

LEGISLATIVE COUNCIL BRIEF

MINING ORDINANCE (Cap. 285)

Mines (Safety) (Amendment) Regulation 2015

DANGEROUS GOODS ORDINANCE (Cap. 295)

Dangerous Goods (General) (Amendment) Regulation 2015

Dangerous Goods (Government Explosives Depots) (Amendment) Regulation 2015

INTRODUCTION

Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) empowers the Financial Secretary (which means also the Secretary for the 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 exercising the above power, the Secretary for Financial Services and the Treasury has made the Mines (Safety) (Amendment) Regulation 2015, the Dangerous Goods (General) (Amendment) Regulation 2015 and the Dangerous Goods (Government Explosives Depots) (Amendment) Regulation 2015 (“the Regulations”) to revise 23 out of a total of 27 items of fees specified in the Mines (Safety) Regulations (Cap. 285 sub. leg. B) under the Mining Ordinance (Cap. 285), and the Dangerous Goods (General) Regulations (Cap. 295 sub. leg. B) and the Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295 sub. leg. D) under the Dangerous Goods Ordinance (Cap. 295).

BACKGROUND AND JUSTIFICATIONS

3. There are altogether 27 items of fees relating to services provided by the Government in respect of (i) mine blasting, (ii) manufacture, storage and discharge of dangerous goods, and (iii) storage and delivery of explosive (“the Services”). These fees are prescribed in the Third Schedule to the Mines (Safety) Regulations (Cap. 285 sub. leg. B) under the Mining Ordinance (Cap. 285), and Regulation 183 of the Dangerous Goods (General) Regulations (Cap. 295 sub. leg. B) and the Schedule to the Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295 sub. leg. D) under the Dangerous Goods Ordinance (Cap. 295). Revision

to these fees was last made 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.

4. 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 revision for the Services –

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

5. Following the above principles, 23 out of the 27 items of fees for the Services will be subject to upward adjustments ranging from 9.1% to 20.2%, of which the details are provided at **Annex 1**. When the proposed fee revision is implemented, the cost recovery rates of the Services will range from 32% to 100%. The impact of the fee revision on persons affected should not be significant.

THE REGULATIONS

6. The Regulations at **Annexes 2a, 2b** and **2c** revise the fees concerned. It is proposed that the new fees will come into effect on 1 January 2016.

LEGAL IMPLICATIONS

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

FINANCIAL AND STAFFING IMPLICATIONS

8. When the proposed fee adjustments are implemented, the estimated increase in revenue is about \$3.2 million per annum. There are no staffing implications.

ECONOMIC IMPLICATIONS

9. There are no significant economic implications.

FAMILY IMPLICATIONS

10. There are no family implications.

EFFICIENCY INITIATIVES

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

PUBLIC CONSULTATION

12. We consulted the Legislative Council Panel on Development on 22 July 2015, through submission of an information paper, regarding the revision of fees as outlined in paragraphs 3 to 5 above. Members did not object to the proposal.

PUBLICITY

13. The Regulations will be published in the Gazette on 23 October 2015 and a press release will be issued. A spokesman will be available to answer enquiries on the subject.

ENQUIRIES

14. For enquires on this brief, please contact Mr Francis SH CHAU, Principal Assistant Secretary (Works) 2 of the Development Bureau at 3509 8276.

Development Bureau
October 2015

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

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. 285 sub. leg. B)								
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. 295 sub. leg. B)								
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%
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%

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
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 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%
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%

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
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. 295 sub. leg. D)								
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%
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%

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
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%
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%

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
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%

Mines (Safety) (Amendment) Regulation 2015

(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 67 of the Mining Ordinance (Cap. 285))

1. Commencement

This Regulation comes into operation on 1 January 2016.

2. Mines (Safety) Regulations amended

The Mines (Safety) Regulations (Cap. 285 sub. leg. B) are amended as set out in section 3.

3. Third Schedule amended (fees in respect of mine blasting certificates)

(1) Third Schedule, item 1—

Repeal

“3,120”

Substitute

“3,590”.

(2) Third Schedule, item 2—

Repeal

“2,400”

Substitute

“2,640”.

(3) Third Schedule, item 3—

Repeal

“140”

Substitute

“160”.

(4) Third Schedule, item 5—

Repeal

“140”

Substitute

“160”.



Secretary for Financial Services and
the Treasury

14.10.2015

Explanatory Note

This Regulation amends the Mines (Safety) Regulations (Cap. 285 sub. leg. B) to increase the fees payable for—

- (a) the issue or renewal of mine blasting certificates; and
- (b) the replacement of worn, defaced or lost mine blasting certificates.

