

立法會
Legislative Council

LC Paper No. CB(1)892/10-11
(These minutes have been seen
by the Administration)

Ref : CB1/SS/3/10/1

Subcommittee on Waterworks (Amendment) Regulation 2010

Minutes of meeting held on
Wednesday, 10 November 2010, at 8:30 am
in Conference Room B of the Legislative Council Building

Members present : Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)
Hon CHEUNG Hok-ming, GBS, JP
Hon Tanya CHAN

Member absent : Hon LEE Wing-tat

Public officers attending : Mr CHUI Wing-wah
Principal Assistant Secretary for Development (Works)³

Mr LEE Kwong-ming
Assistant Director / Finance and Information
Technology
Water Supplies Department

Mr WONG Man-ching
Senior Mechanical Engineer / Maintenance (2)
Water Supplies Department

Mr LEUNG Wing-tai
Senior Engineer / Customer Services (Kowloon)
Water Supplies Department

Mr KWOK Yau-ting
Senior Chemist (2)
Water Supplies Department

Ms Karmen KWOK Man-yi
Government Counsel
Department of Justice

Clerk in attendance : Mr Stephen LAM
Chief Council Secretary (1)4

Staff in attendance : Ms Clara TAM
Assistant Legal Adviser 9

Ms Sharon CHUNG
Senior Council Secretary (1)5

Ms Christina SHIU
Legislative Assistant (1)7

I Election of Chairman

Mr Tommy CHEUNG, the member who had the highest precedence in the Council among members of the Subcommittee, presided over the election of Chairman of the Subcommittee. He invited nominations for the chairmanship of the Subcommittee.

Election of Chairman

2. Nominated by Mr CHEUNG Hok-ming and seconded by Miss Tanya CHAN, Mr Tommy CHEUNG was elected the Chairman of the Subcommittee.

II Meeting with the Administration

Background information on the Regulation

(L.N. 129 of 2010

-- The Waterworks
(Amendment) Regulation
2010

LC Paper No. LS2/10-11	-- Legal Service Division Report
---	-- Legislative Council Brief
LC Paper No. CB(1)368/10-11(01)	-- Marked-up copy of the Waterworks (Amendment) Regulation 2010
LC Paper No. CB(1)368/10-11(02)	-- Paper on Waterworks (Amendment) Regulation 2010 prepared by the Legislative Council Secretariat (Background brief)

3. The Administration briefed the Subcommittee on the Waterworks (Amendment) Regulation 2010 (the Amendment Regulation).

4. The Subcommittee deliberated (index of proceedings attached at **Annex**).

5. The Subcommittee requested the Administration to provide further information/written response to the following issues raised at the meeting:

- (a) on each of the 18 items (listed at Annex I to the Legislative Council Brief on the Amendment Regulation) of which the fees/charges were proposed to be revised, the total amount of fees collected, breakdown on types of users, level of recovery of costs based on the current fees, level of recovery of costs based on the revised fees, over the past two years; and
- (b) the reasons for charging different fees for items 5-8 (testing of meters of different diameters).

(Post-meeting note: The Administration's written response (LC Paper No. CB(1)/441/10-11(01) was issued to members on 15 November 2010.)

6. The Subcommittee agreed that the Chairman should move a motion at the Council meeting on 17 November 2010 to extend the scrutiny period of the Amendment Regulation to 8 December 2010.

III Any other business

Next meeting

7. Members agreed that the next meeting would be held on Tuesday, 16 November 2010, at 10:45 am.
8. There being no other business, the meeting ended at 9:11 am.

Council Business Division 1
Legislative Council Secretariat
22 December 2010

Subcommittee on Waterworks (Amendment) Regulation 2010

**Proceedings of meeting
on Wednesday, 10 November 2010, at 8:30 am
in Conference Room B of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000000 – 000249	Mr Tommy CHEUNG Mr CHEUNG Hok-ming Ms Tanya CHAN	Election of Chairman	
000250 – 000528	Administration	Briefing by the Administration on the Amendment Regulation	
000529 – 000645	Chairman Administration	<p>The Chairman's enquiry on how many items of revised fees/charges under the Amendment Regulation would affect domestic users and how many of them would affect commercial users</p> <p>The Administration's response that all fees involved were fees for services which could be applicable to both domestic and commercial users, the fees were not directly related to people's livelihood and the proposed revisions aimed to achieve full cost recovery gradually</p>	
000646 – 001037	Mr CHEUNG Hok-ming Administration	<p>Mr CHEUNG Hok-ming's views that:</p> <p>(a) it was not objectionable for the Administration to charge fees at cost recovery level; and</p> <p>(b) the proposed increase in fees under the Amendment Regulation was mild but it had a negative impact on the image of the Administration</p> <p>Mr CHEUNG Hok-ming's enquiry on the impact on the Administration's revenue of the increase in fee under item 9 (plumber's licence) on the list of fees at Annex 1 to</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>the Legislative Council Brief on the Amendment Regulation, the reduction in fee under item 10 (renewal of plumber's licence) and the increase in fee under item 11 (plumber's licence examination)</p> <p>The Administration's response that:</p> <p>for item 9 – the increase in revenue would be about \$700 per annum (about 100 new licences per annum x \$7 proposed increase per licence);</p> <p>for item 10 – the reduction in revenue would be about \$22,000 per annum (about 2,400 renewed licences per annum x \$9 proposed reduction per renewed licence)</p> <p>Mr CHEUNG Hok-ming's suggestion that while the reduction in fee for item 10 should be supported, the fees for items 9 and 11 should be frozen</p>	
001038 – 001356	Miss Tanya CHAN Administration	<p>Miss Tanya CHAN's enquiry on examination of water samples (item 12):</p> <p>(a) whether the examination services were provided for domestic or commercial users on the same charge;</p> <p>(b) the purposes of such examination; and</p> <p>(c) the standard tests to be included in a general chemical analysis</p> <p>The Administration's response that:</p> <p>(a) any person could request examination of a water sample;</p> <p>(b) such requests would mainly come from building developers who had to connect to the mains to get water supply to the completed building; and</p>	

