

For information

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 26 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). Of the 27 fees and charges, 26 were last revised on 1 January 2017 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 2017-18 price level has been carried out recently. The review shows that the cost recovery rates at existing fee levels range from 31% to 108%. For the services with cost recovery rates not over 100%, 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 –

- (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% but not over 100%, there will be no change.

4. For the services with cost recovery rates over 105%, their fees will be adjusted downward to the full cost recovery level. For items with cost recovery rates between 100% and 105%, the existing fee levels will be kept unchanged.

5. Following the above principles, 26 out of the 27 fees and charges for the Services will be subject to revision, including 25 items to be adjusted upward by 10% to 20% and 1 item to be adjusted downward by 8%. Details of the fee and charge revision proposal are provided at the **Annex**. When the proposed fee and charge revision is implemented, the cost recovery rates of the Services will range from 38% to 104%. We will revise the concerned fees and charges once the legislative amendment procedures are completed.

EFFICIENCY IMPROVEMENT MEASURES

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

FINANCIAL IMPLICATION

7. When the proposed fee and charge revision is implemented, the estimated increase in revenue is about \$2.3million per annum.

WAY FORWARD

8. Members are invited to note the proposed fee and charge revision as set out in paragraphs 3 to 5 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**

June 2017

**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 2017-18 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase/Decrease (\$) (b) – (a)	Proposed Percentage Increase/Decrease [(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)	2017	4,130	57%	4,750	620	15%	66%
2	Renewal of mine blasting certificate under regulation 22(5)(a)	2017	2,870	108%	2,650	-220	-8%	100%
3	Replacement of worn or defaced mine blasting certificate under regulation 22(5)(c)	2017	185	65%	215	30	16%	76%
4	Endorsement of mine blasting certificate under regulation 22(6)(b)	2015	2,750	104%	2,750	0 (Retain existing charge level)	0%	104%
5	Replacement of lost mine blasting certificate under regulation 22(10)	2017	185	65%	215	30	16%	76%
Regulation 183 of the Dangerous Goods (General) Regulations (Cap 295B)								
6	Dangerous goods licence for manufacture of dangerous goods in category 1 (explosives)	2017	53,400	90%	58,750	5,350	10%	99%
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)	2017	43,200	73%	47,500	4,300	10%	80%

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8	Dangerous goods licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode A store	2017	47,200	88%	51,900	4,700	10%	97%
9	Dangerous goods licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode B store	2017	9,810	83%	10,800	990	10%	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	2017	13,750	85%	15,150	1,400	10%	94%
11	Dangerous goods licence for storage of dangerous goods in category 1, class 7, division 2 (manufactured fireworks) in quantities exceeding 200 kg	2017	18,100	79%	19,900	1,800	10%	87%
12	Permit fee to discharge dangerous goods in category 1 (explosives), other than class 6 (ammunition) and class 7, division 2 (manufactured fireworks)	2017	64,450	70%	74,100	9,650	15%	80%
13	For issue of duplicate of licence or permit	2017	700	91%	770	70	10%	100%
14	For making of alteration or addition to, or endorsement on, a licence or permit	2017	1,720	31%	2,060	340	20%	38%

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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	2017	4,420	34%	5,300	880	20%	40%
16	For permit to move dangerous goods in category 1 (explosives)	2017	260	83%	285	25	10%	91%
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)	2017	350	49%	405	55	16%	57%
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)	2017	175	49%	200	25	14%	56%
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	2017	4,000	90%	4,400	400	10%	99%

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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	2017	5,580	89%	6,140	560	10%	97%
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	2017	9,820	87%	10,800	980	10%	95%
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	2017	13,750	74%	15,150	1,400	10%	81%
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	2017	21,600	66%	24,850	3,250	15%	76%
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	2017	31,000	67%	35,650	4,650	15%	77%
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	2017	40,500	68%	46,600	6,100	15%	78%

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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	2017	50,650	69%	58,250	7,600	15%	79%
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	2017	60,700	63%	69,800	9,100	15%	73%