

LEGISLATIVE COUNCIL BRIEF

MINING ORDINANCE (Cap. 285)

Mines (Safety) (Amendment) Regulation 2016

DANGEROUS GOODS ORDINANCE (Cap. 295)

Dangerous Goods (General) (Amendment) Regulation 2016

Dangerous Goods (Government Explosives Depots) (Amendment) Regulation 2016

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 exercising the above power, the Secretary for Financial Services and the Treasury has made the Mines (Safety) (Amendment) Regulation 2016, the Dangerous Goods (General) (Amendment) Regulation 2016 and the Dangerous Goods (Government Explosives Depots) (Amendment) Regulation 2016 (“the Regulations”) to revise 26 out of a total of 27 items of fees specified in the Mines (Safety) Regulations (Cap. 285 sub. leg. B) (“Cap. 285B”) under the Mining Ordinance (Cap. 285), and the Dangerous Goods (General) Regulations (Cap. 295 sub. leg. B) (“Cap. 295B”) and the Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295 sub. leg. D) (“Cap. 295D”) under the Dangerous Goods Ordinance (Cap. 295).

BACKGROUND AND JUSTIFICATIONS

3. There are altogether 27 items of fees relating to services provided by the Government in respect of (i) mine blasting, (ii) manufacture, storage and discharge of dangerous goods, and (iii) storage and delivery of explosive (“the Services”). These fees are prescribed in the Third Schedule to Cap. 285B, and Regulation 183 of Cap. 295B and the Schedule to Cap. 295D. Revision to these fees was last made on 1 January 2016 (with the exception of the four items that were last revised on 1 January 2015 – see **Annex 1**) according to the Government’s “user pays” policy

under which fees charged by the Government should in general be set at levels sufficient to recover the full cost of providing the services.

4. A review of the cost of providing the Services at the 2016-17 price level has been carried out recently. The review shows that the cost recovery rates at existing fee levels range from 29% to 110%. In order to achieve full cost recovery gradually and avoid a steep fee increase, the following principles have been adopted in our proposed fee revision for the Services –

- (a) for items with an existing cost recovery rate of less than 40%, an increase of about 20% will be adopted;
- (b) for items with an existing cost recovery rate of 40% to 70%, an increase of about 15% will be adopted;
- (c) for items with an existing cost recovery rate of over 70% but not over 95%, an increase of about 10% or less will be adopted;
- (d) for items with an existing cost recovery rate of over 95% but not over 100%, no revision to the fee will be made; and
- (e) for items with cost recovery rates above 100%, their fees will be adjusted downward to the full cost recovery level.

5. Following the above principles, 24 out of the 27 items of fees for the Services will be subject to upward adjustments ranging from 6% to 20% and 2 items will be subject to downward adjustments by 8% and 9 % respectively. Details of the fee and charge revision proposal are provided at **Annex 1**. When the proposed fee revision is implemented, the cost recovery rates of the Services will range from 35% to 100%. The impact of the fee revision on persons affected should not be significant.

THE REGULATIONS

6. The Regulations at **Annexes 2a, 2b** and **2c** revise the fees concerned. It is proposed that the new fees will come into effect on 1 January 2017.

LEGAL IMPLICATIONS

7. The proposed amendments do not affect the current binding effect of the Mining Ordinance, the Dangerous Goods Ordinance and the subsidiary legislation of these Ordinances. They are in conformity with the Basic Law, including the provisions concerning human rights.

FINANCIAL AND STAFFING IMPLICATIONS

8. When the proposed fee 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.

FAMILY IMPLICATIONS

10. There are no family implications.

EFFICIENCY INITIATIVES

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

PUBLIC CONSULTATION

12. We consulted the Legislative Council Panel on Development on 21 June 2016, through submission of an information paper, regarding the revision of fees as outlined in paragraphs 3 to 5 above. Members did not object to the proposal.

PUBLICITY

13. The Regulations will be published in the Gazette on 21 October 2016. A spokesman will be available to answer enquiries on the subject.

ENQUIRIES

14. For enquires on this brief, please contact Mr Francis SH CHAU, Principal Assistant Secretary (Works) 2 of the Development Bureau at 3509 8276.

