

For information

LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT

Revision of Fees and Charges under Mines (Safety) Regulations, Cap 285B, Dangerous Goods (General) Regulations, Cap 295B, and Dangerous Goods (Government Explosives Depots) Regulations, Cap 295D under the Purview of the Civil Engineering and Development Department

PURPOSE

This paper outlines the Administration's proposed revision of 27 government fees and charges related to mine blasting, manufacture, storage and discharge of dangerous goods and explosives storage and delivery under the purview of the Civil Engineering and Development 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 27 items of fees and charges concerned are prescribed in Schedule 3 of the Mines (Safety) Regulations (Cap 285B) under the Mining Ordinance (Cap 285), Regulation 183 of the Dangerous Goods (General) Regulations (Cap 295B) and the Schedule to the Dangerous Goods (Government Explosives Depots) Regulations (Cap 295D) under the Dangerous Goods Ordinance (Cap 295). Out of these items, 25 items were last revised on 28 November 1997 and 2 items were revised on 1 March 1994.

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 22.8% to 94.4%. 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 adjustments ranging from 5.9% to 20.5% are at the **Annex**. After the proposed revision is implemented, the cost recovery rates will range from 27.2% to 100.1%. 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 \$5.5 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
Civil Engineering and Development Department
May 2014

**Proposed Revision of Fees and Charges under
Mines (Safety) Regulations, Cap 285B,
Dangerous Goods (General) Regulations, Cap 295B,
and Dangerous Goods (Government Explosives Depots) Regulations, Cap 295D**

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
Schedule 3 to the Mines (Safety) Regulations (Cap 285B)								
1	Issue of mine blasting certificate under regulation 22(4)(a)	1997	2,710	45.1%	3,120	410	15.1%	52.0%
2	Renewal of mine blasting certificate under regulation 22(5)(a)	1997	2,180	79.4%	2,400	220	10.1%	87.4%
3	Replacement of worn or defaced mine blasting certificate under regulation 22(5)(c)	1994	120	47.1%	140	20	16.7%	54.9%
4	Endorsement of mine blasting certificate under regulation 22(6)(b)	1997	2,570	93.6%	2,750	180	7.0%	100.1%
5	Replacement of lost mine blasting certificate under regulation 22(10)	1994	120	47.1%	140	20	16.7%	54.9%
Regulation 183 of the Dangerous Goods (General) Regulations (Cap 295B)								
6	Dangerous goods licence for manufacture of dangerous goods in category 1 (explosives)	1997	41,900	86.8%	46,100	4,200	10.0%	95.5%
7	Dangerous goods licence for storage of dangerous goods in category 1 (explosives), other than class 6 (ammunition) and class 7, division 2 (manufactured fireworks)	1997	29,700	61.6%	34,150	4,450	15.0%	70.8%
8	Dangerous goods licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode A store	1997	40,500	94.4%	42,900	2,400	5.9%	100.0%

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9	Dangerous goods licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode B store	1997	7,370	77.8%	8,110	740	10.0%	85.6%
10	Dangerous goods licence for storage of dangerous goods in category 1, class 7, division 2 (manufactured fireworks) in quantities not exceeding 200 kg	1997	10,300	80.6%	11,350	1,050	10.2%	88.8%
11	Dangerous goods licence for storage of dangerous goods in category 1, class 7, division 2 (manufactured fireworks) in quantities exceeding 200 kg	1997	13,000	67.7%	14,950	1,950	15.0%	77.8%
12	Permit fee to discharge dangerous goods in category 1 (explosives), other than class 6 (ammunition) and class 7, division 2 (manufactured fireworks)	1997	44,300	57.9%	50,950	6,650	15.0%	66.6%
13	For issue of duplicate of licence or permit	1997	600	92.9%	645	45	7.5%	99.8%
14	For making of alteration or addition to, or endorsement on, a licence or permit	1997	995	22.8%	1,190	195	19.6%	27.2%
15	For making alteration or addition to, or endorsement on, a licence or permit involving relocation of an explosive store, or a change of the licensed blasting area	1997	2,560	24.5%	3,070	510	19.9%	29.4%
16	For permit to move dangerous goods in category 1 (explosives)	1997	195	73.3%	215	20	10.3%	80.8%

Schedule to the Dangerous Goods (Government Explosives Depots) Regulations (Cap 295D)

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17	Charges for the storage of explosives and explosive accessories in Government depots where the amount of the explosives or explosive accessories (including the weight of any inner and outer packages) does not exceed 50 kg (per consignment) (per month or part of a month)	1997	220	36.2%	265	45	20.5%	43.7%
18	Charges for the storage of explosives and explosive accessories in Government depots where the amount of the explosives or explosive accessories (including the weight of any inner and outer packages) exceeds 50 kg (per consignment) (per month or part of a month for every 25 kg or fractional part of 25 kg)	1997	110	36.2%	130	20	18.2%	42.8%
19	Explosive delivery permit fee for delivery of explosives from a depot to any other place by the Government where the quantity is not exceeding 50 kg	1997	3,490	68.2%	4,010	520	14.9%	78.4%
20	Explosive delivery permit fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 50 kg but not exceeding 100 kg	1997	5,520	76.8%	6,070	550	10.0%	84.4%

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21	Explosive delivery permit fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 100 kg but not exceeding 250 kg	1997	7,060	60.2%	8,120	1,060	15.0%	69.2%
22	Explosive delivery permit fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 250 kg but not exceeding 500 kg	1997	9,430	52.1%	10,850	1,420	15.1%	60.0%
23	Explosive delivery permit fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 500 kg but not exceeding 1000 kg	1997	14,200	47.6%	16,350	2,150	15.1%	54.9%
24	Explosive delivery permit fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 1000 kg but not exceeding 1500 kg	1997	21,300	51.8%	24,500	3,200	15.0%	59.6%
25	Explosive delivery permit fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 1500 kg but not exceeding 2000 kg	1997	26,600	51.2%	30,600	4,000	15.0%	58.9%
26	Explosive delivery permit fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 2000 kg but not exceeding 2500 kg	1997	33,300	52.3%	38,300	5,000	15.0%	60.2%

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27	Explosive delivery permit fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 2500 kg	1997	39,900	49.1%	45,900	6,000	15.0%	56.4%