

LEGISLATIVE COUNCIL BRIEF

Air Pollution Control Ordinance
(Chapter 311)

**AIR POLLUTION CONTROL (SPECIFIED PROCESSES)
(AMENDMENT) REGULATION 2000
AIR POLLUTION CONTROL (OPEN BURNING)
(AMENDMENT) REGULATION 2000
AIR POLLUTION CONTROL (ASBESTOS) (ADMINISTRATION)
(AMENDMENT) REGULATION 2000**

INTRODUCTION

In accordance with sections 43(1)(xa) and 43(1)(y) of the Air Pollution Control Ordinance, the Secretary for the Environment and Food has, after consultation with the Advisory Council on the Environment, made the Amendment Regulations at Annexes A to C to revise the fees payable under the -

- (a) Air Pollution Control (Specified Processes) Regulations;
- (b) Air Pollution Control (Open Burning) Regulation; and
- (c) Air Pollution Control (Asbestos) (Administration) Regulation.

BACKGROUND AND ARGUMENT

2. It is Government policy that 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 Gross Domestic Product growth rate turned firmly positive. Taking into account the current state of economic recovery, the Administration consulted the Legislative Council 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. In view of the diverse nature of the fees involved, Members suggested and the Legislative Council House Committee agreed on 14 April 2000 that the Administration should consult the relevant subject Legislative Council Panels on whether and if so how the fees under their respective purview should be adjusted.

3. In this connection, we consulted the Legislative Council Panel on Environmental Affairs on 2 June 2000 on the proposals to revise, among others, the fees related to the Air Pollution Control Ordinance. Members of the Panel did not raise any objection to the proposed fee revision. The existing and proposed fees are summarized in Annex D.

4. The fees were last revised in January 1998. A costing review conducted at 2000-01 prices showed that the cost recovery rates of the fees ranged from 56% to 98% except the fee for a certified copy of an entry in the register of licences, the fee for open burning permit and asbestos annual registration fee which exceeded 100%. The cost computations are shown at Annexes E to G.

5. For this revision exercise, we propose to increase the specified processes licence fees by 10% or 15% with a view to phasing in full cost recovery over the next 3 years, and to reduce the fee for a certified copy of an entry in the specified process register by 64% to the full cost at 2000-01 prices. The asbestos registration fee will be increased by 2% whilst the annual fee decreased by 43% to reflect their full cost at 2001-01 prices. The fee for open burning permit will be decreased by 1% to its full cost at 2000-01 prices.

THE REGULATION

6. The Amendment Regulations seek to revise the fees as set out at Annex D with effect from 22 December 2000.

PUBLIC CONSULTATION

7. The Legislative Council Panel on Environmental Affairs was consulted on 2 June 2000. Members did not raise any objection to the proposed fee revision. The Advisory Council on the Environment was consulted on 30 October 2000 and Members did not raise objections.

BASIC LAW IMPLICATIONS

8. The Department of Justice advises that the Amendment Regulations are consistent with the Basic Law.

HUMAN RIGHTS IMPLICATIONS

9. The Department of Justice advises that the Amendment Regulations have no human rights implications.

BINDING EFFECT OF THE LEGISLATION

10. The Amendment Regulations will not affect the current binding effect of the Air Pollution Control Regulations.

FINANCIAL AND STAFFING IMPLICATIONS

11. The implementation of the new fees will reduce Government revenue of about \$10,000 per annum. There are no staffing implications.

ECONOMIC IMPLICATIONS

12. The cost impact of the proposed revision of fees under the said Ordinance on the trades concerned should be minimal.

EFFICIENCY INITIATIVES

13. To provide a more efficient service to the public, the Environmental Protection Department will continue to undertake necessary measures to -

- (a) contain costs by continuing to implement the Enhanced Productivity Programme and taking other improvement measures; and
- (b) review whether it is still necessary to provide the various services that require payment of fees and charges.

PUBLICITY

14. The Amendment Regulations will be published in the Gazette on 10 November 2000. A press release will be issued on the same day. A spokesman will be available to answer media enquiries.

ENQUIRY

15. For any enquiries on this brief, please contact Mr Albert Leung, Assistant Secretary for the Environment and Food, at 2136 3308.