Development Bureau
October 2016

**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 (Year)	Existing Fee (\$) (a)	Existing Cost Recovery Rate at 2016-17 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase/Decrease (\$) (b) – (a)	Proposed Percentage Increase/Decrease [(b)-(a)]/(a)	Cost Recovery Rate after Fee Adjustment
Third Schedule to the Mines (Safety) Regulations (Cap 285B)								
1	Issue of mine blasting certificate under regulation 22(4)(a)	2016	3,590	54%	4,130	540	15%	63%
2	Renewal of mine blasting certificate under regulation 22(5)(a)	2016	2,640	92%	2,870	230	9%	100%
3	Replacement of worn or defaced mine blasting certificate under regulation 22(5)(c)	2016	160	60%	185	25	16%	69%
4	Endorsement of mine blasting certificate under regulation 22(6)(b)	2015	2,750	96%	2,750	0 (Retain existing charge level)	0%	96%
5	Replacement of lost mine blasting certificate under regulation 22(10)	2016	160	60%	185	25	16%	69%
Regulation 183 of the Dangerous Goods (General) Regulations (Cap 295B)								
6	Dangerous goods licence for manufacture of dangerous goods in category 1 (explosives)	2016	50,300	94%	53,400	3,100	6%	100%
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)	2016	39,250	73%	43,200	3,950	10%	81%

Item	Fee Description	Last Revision (Year)	Existing Fee (\$) (a)	Existing Cost Recovery Rate at 2016-17 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase/Decrease (\$) (b) – (a)	Proposed Percentage Increase/Decrease [(b)-(a)]/(a)	Cost Recovery Rate after Fee Adjustment
8	Dangerous goods licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode A store	2015	42,900	89%	47,200	4,300	10%	98%
9	Dangerous goods licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode B store	2016	8,920	84%	9,810	890	10%	92%
10	Dangerous goods licence for storage of dangerous goods in category 1, class 7, division 2 (manufactured fireworks) in quantities not exceeding 200 kg	2016	12,500	87%	13,750	1,250	10%	96%
11	Dangerous goods licence for storage of dangerous goods in category 1, class 7, division 2 (manufactured fireworks) in quantities exceeding 200 kg	2016	16,450	79%	18,100	1,650	10%	86%
12	Permit fee to discharge dangerous goods in category 1 (explosives), other than class 6 (ammunition) and class 7, division 2 (manufactured fireworks)	2016	58,600	70%	64,450	5,850	10%	77%
13	For issue of duplicate of licence or permit ¹	2015	645	92%	700	55	9%	100%
14	For making of alteration or addition to, or endorsement on, a licence or permit	2016	1,430	29%	1,720	290	20%	35%

¹ for Items 1, 2, 3(a), 3(b), 4(a), 4(b) and 6 in the table to regulation 183(1) of Cap.295B

Item	Fee Description	Last Revision (Year)	Existing Fee (\$) (a)	Existing Cost Recovery Rate at 2016-17 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase/Decrease (\$) (b) – (a)	Proposed Percentage Increase/Decrease [(b)-(a)]/(a)	Cost Recovery Rate after Fee Adjustment
15	Dangerous goods licence 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	2016	3,680	32%	4,420	740	20%	38%
16	For permit to move dangerous goods in category 1 (explosives)	2016	235	81%	260	25	11%	90%
Schedule to the Dangerous Goods (Government Explosives Depots) Regulations (Cap 295D)								
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)	2016	305	60%	350	45	15%	68%
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)	2016	150	59%	175	25	17%	68%
19	Explosive delivery fee for delivery of explosives from a depot to any other place by the Government where the quantity is not exceeding 50 kg	2016	4,390	110%	4,000	-390	-9%	100%

