

## **LEGISLATIVE COUNCIL BRIEF**

### **Waterworks Ordinance (Cap. 102)**

#### **WATERWORKS (AMENDMENT) REGULATION 2014**

### **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 2014 (“the Regulation”) to revise 25 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 25 items of fees and charges concerned are prescribed in Schedule 1 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 last revised on 1 January 2011. They include -

- (a) fees for 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) fee for reconnecting a fire service or inside service;
- (c) fee for providing and installing a meter;
- (d) fee for providing a meter;
- (e) fee for resealing a fire service or meter;
- (f) fees for testing a meter or a private check meter (including removal and refixing);
- (g) fee for plumber’s licence issuance, renewal and examination;
- (h) fee for fishing licence issuance;

- (i) fees for examination of a water sample;
- (j) fee for attendance for collection of any sample or samples; and
- (k) fee for providing additional copy of examination report.

4. A review of the cost of providing the relevant services at the 2014-15 price level has been carried out recently. The result shows that the present cost recovery levels range from 19.1% to 95.3%. In order to achieve full cost recovery gradually and to 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.

5. Details of the fees and charges revision proposal, with upward adjustments ranging from 4.6% to 20.8%, 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 2015.

## 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 \$2.1 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 Legislative Council Panel on Development on 7 July 2014 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 24 October 2014 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 WONG Chung Leung, Principal Assistant Secretary (Works)3 of the Development Bureau at 3509 8277.

**Development Bureau  
October 2014**

**Proposed Revision of Fees and Charges under the Waterworks Regulations**

Item	Fee Description	Last Revision	Existing Fee (\$)	Updated Cost Recovery Level at 2014-15 Price Level	Proposed Fee (\$)	Proposed Amount of Increase (\$)	Proposed Percentage Increase	Cost Recovery Rate after Fee Adjustment
			(a)		(b)	(b)-(a)	[(b)-(a)]/(a)	
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%

<b>Item</b>	<b>Fee Description</b>	<b>Last Revision</b>	<b>Existing Fee (\$)</b>  (a)	<b>Updated Cost Recovery Level at 2014-15 Price Level</b>	<b>Proposed Fee (\$)</b>  (b)	<b>Proposed Amount of Increase (\$)</b>  (b)-(a)	<b>Proposed Percentage Increase</b>  [(b)-(a)]/(a)	<b>Cost Recovery Rate after Fee Adjustment</b>
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	<b>30</b>	19.4%	41.9%
7.	Reconnecting a fire service or inside service	2013	345	76.0%	380	<b>35</b>	10.1%	83.7%
8.	Providing and installing a meter	2013	380	79.2%	420	<b>40</b>	10.5%	87.5%
9.	Providing a meter	2013	100	82.6%	110	<b>10</b>	10.0%	90.9%
10.	Resealing a fire service or meter	2013	230	79.3%	255	<b>25</b>	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	<b>65</b>	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	<b>150</b>	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	<b>260</b>	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	<b>330</b>	10.1%	86.6%

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
15.	Plumber's licence	2013	89	89.0%	98	<b>9</b>	10.1%	98.0%
16.	Renewal of plumber's licence	2013	69	94.5%	73	<b>4</b>	5.8%	100.0%
17.	Plumber's licence examination	2013	1,080	81.1%	1,190	<b>110</b>	10.2%	89.4%
18.	Fishing licence	2013	28	93.3%	30	<b>2</b>	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	<b>300</b>	10.2%	89.4%
20.	Examination of a water sample for an individual standard test	2013	260	79.8%	285	<b>25</b>	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	<b>50</b>	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	<b>120</b>	10.3%	91.6%
23.	Examination of a water sample for a general bacteriological examination	2013	595	82.2%	655	<b>60</b>	10.1%	90.5%
24.	Attendance to collect any sample or samples (per attendance)	2013	1,080	95.3%	1,130	<b>50</b>	4.6%	99.7%
25.	Additional copy of examination report	2011	1.0	N.A.	1.1 <sup>1</sup>	<b>0.1</b>	10.0%	N.A.

<sup>1</sup> 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.

## Waterworks (Amendment) Regulation 2014

(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 2015.

### 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**

“1,880”

**Substitute**

“2,260”.

(2) Schedule 1, Part 1, item 1(a)—

**Repeal**

“79”

**Substitute**

“95”.

(3) Schedule 1, Part 1, item 1(b)—

**Repeal**

“3,050”

**Substitute**

“3,510”.

(4) Schedule 1, Part 1, item 1(b)—

**Repeal**

“120”

**Substitute**

“145”.

(5) Schedule 1, Part 1, item 1(c)—

**Repeal**

“3,840”

**Substitute**

“4,610”.

(6) Schedule 1, Part 1, item 1(c)—

**Repeal**

“155”

**Substitute**

“185”.

(7) Schedule 1, Part 1, item 2—

**Repeal**

“345”

**Substitute**

“380”.

(8) Schedule 1, Part 1, item 3(a)—

**Repeal**

“380”

**Substitute**

“420”.

- (9) Schedule 1, Part 1, item 3(b)—  
**Repeal**  
 “100”  
**Substitute**  
 “110”.
- (10) Schedule 1, Part 1, item 4—  
**Repeal**  
 “230”  
**Substitute**  
 “255”.
- (11) Schedule 1, Part 1, item 5(a)—  
**Repeal**  
 “670”  
**Substitute**  
 “735”.
- (12) Schedule 1, Part 1, item 5(b)—  
**Repeal**  
 “1,500”  
**Substitute**  
 “1,650”.
- (13) Schedule 1, Part 1, item 5(c)—  
**Repeal**  
 “2,620”  
**Substitute**  
 “2,880”.
- (14) Schedule 1, Part 1, item 5(d)—

- Repeal**  
 “3,270”  
**Substitute**  
 “3,600”.
- (15) Schedule 1, Part 1, item 6—  
**Repeal**  
 “89”  
**Substitute**  
 “98”.
- (16) Schedule 1, Part 1, item 7—  
**Repeal**  
 “69”  
**Substitute**  
 “73”.
- (17) Schedule 1, Part 1, item 8—  
**Repeal**  
 “1,080”  
**Substitute**  
 “1,190”.
- (18) Schedule 1, Part 1, item 9—  
**Repeal**  
 “28”  
**Substitute**  
 “30”.
- (19) Schedule 1, Part 4, item 1(a)—  
**Repeal**



“2,950”

**Substitute**

“3,250”.

- (20) Schedule 1, Part 4, item 1(b)—

**Repeal**

“260”

**Substitute**

“285”.

- (21) Schedule 1, Part 4, item 1(c)—

**Repeal**

“505”

**Substitute**

“555”.

- (22) Schedule 1, Part 4, item 1(d)—

**Repeal**

“1,170”

**Substitute**

“1,290”.

- (23) Schedule 1, Part 4, item 1(e)—

**Repeal**

“595”

**Substitute**

“655”.

- (24) Schedule 1, Part 4, item 2—

**Repeal**

“1,080”

**Substitute**

“1,130”.

- (25) Schedule 1, Part 4, item 3—

**Repeal**

“1”

**Substitute**

“1.10”.



Secretary for Financial Services and  
the Treasury

20 October 2014

**Explanatory Note**

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