

**For information**

**LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT**

**Revision of Fees and Charges  
under the Purview of the Water Supplies Department**

**PURPOSE**

This paper outlines the Administration's proposed revision of 24 government fees and charges for services under the purview of Water Supplies Department which do not directly affect people's livelihood or general business activities.

**THE PROPOSAL**

2. In line with the "user pays" principle, it is Government's policy that fees and charges should in general be set at levels sufficient to recover the full cost of providing the services. The 24 items of fees and charges concerned are prescribed in Schedule 1 to the Waterworks Regulations (Cap. 102A) under the Waterworks Ordinance (Cap. 102) of which 17 items were last revised in 2011, 6 items in 2001 and 1 item in 1998.

3. A review of the cost of providing the relevant services at the 2012-13 price level has been carried out recently. The result shows the present cost recovery levels range from 14.4% to 89.5%. In order to achieve full cost recovery gradually and avoid a steep fee increase, we propose to adopt the following lines for fee revision in our proposal:

- (a) for existing cost recovery rate less than 40%, adopt an increase of about 20%;
- (b) for existing cost recovery rate of between 40% and 70%, adopt an increase of about 15%; and
- (c) for existing cost recovery rate of over 70%, adopt an increase of about 10% or lower.

4. Details of the fee and charge revision proposal, ranging from an upward adjustment of 8.3% to 20.1%, are at the **Annex**. After the proposed revision is implemented, the cost recovery rates will range from 17.2% to 98.7%. Details are at the Annex. We will revise the fees and charges once the legislative amendment procedures are completed.

**EFFICIENCY IMPROVEMENT MEASURES**

5. The Administration will continue to enhance efficiency and streamline procedures so as to contain the costs of providing these public services.

**FINANCIAL IMPLICATION**

6. When the proposed fee and charge adjustments are implemented, the estimated increase in revenue is about \$1.4 million per annum.

**WAY FORWARD**

7. Members are invited to note the proposed fee and charge revision as set out in paragraph 3 to 4 above and detailed in the **Annex**. We will proceed with the necessary legislative amendments to implement the adjustments.

**Development Bureau  
Water Supplies Department  
April 2012**

**Proposed Revision of Fees and Charges under the Waterworks Regulations**

Item	Fee Description	Last Revision	Existing Fee (\$)	Updated Cost Recovery Level at 2012-13 Price Level	Proposed Fee (\$)	Proposed Amount of Increase (\$)	Proposed Percentage Increase	Cost Recovery Rate after Fee Adjustment
			(a)		(b)	(b)-(a)	[(b)-(a)]/(a)	
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 - pipes up to and including 20 mm in diameter for length of 100 metres and below	2001	1,310	18.5%	1,570	<b>260</b>	19.8%	22.1%
2.	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 - pipes up to and including 20 mm in diameter for each metre or part of a metre in excess of 100 metres	2001	55	14.4%	66	<b>11</b>	20.0%	17.2%
3.	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 - pipes above 20 mm in diameter up to and including 25 mm in diameter for length of 30 metres and below	2001	2,115	31.6%	2,540	<b>425</b>	20.1%	37.9%
4.	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 - pipes above 20 mm in diameter up to and including 25 mm in diameter for each metre or part of a metre in excess of 30 metres	2001	85	21.6%	100	<b>15</b>	17.6%	25.4%
5.	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 - pipes above 25 mm in diameter up to and including 40 mm in diameter for any length of 30 metres and below	2001	2,670	19.9%	3,200	<b>530</b>	19.9%	23.8%

Item	Fee Description	Last Revision	Existing Fee (\$) (a)	Updated Cost Recovery Level at 2012-13 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase (\$) (b)-(a)	Proposed Percentage Increase [(b)-(a)]/(a)	Cost Recovery Rate after Fee Adjustment
6.	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 - pipes above 25 mm in diameter up to and including 40 mm in diameter for each metre or part of a metre in excess of 30 metres	2001	110	26.9%	130	20	18.2%	31.8%
7.	Reconnecting a fire service or inside service	2011	275	66.6%	315	40	14.5%	76.3%
8.	Providing and installing a meter	2011	315	72.2%	345	30	9.5%	79.1%
9.	Providing a meter	2011	83	75.5%	91	8	9.6%	82.7%
10.	Resealing a fire service or meter	2011	190	72.0%	210	20	10.5%	79.5%
11.	Testing a meter or a private check meter (including removal and refixing)-any size up to and including 80 mm in diameter	2011	530	67.9%	610	80	15.1%	78.1%
12.	Testing a meter or a private check meter (including removal and refixing)-above 80 mm in diameter up to and including 100 mm in diameter	2011	1,240	71.4%	1,360	120	9.7%	78.3%
13.	Testing a meter or a private check meter (including removal and refixing)-above 100 mm in diameter up to and including 150 mm in diameter	2011	2,070	69.7%	2,380	310	15.0%	80.1%
14.	Testing a meter or a private check meter (including removal and refixing)-above 150 mm in diameter up to and including 200 mm in diameter	2011	2,580	68.4%	2,970	390	15.1%	78.8%

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15.	Plumber's licence	2011	74	82.2%	81	7	9.5%	90.0%
16.	Renewal of plumber's licence	2011	58	87.9%	64	6	10.3%	97.0%
17.	Plumber's licence examination	2011	895	74.3%	985	90	10.1%	81.7%
18.	Examination of a water sample for a general chemical analysis (comprising all standard tests)	2011	2,440	74.0%	2,680	240	9.8%	81.3%
19.	Examination of a water sample for an individual standard test	2011	215	72.6%	235	20	9.3%	79.4%
20.	Examination of a water sample for a non-standard test (other than a non-standard test referred to in item (21) or (22))	2011	420	81.9%	460	40	9.5%	89.7%
21.	Examination of a water sample for a British Pharmaceutical test for water for injection purposes	2011	965	75.6%	1,060	95	9.8%	83.0%
22.	Examination of a water sample for a general bacteriological examination	2011	490	74.7%	540	50	10.2%	82.3%
23.	Attendance to collect any sample or samples (per attendance)	2011	925	89.5%	1,020	95	10.3%	98.7%
24.	Fishing licence	1998	24	88.9%	26	2	8.3%	96.3%