



水務署
Water Supplies Department

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17 January 2025

Ms Shirley CHAN
Clerk to the Public Accounts Committee
Legislative Council Complex
1 Legislative Road
Central, Hong Kong

Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 2 of the Director of Audit's Report No. 83
Planning and Management of Sheltered Space
within Hong Kong Waters

Thank you for your letter of 18 December 2024 with regard to Chapter 2 of the Director of Audit's Report No. 83.

I enclose the responses of this Department to the questions as required under Part (III) and question no. 15 under Part (I) attached to your letter.

Yours sincerely

(K C LEE)
for Director of Water Supplies

Encl

c.c. Secretary for Development
Secretary for Financial Services and the Treasury
Director of Audit



Director of Audit's Report No. 83 Chapter 2
“Planning and management of sheltered space within Hong Kong waters”

WSD's Reply to Enquiries from the Public Accounts Committee
of the Legislative Council

Section III : Questions for WSD's Response

Part 4: Ancillary Facilities and Services

1) According to Paragraphs 4.19 and 4.20 of the Report, whilst there were 18 licensed water boats as at 30 June 2024 according to MD's records, WSD could only retrieve the records of the permission for resale of water relating to 12 water boats. According to WSD, no permission had been granted in relation to the remaining 6 water boats. Would WSD and MD please explain:-

- (a) Why were there discrepancies between records of permission to resale of water to water boats issued by WSD and the licensed water boats in MD's records. Has WSD and MD established any notification mechanism on such records? If yes, why did such discrepancies happen? If not, is there any effective supervision on the resale of water by water boats?**
- (b) Given that there is no expiration date on WSD's permission, would this cause any regulatory loophole on the water boats; and**
- (c) For the six water boats without WSD's permission, has WSD launched any investigation on unauthorised resale of water to other ships? If yes, please provide the details of the investigation and the corresponding follow-up action(s) to owners who contravene such regulations. If not, how to ensure the fresh water sold by those six licensed water boats without WSD's permission complies with relevant water quality standards?**

(a) & (b) If the licensed water boat owners plan for resale of water to other ships, they should submit application to WSD for each of their vessels for approval. Upon vetting of each application, WSD would grant written

approval of resale of water to each vessel. In cases that a water boat is not involved in the resale of water to other ships, such as replenishing water for their fleet only, the vessel owner is thus not required to submit application to WSD. Therefore, there may be discrepancies between the number of water boats registered in MD's record and the number of approval granted for resale of water by WSD.

If there is any change of particulars on the COO (such as the vessel is sold or transferred to another owner) or the expiration of the water boat license, the approval of resale of water would also correspondingly be voided. Nevertheless, there was no established notification mechanism regarding the licensing records of water boats between WSD and MD. Since November 2024, WSD and MD have enhanced the cooperation on the information exchange of vessel licenses and owner for water boats, establishing a new monitoring and notification mechanism. MD would regularly provide the information of water boat licenses and their owners to WSD, so as to monitor if there is any change of licensee or validity of the water boats. Furthermore, it is also understood that water boats are required to provide health certificates issued by the Department of Health, which certified the relevant sanitary requirements of the water tanks, for the application of new or renewal of the vessel licence. As such, whilst the approval of resale of water does not specify any date of expiration, there is no regulatory loophole on the water boats.

(c) WSD started an investigation in October 2024. Investigations for two water boats have been concluded. During the interviews with the owners of the two vessels, it was revealed that they did not resell the water to other ships, and the owners made relevant statements on this matter. With the interview results and information gathered, there is insufficient evidence to suggest that these two water boats were involved in unauthorised resale of water to other ships. WSD is now liaising with the vessel owners of the other four water boats to investigate if there is any unauthorized resale of water to other ships. Upon the completion of the investigation, WSD would seek legal advice if there is any evidence of contravening the Waterworks Regulation on unauthorised resale of water, and will proceed with prosecution accordingly. As local vessels can freely purchase fresh water from the Water Selling Kiosks and SWSM, WSD has not observed any unauthorised resale of water to other ships thus far.

Section I

Part 4: Ancillary Facilities and Services

- 15) According to Paragraph 4.17 of the Report, the Audit Commission (AUD) had analysed the sales records of the automatic shipping water selling machine (SWSM) in July 2024. It was found that, of the 320 transactions recorded, the certificate of ownership (COO) numbers in 109 transactions could not match with those records in list of local vessels of the Marine Department (MD) as of June 2024. Would MD please advise that if it was the intention to sell water to vessels with valid COO input to the SWSM? If yes, why were there discrepancies of COO numbers in the records? If not, why it was designed to request the customers to input the COO numbers?**

The concerned SWSM was designed by the Water Supplies Department (WSD). WSD has been conducting a trial operation on automatic SWSM at the Tuen Mun Water Selling Kiosk with a view to providing 24-hour water selling service. In accordance with the Merchant Shipping (Local Vessels) (Typhoon Shelters) Regulation (Cap. 548E), local vessels are permitted to enter and anchored in typhoon shelters, and are allowed to purchase fresh water by using the SWSM. In this trial design, the COO numbers of the vessels are shown on the transaction summary to facilitate users to make record and report to their companies.

To ascertain that the needs of local vessels' users could be fulfilled by the SWSM, WSD is currently reviewing the trial operation of the SWSM in terms of its convenience to users, the objectives to record the COO numbers, the necessity to enter correct COO numbers and to make optimization measures as needed. Initial users' feedback shows that the input of the COO numbers is rather complicated, and that not every customer requires a transaction summary for record. As such, WSD plans to enhance the interface of the SWSM so that users can make purchases by simply declaring that the water is for use by local vessel. Nevertheless, some users have also suggested that making the input of the COO numbers should be optional in case the users would like to keep the transaction record and report to their companies. WSD plans to implement the measures in 2025 Q1 tentatively.