Time marker	Speaker	Subject(s)	Action required
		(c) a general chemical analysis comprised 24 standard tests, of which the details could be found under Part IV of Schedule 1 to the Waterworks Regulations (Cap. 102 sub. leg. A)	
001357 – 002200	Chairman Administration Mr CHEUNG Hok-ming	<p>The Chairman's views that the Administration should consider freezing all fees to be paid by individuals or businesses, in particular, fees relating to the plumbers</p> <p>The Administration's response that :</p> <p>(a) the fees under the Amendment Regulation were not directly related to people's livelihood, the degrees of increases were mild; the increases were only intended for achieving full cost recovery gradually and compliance with the “user pays” principle;</p> <p>(b) since the maximum upward adjustment of the proposed increase was only 16%, there would be little impact on the service requirers</p> <p>Mr CHEUNG Hok-ming's enquiry on the increase in administrative costs to implement the revision of fees</p> <p>The Administration's response that the impact of the fee revisions on administrative costs, which might include making changes to the Water Supplies Department's web site and the printing of a small number of revised forms, if necessary, was minimal.</p>	
002201 - 002418	Chairman Administration	The Chairman's views that even in applying the “user pays” principle, the increases would not necessarily lead to full cost recovery immediately	

Time marker	Speaker	Subject(s)	Action required
		<p>The Chairman's enquiry about whether any fee increases, for example, fees relating to plumbers, could be frozen</p> <p>The Administration's response that the increased amounts had been carefully considered and aimed to achieve full cost recovery gradually</p>	
002419 – 002721	Chairman Mr CHEUNG Hok-ming ALA 9 Administration	<p>The Chairman's enquiry on whether the Amendment Regulation could be amended by the Legislative Council</p> <p>Mr CHEUNG Hok-ming's enquiry on whether the Amendment Regulation could be withdrawn by the Administration</p> <p>ALA9's reply that pursuant to section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1), the Amendment Regulation could be amended by the Legislative Council in any manner consistent with the power to make the Regulation</p> <p>The Chairman's enquiry on whether the Administration would withdraw part of the Amendment Regulation</p> <p>The Administration's response that the Administration did not intend to withdraw any parts, as all these charges for services were non-livelihood related, and it was vital for the Administration to uphold the “user pays” principle, avoid spending excessive resources in subsidising a particular group of people using these services.</p>	
002722 - 002857	Chairman	The Chairman's views that while the Administration had a large amount of revenue surplus at present, it was not the right time for the Administration to increase service fees	Administration to take action as required in paragraph 5(a) of the minutes

Time marker	Speaker	Subject(s)	Action required
		<p>The Chairman's request for information about each of the 18 items on the total amount of fees collected and breakdown on types of users in the past two years</p>	
<p>002858 – 003204</p>	<p>Miss Tanya CHAN Chairman Administration</p>	<p>Miss Tanya CHAN's views that the examination fee together with the licence fee for a plumber, which amounted to almost \$1,000, was quite costly</p> <p>Miss CHAN's enquiry on whether a renewed plumber's licence had a validity period of one year</p> <p>The Chairman's views that the Administration should consider extending the validity periods of some of the licences</p> <p>The Chairman's enquiry on the amount of a plumber's licence fee payable on its renewal</p> <p>The Administration's response that:</p> <p>(a) the validity period of a plumber's licence was one year; that when the licence was renewed each year, the licence holder only needed to pay \$67;</p> <p>(b) \$67 was payable on a new plumber's licence and \$67 was payable on its renewal annually;</p> <p>(c) the revenues collected from the examination fees for a plumber's licence was minimal because in the past few years there was no applicant requesting plumber's licence examination to be conducted by the Administration.</p>	
<p>003205 –</p>	<p>Mr CHEUNG</p>	<p>Mr CHEUNG Hok-ming's request for the</p>	<p>Administration</p>

Time marker	Speaker	Subject(s)	Action required
003425	Hok-ming Administration	<p>reasons for charging different fees for items 5-8 (testing of meters of different diameters)</p> <p>Mr CHEUNG's enquiry on whether a customer would be charged a testing fee if the result of the test on the concerned water meter proved that the meter was inaccurate</p> <p>The Administration's response that if a water meter was found to be inaccurate, i.e. over or under 3% of the correct amount, the concerned customer would be refunded the testing fee</p>	to take action as required in paragraph 5(b) of the minutes
003426 – 004100	Chairman Miss Tanya CHAN Mr CHEUNG Hok-ming Clerk Administration	<p>Discussion on the date of the next meeting</p> <p>The Chairman's advice that he would move a motion to extend the scrutiny period for the Amendment Regulation</p> <p>The Chairman's request to the Administration for information about the levels of recovery of costs for each item before and after the fee were revised, and that all supplementary information requested should reach the Secretariat on or before 12 November 2010</p>	Administration to take action as required in paragraph 5(a) of the minutes