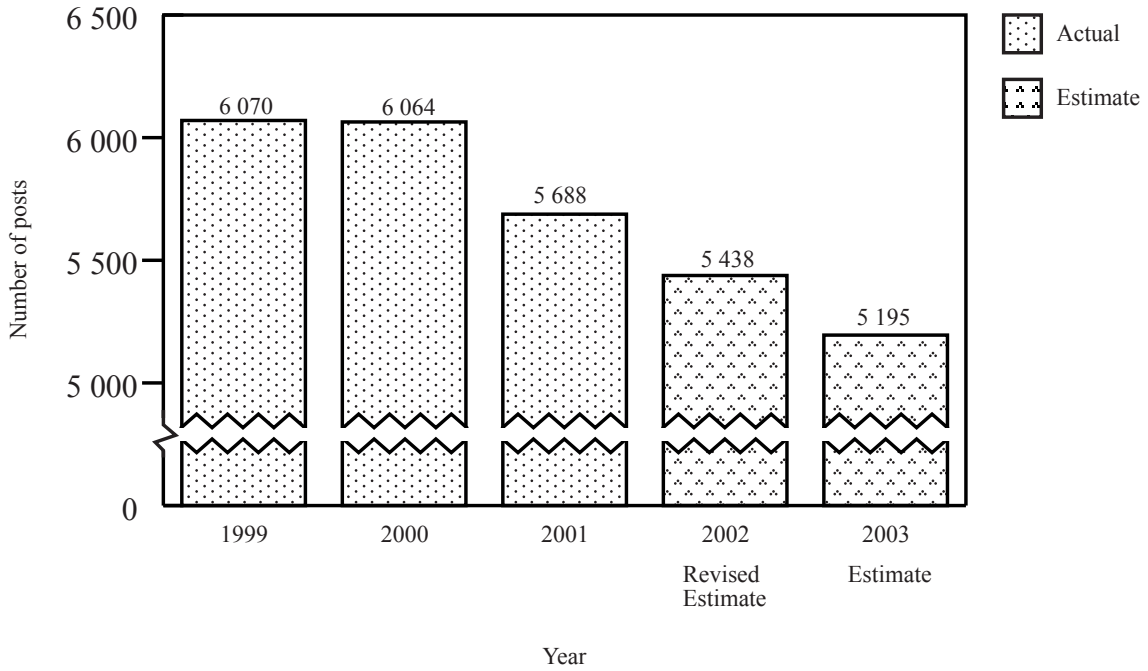
Allocation of provision to programmes (2002-03)



Staff by programme (as at 31 March 2003)



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



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Sub-head (Code)	Actual expenditure 2000-01	Approved estimate 2001-02	Revised estimate 2001-02	Estimate 2002-03
	\$'000	\$'000	\$'000	\$'000
Recurrent Account				
000	Operational expenses	—	2,975,149	2,923,306
223	Purchase of water	2,384,756	2,442,616	2,442,616
	Salaries	1,444,718	—	—
	Allowances	92,938	—	—
	Job-related allowances	7,456	—	—
	Light and power	500,320	—	—
	Hire of services and professional fees	54,601	—	—
	Fuel and lubricating oil	697	—	—
	Specialist supplies and equipment	79,149	—	—
	Maintenance materials	68,966	—	—
	Contract maintenance	364,317	—	—
	General departmental expenses	104,042	—	—
	Total, Recurrent Account	5,101,960	5,417,765	5,365,922
Capital Account				
I — Plant, Equipment and Works				
603	Plant, vehicles and equipment	4,285	4,900	4,900
661	Minor plant, vehicles and equipment (block vote)	4,180	4,694	4,680
	Total, Plant, Equipment and Works	8,465	9,594	9,580
II — Other Non-Recurrent				
700	General other non-recurrent	2,113	2,600	3,150
	Total, Other Non-Recurrent	2,113	2,600	3,150
	Total, Capital Account	10,578	12,194	12,730
	Total Expenditure	5,112,538	5,429,959	5,378,652

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Details of Expenditure by Subhead

The estimate of the amount required in 2002–03 for the salaries and expenses of the Water Supplies Department is \$5,493,398,000. This represents an increase of \$114,746,000 over the revised estimate for 2001–02 and of \$380,860,000 over actual expenditure in 2000–01.

Recurrent Account

2 Provision of \$2,995,790,000 under *Subhead 000 Operational expenses* is for the salaries and allowances of staff of the Water Supplies Department and its other operating expenses. Management and control of the department's operational expenses take the form of a one-line vote.

3 As a vote-funded department, the department is subject to establishment control. The establishment at 31 March 2002 will be 5 438 permanent posts. It is expected that 243 permanent posts will be deleted in 2002–03. Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2002–03, but the notional annual mid-point salary value of all such posts must not exceed \$1,216,623,000.

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

	2000–01 (Actual) (\$'000)	2001–02 (Original Estimate) (\$'000)	2001–02 (Revised Estimate) (\$'000)	2002–03 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	1,444,718	1,483,606	1,465,474	1,495,839
- Allowances	92,938	116,233	113,288	113,281
- Job-related allowances	7,456	9,319	7,579	7,715
Departmental Expenses				
- Light and power	500,320	505,252	513,867	532,413
- Hire of services and professional fees	54,601	85,576	81,053	81,332
- Fuel and lubricating oil	697	1,089	592	630
- Specialist supplies and equipment	79,149	94,870	89,595	93,590
- Maintenance materials	68,966	67,109	62,439	61,133
- Contract maintenance	364,317	468,376	441,424	455,091
- General departmental expenses	104,042	143,719	147,995	154,766
	2,717,204	2,975,149	2,923,306	2,995,790

5 Provision of \$2,484,690,000 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 \$8,450,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$3,770,000 (80.6%) over the revised estimate for 2001–02. This is mainly due to increased requirements for new and replacement equipment.

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Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2001	Revised estimated expenditure for 2001-02	Balance
			\$'000	\$'000	\$'000	\$'000
603	314	<i>Plant, vehicles and equipment</i> Replacement of the air-conditioning plant system at Mong Kok Office.....	4,478	—	3,000	1,478
700		<i>General other non-recurrent</i>				
	507	Consultancy on Underground Asset Management	30,000	27,668	700	1,632
	508	Consultancy for the surface asset management study	2,810	1,360	900	550
	509	Publicity Programme – “Quality life needs Quality water”	1,000	—	800	200
	510	Hire of service for implementation of the surface asset management and the pressure management schemes	4,400	—	750	3,650
	511	Hire of service for implementation of energy audit programme	1,530	—	—	1,530
	512	Publicity Campaign on “Our Water, Our Future”	500	—	—	500
			<u>40,240</u>	<u>29,028</u>	<u>3,150</u>	<u>8,062</u>
		Total.....	<u>44,718</u>	<u>29,028</u>	<u>6,150</u>	<u>9,540</u>