

LEGISLATIVE COUNCIL BRIEF

Environmental Impact Assessment Ordinance (Chapter 499)

ENVIRONMENTAL IMPACT ASSESSMENT (FEES) (AMENDMENT) REGULATION 2000

INTRODUCTION

In accordance with Section 32 of the Environmental Impact Assessment (EIA) Ordinance, the Secretary for the Environment and Food has, after consultation with the Advisory Council on the Environment, made the Amendment Regulation at Annex A to revise the fees payable under the EIA (Fees) 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 EIA Ordinance. Members at the Panel did not raise any objection to the proposed fee revision. The existing and proposed fees are summarized in Annex B.

4. The fees were first introduced on 1 April 1998. A costing review conducted at 2000-01 prices showed that the cost recovery rate of the fees ranged from 87% to 91%. The cost computation is shown at Annex C.

5. For this revision exercise, we propose to increase the fees by 6% with a view to phasing in their full cost recovery over next year.

THE REGULATION

6. The Amendment Regulation seeks to revise the fees as set out at Annex B 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 Regulation is consistent with the Basic Law.

HUMAN RIGHTS IMPLICATIONS

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

BINDING EFFECT OF THE LEGISLATION

10. The Amendment Regulation will not affect the current binding effect of the Environmental Impact Assessment (Fees) Regulation.

FINANCIAL AND STAFFING IMPLICATIONS

11. The implementation of the new fees will generate additional revenue of about \$65,000 per annum. There are no staffing implications.

ECONOMIC IMPLICATIONS

12. The cost impact of the proposed increase in 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 efficiency 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 Regulation 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 Miss Jenny Chan, Assistant Secretary for the Environment and Food, Environment and Food Bureau, at 2136 3290.

Environment and Food Bureau
November 2000

**Environmental Impact Assessment Ordinance
(Chapter 499)**

**ENVIRONMENTAL IMPACT ASSESSMENT (FEES)
(AMENDMENT) REGULATION 2000**

ANNEXES

- Annex A - Environmental Impact Assessment (Fees) (Amendment) Regulation 2000
- Annex B - Comparison of the existing and proposed fees
- Annex C - Cost Computation under Environmental Impact Assessment (Fees) Regulation

**ENVIRONMENTAL IMPACT ASSESSMENT (FEES)
(AMENDMENT) REGULATION 2000**

(Made under section 32 of the Environmental Impact
Assessment Ordinance (Cap. 499) after
Consultation with the Advisory
Council on the Environment)

1. Commencement

This Regulation shall come into operation on 22 December 2000.

2. Application fees

The Schedule to the Environmental Impact Assessment (Fees) Regulation (Cap. 499 sub. leg.) is amended -

- (a) in item 1, by repealing "15,400" and substituting "16,325";
- (b) in item 2, by repealing "17,700" and substituting "18,760";
- (c) in item 3, by repealing "39,800" and substituting "42,190";
- (d) in item 4, by repealing "15,600" and substituting "16,535";
- (e) in item 5, by repealing "5,690" and substituting "6,030";
- (f) in item 6, by repealing "7,780" and substituting "8,245".

Secretary for the Environment
and Food

6 November 2000

Explanatory Note

This Regulation increases the fees payable under the Schedule to the Environmental Impact Assessment (Fees) Regulation (Cap. 499 sub. leg.).

Comparison of the existing and proposed fees

	<u>Existing Fee</u> \$	<u>Proposed Fee</u> \$
<u>Schedule to the EIA (Fees) Regulation</u>		
(1) Application for an environmental impact assessment study brief referred to in section 5(1)(a) of the Ordinance	15,400	16,325
(2) Application under section 5(1)(b) of the Ordinance for approval to apply directly for an environmental permit	17,700	18,760
(3) Application under section 6(2) of the Ordinance for approval of an environmental impact assessment report	39,800	42,190
(4) Application for an environmental permit referred to in section 10(1)(a) of the Ordinance	15,600	16,535
(5) Application for a further environmental permit referred to in section 12(1) of the Ordinance	5,690	6,030
(6) Application under section 13(1) of the Ordinance for a variation of the conditions of an environmental permit	7,780	8,245

COST COMPUTATION

ENVIRONMENTAL PROTECTION DEPARTMENT

Fees under the Environmental Impact Assessment (Fees) Regulation
(Cost at 2000-01 Prices)

	(1)	(2)	(3)	(4)	(5)	(6)
	\$	\$	\$	\$	\$	\$
Staff Costs	265,025	166,102	762,018	377,256	112,301	52,882
Departmental Expenses	18,139	12,286	48,544	23,937	7,119	3,659
Accommodation Costs	8,346	5,519	23,565	11,413	3,461	1,614
Depreciation	91	57	261	129	38	18
Cost of Services Provided by Other Departments	47,739	50,321	208,905	97,293	202	95
Central Administrative Overhead	7,214	4,521	20,741	10,269	3,057	1,439
Total Cost	346,554	238,806	1,064,034	520,297	126,178	59,707
Estimated number of cases	20	12	24	29	20	7
Unit Cost at 2000-01 prices (\$)	17,328	19,901	44,335	17,941	6,309	8,530
Existing fee (\$)	15,400	17,700	39,800	15,600	5,690	7,780
Proposed fee (\$)	16,325	18,760	42,190	16,535	6,030	8,245

Legend

- (1) Application for an environmental impact assessment study brief referred to in section 5(1)(a) of the Ordinance
- (2) Application under section 5(1)(b) of the Ordinance for approval to apply directly for an environmental permit
- (3) Application under section 6(2) of the Ordinance for approval of an environmental impact assessment report
- (4) Application for an environmental permit referred to in section 10(1)(a) of the Ordinance
- (5) Application for a further environmental permit referred to in section 12(1) of the Ordinance
- (6) Application under section 13(1) of the Ordinance for a variation of the conditions of an environmental permit