

**For discussion  
on 18 July 2018**

**Legislative Council Panel on Development**

**Revision of Fees 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 17 out of 27 items of government fees related to services provided by the Civil Engineering and Development Department in respect of (i) mine blasting, (ii) manufacture, storage, movement and discharge of certain dangerous goods in category 1 (explosives and blasting agents), and (iii) storage and delivery of explosives and explosive accessories ("the Services"), which do not have direct impact on people's livelihood or general business activities.

**THE PROPOSAL**

2. There are altogether 27 items of fees related to the Services that are prescribed in the Third Schedule to the Mines (Safety) Regulations (Cap. 285B) under the Mining Ordinance (Cap. 285), and regulation 183(1) 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 items of fees, 26 were last revised on 31 March 2018 according to the Government's "user pays" policy under which fees charged by the Government should in general be set at levels adequate to recover the full cost of providing the services.

3. A review of the cost of providing the Services at the 2018-19 price level has been carried out recently. The review shows that the cost recovery rates at existing fee levels range from 67% to 109%. For items 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 revision –

- (a) for items with an existing cost recovery rate of 40% to 70%, adopt an increase of about 15%;
- (b) for items with an existing cost recovery rate of over 70% but not over 95%, adopt an increase of about 10% or less; and
- (c) for items with an existing cost recovery rate of over 95% but not over 100%, there will be no change.

4. For items with cost recovery rates over 105%, their fees will be adjusted downward to the full cost recovery level in our proposed fee revision. For items with cost recovery rates over 100% but not over 105%, the existing fee levels will be kept unchanged.

5. Following the above principles, 17 out of the 27 items of fees for the Services will be subject to revision, including 15 items to be adjusted upward by 9% to 15% and two items to be adjusted downward by 6% to 8%. Details of the fee revision proposal are provided at the **Annex**. When the proposed fee revision is implemented, the cost recovery rates of the Services will range from 77% to 103%. We will revise the concerned fees once the legislative amendment procedures are completed.

## **EFFICIENCY INITIATIVES**

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 revision is implemented, the estimated increase in revenue is about \$1.5million per annum.

**WAY FORWARD**

8. Members are invited to note the proposed fee 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  
July 2018**

**Proposed Revision of Fees 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 2018-19 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
Third Schedule to the Mines (Safety) Regulations (Cap. 285B)								
1	Issue of mine blasting certificate under regulation 22(4)(a)	2018	4,750	67%	5,460	710	15%	77%
2	Renewal of mine blasting certificate under regulation 22(5)(a)	2018	2,650	99%	2,650	0 (Retain existing charge level)	0%	99%
3	Replacement of worn or defaced mine blasting certificate under regulation 22(5)(c)	2018	215	97%	215	0 (Retain existing charge level)	0%	97%
4	Endorsement of mine blasting certificate under regulation 22(6)(b)	2015	2,750	101%	2,750	0 (Retain existing charge level)	0%	101%
5	Replacement of lost mine blasting certificate under regulation 22(10)	2018	215	97%	215	0 (Retain existing charge level)	0%	97%
Regulation 183(1) of the Dangerous Goods (General) Regulations (Cap. 295B)								
6	Grant or renewal of a licence for manufacture of dangerous goods in category 1 (explosives)	2018	58,750	109%	53,950	-4,800	-8%	100%
7	Grant or renewal of a licence for storage of dangerous goods in category 1 (explosives), other than class 6 (ammunition) and class 7, division 2 (manufactured fireworks)	2018	47,500	92%	51,700	4,200	9%	100%

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8	Grant or renewal of a licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode A store	2018	51,900	99%	51,900	0 (Retain existing charge level)	0%	99%
9	Grant or renewal of a licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode B store	2018	10,800	106%	10,200	-600	-6%	100%
10	Grant or renewal of a licence for storage of dangerous goods in category 1, class 7, division 2 (manufactured fireworks) in quantities not exceeding 200 kg	2018	15,150	103%	15,150	0 (Retain existing charge level)	0%	103%
11	Grant or renewal of a licence for storage of dangerous goods in category 1, class 7, division 2 (manufactured fireworks) in quantities exceeding 200 kg	2018	19,900	90%	21,900	2,000	10%	99%
12	Grant or renewal of a permit to discharge dangerous goods in category 1 (explosives), other than class 6 (ammunition) and class 7, division 2 (manufactured fireworks)	2018	74,100	98%	74,100	0 (Retain existing charge level)	0%	98%
13	Issue of duplicate of a licence or permit <sup>1</sup>	2018	770	99%	770	0 (Retain existing charge level)	0%	99%
14	Making of an alteration or addition to, or endorsement on, a licence or permit <sup>2</sup>	2018	2,060	80%	2,270	210	10%	88%

<sup>1</sup> for items 1, 2, 3, 4 and 6 in the Table to regulation 183(1) of Cap. 295B

<sup>2</sup> for items 1, 2, 3, 4 and 6 in the Table to regulation 183(1) of Cap. 295B

Item	Fee Description	Last Revision (Year)	Existing Fee (\$) (a)	Existing Cost Recovery Rate at 2018-19 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
15	Making of an 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 <sup>3</sup>	2018	5,300	67%	6,100	800	15%	77%
16	Grant of a permit to move dangerous goods in category 1 (explosives)	2018	285	86%	315	30	11%	95%
Schedule to the Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295D)								
17	Fee 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)	2018	405	73%	445	40	10%	80%
18	Fee 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)	2018	200	72%	220	20	10%	79%
19	Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is not exceeding 50 kg	2018	4,400	88%	4,840	440	10%	97%

<sup>3</sup> for items 3, 4 and 6 in the Table in regulation 183(1) of Cap. 295B

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20	Fee for the 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	2018	6,140	97%	6,140	0 (Retain existing charge level)	0%	97%
21	Fee for the 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	2018	10,800	99%	10,800	0 (Retain existing charge level)	0%	99%
22	Fee for the 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	2018	15,150	87%	16,650	1,500	10%	95%
23	Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 500 kg but not exceeding 1 000 kg	2018	24,850	81%	27,350	2,500	10%	89%
24	Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 1 000 kg but not exceeding 1 500 kg	2018	35,650	80%	39,200	3,550	10%	88%
25	Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 1 500 kg but not exceeding 2 000 kg	2018	46,600	81%	51,250	4,650	10%	89%
26	Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 2 000 kg but not exceeding 2 500 kg	2018	58,250	82%	64,100	5,850	10%	90%

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27	Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 2 500 kg	2018	69,800	75%	76,800	7,000	10%	82%