

## **Information Paper**

### **Legislative Council Panel on Security**

#### **Proposed revision of fees and charges under the purview of the Fire Services Department and Correctional Services Department**

### **Purpose**

This paper briefs Members on the proposals to revise a number of fees and charges for services provided by the Fire Services Department (FSD) and the support and maintenance allowance to judgment debtor which is payable by the judgment creditor to the Correctional Services Department (CSD).

### **Background**

2. It is the Government's established policy that fees for services charged by the Government should be set at levels adequate to recover the full cost of providing the goods or services. The Government has also established guidelines for fee increases such that fees that are recovering at a rate below the full-cost level would be gradually and steadily brought up to the full-cost recovery level as follows –

- (a) to achieve full-cost recovery within seven years for those fees with an existing cost recovery rate of less than 40% of target, through an increase of about 20%;
- (b) to achieve full-cost recovery within three to seven years for those fees with an existing cost recovery rate of between 40% and 70% of target, through an increase of about 15%; and
- (c) to achieve full-cost recovery within one to three years for those fees with existing cost recovery rate of over 70%, through an increase of about 10% (or lower).

3. Based on the outcome of the latest costing review and with reference to the Government guidelines set out in paragraph 2 above, we now propose adjusting 46 statutory fees under the purview of FSD and one statutory fee under the purview of CSD. Those under FSD include nine fees under the Fire Service (Installation Contractors) Regulations

(Cap. 95A), 17 fees under the Fire Services Department (Reports and Certificates) Regulations (Cap. 95C), 15 fees under the Dangerous Goods (General) Regulations (Cap. 295B) and five fees under the Timber Stores Regulation (Cap. 464A). CSD also proposes to increase the level of the maximum amount of the support and maintenance allowance payable to the Commissioner of Correctional Services under the Rules of the High Court (Cap. 4A), Order 49B, Rule 2. Details of the revision proposals are at the **Annex**.

4. The proposals have little impact on the daily life of most of the members of the general public. The increase in amount ranges from \$30 to \$1,680 (10% to 20%) and only have limited impact on the business cost of the relevant trades.

### **Financial implications**

5. If the proposed revisions for the fees of FSD are implemented, it is expected that there will be an increase of a total of about \$3.05 million in revenue a year. Additional revenue from CSD's proposed revision on the maintenance allowance is unlikely because such allowance has not been charged under the Rules of the High Court (Cap. 4A), Order 49B, Rule 2 in past three financial years.

### **Efficiency initiative**

6. FSD and CSD regularly review their day-to-day management and procedures with a view to reducing the cost of their services through implementing efficiency initiatives and streamlining procedures. Efficiency savings from these efforts have been factored into the calculation of the fees to be charged and costs incurred by FSD and CSD for the provision of their services.

### **Way forward**

7. Subject to Members' views, if any, on our revision proposals, FSD will inform the relevant trades of the fee revisions and we shall proceed with making the necessary amendments to the legislation mentioned in paragraph 3 above. The revised fees are expected to take effect in July 2014.

**Security Bureau**  
**Fire Services Department**  
**Correctional Services Department**  
**March 2014**

**Revision proposals under the purview of CSD and FSD**

Item no.	Department / Description of fee	Last revision in	Existing level (\$)	Cost recovery level at 2014-15 price level	Proposed level (\$)	Proposed amount of increase (\$) (proposed percentage increase)	Cost recovery level after proposed increase
	<b>Correctional Services Department</b>						
	1. <u>Rules of the High Court (Cap. 4A), Order 49B, Rule 2</u>						
1	1.1 Support and maintenance allowance to prisoner for debt (per diem)	Sep 1995	\$660	75%	\$725	\$65 (10%)	82%
	<b>Fire Services Department</b>						
	1. <u>Fire Service (Installation Contractors) Regulations (Cap. 95A)</u>						
2	1.1 Fire service installation (FSI) contractor Class 1, Class 2 or Classes 1 & 2 – Registration (per application)	Jul 2006	\$1,810	57%	\$2,080	\$270 (15%)	65%
3	1.2 FSI contractor Class 3 – Written examination (per application)	Jul 2006	\$1,110	44%	\$1,280	\$170 (15%)	51%
4	1.3 FSI contractor Class 3 – Interview (per interview)	Jul 2006	\$1,100	49%	\$1,270	\$170 (15%)	56%
5	1.4 FSI contractor Class 3 – Workshop inspection (per inspection)	Jul 2006	\$915	41%	\$1,050	\$135 (15%)	48%
6	1.5 FSI contractor Class 1, Class 2, Classes 1 & 2 or Class 3 – Workshop re-inspection (per inspection)	Jul 2006	\$915	41%	\$1,050	\$135 (15%)	48%
7	1.6 FSI contractor Class 1, Class 2, Classes 1 & 2 or Class 3 – New workshop inspection (per inspection)	Jul 2006	\$915	41%	\$1,050	\$135 (15%)	48%
8	1.7 FSI contractor Class 1, Class 2, Classes 1 & 2 or Class 3 – New workshop re-inspection (per inspection)	Jul 2006	\$915	41%	\$1,050	\$135 (15%)	48%
9	1.8 FSI contractor Class 1, Class 2, Classes 1 & 2 or Class 3 – Change of registered name or registered address (per application)	Jul 2006	\$425	74%	\$470	\$45 (11%)	82%
10	1.9 FSI contractor Class 1, Class 2, Classes 1 & 2 – Change of qualified person (per application)	Jul 2006	\$530	66%	\$610	\$80 (15%)	76%
	2. <u>Fire Services Department (Reports and Certificates) Regulations (Cap. 95C)</u>						
11	2.1 Report on fire or other calamity attended by the Fire Services Department (per report)	Jul 2006	\$295	75%	\$325	\$30 (10%)	83%

