

LEGISLATIVE COUNCIL BRIEF

Dumping at Sea Ordinance (Chapter 466)

DUMPING AT SEA (FEES) (AMENDMENT) REGULATION 2000

INTRODUCTION

In accordance with section 32 of the Dumping at Sea Ordinance, the Director of Environmental Protection has made the Amendment Regulation at Annex A to revise the fees payable under the Dumping at Sea (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 proposal to revise, among others, the fees related to the Dumping at Sea 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 last revised in January 1998. A costing review conducted at 2000-01 prices showed that the cost recovery rate of the fees was over 100%. The cost computation is shown at Annex C.

5. For this revision exercise, we propose to decrease the fees by 27% to 64% to their full cost at 2000-01 prices.

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 Dumping at Sea (Fees) Regulation.

FINANCIAL AND STAFFING IMPLICATIONS

11. The implementation of the new fees will reduce Government revenue of about \$723,000 per annum. There are no staffing implications.

ECONOMIC IMPLICATIONS

12. The proposed decrease in fees under the said Ordinance will have a favorable, though small, cost impact on the trades concerned.

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 productivity 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 Mr Maurice Loo, Assistant Secretary for the Environment and Food, at 2136 3286.

Environment and Food Bureau
November 2000

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ANNEXES

- Annex A - Dumping at Sea (Fees) (Amendment) Regulation 2000
- Annex B - Comparison of the existing and proposed fees
- Annex C - Cost computation under Dumping at Sea (Fees) Regulation

Comparison of the existing and proposed fees

	<u>Existing Fee</u>	<u>Proposed Fee</u>
	\$	\$
<u>Dumping at Sea (Fees) Regulation</u>		
(1) Permit referred to in section 10(1) of the Ordinance for operations described in section 8(1) of the Ordinance in respect of the following -		
(a) spoil	9,630	7,010
(b) substances or articles other than spoil	19,490	14,120
(2) Copy of an entry in the register under section 6(1)(c) of the Ordinance.	165	60

COST COMPUTATION

ENVIRONMENTAL PROTECTION DEPARTMENT

Fees under the Dumping at Sea (Fees) Regulation (Cost at 2000-01 Prices)

	(1) \$	(2) \$	(3) \$
Staff Costs	312,452	1,192,737	52
Departmental Expenses	16,194	57,029	3
Accommodation Costs	10,368	38,420	2
Depreciation	2,312	4,503	0
Cost of Services Provided by Other Departments	562	2,144	0
Central Administrative Overhead	8,505	32,465	1
Total Cost	350,393	1,327,298	58
Estimated number of cases	50	94	1
Unit Cost at 2000/01 prices (\$)	7,008	14,120	58
Existing fee (\$)	9,630	19,490	165
Proposed fee (\$)	7,010	14,120	60

Legend

- (1) Permit referred to in section 10(1) of the Ordinance for operations described in section 8(1) of the Ordinance in respect of spoil
- (2) Permit referred to in section 10(1) of the Ordinance for operations described in section 8(1) of the Ordinance in respect of substances or articles other than spoil
- (3) Copy of an entry in the register under section 6(1)(c) of the Ordinance