

LEGISLATIVE COUNCIL BRIEF

Waterworks Ordinance (Cap. 102)

WATERWORKS (AMENDMENT) REGULATION 2012

INTRODUCTION

Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) empowers the Financial Secretary (which means also the Secretary for Financial Services and the Treasury by virtue of section 3 of Cap. 1) to vary fees which have previously been fixed by subsidiary legislation made by the Chief Executive in Council.

2. In exercise of this power, the Secretary for Financial Services and the Treasury has made the Waterworks (Amendment) Regulation 2012 (“the Regulation”) to revise 24 items of fees and charges specified in the Waterworks Regulations (Cap. 102A) made pursuant to the Waterworks Ordinance (Cap. 102).

BACKGROUND AND JUSTIFICATIONS

3. 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. They include -

- (a) 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 - for pipe size up to and including 40mm in diameter;
- (b) reconnecting a fire service or inside service;
- (c) providing and installing a meter;
- (d) providing a meter;
- (e) resealing a fire service or meter;
- (f) testing a meter or a private check meter (including removal and refixing);
- (g) plumber’s licence issuance, renewal and examination;

- (h) examination of a water sample;
- (i) each attendance for collection of any sample or samples; and
- (j) fishing licence issuance.

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

- (a) for existing cost recovery rate of 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.

5. Details of the fees and charges revision proposal, ranging from 8.3% to 20.1%, are at **Annex 1**. The impact of the fees and charges revision on persons affected should not be significant.

THE REGULATION

6. The Regulation at **Annex 2** revises the fees and charges concerned. It is proposed that the new fees and charges will come into effect on 1 August 2012.

LEGAL IMPLICATIONS

7. The proposed amendments do not affect the current binding effect of the Waterworks Ordinance and the subsidiary legislation. They are in conformity with the Basic Law, including the provisions concerning human rights.

FINANCIAL AND STAFFING IMPLICATIONS

8. When the proposed fees and charges adjustments are implemented, the estimated increase in revenue is about \$1.4 million per annum. There are no staffing implications.

ECONOMIC IMPLICATIONS

9. There are no significant economic implications.

EFFICIENCY INITIATIVES

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

PUBLIC CONSULTATION

11. We consulted the LegCo Panel on Development on 24 April 2012 regarding the revision of fees and charges as outlined in paragraphs 3 to 5. Members did not object to the proposal.

PUBLICITY

12. The Regulation will be published in the Gazette on 11 May 2012 and a press release will be issued. A spokesman will be available to answer enquiries on the subject.

ENQUIRIES

13. For enquires on this brief, please contact Mr Jimmy PM CHAN, Principal Assistant Secretary (Works)³ of the Development Bureau at 3509 8277.

Development Bureau
May 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 of any size up to and including 20 mm in diameter for any length of 100 metres and below	2001	1,310	18.5%	1,570	260	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 of any size 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	11	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 any length of 30 metres and below	2001	2,115	31.6%	2,540	425	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	15	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	530	19.9%	23.8%

Annex 1

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)	
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%

Annex 1

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)	
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 for every three years	1998	24	88.9%	26	2	8.3%	96.3%

Waterworks (Amendment) Regulation 2012

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 37 of the Waterworks Ordinance (Cap. 102))

1. Commencement

This Regulation comes into operation on 1 August 2012.

2. Waterworks Regulations amended

The Waterworks Regulations (Cap. 102 sub. leg. A) are amended as set out in section 3.

3. Schedule 1 amended

(1) Schedule 1, Part I, item 1(a)—

Repeal

“1,310”

Substitute

“1,570”.

(2) Schedule 1, Part I, item 1(a)—

Repeal

“55”

Substitute

“66”.

(3) Schedule 1, Part I, item 1(b)—

Repeal

“2,115”

Substitute

“2,540”.

(4) Schedule 1, Part I, item 1(b)—

Repeal

“85”

Substitute

“100”.

(5) Schedule 1, Part I, item 1(c)—

Repeal

“2,670”

Substitute

“3,200”.

(6) Schedule 1, Part I, item 1(c)—

Repeal

“110”

Substitute

“130”.

(7) Schedule 1, Part I, item 2—

Repeal

“275”

Substitute

“315”.

(8) Schedule 1, Part I, item 3(a)—

Repeal

“315”

Substitute

“345”.

(9) Schedule 1, Part I, item 3(b)—

Repeal

“83”

Substitute

Waterworks (Amendment) Regulation 2012

Waterworks (Amendment) Regulation 2012

Section 3

3

- “91”.
- (10) Schedule 1, Part I, item 4—
Repeal
“190”
Substitute
“210”.
- (11) Schedule 1, Part I, item 5(a)—
Repeal
“530”
Substitute
“610”.
- (12) Schedule 1, Part I, item 5(b)—
Repeal
“1,240”
Substitute
“1,360”.
- (13) Schedule 1, Part I, item 5(c)—
Repeal
“2,070”
Substitute
“2,380”.
- (14) Schedule 1, Part I, item 5(d)—
Repeal
“2,580”
Substitute
“2,970”.
- (15) Schedule 1, Part I, item 6—
Repeal

Section 3

4

- “74”
Substitute
“81”.
- (16) Schedule 1, Part I, item 7—
Repeal
“58”
Substitute
“64”.
- (17) Schedule 1, Part I, item 8—
Repeal
“895”
Substitute
“985”.
- (18) Schedule 1, Part I, item 9—
Repeal
“24”
Substitute
“26”.
- (19) Schedule 1, Part IV, item 1(a)—
Repeal
“2,440”
Substitute
“2,680”.
- (20) Schedule 1, Part IV, item 1(b)—
Repeal
“215”
Substitute
“235”.

(21) Schedule 1, Part IV, item 1(c)—

Repeal

“420”

Substitute

“460”.

(22) Schedule 1, Part IV, item 1(d)—

Repeal

“965”

Substitute

“1,060”.

(23) Schedule 1, Part IV, item 1(e)—

Repeal

“490”

Substitute

“540”.

(24) Schedule 1, Part IV, item 2—

Repeal

“925”

Substitute

“1,020”.

Secretary for Financial Services and
the Treasury

2012

Waterworks (Amendment) Regulation 2012

Explanatory Note

Paragraph 1

7

Explanatory Note

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