

# LEGISLATIVE COUNCIL BRIEF

Waterworks Ordinance (Cap. 102)

## WATERWORKS (AMENDMENT) REGULATION 2000

### 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 vary fees which have been previously 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 Waterworks Regulations (Cap. 102 sub. leg.) made pursuant to the Waterworks Ordinance (Cap. 102).

### BACKGROUND AND ARGUMENT

3. 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 GDP growth rate turned firmly positive.

4. In view of 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. Taking into account the diverse nature of the fees involved, Members suggested and the Legislative Council House Committee agreed on 14 April that the Administration should consult the relevant LegCo Panels on whether and if so how the fees under their respective purview should be adjusted.

5. We consulted the LegCo Panel on Planning, Lands and Works on 8 June 2000 on our proposals for non-livelihood related fees prescribed under the Waterworks Regulations. The fees were last revised in July 1996. A recent costing review at 2000-01 prices shows that the existing fees recover about 60% to 78% of the full costs of the services. The cost  
---- computations are shown at **Annex B**. To lessen the impact of fees revision,  
we propose to increase the fees by 10% to 15% with a view to achieving  
full-cost recovery within three to four years. Details of the existing and  
---- proposed fees are set out at **Annex C**.

## **THE REGULATION**

6. The Amendment Regulation revises the fees as set out in **Annex C**. We propose that the new fees should come into effect on **9 February 2001**.

## **PUBLIC CONSULTATION**

7. The Legislative Council Panel on Planning, Lands and Works was consulted on 8 June 2000 on the proposed revision of fees under the purview of Works Bureau. Members did not object to the proposal.

## **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. The additional revenue arising from the proposed fee increase is estimated to be about \$2.3 million per annum. There is no staffing implication.

## **ECONOMIC IMPLICATIONS**

12. The cost impact of the proposed increase in fees on the individuals and trades concerned, mainly property developers, should be minimal.

## **EFFICIENCY INITIATIVES**

13. In parallel with the proposed revision of fees, the Water Supplies Department will continue to push ahead with the Enhanced Productivity Programme and other efficiency improvement measures to contain the costs and alleviate the pressure for fee increases.

## **LEGISLATIVE TIMETABLE**

14. The legislative timetable will be –

Gazettal of the Amendment Regulation	15 December 2000
Tabling in the Legislative Council	20 December 2000
Effective Date	9 February 2001

## **PUBLICITY**

15. The Amendment Regulation will be published in the Government Gazette on **15 December 2000**. A press release will be issued on the date of gazettal.

## **ENQUIRIES**

16. For enquiries on this brief, please contact Mr LAU Kwok-choi, Principal Assistant Secretary (Policy and Development) of the Works Bureau, on telephone number 2848 2104.

**WATERWORKS (AMENDMENT) REGULATION 2000**

(Made under section 37 of the Waterworks Ordinance  
(Cap. 102) and section 29A of the Interpretation  
and General Clauses Ordinance (Cap. 1))

**1. Commencement**

This Regulation shall come into operation on 9 February 2001.

**2. Schedule 1 amended**

Part I of Schedule 1 to the Waterworks Regulations (Cap. 102 sub. leg.) is amended

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- (a) in item 1(a), by repealing "1,140" and "48" and substituting "1,310" and "55" respectively;
- (b) in item 1(b), by repealing "1,840" and "75" and substituting "2,115" and "85" respectively;
- (c) in item 1(c), by repealing "2,320" and "95" and substituting "2,670" and "110" respectively;
- (d) in item 3(a), by repealing "240" and substituting "275";
- (e) in item 3(b), by repealing "67" and substituting "75";
- (f) in item 5(a), by repealing "460" and substituting "530";
- (g) in item 5(b), by repealing "1,080" and substituting "1,185";

- (h) in item 5(c), by repealing "1,800" and substituting "1,980";
- (i) in item 5(d), by repealing "2,240" and substituting "2,465".

