

LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT

Revision of Fees and Charges under Mines (Safety) Regulations, Cap 285B, Dangerous Goods (General) Regulations, Cap 295B, and Dangerous Goods (Government Explosives Depots) Regulations, Cap 295D under the Purview of the Civil Engineering and Development Department

PURPOSE

This paper outlines the Administration's proposal to revise 23 out of 27 government fees and charges related to services provided by the Civil Engineering and Development Department in respect of (i) mine blasting, (ii) manufacture, storage and discharge of dangerous goods, and (iii) explosives storage and delivery (the Services), which do not have direct impact on people's livelihood or general business activities.

THE PROPOSAL

2. There are altogether 27 fees and charges related to the Services that are prescribed in Schedule 3 to the Mines (Safety) Regulations (Cap 285B) under the Mining Ordinance (Cap 285), and Regulation 183 of the Dangerous Goods (General) Regulations (Cap 295B) and the Schedule to the Dangerous Goods (Government Explosives Depots) Regulations (Cap 295D) under the Dangerous Goods Ordinance (Cap 295). All these fees and charges were last revised on 1 January 2015 according to the Government's "user pays" policy under which fees charged by the Government should in general be set at levels sufficient to recover the full cost of providing the services.

3. A review of the cost of providing the Services at the 2015-16 price level has been carried out recently. The review shows that the cost recovery rates at existing fee levels range from 26% to 99%. In order to achieve full cost recovery gradually and avoid a steep fee increase, the following principles have been adopted in our proposed fee and charge revision for the Services –

- (a) for items with an existing cost recovery rate of less than 40%, adopt an increase of about 20%;
- (b) for items with an existing cost recovery rate of 40% to 70%, adopt an increase of about 15%;
- (c) for items with an existing cost recovery rate of over 70% but not over 95%, adopt an increase of about 10% or less; and
- (d) for items with an existing cost recovery rate of over 95%, there will be no change.

4. Following the above principles, 23 out of the 27 fees and charges for the Services will be subject to upward adjustments ranging from 9.1% to 20.2%, of which the details are provided at the **Annex**. When the proposed fee and charge revision is implemented, the cost recovery rates of the Services will range from 32% to 100%. We will revise the concerned 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 revision is implemented, the estimated increase in revenue is about \$3.2 million per annum.

WAY FORWARD

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

Development Bureau
Civil Engineering and Development Department
July 2015

**Proposed Revision of Fees and Charges under
Mines (Safety) Regulations, Cap 285B,
Dangerous Goods (General) Regulations, Cap 295B,
and Dangerous Goods (Government Explosives Depots) Regulations, Cap 295D**

Item	Fee Description	Last Revision (Year)	Existing Fee (\$) (a)	Existing Cost Recovery Rate at 2015-16 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase (\$) (b) – (a)	Proposed Percentage Increase [(b)-(a)]/(a)	Cost Recovery Rate after Fee Adjustment
Schedule 3 to the Mines (Safety) Regulations (Cap 285B)								
1	Issue of mine blasting certificate under regulation 22(4)(a)	2015	3,120	50%	3,590	470	15.1%	58%
2	Renewal of mine blasting certificate under regulation 22(5)(a)	2015	2,400	84%	2,640	240	10.0%	92%
3	Replacement of worn or defaced mine blasting certificate under regulation 22(5)(c)	2015	140	53%	160	20	14.3%	60%
4	Endorsement of mine blasting certificate under regulation 22(6)(b)	2015	2,750	96%	2,750	0 (Retain existing charge level)	0.0%	96%
5	Replacement of lost mine blasting certificate under regulation 22(10)	2015	140	53%	160	20	14.3%	60%
Regulation 183 of the Dangerous Goods (General) Regulations (Cap 295B)								
6	Dangerous goods licence for manufacture of dangerous goods in category 1 (explosives)	2015	46,100	92%	50,300	4,200	9.1%	100%
7	Dangerous goods licence for storage of dangerous goods in category 1 (explosives), other than class 6 (ammunition) and class 7, division 2 (manufactured fireworks)	2015	34,150	68%	39,250	5,100	14.9%	78%

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8	Dangerous goods licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode A store	2015	42,900	96%	42,900	0 (Retain existing charge level)	0.0%	96%
9	Dangerous goods licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode B store	2015	8,110	83%	8,920	810	10.0%	91%
10	Dangerous goods licence for storage of dangerous goods in category 1, class 7, division 2 (manufactured fireworks) in quantities not exceeding 200 kg	2015	11,350	86%	12,500	1,150	10.1%	94%
11	Dangerous goods licence for storage of dangerous goods in category 1, class 7, division 2 (manufactured fireworks) in quantities exceeding 200 kg	2015	14,950	75%	16,450	1,500	10.0%	83%
12	Permit fee to discharge dangerous goods in category 1 (explosives), other than class 6 (ammunition) and class 7, division 2 (manufactured fireworks)	2015	50,950	64%	58,600	7,650	15.0%	74%
13	For issue of duplicate of licence or permit	2015	645	96%	645	0 (Retain existing charge level)	0.0%	96%
14	For making of alteration or addition to, or endorsement on, a licence or permit	2015	1,190	26%	1,430	240	20.2%	32%

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15	Dangerous goods licence for making alteration or addition to, or endorsement on, a licence or permit involving relocation of an explosive store, or a change of the licensed blasting area	2015	3,070	28%	3,680	610	19.9%	34%
16	For permit to move dangerous goods in category 1 (explosives)	2015	215	78%	235	20	9.3%	85%
Schedule to the Dangerous Goods (Government Explosives Depots) Regulations (Cap 295D)								
17	Charges for the storage of explosives and explosive accessories in Government depots where the amount of the explosives or explosive accessories (including the weight of any inner and outer packages) does not exceed 50 kg (per consignment) (per month or part of a month)	2015	265	44%	305	40	15.1%	51%
18	Charges for the storage of explosives and explosive accessories in Government depots where the amount of the explosives or explosive accessories (including the weight of any inner and outer packages) exceeds 50 kg (per consignment) (per month or part of a month for every 25 kg or fractional part of 25 kg)	2015	130	43%	150	20	15.4%	50%
19	Explosive delivery fee for delivery of explosives from a depot to any other place by the Government where the quantity is not exceeding 50 kg	2015	4,010	91%	4,390	380	9.5%	100%

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20	Explosive delivery fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 50 kg but not exceeding 100 kg	2015	6,070	99%	6,070	0 (Retain existing charge level)	0.0%	99%
21	Explosive delivery fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 100 kg but not exceeding 250 kg	2015	8,120	78%	8,930	810	10.0%	86%
22	Explosive delivery fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 250 kg but not exceeding 500 kg	2015	10,850	65%	12,500	1,650	15.2%	75%
23	Explosive delivery fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 500 kg but not exceeding 1000 kg	2015	16,350	58%	18,800	2,450	15.0%	67%
24	Explosive delivery fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 1000 kg but not exceeding 1500 kg	2015	24,500	62%	28,200	3,700	15.1%	72%
25	Explosive delivery fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 1500 kg but not exceeding 2000 kg	2015	30,600	61%	35,200	4,600	15.0%	70%

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26	Explosive delivery fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 2000 kg but not exceeding 2500 kg	2015	38,300	62%	44,050	5,750	15.0%	71%
27	Explosive delivery fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 2500 kg	2015	45,900	58%	52,800	6,900	15.0%	66%