

LEGISLATIVE COUNCIL BRIEF

Waterworks Ordinance (Cap. 102)

WATERWORKS (AMENDMENT) REGULATION 2010

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 (“SFST”) 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 exercise of this power, SFST has made the Waterworks (Amendment) Regulation 2010 (“the Regulation”) to revise 18 items of fees and charges specified in the Waterworks Regulations (Cap. 102A) made pursuant to the Waterworks Ordinance (Cap. 102).

BACKGROUND AND JUSTIFICATIONS

3. In line with the “user pays” principle, it is Government’s policy that fees and charges should in general be set at levels sufficient to recover the full cost of providing the services. The 18 items of fees and charges concerned are prescribed in Schedule 1 to the Waterworks Regulations (Cap. 102A) under the Waterworks Ordinance (Cap. 102) of which 16 items were last revised in 1996 and two items in 2001. They include -

- (a) reconnecting a fire service or inside service;
- (b) providing and installing a meter;
- (c) providing a meter;
- (d) resealing a fire service or meter;
- (e) testing a meter or a private check meter (including removal and refixing);
- (f) plumber’s licence issuance, renewal and examination;
- (g) examination of a water sample;
- (h) attendance to collect any sample or samples; and
- (i) additional copy of examination report.

4. A review of the cost of providing the relevant services at the 2010-11 price level has been carried out recently. The result shows that the present cost recovery levels range from 64% to 116%. In order to achieve full cost recovery gradually and to avoid a steep fee increase, we propose to adopt the following lines for the fees and charges revision in our proposal:

- (a) for existing cost recovery rate of between 40% and 70%, adopt an increase of about 15%¹;
- (b) for existing cost recovery rate of over 70%, adopt an increase of about 10%² or lower; and
- (c) adjust downward to full cost recovery for fees that are recovering more than the full cost.

5. Details of the fees and charges revision proposal, ranging from a downward adjustment of 82% to an upward adjustment of 16%, are at **Annex 1**. The impact of the fees and charges revision on persons affected should not be significant.

THE REGULATION

6. The Regulation at **Annex 2** revises the fees and charges concerned. It is proposed that the new fees and charges will come into effect on 1 January 2011.

LEGAL IMPLICATIONS

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

FINANCIAL AND STAFFING IMPLICATIONS

8. When the proposed fees and charges adjustments are implemented, there will be an expected net increase of about \$0.9 million in revenue per annum. There are no staffing implications.

¹ The 15% increase is to achieve full-cost recovery within three to seven years.

² The 10% increase is to achieve full-cost recovery within one to three years.

ECONOMIC IMPLICATIONS

9. There are no significant economic implications.

EFFICIENCY INITIATIVES

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

PUBLIC CONSULTATION

11. An Information Note on this fee revision proposal was submitted to LegCo Panel on Development in July 2010 for circulation. No objection to the proposal has been received.

PUBLICITY

12. The Regulation will be published in the Gazette on 15 October 2010 and a press release will be issued. A spokesman will be available to answer enquiries on the subject.

ENQUIRIES

13. For enquires on this brief, please contact Mr W W CHUI, Principal Assistant Secretary (Works)³ of the Development Bureau at 2848 2704.

**Development Bureau
October 2010**

Proposed Revision of Fees and Charges under the Waterworks Regulations

Item	Fee Description	Last Revision	Existing Fee /Charge (\$)	Updated Cost Recovery Level at 2010-11 Price Level	Proposed Fee /Charge (\$)	Proposed Amount of Increase/ Decrease (\$)	Proposed Percentage Increase/ Decrease
			(a)		(b)	(b)-(a)	[(b)-(a)]/(a)
1.	Reconnecting a fire service or inside service	1996	240	64%	275	35	14.6%
2.	Providing and installing a meter	2001	275	69%	315	40	14.5%
3.	Providing a meter	2001	75	76%	83	8	10.7%
4.	Resealing a fire service or meter	1996	165	68%	190	25	15.2%
5.	Testing a meter or a private check meter (including removal and refixing)-any size up to and including 80 mm in diameter	1996	460	66%	530	70	15.2%
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	1996	1,080	70%	1,240	160	14.8%
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	1996	1,800	67%	2,070	270	15.0%
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	1996	2,240	66%	2,580	340	15.2%