Secretary for the Treasury

30 Nov. 2000

**Explanatory Note**

This Regulation increases the fees and charges payable under the Waterworks Regulations (Cap. 102 sub. leg.).

**COST COMPUTATION**  
**Water Supplies Department**  
**Fees for Water Pipe Connections and Miscellaneous Services**  
**under the Waterworks Regulations**  
**Cost at 2000-01 Prices**

	Connection			Providing & Installing a Meter	Providing a Meter
	(a) ^ ≤ 20 mm in diameter	(b) ^ > 20 mm & ≤ 25 mm in diameter	(c) ^ > 25 mm & ≤ 40 mm in diameter		
	\$	\$	\$	\$	\$
Staff Costs	1,170,046	2,645,279	2,062,211	6,049,186	5,758,449
Departmental Expenses	636,374	1,325,068	1,368,331	663,929	99,366
Accommodation Costs	25,630	58,307	45,338	131,285	217,935
Cost of Services Provided by Other Departments	3,100	4,340	3,100	600	2,250
Central Administrative Overhead	72,290	163,422	127,400	373,800	355,500
<b>Total Cost</b>	<b>1,907,440</b>	<b>4,196,416</b>	<b>3,606,380</b>	<b>7,218,800</b>	<b>6,433,500</b>
Estimated number of caseload for financial year 2000-01	1,000	1,400	1,000	20,000	75,000
Unit cost at 2000-01 prices (\$)	1,907	2,997	3,606	361	86
Existing Fee (\$)	1,140	1,840	2,320	240	67
Proposed fee (\$)	<b>1,310 *</b>	<b>2,115 *</b>	<b>2,670 *</b>	<b>275 *</b>	<b>75</b>

# Derived by multiplying the existing fee by an increase of 10%

\* Derived by multiplying the existing fee by an increase of 15%

^ Cost computations of the following fees are not available. Their fee levels are adjusted by the same percentage increase as their respective basic fees (i.e. items (a), (b) and (c)) which is 15% -

- (i) For each metre or part of a metre in excess of 100 metres, where the total length of the pipes installed exceeds 100 metres (for pipes of any size up to and including 20 mm in diameter).
- (ii) For each metre or part of a metre in excess of 30 metres, for pipes above 20mm in diameter up to and including 25 mm in diameter.
- (iii) For each metre or part of a metre in excess of 30 metres, for pipes above 25 mm in diameter up to and including 40 mm in diameter.

**COST COMPUTATION**  
**Water Supplies Department**  
**Fees for Water Pipe Connections and Miscellaneous Services**  
**under the Waterworks Regulations**  
**Cost at 2000-01 Prices**

	Testing a Meter			
	up to 80 mm in diameter	81 mm to 100 mm in diameter	101 mm to 150 mm in diameter	151 mm to 200 mm in diameter
	\$	\$	\$	\$
Staff Costs	1,098,936	13,000	21,409	26,631
Departmental Expenses	168,515	956	1,277	1,357
Accommodation Costs	26,289	287	464	572
Cost of Services Provided by Other Departments	4,760	24	24	24
Central Administrative Overhead	67,900	803	1,323	1,645
<b>Total Cost</b>	<b>1,366,400</b>	<b>15,070</b>	<b>24,497</b>	<b>30,229</b>
Estimated number of caseload for financial year 2000-01	2,000	10	10	10
Unit cost at 2000-01 prices (\$)	683	1,507	2,450	3,023
Existing Fee (\$)	460	1,080	1,800	2,240
Proposed fee (\$)	<b>530 *</b>	<b>1,185 #</b>	<b>1,980 #</b>	<b>2,465 #</b>

