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**Subcommittee on Building (Administration)
(Amendment) Regulation 2015 and Building (Minor Works) (Fees)
(Amendment) Regulation 2015**

Background brief prepared by the Legislative Council Secretariat

Purpose

This paper provides background information on the Building (Administration) (Amendment) Regulation 2015 ("B(A)(A)R") and Building (Minor Works) (Fees) (Amendment) Regulation 2015 ("B(MW)(F)(A)R") which revise the fees for registration of building professionals and contractors under the purview of the Buildings Department ("BD"). It also summarizes the views and concerns expressed by members of the Development Panel ("DEV Panel") on the legislative proposals.

Background

2. Under section 38(1A) of the Buildings Ordinance ("BO") (Cap. 123), the Chief Executive in Council may by regulation provide for the imposition of fees in respect of any matter with regard to which provision is made in BO or its regulations. The Building (Administration) Regulations (Cap. 123A) set out fees relating to the registration of (a) authorized persons, structural engineers, geotechnical engineers, general building contractors and specialist contractors; and (b) inspectors, while the Building (Minor Works) (Fees) Regulation (Cap. 123O) sets out fees relating to the registration of registered minor works contractors ("RMWCs"). The fee levels for the items under (a) and (b) were last revised in 2005 and 2011 respectively, while the fee levels for the registration items for RMWCs were last revised in 2009.

Building (Administration) (Amendment) Regulation 2015 and Building (Minor Works) (Fees) (Amendment) Regulation 2015

3. According to the Legislative Council Brief on B(A)(A)R and B(MW)(F)(A)R (File Ref. DEVB(PL-B) 30/30/), it is the Administration's policy that fees charged for government services should in general be set at levels sufficient to recover the full cost of providing the services, so as to be in line with the "user pays" principle. As such, BD has recently completed a cost review exercise based on the 2015-2016 price level on the concerned fee items. Based on the outcome of the cost review, the Administration has made the following Amendment Regulations:

- (a) B(A)(A)R – to increase by 5.1% to 68% the fees prescribed in Cap. 123A relating to the registration of authorized persons, structural engineers, geotechnical engineers, general building contractors and specialist contractors, and inspectors; and
- (b) B(MW)(F)(A)R – to revise, ranging from -4.9% to +45.1%, the fees prescribed in Cap. 123O relating to the registration of RMWCs.

4. The above two Amendment Regulations were gazetted on 15 May 2015 and tabled before the Legislative Council at its meeting of 20 May 2015 for negative vetting. They will come into operation on 20 July 2015.

Deliberations by members of the Panel on Development

5. The Administration briefed DEV Panel on 24 March 2015 on the proposed revision of fees. Members did not raise any objection to the proposal. The major views expressed by Panel members on the registration services provided by BD are summarized in the ensuing paragraphs.

Enhancement of service efficiency

6. Some members asked about the processing time for registration applications and urged the Administration to enhance service efficiency by adopting electronic submission in relation to registration services.

7. The Administration explained that the processing time for registration applications was specified in the relevant legislation. Performance pledges for various types of registration had been set. Moreover, BD had streamlined the work procedures for processing registration applications. For example, an applicant for renewal of RMWC registration only had to provide BD with the changes, if any, to the information submitted for the last registration, instead of providing all information afresh. As regards the electronization of registration services, the Administration advised that BD had been taking steps to facilitate electronic submission in its various services. For instance, electronic forms had been introduced for RMWCs to submit minor works applications by electronic means. BD would continue its efforts in the electronization of registration services.

Formulation of baseline standards to make the efficiency of services measurable

8. Some members enquired whether the Administration would set baseline performance standards in quantitative terms for the services provided by BD to make the quality and efficiency of the services measurable, so that members would be in a better position to judge whether the performance of the services justified the recovery of the costs.

9. The Administration responded that there were practical difficulties in setting a baseline for measuring the efficiency and the performance in the provision of services across the board. Given that the procedures and resources for providing different services varied, the Administration had to carry out individual costing for each of the fee items, resulting in different fees for different services. The Administration further advised that while the Consumer Price Index and the pay of the civil service had both been increased by about 40% in the period from 2005 to 2014, the proposed adjustment percentages for most of the fee items were much smaller and fee levels for most of the registration items relating to individual RMWCs would be adjusted downwards.

Latest development

10. At the House Committee meeting on 22 May 2015, members agreed that a subcommittee should be formed to examine the two Amendment Regulations.

Relevant papers

11. A list of relevant papers with their hyperlinks is in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
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**Building (Administration)(Amendment) Regulation 2015 and
Building (Minor Works)(Fees)(Amendment) Regulation 2015**

List of relevant papers

Council/Committee	Date of meeting	Paper
Panel on Development	24 March 2015	<p>Administration paper on "Revision of Fees for Registration of Building Professionals and Contractors under the purview of the Buildings Department" [LC Paper No. CB(1)646/14-15(01)] http://www.legco.gov.hk/yr14-15/english/panels/dev/papers/devcb1-646-1-e.pdf</p>
Council meeting	20 May 2015	<p>Legislative Council Brief on "Buildings Ordinance (Cap. 123) Building (Administration) (Amendment) Regulation 2015 and Building (Minor Works) (Fees) (Amendment) Regulation 2015" [File Ref. DEVB(PL-B) 30/30/] http://www.legco.gov.hk/yr14-15/english/subleg/brief/93_94_brf.pdf</p> <p>Legal Service Division Report on Subsidiary Legislation Gazetted on 15 May 2015 [LC paper No. LS66/14-15] http://www.legco.gov.hk/yr14-15/english/hc/papers/hc20150522ls-66-e.pdf</p>