Dangerous Goods (General) (Amendment) Regulation 2015

(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 5 of the Dangerous Goods Ordinance (Cap. 295))

1. Commencement

This Regulation comes into operation on 1 January 2016.

2. Dangerous Goods (General) Regulations amended

The Dangerous Goods (General) Regulations (Cap. 295 sub. leg. B) are amended as set out in section 3.

3. Regulation 183 amended (licences and permits)

(1) Regulation 183(1), Table, item 1—

Repeal

“46,100”

Substitute

“50,300”.

(2) Regulation 183(1), Table, item 1—

Repeal

“1,190”

Substitute

“1,430”.

(3) Regulation 183(1), Table, item 2—

Repeal

“34,150”

Substitute

“39,250”.

(4) Regulation 183(1), Table, item 2—

Repeal

“1,190”

Substitute

“1,430”.

(5) Regulation 183(1), Table, item 3—

Repeal

“1,190”

Substitute

“1,430”.

(6) Regulation 183(1), Table, item 3—

Repeal

“\$3,070”

Substitute

“\$3,680”.

(7) Regulation 183(1), Table, item 3(b)—

Repeal

“8,110”

Substitute

“8,920”.

(8) Regulation 183(1), Table, item 4—

Repeal

“1,190”

Substitute

Section 3

3

- “1,430”.
- (9) Regulation 183(1), Table, item 4—
Repeal
“\$3,070”
Substitute
“\$3,680”.
- (10) Regulation 183(1), Table, item 4(a)—
Repeal
“11,350”
Substitute
“12,500”.
- (11) Regulation 183(1), Table, item 4(b)—
Repeal
“14,950”
Substitute
“16,450”.
- (12) Regulation 183(1), Table, item 5—
Repeal
“215”
Substitute
“235”.
- (13) Regulation 183(1), Table, item 6—
Repeal
“50,950”
Substitute
“58,600”.

Section 3

4

- (14) Regulation 183(1), Table, item 6—
Repeal
“1,190”
Substitute
“1,430”.
- (15) Regulation 183(1), Table, item 6—
Repeal
“\$3,070”
Substitute
“\$3,680”.



Secretary for Financial Services and
the Treasury

14.10.2015

Explanatory Note

This Regulation amends the Dangerous Goods (General) Regulations (Cap. 295 sub. leg. B) to increase the fees payable for—

- (a) the grant or renewal of licences or permits relating to the manufacture, storage, movement or discharge of certain dangerous goods in category 1; and
- (b) the making of an alteration or addition to, or endorsement on, those licences or permits.

Dangerous Goods (Government Explosives Depots) (Amendment) Regulation 2015

(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 13E of the Dangerous Goods Ordinance (Cap. 295))

1. Commencement

This Regulation comes into operation on 1 January 2016.

2. Dangerous Goods (Government Explosives Depots) Regulations amended

The Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295 sub. leg. D) are amended as set out in section 3.

3. Schedule amended (fees)

(1) The Schedule, Part I, paragraph 1(a)—

Repeal

“\$265”

Substitute

“\$305”.

(2) The Schedule, Part I, paragraph 1(b)—

Repeal

“\$130”

Substitute

“\$150”.

(3) The Schedule, Part II, paragraph 1, Table, item 1—

Repeal

“4,010”

Substitute

“4,390”.

(4) The Schedule, Part II, paragraph 1, Table, item 3—

Repeal

“8,120”

Substitute

“8,930”.

(5) The Schedule, Part II, paragraph 1, Table, item 4—

Repeal

“10,850”

Substitute

“12,500”.

(6) The Schedule, Part II, paragraph 1, Table, item 5—

Repeal

“16,350”

Substitute

“18,800”.

(7) The Schedule, Part II, paragraph 1, Table, item 6—

Repeal

“24,500”

Substitute

“28,200”.

(8) The Schedule, Part II, paragraph 1, Table, item 7—

Repeal

“30,600”

Substitute

“35,200”.

- (9) The Schedule, Part II, paragraph 1, Table, item 8—

Repeal

“38,300”

Substitute

“44,050”.

- (10) The Schedule, Part II, paragraph 1, Table, item 9—

Repeal

“45,900”

Substitute

“52,800”.



Secretary for Financial Services and
the Treasury

14.10.2015

Explanatory Note

This Regulation amends the Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295 sub. leg. D) to increase the fees payable for—

- (a) the storage of explosives and explosive accessories in a Government Explosives Depot (*the Depot*); and
- (b) the delivery of explosives and explosive accessories from the Depot to any other place by the Government.