# Derived by multiplying the existing fee by an increase of 10%

\* Derived by multiplying the existing fee by an increase of 15%



## Revision of Fees for Water Pipe Connection and Miscellaneous Services

Item	Fee Description	Existing Fee (\$)	Proposed Fee (\$)
1	Making a connection to the main and installing (including reinstatement of the ground surface) the part of a fire service or inside service on land held by The Government of HKSAR -		
	(a) Pipes of any size up to and including 20 mm in diameter -		
	(i) Where the total length of the pipes installed does not exceed 100 metres	1,140	<b>1,310</b>
	(ii) Where the total length of the pipes installed exceeds 100 metres - For each metre or part of a metre in excess of 100 metres	48	<b>55</b>
	(b) Pipes above 20 mm in diameter up to and including 25 mm in diameter -		
	(i) For any length of 30 metres and below	1,840	<b>2,115</b>
	(ii) For each metre or part of a metre in excess of 30 metres	75	<b>85</b>
	(c) Pipes above 25 mm in diameter up to and including 40 mm in diameter -		
	(i) For any length of 30 metres and below	2,320	<b>2,670</b>
	(ii) For each metre or part of a metre in excess of 30 metres	95	<b>110</b>
2	Providing and installing a meter	240	<b>275</b>
3	Providing a meter	67	<b>75</b>
4	Testing a meter or a private check meter (including removal and refixing) -		
	(a) Any size up to and including 80 mm in diameter	460	<b>530</b>
	(b) Above 80 mm in diameter up to and including 100 mm in diameter	1,080	<b>1,185</b>
	(c) Above 100 mm in diameter up to and including 150 mm in diameter	1,800	<b>1,980</b>
	(d) Above 150 mm in diameter up to and including 200 mm in diameter	2,240	<b>2,465</b>

**Proposal for Revision of Fees and Charges  
Water Pipe Connections & Miscellaneous Services**

Item	Description of Revenue Source	Full Cost at 2000-01 Price Level  (HK\$)	Current Fee		Proposed Fee Level Year 2000-01				Suggested Time Frame for Full Cost Recovery (Years)
			Amount (HK\$)	% of Recovery	New Amount (HK\$)	Amount Increase (HK\$)	% Increase	% of Recovery	
1	Making a connection to the main and installing (including reinstatement of the ground surface) the part of a fire service or inside service on land held by The Government of HKSAR -								
	(a) Pipes of any size up to and including 20mm in diameter -								
	(i) Where the total length of the pipes installed does not exceed 100 metres	1,907	1,140	60%	1,310	170	15%	69%	4
	(ii) Where the total length of the pipes installed exceeds 100 metres -								
	For each metre or part of a metre in excess of 100 metres	76	48	63%	55	7	15%	72%	4
	(b) Pipes above 20 mm in diameter up to and including 25 mm in diameter -								
	(i) For any length of 30 metres and below	2,997	1,840	61%	2,115	275	15%	71%	4
	(ii) For each metre or part of a metre in excess of 30 metres	117	75	64%	85	10	13%	73%	4
	(c) Pipes above 25 mm in diameter up to and including 40 mm in diameter -								
	(i) For any length of 30 metres and below	3,606	2,320	64%	2,670	350	15%	74%	4
	(ii) For each metre or part of a metre in excess of 30 metres	142	95	67%	110	15	15%	77%	3
2	(a) Providing and installing a meter	361	240	66%	275	35	15%	76%	3
	(b) Providing a meter	86	67	78%	75	8	12%	87%	3
3	Testing a meter or a private check meter (including removal and refixing) -								
	(a) any size up to and including 80 mm in diameter	683	460	67%	530	70	15%	78%	3
	(b) above 80 mm in diameter up to and including 100 mm in diameter	1,507	1,080	72%	1,185	105	10%	79%	4
	(c) above 100 mm in diameter up to and including 150 mm in diameter	2,450	1,800	73%	1,980	180	10%	81%	4
	(d) above 150 mm in diameter up to and including 200 mm in diameter	3,023	2,240	74%	2,465	225	10%	82%	4

Note

- (1) The fee level of the above services was last revised in July 1996.
- (2) Although the total annual number of applications for these services is estimated to be 100,000, the majority relates to providing and installing meters by developers and the impact to the general public would be minimal.
- (3) The additional revenue generated is estimated to be \$2.3 million per annum.