

LEGISLATIVE COUNCIL BRIEF

Clubs (Safety of Premises) Ordinance (Cap. 376)

CLUBS (SAFETY OF PREMISES) (FEES) (AMENDMENT) REGULATION 2001 (Cap. 376 sub. leg.)

INTRODUCTION

Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) empowers the Financial Secretary (which means also the Secretary for the Treasury by virtue of section 3 of Cap. 1) to increase or decrease or otherwise vary fees which have previously been fixed by subsidiary legislation made by the Chief Executive in Council.

2. In exercise of this power, the Secretary for the Treasury has made the Amendment Regulation at *Annex A* to revise the fees specified in the Clubs (Safety of Premises) (Fees) Regulations (“the Fees Regulations”) made pursuant to the Clubs (Safety of Premises) Ordinance (“the Ordinance”).

BACKGROUND AND ARGUMENT

3. Under the Ordinance, the Secretary for Home Affairs issues and renews certificates of compliance for the purpose of regulating the fire and building safety of club houses. The fees payable for the issue or renewal of certificates of compliance are specified in Regulation 4 of the Fees Regulations. These fees were last revised in March 1996.

4. It is Government policy that certain fees should in general be set at levels sufficient to recover the full cost of providing the services. Most Government fees and charges have been frozen since February 1998 as an

exceptional measure to ease the burden on the community at a time of economic setback. The Financial Secretary decided in June 1999 to continue the fee revision moratorium until the year-on-year quarterly GDP growth rate turned firmly positive.

5. In view of the current state of economic recovery, the Administration consulted the LegCo Panel on Financial Affairs on 13 April 2000 on proposals to revise various fees that would not directly affect people's livelihood or general business activities. Taking into account the diverse nature of fees involved, Members suggested and the LegCo House Committee agreed on 14 April 2000 that the Administration should consult the relevant subject LegCo Panels on whether and, if so, how the fees under their respective purviews should be adjusted.

6. A costing review of the issue or renewal of a certificate of compliance under the Fees Regulations was conducted in May 2000. *Annex B* presents the cost computations. The costing result shows that, except for the fees for club houses of size larger than 1,000 m², most of the existing fees recover 67% to 96% of the full cost of providing the licensing services at 2000-01 prices. We therefore propose to increase these fees by 4% to 15% (\$435 - \$1,290) with a view to achieving full cost recovery within one to three years. For the exception, we propose to reduce the fee by 0.1% (\$60) to reflect the full cost of providing the service at 2000-01 prices. Details of the existing and the proposed fees¹ are at *Annex C*. The LegCo Panel on Home Affairs was consulted on 2 June 2000 and did not raise any objection to the proposed fee revision.

THE REGULATION

7. The Amendment Regulation revises the fees as set out in *Annex C*. We propose that the new fees should take effect from 23 February 2001.

EFFICIENCY INITIATIVES

8. In the spirit of helping business, the Office of the Licensing

¹ The current proposed fees differ slightly from the set presented to the LegCo Home Affairs Panel due to rounding-off adjustments.

Authority (LA) of the Home Affairs Department reviews from time to time the procedures for processing and issuing certificates of compliance with a view to streamlining the process and minimizing the cost of compliance by the operators. For example, staff of the LA has adopted a more proactive approach in checking the progress of upgrading works and give on-site advice to applicants to expedite the application process. More computers have been provided to the LA and contract-out services have been engaged to enhance office efficiency. Moreover, a website has been set up to disseminate information related to clubs issued with a certificate of compliance. The LA will continue to study and consider new helping business initiatives to achieve cost reduction and shorten the processing time for applications for certificates of compliance. Additional workload will be absorbed as a result of streamlined procedures and within the existing staffing resources.

BASIC LAW IMPLICATIONS

9. The Department of Justice advises that the Amendment Regulation is consistent with the Basic Law.

HUMAN RIGHTS IMPLICATIONS

10. The Department of Justice advises that the Amendment Regulation has no human rights implications.

BINDING EFFECT

11. The Amendment Regulation does not affect the current binding effect of the Ordinance.

FINANCIAL AND STAFFING IMPLICATIONS

12. Additional revenue arising from the proposed fee revision is about \$290,000 per annum. There are no staffing implications.

ECONOMIC IMPLICATIONS

13. The proposed fee increases and decrease will in general have only very little impact on the operating costs of club houses, though with

relatively large impact on the smaller ones than on the large ones.

PUBLIC CONSULTATION

14. As mentioned in paragraph 6 above, the LegCo Panel on Home Affairs was consulted on 2 June 2000 and did not raise any objection to the proposed fee increases and decrease.

LEGISLATIVE TIMETABLE

15. The Amendment Regulation will be tabled at the Legislative Council on 17 January 2001. Subject to Members' approval by negative vetting, the revised fees will become effective on 23 February 2001.

