

LEGISLATIVE COUNCIL BRIEF

Builders' Lifts and Tower Working Platforms (Safety) Ordinance (Cap. 470)

BUILDERS' LIFTS AND TOWER WORKING PLATFORMS (SAFETY) (FEES) (AMENDMENT) REGULATION 2001

INTRODUCTION

Section 50(3) of the Builders' Lifts and Tower Working Platforms (Safety) Ordinance (the Ordinance) empowers the Financial Secretary (which means also the Secretary for the Treasury by virtue of section 3 of the Interpretation and General Clauses Ordinance (Cap. 1)) to make regulations prescribing fees payable under the Ordinance.

2. In exercise of this power, the Secretary for the Treasury has made the Builders' Lifts and Tower Working Platforms (Safety) (Fees) (Amendment) Regulation 2001 at Annex A to revise the fees prescribed in the Builders' Lifts and Tower Working Platforms (Safety) (Fees) Regulation (the Regulation) made pursuant to the Ordinance.

BACKGROUND AND ARGUMENT

3. The Regulation prescribes fees payable on application for registration and re-registration of examiners and contractors, and for the approval of reports and certificates of test and examination issued by registered examiners. The prescribed fees were last revised in December 1997.

4. It is Government policy that fees for certain services 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. 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 the 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 purview should be adjusted.

5. We then consulted the LegCo Panel on Planning, Lands and Works on 8 June 2000 on proposals to revise, among others, fees related to registration of examiners and contractors and the safety requirements, which are prescribed under the Builders' Lifts and Tower Working Platforms (Safety) (Fees) Regulation. Based on the latest costing exercise, the existing fees can recover about 82% to 90% of full costs of the services at 2000-01 prices. Annex B presents the cost computations. We therefore propose to increase the fees by 10% with a view to achieving full-cost recovery within two to three years. Members of the Panel did not raise objection to the proposal. Details of the existing and proposed fees are shown at Annex C.

THE REGULATION

6. The Amendment Regulation at Annex A revises the fees as set out at Annex C with effect from 23 February 2001.

EFFICIENCY INITIATIVES

7. Electrical and Mechanical Services Department has reviewed the procedures and reduced the average time required from 8.12 to 6.82 working days for endorsing the "Certificates of Test and Examination of Builder's Lift

or Tower Working Platform After Installation”. The Department is also preparing Procedures Manual for processing builders’ lifts and tower working platforms applications for staff to follow so as to enhance office efficiency.

BASIC LAW IMPLICATIONS

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

HUMAN RIGHTS IMPLICATIONS

9. The Department of Justice advises that the Amendment Regulation has no human rights implication.

BINDING EFFECT OF THE LEGISLATION

10. The amendment will not affect the current binding effect of the principal Ordinance and the subsidiary legislation.

FINANCIAL AND STAFFING IMPLICATIONS

11. Additional revenue is estimated to be about \$49,000 per annum. There are no staffing implications.

ECONOMIC IMPLICATIONS

12. As the proposed increases represent only a marginal proportion of the annual operating costs of the trade, there will not be significant economic implications nor impact on inflation.

PUBLIC CONSULTATION

13. Major builders' lift owners and registered contractors have been consulted. The majority of these consulted parties have no objection to the proposed fee increase.

PUBLICITY

14. A press release giving details of the revised fees will be issued today. The Amendment Regulation will be published in the Gazette on 12 January 2001.

ENQUIRIES

15. For enquiries on this brief, please contact Mr S M Chau, Assistant Secretary (Works)3 on 2848 2740.

Works Bureau
10 January 2001

**BUILDERS' LIFTS AND TOWER WORKING PLATFORMS
(SAFETY) (FEES) (AMENDMENT) REGULATION 2001**

(Made under section 50(3) of the Builders' Lifts and Tower Working Platforms (Safety) Ordinance (Cap. 470))

1. Commencement

This Regulation shall come into operation on 23 February 2001.

2. Schedule amended

The Schedule to the Builders' Lifts and Tower Working Platforms (Safety) (Fees) Regulation (Cap. 470 sub. leg.) is amended -

- (a) in item 1, by repealing "845" and substituting "930";
- (b) in item 2, by repealing "3,750" and substituting "4,125";
- (c) in item 3, by repealing "560" and substituting "615";
- (d) in item 4, by repealing "3,490" and substituting "3,840";
- (e) in item 5, by repealing "560" and substituting "615";
- (f) in item 6, by repealing "2,000" and substituting "2,200";

- (g) in item 7, by repealing "1,430" and substituting "1,575";
- (h) in item 8, by repealing "385" and substituting "425".

Secretary for the Treasury

3 January 2001

Explanatory Note

This Regulation increases the fees payable on an application for registration and renewal of registration of an examiner or a contractor and for the approval of reports and certificates of test and examination issued by registered examiners.

COST COMPUTATION

Electrical and Mechanical Services Department Fees payable under the Builders' Lifts and Tower Working Platforms (Safety) (Fees) Regulation Costs at 2000-01 Prices (for processing one application)

	Inclusion in the register of examiners of a person who <u>qualifies under s.3(2)</u>	Inclusion in the register of examiners of a person who <u>qualifies under s.3(3)</u>	Renewal of registration of a <u>registered examiner</u>	Inclusion in the register of <u>contractors</u>
	\$	\$	\$	\$
Staff Costs	862	3,868	590	3,659
Departmental Expenses	23	101	15	95
Accommodation Costs	16	60	12	61
Central Administrative Overhead	52	231	35	219
Unit Cost	953	4,260	652	4,034
Existing fee	845	3,750	560	3,490
Proposed fee*	930	4,125	615	3,840

* Derived by multiplying the existing fee by an increase of 10%.

COST COMPUTATION

Electrical and Mechanical Services Department Fees payable under the Builders' Lifts and Tower Working Platforms (Safety) (Fees) Regulation Costs at 2000-01 Prices (for processing one application)

	Renewal of registration of a <u>registered contractor</u>	Permitting use of a builder's lift or tower working platform after installation or re- <u>erection</u>	Permitting use of a builder's lift or tower working platform after major <u>alteration work</u>	Approving a certificate of periodic test & examination of a safety equipment of builder's lift or tower <u>working platform</u>
	\$	\$	\$	\$
Staff Costs	594	2,125	1,443	424
Departmental Expenses	15	55	37	11
Accommodation Costs	12	38	26	9
Central Administrative Overhead	36	127	86	25
Unit Cost	<u>657</u>	<u>2,345</u>	<u>1,592</u>	<u>469</u>
Existing fee	560	2,000	1,430	385
Proposed fee*	615	2,200	1,575	425

* Derived by multiplying the existing fee by an increase of 10%.

**Revision of Fees under the Builders' Lifts and Tower Working Platforms (Safety)
(Fees) Regulation**

	<u>Item Description</u>	<u>Existing fee</u> (\$)	<u>Proposed fee</u> (\$)
1.	Fee for inclusion in the register of examiners of a person who qualifies under s.3(2) of the Ordinance	845	930
2.	Fee for inclusion in the register of examiners of a person who qualifies under s.3(3) of the Ordinance	3,750	4,125
3.	Fee for renewal of registration of a registered examiner	560	615
4.	Fee for inclusion in the register of contractors	3,490	3,840
5.	Fee for renewal of registration of a registered contractor	560	615
6.	Fee for permitting use of a builder's lift or tower working platform after installation or re-erection	2,000	2,200
7.	Fee for permitting use of a builder's lift or tower working platform after major alteration work	1,430	1,575
8.	Fee for approving a certificate of periodic test and examination of a safety equipment of builder's lift or tower working platform	385	425