

For information

Legislative Council Panel on Home Affairs

**Revision of Fees and Charges for
Services under the Purview of the Electrical and Mechanical Services Department
under the Amusement Rides (Safety) (Fees) Regulation (Cap. 449A)**

Purpose

This paper outlines the Government's proposed revision of 15 fee items specified in the Amusement Rides (Safety) (Fees) Regulation (Cap. 449 sub. leg. A) made pursuant to the Amusement Rides (Safety) Ordinance (Cap. 449) for services provided by the Electrical and Mechanical Services Department (the "EMSD").

Background

2. It is government policy that fees charged by the Government should in general be set at levels sufficient to recover the full cost of providing the services. In the 2013-14 Budget Speech, the Financial Secretary emphasized the need to review fees and charges systematically for upholding the "user pays" principle, with priority given to those fees that had not been revised for years and did not directly affect people's livelihood, as well as items which had low cost recovery rates.

3. The 15 fee items specified in the Amusement Rides (Safety) (Fees) Regulation (Cap. 449 sub. leg. A) are payable on making applications for designating a person for the purposes of sections 19 and 20 of the Amusement Rides (Safety) Ordinance (Cap. 449), for approval of persons as surveyors, competent persons and qualified persons under section 4 of the Amusement Rides (Safety) (Operation and Maintenance) Regulation (Cap. 449 sub. leg. B), for amendment to certificates of approval held by surveyors, competent persons and qualified persons under section 5(6) of the Amusement Rides (Safety) (Operation and Maintenance) Regulation (Cap. 449 sub. leg. B), for approval of

commencing the operation of amusement rides under section 10 of the Amusement Rides (Safety) Ordinance (Cap. 449) and for approval of resuming the operation of amusement rides under section 15(2) of the Amusement Rides (Safety) Ordinance (Cap. 449). Details of the 15 fee items are set out at **Annex**. Of the 15 fee items, 11 of them were last revised on 8 December 2000 and the other 4 items on 8 March 1997.

Fee Proposal

4. EMSD has recently completed a cost review exercise of all the 15 fee items specified in the Amusement Rides (Safety) (Fees) Regulation (Cap. 449 sub. leg. A) at 2014-15 price level. The current fee items have cost recovery rates ranging from 83.1% to 94.4%. In order to achieve the full cost recovery, it is proposed to increase these fee items by 5.8% to 20.0%. Details of the existing and proposed fee items are set out at **Annex**. The proposed fee revisions have no direct impact on the daily life of the general public and would only affect owners/operators of amusement rides (e.g. theme park operators). Moreover, as owners of amusement rides only have to pay a **one-off fee for installation/alternation** of the rides (i.e. no regular renewal fee is needed), the proposed revision should have negligible impact on the operating cost of the trade.

Efficiency Improvement Measures

5. EMSD regularly reviews the work procedures with a view to reducing the cost of its services through efficiency improvement measures, including streamlining work procedures, facilitating electronic submission of documents, enhancing staff training and conducting risk-based inspections. Efficiency savings from these efforts have been factored into the calculation of the costing review.

Financial Implications

6. If the proposed fee revision is implemented, there will be an increase in revenue of about \$17,000 per annum.

Public Consultation

7. We have consulted all existing amusement ride owners on the proposed fee revision. We have received only one objection from a ride owner on the proposed fee revisions in relation to Categories A and B rides, which will be increased from \$200 to \$240 and from \$355 to \$425 respectively. In response, we have clarified with the ride owner the basis and reasons for the adjustment, highlighting that the fees concerned have not been adjusted for over a decade. We have not received any further comment from the ride owner concerned.

Publicity

8. A press release will be issued on the day when the Amendment Regulation is published in the Gazette.

Way Forward

9. Members are invited to note the proposed revision of fees and charges as set out in paragraph 4 above and detailed at **Annex**. The Amendment Regulation for the proposed fee revision will be published in the Gazette and tabled at the Legislative Council for negative vetting in January 2015. Subject to negative vetting by the Legislative Council, the fee revisions are proposed to take effect in late March 2015.

Home Affairs Bureau

Electrical and Mechanical Services Department

December 2014

**Proposed Fee Revision under the
Amusement Rides (Safety) (Fees) Regulation (Cap. 449A)**

Item no.	Fee Description	Last revision	Current fee	Present cost recovery rate at 2014-15 price level	Proposed percentage increase	Proposed fee	Cost recovery rate after the proposed increase
1	Fee payable under section 21 of Cap. 449 for the designation by name of persons who may exercise powers conferred by sections 19 and 20 of the Ordinance	8.12.2000	\$400	93.7%	+6.3%	\$425	99.5%
2	Fee payable under section 4 of Cap. 449B for approval of a person as a surveyor	8.12.2000	\$5,455	94.4%	+6.0%	\$5,780	100.1%
3	Fee payable under section 4 of Cap. 449B for approval of a person as a competent person	8.12.2000	\$2,750	94.4%	+5.8%	\$2,910	99.9%
4	Fee payable under section 4 of Cap. 449B for approval of a person as a qualified person	8.12.2000	\$1,225	94.1%	+6.1%	\$1,300	99.8%
5	Fee payable under section 5(6) of Cap. 449B for an amendment to a limited certificate of approval held by a surveyor	8.12.2000	\$5,455	94.4%	+6.0%	\$5,780	100.1%
6	Fee payable under section 5(6) of Cap. 449B for an amendment to a limited certificate of approval held by a competent person	8.12.2000	\$2,750	94.4%	+5.8%	\$2,910	99.9%
7	Fee payable under section 5(6) of Cap. 449B for an amendment to a limited certificate of approval held by a qualified person	8.12.2000	\$1,225	94.1%	+6.1%	\$1,300	99.8%

Item no.	Fee Description	Last revision	Current fee	Present cost recovery level at 2014-15 price level	Proposed percentage increase	Proposed fee	Cost recovery level after the proposed increase
8	Fee payable under section 10 of Cap. 449 for approval of commencement of operation of an amusement ride in (a) category A	8.3.1997	\$200	83.1%	+20.0%	\$240	99.7%
9	(b) category B	8.3.1997	\$355	83.8%	+19.7%	\$425	100.4%
10	(c) category C	8.12.2000	\$2,800	86.7%	+15.4%	\$3,230	100.0%
11	(d) category D	8.12.2000	\$5,340	87.0%	+15.0%	\$6,140	100.0%
12	Fee payable under section 15 of Cap. 449 for permitting the resumption of use and operation of amusement ride in (a) category A	8.3.1997	\$200	83.1%	+20.0%	\$240	99.7%
13	(b) category B	8.3.1997	\$355	83.8%	+19.7%	\$425	100.4%
14	(c) category C	8.12.2000	\$2,800	86.7%	+15.4%	\$3,230	100.0%
15	(d) category D	8.12.2000	\$5,340	87.0%	+15.0%	\$6,140	100.0%

Note:

An amusement ride in –

- (a) category A means any amusement ride which is permitted to carry not more than 2 persons;
- (b) category B means any amusement ride which is permitted to carry not more than 5 persons;
- (c) category C means any amusement ride which is permitted to carry not more than 20 persons; and
- (d) category D means any amusement ride which is permitted to carry 21 or more persons.