

For information

LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT

**Revision of Non-livelihood Related Fees and Charges
under the Purview of the Water Supplies Department**

PURPOSE

This paper outlines the Administration's proposed revision of 25 government fees and charges for services under the purview of Water Supplies Department which do not directly affect people's livelihood or general business activities.

THE PROPOSAL

2. In line with the "user pays" principle, it is Government's policy that fees charged by the Government should in general be set at levels sufficient to recover the full cost of providing the services. The 25 items of fees and charges concerned are prescribed in Schedule 1 Part I and Part IV to the Waterworks Regulations (Cap. 102A) under the Waterworks Ordinance (Cap. 102) out of which 24 items were last revised on 1 December 2013 and 1 item was revised on 1 January 2011.

3. A review of the cost of providing the relevant services at the 2014-15 price level has been carried out recently. The result shows the cost recovery rates at existing fee levels range from 19.1% to 95.3%. In order to achieve full cost recovery gradually and avoid a steep fee increase, we propose to adopt the following guidelines for fee revision in our proposal –

- (a) for existing cost recovery rate of 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.

4. Details of the fee and charge revision proposal with upward adjustment ranging from 4.6% to 20.8% are at the **Annex**. After the proposed revision is implemented, the cost recovery rates will range from 22.9% to 100%. We will revise the fees and charges once the legislative amendment procedures are completed.

EFFICIENCY IMPROVEMENT MEASURES

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

FINANCIAL IMPLICATION

6. When the proposed fee and charge adjustments are implemented, the estimated increase in revenue is about \$2.1 million per annum.

WAY FORWARD

7. Members are invited to note the proposed fee and charge revision as set out in paragraphs 3 and 4 above and detailed in the **Annex**. We will proceed with the necessary legislative amendments to implement the adjustments.

**Development Bureau
Water Supplies Department
May 2014**

Proposed Revision of Fees and Charges under the Waterworks Regulations

Item	Fee Description	Last Revision	Existing Fee (\$) (a)	Updated Cost Recovery Level at 2014-15 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	2013	1,880	24.6%	2,260	380	20.2%	29.5%
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	2013	79	19.1%	95	16	20.3%	22.9%
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	2013	3,050	42.2%	3,510	460	15.1%	48.5%
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	2013	120	28.2%	145	25	20.8%	34.0%
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	2013	3,840	26.5%	4,610	770	20.1%	31.8%

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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	2013	155	35.1%	185	30	19.4%	41.9%
7.	Reconnecting a fire service or inside service	2013	345	76.0%	380	35	10.1%	83.7%
8.	Providing and installing a meter	2013	380	79.2%	420	40	10.5%	87.5%
9.	Providing a meter	2013	100	82.6%	110	10	10.0%	90.9%
10.	Resealing a fire service or meter	2013	230	79.3%	255	25	10.9%	87.9%
11.	Testing a meter or a private check meter (including removal and refixing)-any size up to and including 80 mm in diameter	2013	670	77.8%	735	65	9.7%	85.4%
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	2013	1,500	78.3%	1,650	150	10.0%	86.1%
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	2013	2,620	80.0%	2,880	260	9.9%	87.9%
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	2013	3,270	78.6%	3,600	330	10.1%	86.6%

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15.	Plumber's licence	2013	89	89.0%	98	9	10.1%	98.0%
16.	Renewal of plumber's licence	2013	69	94.5%	73	4	5.8%	100.0%
17.	Plumber's licence examination	2013	1,080	81.1%	1,190	110	10.2%	89.4%
18.	Fishing licence for every three years	2013	28	93.3%	30	2	7.1%	100.0%
19.	Examination of a water sample for a general chemical analysis (comprising all standard tests)	2013	2,950	81.1%	3,250	300	10.2%	89.4%
20.	Examination of a water sample for an individual standard test	2013	260	79.8%	285	25	9.6%	87.4%
21.	Examination of a water sample for a non-standard test (other than a non-standard test referred to in item (22) or (23))	2013	505	89.2%	555	50	9.9%	98.1%
22.	Examination of a water sample for a British Pharmaceutical test for water for injection purposes	2013	1,170	83.0%	1,290	120	10.3%	91.6%
23.	Examination of a water sample for a general bacteriological examination	2013	595	82.2%	655	60	10.1%	90.5%
24.	Attendance to collect any sample or samples (per attendance)	2013	1,080	95.3%	1,130	50	4.6%	99.7%
25.	Additional copy of examination report	2011	1.0	N.A.	1.1 ¹	0.1	10.0%	N.A.

¹ The charge for additional copy of examination report is recommended to follow the prevailing government standard charge for photocopying service of \$1.1 per copy of A4 size paper.