

LEGISLATIVE COUNCIL BRIEF

Waterworks Ordinance (Cap. 102)

WATERWORKS (AMENDMENT) REGULATION 2013

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 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, the Secretary for Financial Services and the Treasury has made the Waterworks (Amendment) Regulation 2013 (“the Regulation”) to revise 24 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 24 items of fees and charges concerned are prescribed in Schedule 1 to the Waterworks Regulations (Cap. 102A) under the Waterworks Ordinance (Cap. 102) which were all last revised on 1 August 2012. They include-

- (a) making a connection to the main and installing the part of a fire service or inside service on land held by the Government for pipe size up to and including 40mm in diameter;
- (b) reconnecting a fire service or inside service;
- (c) providing and installing a meter;
- (d) providing a meter;
- (e) resealing a fire service or meter;
- (f) testing a meter or a private check meter (including removal and refixing);
- (g) plumber’s licence issuance, renewal and examination;
- (h) fishing licence issuance

- (i) examination of a water sample; and
- (j) each attendance for collection of any sample or samples.

4. A review of the cost of providing the relevant services at the 2013-14 price level has been carried out recently. The result shows that the present cost recovery levels range from 16.7% to 94.5%. In order to achieve full cost recovery gradually and to avoid a steep fee increase, we propose to adopt the following lines for the fee revision in our proposal:

- (a) for existing cost recovery rate less than 40%, adopt an increase of about 20%;
- (b) for existing cost recovery rate of between 40% and 70%, adopt an increase of about 15%; and
- (c) for existing cost recovery rate of over 70%, adopt an increase of about 10% or lower.

5. Details of the fees and charges revision proposal, ranging from 5.9% to 20.1%, 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 December 2013.

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, the estimated increase in revenue is about \$1.9 million per annum. There are no staffing implications.

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. We consulted the LegCo Panel on Development on 25 June 2013 regarding the revision of fees and charges as outlined in paragraphs 3 to 5. Members did not object to the proposal.

PUBLICITY

12. The Regulation will be published in the Gazette on 12 July 2013 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 Jimmy PM CHAN, Principal Assistant Secretary (Works)³ of the Development Bureau at 3509 8277.

Development Bureau
July 2013

Proposed Revision of Fees and Charges under the Waterworks Regulations

Item	Fee Description	Last Revision	Existing Fee (\$) (a)	Updated Cost Recovery Level at 2013-14 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase (\$) (b)-(a)	Proposed Percentage Increase [(b)-(a)]/(a)	Cost Recovery Rate after Fee Adjustment
1.	Making a connection to the main and installing (including reinstatement of the ground surface) the part of a fire service or inside service on land held by the Government – pipes of any size up to and including 20 mm in diameter for any length of 100 metres and below	2012	1,570	21.5%	1,880	310	19.7%	25.7%
2.	Making a connection to the main and installing (including reinstatement of the ground surface) the part of a fire service or inside service on land held by the Government – pipes of any size up to and including 20 mm in diameter for each metre or part of a metre in excess of 100 metres	2012	66	16.7%	79	13	19.7%	20.0%
3.	Making a connection to the main and installing (including reinstatement of the ground surface) the part of a fire service or inside service on land held by the Government – pipes above 20 mm in diameter up to and including 25 mm in diameter for any length of 30 metres and below	2012	2,540	36.8%	3,050	510	20.1%	44.2%
4.	Making a connection to the main and installing (including reinstatement of the ground surface) the part of a fire service or inside service on land held by the Government – pipes above 20 mm in diameter up to and including 25 mm in diameter for each metre or part of a metre in excess of 30 metres	2012	100	24.6%	120	20	20.0%	29.6%
5.	Making a connection to the main and installing (including reinstatement of the ground surface) the part of a fire service or inside service on land held by the Government – pipes above 25 mm in diameter up to and including 40 mm in diameter for any length of 30 metres and below	2012	3,200	23.1%	3,840	640	20.0%	27.7%

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6.	Making a connection to the main and installing (including reinstatement of the ground surface) the part of a fire service or inside service on land held by the Government – pipes above 25 mm in diameter up to and including 40 mm in diameter for each metre or part of a metre in excess of 30 metres	2012	130	30.8%	155	25	19.2%	36.7%
7.	Reconnecting a fire service or inside service	2012	315	72.7%	345	30	9.5%	79.7%
8.	Providing and installing a meter	2012	345	75.3%	380	35	10.1%	83.0%
9.	Providing a meter	2012	91	79.1%	100	9	9.9%	87.0%
10.	Resealing a fire service or meter	2012	210	76.1%	230	20	9.5%	83.3%
11.	Testing a meter or a private check meter (including removal and refixing)-any size up to and including 80 mm in diameter	2012	610	74.4%	670	60	9.8%	81.7%
12.	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	2012	1,360	74.4%	1,500	140	10.3%	82.1%
13.	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	2012	2,380	76.2%	2,620	240	10.1%	83.9%
14.	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	2012	2,970	74.9%	3,270	300	10.1%	82.4%