Environment and Food Bureau

November 2000

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AIR POLLUTION CONTROL (SPECIFIED PROCESSES) (AMENDMENT) REGULATION 2000 AIR POLLUTION CONTROL (OPEN BURNING) (AMENDMENT) REGULATION 2000 AIR POLLUTION CONTROL (ASBESTOS) (ADMINISTRATION) (AMENDMENT) REGULATION 2000

ANNEXES

- Annex A - Air Pollution Control (Specified Processes) (Amendment) Regulation 2000
- Annex B - Air Pollution Control (Open Burning) (Amendment) Regulation 2000
- Annex C - Air Pollution Control (Asbestos) (Administration) (Amendment) Regulation 2000
- Annex D - Comparison of the existing and proposed fees
- Annex E - Cost computation under Air Pollution Control (Specified Processes) Regulations
- Annex F - Cost computation under Air Pollution Control (Open Burning) Regulation
- Annex G - Cost computation under Air Pollution Control (Asbestos) (Administration) Regulation

Comparison of the existing and proposed fees

	<u>Existing Fee</u> \$	<u>Proposed Fee</u> \$
<u>Third Schedule to the Air Pollution Control (Specified Processes) Regulations</u>		
(1) For an application, under section 14 of the Ordinance, for a licence	5,330	6,130
(2) For an application, under section 18 of the Ordinance, for variation of a licence	3,450	3,795
(3) For an application, under section 18A of the Ordinance, for transfer of a licence	1,600	1,840
(4) For an application, under section 23 of the Ordinance, for variation or cancellation of any term or condition imposed under section 22	3,450	3,795
(5) For a certified copy of an entry in the register	165	60
<u>Section 6 of the Air Pollution Control (Open Burning) Regulation</u>		
(6) Application for and issue of a permit	3,780	3,730
<u>Section 8 of the Air Pollution Control (Asbestos) (Administration) Regulation</u>		
(7) Application for registration in or restoration to the register	3,110	3,165
(8) Annual Registration fee	975	555

COST COMPUTATION

ENVIRONMENTAL PROTECTION DEPARTMENT

Fees under the Air Pollution Control (Specified Processes) Regulations (Cost at 2000-01 Prices)

	(1)	(2)	(3)	(4)	(5)
	\$	\$	\$	\$	\$
Staff Costs	210,111	106,634	2,221	4,444	53
Departmental Expenses	7,730	4,056	86	169	4
Accommodation Costs	5,711	2,759	58	115	2
Depreciation	72	37	1	1	0
Cost of Services Provided by Other Departments	378	192	4	8	0
Central Administrative Overhead	5,719	2,902	60	121	2
Total Cost	229,721	116,580	2,430	4,858	61
Estimated number of cases	24	24	1	1	1
Unit Cost at 2000-01 prices (\$)	9,572	4,858	2,430	4,858	61
Existing fee (\$)	5,330	3,450	1,600	3,450	165
Proposed fee (\$)	6,130	3,795	1,840	3,795	60

Legend

- (1) For an application, under section 14 of the Ordinance, for a licence
- (2) For an application, under section 18 of the Ordinance, for variation of a licence
- (3) For an application, under section 18A of the Ordinance, for transfer of a licence
- (4) For an application, under section 23 of the Ordinance, for variation or cancellation of any term or condition imposed under section 22 of the Ordinance
- (5) For a certified copy of an entry in the register

COST COMPUTATION**ENVIRONMENTAL PROTECTION DEPARTMENT**

Fees under the Air Pollution Control (Open Burning) Regulation
(Cost at 1999-2000 Prices)

	(1)
	\$
Staff Costs	6,612
Departmental Expenses	377
Accommodation Costs	230
Depreciation	16
Cost of Services Provided by Other Departments	9
Central Administrative Overhead	175
Total Cost	<u>7,419</u>
Estimated number of cases	2
Unit Cost at 1999-2000 prices (\$)	3,710
Unit Cost at 2000-01 prices (\$)*	3,729
Existing fee (\$)	3,780
Proposed fee (\$)	3,730

* Projected based on the movement of the Government Consumption Expenditure Deflator of 0.5% from 1999/2000 to 2000/01

Legend

(1) Application for and issue of permit

COST COMPUTATION

ENVIRONMENTAL PROTECTION DEPARTMENT

Fees under the Air Pollution Control (Asbestos) (Administration) Regulation
(Cost at 2000-01 Prices)

	(1) \$	(2) \$
Staff Costs	34,390	37,638
Departmental Expenses	1,414	2,015
Accommodation Costs	1,168	1,584
Depreciation	12	13
Cost of Services Provided by Other Departments	62	68
Central Administrative Overhead	936	1,024
Total Cost	<u>37,982</u>	<u>42,342</u>
Estimated number of cases	12	76
Unit Cost at 2000-01 prices (\$)	3,165	557
Existing fee (\$)	3,110	975
Proposed fee (\$)	3,165	555

Legend

- (1) Application for registration in or restoration to the register
(2) Annual registration fee