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12	2.2 Fire certificate required for compliance with section 16(1)(b) of the Buildings Ordinance (Cap. 123) (per certificate)	Jul 2006	\$350	69%	\$405	\$55 (16%)	79%
13	2.3 Fire certificate required for compliance with section 21(6)(d) of the Buildings Ordinance (Cap. 123) – domestic building not exceeding 20 000 m <sup>2</sup> in gross floor area (per certificate)	Jul 2006	\$1,980	12%	\$2,380	\$400 (20%)	14%
14	2.4 Fire certificate required for compliance with section 21(6)(d) of the Buildings Ordinance (Cap. 123) – domestic building exceeding 20 000 m <sup>2</sup> in gross floor area (per certificate)	Jul 2006	\$3,110	14%	\$3,730	\$620 (20%)	17%
15	2.5 Fire certificate required for compliance with section 21(6)(d) of the Buildings Ordinance (Cap. 123) – non-domestic building not exceeding 20 000 m <sup>2</sup> in gross floor area (per certificate)	Jul 2006	\$3,440	15%	\$4,130	\$690 (20%)	18%
16	2.6 Fire certificate required for compliance with section 21(6)(d) of the Buildings Ordinance (Cap. 123) – non-domestic building exceeding 20 000 m <sup>2</sup> in gross floor area (per certificate)	Jul 2006	\$8,470	16%	\$10,150	\$1,680 (20%)	19%
17	2.7 Fire certificate required for compliance with section 33B of the Food Business Regulation (Cap. 132X) – general restaurant or light refreshment restaurant not exceeding 230 m <sup>2</sup> in gross floor area (per certificate)	Jul 2006	\$1,510	20%	\$1,810	\$300 (20%)	24%
18	2.8 Fire certificate required for compliance with section 33B of the Food Business Regulation (Cap. 132X) – general restaurant or light refreshment restaurant exceeding 230 m <sup>2</sup> but not exceeding 2 000 m <sup>2</sup> in gross floor area (per certificate)	Jul 2006	\$1,800	20%	\$2,160	\$360 (20%)	24%
19	2.9 Fire certificate required for compliance with section 33B of the Food Business Regulation (Cap. 132X) – general restaurant or light refreshment restaurant exceeding 2 000 m <sup>2</sup> in gross floor area (per certificate)	Jul 2006	\$1,970	19%	\$2,360	\$390 (20%)	22%

Item no.	Department / Description of fee	Last revision in	Existing level (\$)	Cost recovery level at 2014-15 price level	Proposed level (\$)	Proposed amount of increase (\$) (proposed percentage increase)	Cost recovery level after proposed increase
20	2.10 Fire certificate required for compliance with section 33B of the Food Business Regulation (Cap. 132X) – bakery, food factory or factory canteen not exceeding 230 m <sup>2</sup> in gross floor area (per certificate)	Jul 2006	\$1,270	20%	\$1,520	\$250 (20%)	24%
21	2.11 Fire certificate required for compliance with section 33B of the Food Business Regulation (Cap. 132X) – bakery, food factory or factory canteen exceeding 230 m <sup>2</sup> but not exceeding 2 000 m <sup>2</sup> in gross floor area (per certificate)	Jul 2006	\$1,560	21%	\$1,870	\$310 (20%)	26%
22	2.12 Fire certificate required for compliance with section 33B of the Food Business Regulation (Cap. 132X) – bakery, food factory or factory canteen exceeding 2 000 m <sup>2</sup> in gross floor area (per certificate)	Jul 2006	\$1,730	20%	\$2,080	\$350 (20%)	24%
23	2.13 Fire certificate required for compliance with regulation 3(3)(b) of the Places of Public Entertainment Regulations (Cap. 172A) (per certificate)	Jul 2006	\$1,370	20%	\$1,640	\$270 (20%)	24%
24	2.14 Fire certificate required for compliance with regulation 162(9)(c) of the Places of Public Entertainment Regulations (Cap. 172A) (per certificate)	Jul 2006	\$990	23%	\$1,190	\$200 (20%)	27%
25	2.15 Fire certificate required for compliance with section 7(1)(b)(ii) of the Child Care Services Ordinance (Cap. 243) (per certificate)	Jul 2006	\$1,250	20%	\$1,500	\$250 (20%)	24%
26	2.16 Fire certificate required for compliance with section 12(1)(c) of the Education Ordinance (Cap. 279) (per certificate)	Jul 2006	\$1,250	21%	\$1,500	\$250 (20%)	26%
27	2.17 Fire certificate required for compliance with any of the provisions of any other enactment (per certificate)	Jul 2006	\$1,250	24%	\$1,500	\$250 (20%)	29%
<b>3. <u>Dangerous Goods (General) Regulations (Cap. 295B)</u></b>							
28	3.1 Grant or renewal of licence for storage, for each store, of dangerous goods in category 5, class 1, 2 or 3 (substances giving off inflammable vapour) – in quantities not exceeding 500 L (per annum)	Jul 2006	\$250	8%	\$300	\$50 (20%)	9%

