

## **Subcommittee on Waterworks (Amendment) Regulation 2010**

### **Purpose**

The purpose of this paper is to provide further information to the Subcommittee on Waterworks (Amendment) Regulation 2010.

### **Background**

2. At the meeting on 10 November 2010, the Administration was requested by the Members to provide a paper highlighting the following points –

- (a) On each of the 18 items (listed at Annex I to the Legislative Council Brief on the Amendment Regulation) of which the fees/charges were proposed to be revised, the total amount of fees collected, breakdown on type of users, level of recovery of costs based on the current fees, level of recovery of costs based on the revised fees, over the past two years; and
- (b) The reasons for charging different fees for items 5 to 8 (testing of meters of different diameters).

### **Further Information**

3. Details of the number of cases, amount of fees collected, level of cost recovery rates based on existing fees and proposed fees for each of the 18 items of which the fees are proposed to be revised are at Annex I.

4. The breakdown on the types of users of the 18 items is as follows :

- (a) For item (1) Reconnecting a fire service or inside service, the users are individual customers and the reasons for application of reconnection of water supply are mainly (i) water supply has been terminated due to non-payment of water charge and (ii) the meter serving the vacant premises has been removed after about two months without a new customer taking up the consumership.
- (b) For items (2) Providing and installing a meter, most of the users are individual customers. The department will provide and install meters for

applications involving only a few meters (e.g., village type houses development in the New Territories).

- (c) For items (3) Providing a meter, most of the users are property developers or contractors. The contractors obtain the meters from the department and engage licenced plumbers to install the meters.
- (d) For item (4) Resealing a fire service or meter, users are individual customers but the case is very rare.
- (e) For items (5) to (8) on meter testing, most of the users are individual customers who suspect that the meter reading is incorrect.
- (f) For items (9) to (11) on plumber's license, users are individual plumbers.
- (g) For items (12) to (18) on water quality testing, users are mainly pipe connection contractors.

5. The main reason for charging different fees for items 5 to 8 (testing of meters of different diameters) is that the cost involved in the handling of meters of larger diameters for testing work is substantially higher than meters of smaller diameters. Owing to the size and weight of larger meters, more staff and time are needed to perform the work on connection, disconnection, and transportation. For example, the weight of a smaller meter (80 mm) and larger meter (200 mm) is about 22 kg and 64 kg respectively. It takes two staff members to replace an 80 mm meter in about one hour but a 200 mm meter will require a few more staff members with the use of tripod and pulley systems in about three hours.

Development Bureau  
Water Supplies Department  
November 2010

**Financial and Operational Data of Proposed Revision of Fees and Charges of Water Supplies Department**

Item	Fee Description	Existing Fee (\$)	New Fee (\$)	Amount of Increase/Decrease (\$)	Percentage Increase/Decrease	Cost Recovery before fee adjustment	Cost Recovery after fee adjustment	Number of Cases for 2008-09	Number of Cases for 2009-10	Estimated Number of Cases for 2010-11	Estimated Revenue at Existing Fee Levels (\$) (a)	Estimated Revenue after Fee Adjustment (\$) (b)	Increase/Decrease in Revenue (\$) (b) - (a)
1.	Reconnecting a fire service or inside service	240	275	35	14.6%	64%	73%	4,209	4,877	5,850	1,404,000	1,608,750	204,750
2.	Providing and installing a meter	275	315	40	14.5%	69%	79%	10,308	9,516	9,050	2,488,750	2,850,750	362,000
3.	Providing a meter	75	83	8	10.7%	76%	84%	27,364	24,456	23,200	1,740,000	1,925,600	185,600
4.	Resealing a fire service or meter	165	190	25	15.2%	68%	79%	-	-	-	-	-	-
5.	Testing a meter or a private check meter (including removal and refixing)-any size up to and including 80 mm in diameter	460	530	70	15.2%	66%	76%	530	734	740	340,400	392,200	51,800
6.	Testing a meter or a private check meter (including removal and refixing)-above 80 mm in diameter up to and including 100 mm in diameter	1,080	1,240	160	14.8%	70%	80%	-	1	5	5,400	6,200	800

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7.	Testing a meter or a private check meter (including removal and refixing)-above 100 mm in diameter up to and including 150 mm in diameter	1,800	2,070	270	15.0%	67%	77%	-	-	-	-	-	-
8.	Testing a meter or a private check meter (including removal and refixing)-above 150 mm in diameter up to and including 200 mm in diameter	2,240	2,580	340	15.2%	66%	76%	-	-	1	2,240	2,580	340
9.	Plumber's licence	67	74	7	10.4%	83%	91%	96	95	100	6,700	7,400	700
10.	Renewal of plumber's licence	67	58	-9	-13.4%	116%	100%	2,504	2,492	2,430	162,810	140,940	-21,870
11.	Plumber's licence examination	815	895	80	9.8%	73%	80%	-	-	-	-	-	-
12.	Examination of a water sample for a general chemical analysis (comprising all standard tests)	2,220	2,440	220	9.9%	73%	80%	-	-	-	-	-	-

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13.	Examination of a water sample for an individual standard test	185	215	30	16.2%	66%	77%	986	826	1,180	218,300	253,700	35,400
14.	Examination of a water sample for a non-standard test (other than a non-standard test referred to in item (15) or (16))	380	420	40	10.5%	80%	89%	-	-	-	-	-	-
15.	Examination of a water sample for a British Pharmaceutical test for water for injection purposes	875	965	90	10.3%	75%	82%	4	-	3	2,625	2,895	270
16.	Examination of a water sample for a general bacteriological examination	425	490	65	15.3%	70%	81%	210	178	242	102,850	118,580	15,730
17.	Attendance to collect any sample or samples (per attendance)	840	925	85	10.1%	86%	94%	167	128	168	141,120	155,400	14,280

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18.	Additional copy of examination report	5.6	1.0	-4.6	-82.1%	N/A	N/A	-	-	-	-	-	-
	Total										6,615,195	7,464,995	849,800