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			(a)		(b)	(b)-(a)	[(b)-(a)]/(a)
9.	Plumber's licence	1996	67	83%	74	7	10.4%
10.	Renewal of plumber's licence	1996	67	116%	58	-9	-13.4%
11.	Plumber's licence examination	1996	815	73%	895	80	9.8%
12.	Examination of a water sample for a general chemical analysis (comprising all standard tests)	1996	2,220	73%	2,440	220	9.9%
13.	Examination of a water sample for an individual standard test	1996	185	66%	215	30	16.2%
14.	Examination of a water sample for a non-standard test (other than a non-standard test referred to in item (15) or (16))	1996	380	80%	420	40	10.5%
15.	Examination of a water sample for a British Pharmaceutical test for water for injection purposes	1996	875	75%	965	90	10.3%
16.	Examination of a water sample for a general bacteriological examination	1996	425	70%	490	65	15.3%
17.	Attendance to collect any sample or samples (per attendance)	1996	840	86%	925	85	10.1%
18.	Additional copy of examination report	1996	5.6	N.A.	1 ³	-4.6	-82.1%

³ The charge for additional copy of examination report is recommended to follow the prevailing government standard charge for photocopying service of \$1 per copy.

Waterworks (Amendment) Regulation 2010

Waterworks (Amendment) Regulation 2010

(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 37 of the Waterworks Ordinance (Cap. 102))

1. Commencement

This Regulation comes into operation on 1 January 2011.

2. Waterworks Regulations amended

The Waterworks Regulations (Cap. 102 sub. leg. A) are amended as set out in section 3.

3. Schedule 1 amended

(1) Schedule 1, Part I, item 2—

Repeal

“240”

Substitute

“275”.

(2) Schedule 1, Part I, item 3(a)—

Repeal

“275”

Substitute

“315”.

(3) Schedule 1, Part I, item 3(b)—

Repeal

“75”

Substitute

“83”.

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- (4) Schedule 1, Part I, item 4—
Repeal
“165”
Substitute
“190”.
- (5) Schedule 1, Part I, item 5(a)—
Repeal
“460”
Substitute
“530”.
- (6) Schedule 1, Part I, item 5(b)—
Repeal
“1,080”
Substitute
“1,240”.
- (7) Schedule 1, Part I, item 5(c)—
Repeal
“1,800”
Substitute
“2,070”.
- (8) Schedule 1, Part I, item 5(d)—
Repeal
“2,240”
Substitute
“2,580”.

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- (9) Schedule 1, Part I, item 6—
Repeal
“67”
Substitute
“74”.
- (10) Schedule 1, Part I, item 7—
Repeal
“67”
Substitute
“58”.
- (11) Schedule 1, Part I, item 8—
Repeal
“815”
Substitute
“895”.
- (12) Schedule 1, Part IV, item 1(a)—
Repeal
“2,220”
Substitute
“2,440”.
- (13) Schedule 1, Part IV, item 1(b)—
Repeal
“185”
Substitute
“215”.

- (14) Schedule 1, Part IV, item 1(c)—

Repeal

“380”

Substitute

“420”.

- (15) Schedule 1, Part IV, item 1(d)—

Repeal

“875”

Substitute

“965”.

- (16) Schedule 1, Part IV, item 1(e)—

Repeal

“425”

Substitute

“490”.

- (17) Schedule 1, Part IV, item 2—

Repeal

“840”

Substitute

“925”.

(18) Schedule 1, Part IV, item 3—

Repeal

“5.6”

Substitute

“1”.

K. C. CHAN

Secretary for Financial Services and
the Treasury

4 October 2010

Explanatory Note

This Regulation revises the fees and charges payable under the Waterworks Regulations (Cap. 102 sub. leg. A).