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29	3.2 Grant or renewal of licence for storage, for each store, of dangerous goods in category 5, class 1, 2 or 3 (substances giving off inflammable vapour) – in quantities exceeding 500 L but not exceeding 2 500 L (per annum)	Jul 2006	\$480	13%	\$575	\$95 (20%)	15%
30	3.3 Grant or renewal of licence for storage, for each store, of dangerous goods in category 5, class 1, 2 or 3 (substances giving off inflammable vapour) – in quantities exceeding 2 500 L but not exceeding 5 000 L (per annum)	Jul 2006	\$725	12%	\$870	\$145 (20%)	15%
31	3.4 Grant or renewal of licence for storage, for each store, of dangerous goods in category 5, class 1, 2 or 3 (substances giving off inflammable vapour) – in quantities exceeding 5 000 L but not exceeding 25 000 L (per annum)	Jul 2006	\$2,300	36%	\$2,760	\$460 (20%)	43%
32	3.5 Grant or renewal of licence for storage, for each store, of dangerous goods in category 5, class 1, 2 or 3 (substances giving off inflammable vapour) – in quantities exceeding 25 000 L (per annum)	Jul 2006	\$6,580	62%	\$7,570	\$990 (15%)	71%
33	3.6 Grant or renewal of licence for storage of dangerous goods in category 2, other than liquefied petroleum gas – for each tank (per annum)	Jul 2006	\$1,090	17%	\$1,310	\$220 (20%)	21%
34	3.7 Grant or renewal of licence for storage of dangerous goods in category 2, other than liquefied petroleum gas – for each store for not more than 10 cylinders (per annum)	Jul 2006	\$440	9%	\$530	\$90 (20%)	11%
35	3.8 Grant or renewal of licence for storage of dangerous goods in category 2, other than liquefied petroleum gas – for each store for more than 10 but not more than 50 cylinders (per annum)	Jul 2006	\$870	20%	\$1,040	\$170 (20%)	24%
36	3.9 Grant or renewal of licence for storage of dangerous goods in category 2, other than liquefied petroleum gas – for each store for more than 50 cylinders (per annum)	Jul 2006	\$2,170	34%	\$2,600	\$430 (20%)	41%
37	3.10 Grant or renewal of licence for storage, for each store, of dangerous goods in categories 3 to 10 other than category 5, class 1, 2 or 3 or category 9A – not exceeding 25 kg (per annum)	Jul 2006	\$480	15%	\$575	\$95 (20%)	18%

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38	3.11 Grant or renewal of licence for storage, for each store, of dangerous goods in categories 3 to 10 other than category 5, class 1, 2 or 3 or category 9A – exceeding 25 kg but not exceeding 100 kg (per annum)	Jul 2006	\$960	27%	\$1,150	\$190 (20%)	32%
39	3.12 Grant or renewal of licence for storage, for each store, of dangerous goods in categories 3 to 10 other than category 5, class 1, 2 or 3 or category 9A – exceeding 100 kg (per annum)	Jul 2006	\$2,200	58%	\$2,530	\$330 (15%)	67%
40	3.13 Grant or renewal of licence for manufacture of dangerous goods of any category other than category 1 or 9A (per annum for each category of goods manufactured)	Jul 2006	\$1,300	18%	\$1,560	\$260 (20%)	22%
41	3.14 Grant or renewal of licence for conveyance of dangerous goods in category 2 or 5 (per annum)	Jul 2006	\$835	53%	\$960	\$125 (15%)	61%
42	3.15 Issue of a duplicate of, or making of an alteration or addition to, or endorsement on, a licence (per document)	Jul 2006	\$230	40%	\$275	\$45 (20%)	47%
	<b>4. <u>Timber Stores Regulation (Cap. 464A)</u></b>						
43	4.1 Grant of a licence (per licence)	Jul 2006	\$2,700	44%	\$3,110	\$410 (15%)	51%
44	4.2 Renewal of a licence (per licence)	Jul 2006	\$870	68%	\$1,000	\$130 (15%)	78%
45	4.3 Transfer of an existing licence to another person (per licence)	Jul 2006	\$255	45%	\$295	\$40 (16%)	52%
46	4.4 Amendment of the conditions or the particulars of a licence (per amendment)	Jul 2006	\$255	45%	\$295	\$40 (16%)	52%
47	4.5 Issue of a duplicate of a licence (per duplicate)	Jul 2006	\$255	45%	\$295	\$40 (16%)	52%