

立法會
Legislative Council

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Paper for the House Committee meeting on 23 June 2006

**Report of the Subcommittee on
Security and Guarding Services (Fees) (Amendment) Regulation 2006**

Purpose

This paper reports on the deliberations of the Subcommittee on Security and Guarding Services (Fees) (Amendment) Regulation 2006.

The Security and Guarding Services (Fees) (Amendment) Regulation 2006

2. The Security and Guarding Services Ordinance (Cap. 460) was enacted in 1994 to regulate the security and guarding services industry through a licensing system. An individual will require a permit and a company will require a licence to engage in security work.

3. Section 30 of the Ordinance empowers the Chief Executive in Council to prescribe by regulation the fees in respect of security personnel permits and security company licences. The Security and Guarding Services (Fees)(Amendment) Regulation 2006 (the Amendment Regulation) has been made by the Chief Executive in Council under section 30(1), (1A) and (1B) of the Security and Guarding Services Ordinance.

4. The Amendment Regulation seeks to revise the existing fees by –

- (a) increasing the prescribed fees for issue and renewal of security personnel permits from \$110 to \$120; and
- (b) decreasing various fees in respect of security company licences.

5. The scrutiny period of the Amendment Regulation has been extended from 21 June 2006 to 12 July 2006 by a resolution of the Council.

6. The Amendment Regulation shall come into operation on 17 July 2006.

The Subcommittee

7. At the House Committee meeting on 26 May 2006, members formed a subcommittee to study the Amendment Regulation. Under the chairmanship of Hon KWONG Chi-kin, the Subcommittee has held a meeting with the Administration. The membership list of the Subcommittee is in the **Appendix I**.

Deliberations of the Subcommittee

Background for and consultation on the fee revisions

8. The Administration has informed the Subcommittee that the fee proposals are put forward on the basis of the policy of full-cost recovery. It is Government policy that fees charged by the Government should in general be set at levels adequate to recover the full cost of providing the goods or services. Costing reviews are conducted periodically in line with this policy. An updated costing review of the various permits and licences stipulated under the Security and Guarding Services (Fees) Regulation was completed in 2005. The review has shown that –

- (a) the cost for the issue and renewal of permits is higher than the fees charged at present; and
- (b) the cost for the issue, renewal and replacement of various licences is lower than the fees charged at present.

9. The Administration has further informed the Subcommittee that the following bodies have been consulted on the proposed fee revisions:

- (a) The Hong Kong Security Association;
- (b) The Hong Kong Association of Property Management Companies Limited;
- (c) The Hong Kong General Union of Security and Property Management Industry Employees;
- (d) The Hong Kong Buildings Management and Security Workers General Union;
- (e) The Hong Kong Housing Management Employees Union; and
- (f) The Building Supervisors and Caretakers Union.

The Hong Kong Security Association and the Hong Kong Buildings Management and Security Workers General Union have expressed concerns about the permit fee

increase. The Administration has explained the full-cost recovery principle to these bodies.

Proposed fee revisions for security personnel permits

10. The Administration has explained to the Subcommittee that the main increase in the cost for the issue and renewal of the security personnel permits is in staff costs. The Independent Commission Against Corruption (ICAC) conducted a review in 2000 on the issue of permits and made a series of recommendations for the purpose of corruption prevention. The recommendations include assigning more senior police and clerical officers to conduct supervisory and random checks in respect of applications submitted by applicants who have record of criminal conviction(s), and before permits are to be issued. The Police Licensing Office (PLO) has adopted the recommendations and has increased the number of higher-ranked clerical officers and the number of supervisory checks performed, which has resulted in an increase in staff costs.

11. The Administration has also pointed out that PLO has already implemented efficiency measures and streamlined procedures to maintain costs for the issue of security personnel permits at a reasonable level. However, the need to ensure transparency and fairness in vetting applications for these permits has increased the complexity of the process, resulting in higher staff costs.

12. Notwithstanding the Administration's explanation, members have expressed objection to the proposed fee revisions for security personnel permits mainly on the following grounds –

- (a) the measures taken to tighten up the vetting process to prevent corruption seem unnecessary as it is questionable whether anyone would resort to bribery to get a low-pay job such as security guards;
- (b) while the Administration considers it necessary to conduct stringent vetting of applications for the security personnel permits because the work of security guards is very important, the low salary level of security guards fails to reflect such importance attached to their work; and
- (c) it is unfair for the Administration to transfer the extra costs for vetting the applications for security personnel permits to the security guards who are low-pay employees.

13. Having considered members' views, the Administration has agreed not to proceed with the fee increase of the security personnel permits at this stage, and will amend the Amendment Regulation to this effect.

Proposed fee revisions for security company licences

14. The Administration has explained to the Subcommittee that the downward fee adjustments for the various security company licences are attributable to the decrease in costs. For example, the removal of the Security Companies Inspection Unit which processes applications for security company licences from commercial premises to the Police Headquarters in August 2004 has resulted in lower office accommodation cost.

15. Members have raised no queries on the proposed fee revisions for security company licences.

Recommendation

16. The Administration has agreed to move a motion to amend the Security and Guarding Services (Fees) (Amendment) Regulation 2006 at the Council meeting on 5 July 2006. A copy of the motion to be moved by the Secretary for Security is in **Appendix II**.

17. Subject to the amendments to be made by the Administration, the Subcommittee supports the Security and Guarding Services (Fees) (Amendment) Regulation 2006.

Advice sought

18. Members are invited to note the deliberations of the Subcommittee.

Council Business Division 2
Legislative Council Secretariat
22 June 2006

**Subcommittee on Security and Guarding Services
(Fees) (Amendment) Regulation 2006**

Membership list

Chairman	Hon KWONG Chi-kin
Members	Hon LEE Cheuk-yan Hon James TO Kun-sun Hon CHAN Yuen-han, JP Hon LAU Kong-wah, JP Hon LI Fung-ying, BBS, JP Hon WONG Kwok-hing, MH Hon LEUNG Kwok-hung (Total : 8 Members)
Clerk	Miss Flora TAI
Legal Adviser	Miss Anita HO
Date	8 June 2006

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Appendix II

**INTERPRETATION AND GENERAL CLAUSES
ORDINANCE**

RESOLUTION

**(Under section 34(2) of the Interpretation and General Clauses Ordinance
(Cap. 1))**

**SECURITY AND GUARDING SERVICES (FEES)
(AMENDMENT) REGULATION 2006**

**RESOLVED that the Security and Guarding Services (Fees) (Amendment)
Regulation 2006, published in the Gazette as Legal Notice No. 104
of 2006 and laid on the table of the Legislative Council on 24 May
2006, be amended –**

- (a) by repealing section 2;**
- (b) in section 3(1), by adding “to the Security and Guarding
Services (Fees) Regulation (Cap. 460 sub. leg. A)” after
“Schedule 2”.**