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15.	Plumber's licence	2012	81	86.2%	89	8	9.9%	94.7%
16.	Renewal of plumber's licence	2012	64	92.8%	69	5	7.8%	100.0%
17.	Plumber's licence examination	2012	985	77.9%	1,080	95	9.6%	85.4%
18.	Fishing licence	2012	26	92.9%	28	2	7.7%	100.0%
19.	Examination of a water sample for a general chemical analysis (comprising all standard tests)	2012	2,680	77.2%	2,950	270	10.1%	85.0%
20.	Examination of a water sample for an individual standard test	2012	235	75.6%	260	25	10.6%	83.6%
21.	Examination of a water sample for a non-standard test (other than a non-standard test referred to in item (22) or (23))	2012	460	85.2%	505	45	9.8%	93.5%
22.	Examination of a water sample for a British Pharmaceutical test for water for injection purposes	2012	1,060	78.9%	1,170	110	10.4%	87.1%
23.	Examination of a water sample for a general bacteriological examination	2012	540	78.3%	595	55	10.2%	86.2%
24.	Attendance to collect any sample or samples (per attendance)	2012	1,020	94.5%	1,080	60	5.9%	100.1%

Waterworks (Amendment) Regulation 2013

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) and section 37 of the Waterworks Ordinance (Cap. 102))

1. Commencement

This Regulation comes into operation on 1 December 2013.

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 1, item 1(a)—

Repeal

“1,570”

Substitute

“1,880”.

(2) Schedule 1, Part 1, item 1(a)—

Repeal

“66”

Substitute

“79”.

(3) Schedule 1, Part 1, item 1(b)—

Repeal

“2,540”

Substitute

“3,050”.

(4) Schedule 1, Part 1, item 1(b)—

Repeal

“100”

Substitute

“120”.

(5) Schedule 1, Part 1, item 1(c)—

Repeal

“3,200”

Substitute

“3,840”.

(6) Schedule 1, Part 1, item 1(c)—

Repeal

“130”

Substitute

“155”.

(7) Schedule 1, Part 1, item 2—

Repeal

“315”

Substitute

“345”.

(8) Schedule 1, Part 1, item 3(a)—

Repeal

“345”

Substitute

“380”.

- (9) Schedule 1, Part 1, item 3(b)—
Repeal
 “91”
Substitute
 “100”.
- (10) Schedule 1, Part 1, item 4—
Repeal
 “210”
Substitute
 “230”.
- (11) Schedule 1, Part 1, item 5(a)—
Repeal
 “610”
Substitute
 “670”.
- (12) Schedule 1, Part 1, item 5(b)—
Repeal
 “1,360”
Substitute
 “1,500”.
- (13) Schedule 1, Part 1, item 5(c)—
Repeal
 “2,380”
Substitute
 “2,620”.
- (14) Schedule 1, Part 1, item 5(d)—

- Repeal**
 “2,970”
Substitute
 “3,270”.
- (15) Schedule 1, Part 1, item 6—
Repeal
 “81”
Substitute
 “89”.
- (16) Schedule 1, Part 1, item 7—
Repeal
 “64”
Substitute
 “69”.
- (17) Schedule 1, Part 1, item 8—
Repeal
 “985”
Substitute
 “1,080”.
- (18) Schedule 1, Part 1, item 9—
Repeal
 “26”
Substitute
 “28”.
- (19) Schedule 1, Part 4, item 1(a)—
Repeal

“2,680”

Substitute

“2,950”.

(20) Schedule 1, Part 4, item 1(b)—

Repeal

“235”

Substitute

“260”.

(21) Schedule 1, Part 4, item 1(c)—

Repeal

“460”

Substitute

“505”.

(22) Schedule 1, Part 4, item 1(d)—

Repeal

“1,060”

Substitute

“1,170”.

(23) Schedule 1, Part 4, item 1(e)—

Repeal

“540”

Substitute

“595”.

(24) Schedule 1, Part 4, item 2—

Repeal

“1,020”

Substitute

“1,080”.

Secretary for Financial Services and
the Treasury

8 July 2013

Explanatory Note

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