Item	Fee Description	Last Revision (Year)	Existing Fee (\$) (a)	Existing Cost Recovery Rate at 2016-17 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase/Decrease (\$) (b) – (a)	Proposed Percentage Increase/Decrease [(b)-(a)]/(a)	Cost Recovery Rate after Fee Adjustment
20	Explosive delivery 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	2015	6,070	109%	5,580	-490	-8%	100%
21	Explosive delivery 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	2016	8,930	90%	9,820	890	10%	99%
22	Explosive delivery 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	2016	12,500	77%	13,750	1,250	10%	85%
23	Explosive delivery 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	2016	18,800	67%	21,600	2,800	15%	77%
24	Explosive delivery 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	2016	28,200	72%	31,000	2,800	10%	79%
25	Explosive delivery 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	2016	35,200	69%	40,500	5,300	15%	80%

Item	Fee Description	Last Revision (Year)	Existing Fee (\$) (a)	Existing Cost Recovery Rate at 2016-17 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase/Decrease (\$) (b) – (a)	Proposed Percentage Increase/Decrease [(b)-(a)]/(a)	Cost Recovery Rate after Fee Adjustment
26	Explosive delivery 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	2016	44,050	70%	50,650	6,600	15%	80%
27	Explosive delivery fee for delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 2500 kg	2016	52,800	65%	60,700	7,900	15%	74%

Mines (Safety) (Amendment) Regulation 2016

(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 67 of the Mining Ordinance (Cap. 285))

1. Commencement

This Regulation comes into operation on 1 January 2017.

2. Mines (Safety) Regulations amended

The Mines (Safety) Regulations (Cap. 285 sub. leg. B) are amended as set out in section 3.

3. Third Schedule amended (fees in respect of mine blasting certificates)

(1) Third Schedule, item 1—

Repeal

“3,590”

Substitute

“4,130”.

(2) Third Schedule, item 2—

Repeal

“2,640”

Substitute

“2,870”.

(3) Third Schedule, item 3—

Repeal

“160”

Substitute

“185”.

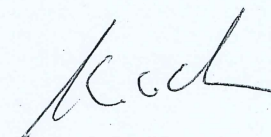
(4) Third Schedule, item 5—

Repeal

“160”

Substitute

“185”.



Secretary for Financial Services and
the Treasury

13.10.2016

Explanatory Note

This Regulation amends the Mines (Safety) Regulations (Cap. 285 sub. leg. B) to increase the fees payable for—

- (a) the issue or renewal of mine blasting certificates; and
- (b) the replacement of worn, defaced or lost mine blasting certificates.

Dangerous Goods (General) (Amendment) Regulation 2016

(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 5 of the Dangerous Goods Ordinance (Cap. 295))

1. Commencement

This Regulation comes into operation on 1 January 2017.

2. Dangerous Goods (General) Regulations amended

The Dangerous Goods (General) Regulations (Cap. 295 sub. leg. B) are amended as set out in section 3.

3. Regulation 183 amended (licences and permits)

(1) Regulation 183(1), Table, item 1—

Repeal

“50,300”

Substitute

“53,400”.

(2) Regulation 183(1), Table, item 1—

Repeal

“645”

Substitute

“700”.

(3) Regulation 183(1), Table, item 1—

Repeal

“1,430”

Substitute

“1,720”.

(4) Regulation 183(1), Table, item 2—

Repeal

“39,250”

Substitute

“43,200”.

(5) Regulation 183(1), Table, item 2—

Repeal

“645”

Substitute

“700”.

(6) Regulation 183(1), Table, item 2—

Repeal

“1,430”

Substitute

“1,720”.

(7) Regulation 183(1), Table, item 3—

Repeal

“645”

Substitute

“700”.

(8) Regulation 183(1), Table, item 3—

Repeal

“1,430”

Substitute

Dangerous Goods (General) (Amendment) Regulation 2016

Section 3

3

- “1,720”.
- (9) Regulation 183(1), Table, item 3—
Repeal
 “\$3,680”
Substitute
 “\$4,420”.
- (10) Regulation 183(1), Table, item 3(a)—
Repeal
 “42,900”
Substitute
 “47,200”.
- (11) Regulation 183(1), Table, item 3(b)—
Repeal
 “8,920”
Substitute
 “9,810”.
- (12) Regulation 183(1), Table, item 4—
Repeal
 “645”
Substitute
 “700”.
- (13) Regulation 183(1), Table, item 4—
Repeal
 “1,430”
Substitute
 “1,720”.