PUBLICITY

16. The Amendment Regulation will be published in the Gazette on 12 January 2001. A press release will be issued on the same day.

ENQUIRY

17. For enquiries on this brief, please contact Mr Francis LO, Principal Assistant Secretary for Home Affairs at 2835 1484 or Mr Edward CHU, Assistant Secretary for Home Affairs at 2835 1485.

Home Affairs Bureau

January 2001

**Revision of fees payable under the
Clubs (Safety of Premises) (Fees) Regulations**

Item	Description	Existing fee (\$)	Proposed fee (\$)
	<u>Fee payable for the issue or renewal of certificate of compliance for clubs with gross floor area</u>		
(a)	not exceeding 100m ²	3,500	4,025
(b)	101 – 150 m ²	4,370	4,805
(c)	151 – 200 m ²	6,120	6,730
(d)	201 – 250 m ²	7,760	8,535
(e)	251 – 300 m ²	9,620	10,600
(f)	301 – 350 m ²	11,260	12,400
(g)	351 – 400 m ²	13,010	14,300
(h)	401 – 1,000 m ²	24,270	25,300
(i)	exceeding 1,000 m ²	53,560	53,500

CLUBS (SAFETY OF PREMISES) (FEES) (AMENDMENT) REGULATION 2001

(Made under section 22(1)(e) of the Clubs (Safety of Premises) Ordinance (Cap. 376) and section 29A of the Interpretation and General Clauses Ordinance (Cap. 1))

1. Commencement

This Regulation shall come into operation on 23 February 2001.

2. Fee payable for the issue or renewal of certificate of compliance

Regulation 4 of the Clubs (Safety of Premises) (Fees) Regulations (Cap. 376 sub. leg.) is amended in the table -

- (a) by repealing "3,500" and substituting "4,025";
- (b) by repealing "4,370" and substituting "4,805";
- (c) by repealing "6,120" and substituting "6,730";
- (d) by repealing "7,760" and substituting "8,535";
- (e) by repealing "9,620" and substituting "10,600";
- (f) by repealing "11,260" and substituting "12,400";
- (g) by repealing "13,010" and substituting "14,300";
- (h) by repealing "24,270" and substituting "25,300";
- (i) by repealing "53,560" and substituting "53,500".

(signed)

Secretary for the Treasury

6 January 2001

Explanatory Note

This Regulation revises the fees payable for the issue or renewal of certificates of compliance under the Clubs (Safety of Premises) Ordinance (Cap. 376).

COST COMPUTATION

Home Affairs Department Licence fees payable under the

Clubs (Safety of Premises) (Fees) Regulations

Cost at 2000-01 Prices

Area of clubhouse (M ²)	<101M ²	101M ² - 150M ²	151M ² - 200M ²	201M ² - 250M ²	251M ² - 300M ²	301M ² - 350M ²	351M ² - 400M ²	401M ² - 1000M ²	>1000M ²
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Costs	354,736	260,856	169,541	163,669	150,945	125,524	152,956	2,646,737	5,064,011
Departmental Expenses	5,272	3,877	2,520	2,432	2,243	1,865	2,273	39,335	75,259
Accommodation Costs	22,924	16,858	10,956	10,577	9,755	8,112	9,885	171,042	327,256
Depreciation	118	86	56	54	50	42	51	878	1,679
Cost of Services Provided by Other Departments	67,400	49,562	32,213	31,097	28,680	23,849	29,062	502,880	962,162
Central Administrative Overhead	<u>17,737</u>	<u>13,043</u>	<u>8,477</u>	<u>8,183</u>	<u>7,547</u>	<u>6,276</u>	<u>7,648</u>	<u>132,337</u>	<u>253,201</u>
Total Cost	<u>468,187</u>	<u>344,282</u>	<u>223,763</u>	<u>216,012</u>	<u>199,220</u>	<u>165,668</u>	<u>201,875</u>	<u>3,493,209</u>	<u>6,683,568</u>
Estimated number of caseload for financial year 2000-01	90	57	29	23	18	13	14	138	125
Unit cost at 2000-01 prices (\$)	5,202	6,040	7,716	9,392	11,068	12,744	14,420	25,313	53,469
Existing fee with effect from 1.3.1996 (\$)	3,500	4,370	6,120	7,760	9,620	11,260	13,010	24,270	53,560
Proposed fee with effect from 23.2.2001 (\$)	4,025*	4,805[#]	6,730[#]	8,535[#]	10,600[#]	12,400[#]	14,300[#]	25,300[@]	53,500[@]

Notes

- * Derived by multiplying the existing fee by an increase of 15%.
- # Derived by multiplying the existing fee by an increase of 10%.
- @ Based on the full cost at 2000-01 prices.