Dangerous Goods (General) (Amendment) Regulation 2016

Section 3

4

- (14) Regulation 183(1), Table, item 4—
Repeal
 “\$3,680”
Substitute
 “\$4,420”.
- (15) Regulation 183(1), Table, item 4(a)—
Repeal
 “12,500”
Substitute
 “13,750”.
- (16) Regulation 183(1), Table, item 4(b)—
Repeal
 “16,450”
Substitute
 “18,100”.
- (17) Regulation 183(1), Table, item 5—
Repeal
 “235”
Substitute
 “260”.
- (18) Regulation 183(1), Table, item 6—
Repeal
 “58,600”
Substitute
 “64,450”.
- (19) Regulation 183(1), Table, item 6—

Dangerous Goods (General) (Amendment) Regulation 2016

Section 3

5

Repeal

“645”

Substitute

“700”.

(20) Regulation 183(1), Table, item 6—

Repeal

“1,430”

Substitute

“1,720”.

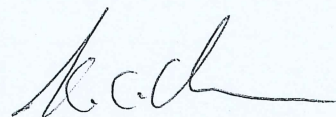
(21) Regulation 183(1), Table, item 6—

Repeal

“\$3,680”

Substitute

“\$4,420”.



Secretary for Financial Services and
the Treasury

13.10.2016

Dangerous Goods (General) (Amendment) Regulation 2016

Explanatory Note

Paragraph 1

6

Explanatory Note

This Regulation amends the Dangerous Goods (General) Regulations (Cap. 295 sub. leg. B) to increase the fees payable for—

- (a) the grant or renewal of licences or permits relating to the manufacture, storage, movement or discharge of certain dangerous goods in category 1 (explosives and blasting agents);
- (b) the issue of a duplicate of those licences or permits; and
- (c) the making of an alteration or addition to, or endorsement on, those licences or permits.

Dangerous Goods (Government Explosives Depots) (Amendment) Regulation 2016

(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 13E of the Dangerous Goods Ordinance (Cap. 295))

1. Commencement

This Regulation comes into operation on 1 January 2017.

2. Dangerous Goods (Government Explosives Depots) Regulations amended

The Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295 sub. leg. D) are amended as set out in section 3.

3. Schedule amended (fees)

(1) The Schedule, Part I, paragraph 1(a)—

Repeal

“\$305”

Substitute

“\$350”.

(2) The Schedule, Part I, paragraph 1(b)—

Repeal

“\$150”

Substitute

“\$175”.

(3) The Schedule, Part II, paragraph 1, Table, item 1—

Repeal

“4,390”

Substitute

“4,000”.

(4) The Schedule, Part II, paragraph 1, Table, item 2—

Repeal

“6,070”

Substitute

“5,580”.

(5) The Schedule, Part II, paragraph 1, Table, item 3—

Repeal

“8,930”

Substitute

“9,820”.

(6) The Schedule, Part II, paragraph 1, Table, item 4—

Repeal

“12,500”

Substitute

“13,750”.

(7) The Schedule, Part II, paragraph 1, Table, item 5—

Repeal

“18,800”

Substitute

“21,600”.

(8) The Schedule, Part II, paragraph 1, Table, item 6—

Repeal

“28,200”

Substitute

“31,000”.

- (9) The Schedule, Part II, paragraph 1, Table, item 7—

Repeal

“35,200”

Substitute

“40,500”.

- (10) The Schedule, Part II, paragraph 1, Table, item 8—

Repeal

“44,050”

Substitute

“50,650”.

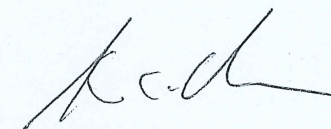
- (11) The Schedule, Part II, paragraph 1, Table, item 9—

Repeal

“52,800”

Substitute

“60,700”.



Secretary for Financial Services and
the Treasury

13.10. 2016

Explanatory Note

This Regulation amends the Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295 sub. leg. D) to vary the fees payable for—

- (a) the storage of explosives and explosive accessories in a Government Explosives Depot; and
- (b) the delivery of explosives and explosive accessories from the Depot to any other place by the Government.