

## **LEGISLATIVE COUNCIL BRIEF**

### **MINING ORDINANCE (Cap. 285)**

#### **Mines (Safety) (Amendment) Regulation 2018**

### **DANGEROUS GOODS ORDINANCE (Cap. 295)**

#### **Dangerous Goods (General) (Amendment) Regulation 2018**

#### **Dangerous Goods (Government Explosives Depots) (Amendment) Regulation 2018**

## **INTRODUCTION**

Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) empowers the Financial Secretary (which means also the Secretary for 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 2018, the Dangerous Goods (General) (Amendment) Regulation 2018 and the Dangerous Goods (Government Explosives Depots) (Amendment) Regulation 2018 (“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), 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, movement and discharge of certain dangerous goods in category 1 (explosives and blasting agents), and (iii) storage and delivery of explosives and explosive accessories (“the Services”). These fees are prescribed in the Third Schedule to Cap. 285B, regulation 183(1) of Cap. 295B and the Schedule to Cap. 295D. Revision to these fees was last made on 1 January 2017 (with the exception of one item of fee that was last revised

on 1 January 2015 – see Item 4 in **Annex 1**) according to the Government’s “user pays” policy under which fees charged by the Government should in general be set at levels adequate to recover the full cost of providing the services.

4. A review of the cost of providing the Services at the 2017-18 price level has been carried out recently. The review shows that the cost recovery rates at existing fee levels range from 31% to 108%. 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 105%, no revision to the fee will be made; and
- (e) for items with cost recovery rates above 105%, their fees will be adjusted downward to the full cost recovery level.

5. Following the above principles, 26 out of the 27 items of fees for the Services will be subject to revision, including 25 items to be adjusted upward by 10% to 20% and one item to be adjusted downward by 8%. 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 38% to 104%. 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 31 March 2018.

## LEGAL IMPLICATIONS

7. The proposed amendments do not affect the current binding effect of the Mining Ordinance (Cap. 285), the Dangerous Goods Ordinance (Cap. 295) 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 \$2.3 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 31 October 2017, 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 2 February 2018. A spokesman will be available to answer enquiries on the subject.

## **ENQUIRIES**

14. For enquires on this brief, please contact Mr Victor F Y CHAN, Principal Assistant Secretary (Works) 2 of the Development Bureau at 3509 8276.

**Development Bureau**  
**January 2018**

**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 2017-18 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)	2017	4,130	57%	4,750	620	15%	66%
2	Renewal of mine blasting certificate under regulation 22(5)(a)	2017	2,870	108%	2,650	-220	-8%	100%
3	Replacement of worn or defaced mine blasting certificate under regulation 22(5)(c)	2017	185	65%	215	30	16%	76%
4	Endorsement of mine blasting certificate under regulation 22(6)(b)	2015	2,750	104%	2,750	0 (Retain existing charge level)	0%	104%
5	Replacement of lost mine blasting certificate under regulation 22(10)	2017	185	65%	215	30	16%	76%
Regulation 183(1) of the Dangerous Goods (General) Regulations (Cap. 295B)								
6	Grant or renewal of a licence for manufacture of dangerous goods in category 1 (explosives)	2017	53,400	90%	58,750	5,350	10%	99%
7	Grant or renewal of a licence for storage of dangerous goods in category 1 (explosives), other than class 6 (ammunition) and class 7, division 2 (manufactured fireworks)	2017	43,200	73%	47,500	4,300	10%	80%

<b>Item</b>	<b>Fee Description</b>	<b>Last Revision (Year)</b>	<b>Existing Fee (\$)</b> (a)	<b>Existing Cost Recovery Rate at 2017-18 Price Level</b>	<b>Proposed Fee (\$)</b> (b)	<b>Proposed Amount of Increase/Decrease (\$)</b> (b) – (a)	<b>Proposed Percentage Increase/Decrease</b> [(b)-(a)]/(a)	<b>Cost Recovery Rate after Fee Adjustment</b>
8	Grant or renewal of a licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode A store	2017	47,200	88%	51,900	4,700	10%	97%
9	Grant or renewal of a licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode B store	2017	9,810	83%	10,800	990	10%	91%
10	Grant or renewal of a licence for storage of dangerous goods in category 1, class 7, division 2 (manufactured fireworks) in quantities not exceeding 200 kg	2017	13,750	85%	15,150	1,400	10%	94%
11	Grant or renewal of a licence for storage of dangerous goods in category 1, class 7, division 2 (manufactured fireworks) in quantities exceeding 200 kg	2017	18,100	79%	19,900	1,800	10%	87%
12	Grant or renewal of a permit to discharge dangerous goods in category 1 (explosives), other than class 6 (ammunition) and class 7, division 2 (manufactured fireworks)	2017	64,450	70%	74,100	9,650	15%	80%
13	Issue of a duplicate of a licence or permit <sup>1</sup>	2017	700	91%	770	70	10%	100%
14	Making of an alteration or addition to, or endorsement on, a licence or permit <sup>2</sup>	2017	1,720	31%	2,060	340	20%	38%

<sup>1</sup> for items 1, 2, 3, 4 and 6 in the Table in regulation 183(1) of Cap. 295B

<sup>2</sup> for items 1, 2, 3, 4 and 6 in the Table in regulation 183(1) of Cap. 295B

Item	Fee Description	Last Revision (Year)	Existing Fee (\$) (a)	Existing Cost Recovery Rate at 2017-18 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	Making of an 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 <sup>3</sup>	2017	4,420	34%	5,300	880	20%	40%
16	Grant or renewal of a permit to move dangerous goods in category 1 (explosives)	2017	260	83%	285	25	10%	91%
Schedule to the Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295D)								
17	Fee 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)	2017	350	49%	405	55	16%	57%
18	Fee 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)	2017	175	49%	200	25	14%	56%
19	Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is not exceeding 50 kg	2017	4,000	90%	4,400	400	10%	99%

<sup>3</sup> for items 3, 4 and 6 in the Table in regulation 183(1) of Cap. 295B

Item	Fee Description	Last Revision (Year)	Existing Fee (\$) (a)	Existing Cost Recovery Rate at 2017-18 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	Fee for the 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	2017	5,580	89%	6,140	560	10%	97%
21	Fee for the 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	2017	9,820	87%	10,800	980	10%	95%
22	Fee for the 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	2017	13,750	74%	15,150	1,400	10%	81%
23	Fee for the 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	2017	21,600	66%	24,850	3,250	15%	76%
24	Fee for the 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	2017	31,000	67%	35,650	4,650	15%	77%
25	Fee for the 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	2017	40,500	68%	46,600	6,100	15%	78%

<b>Item</b>	<b>Fee Description</b>	<b>Last Revision (Year)</b>	<b>Existing Fee (\$)</b> (a)	<b>Existing Cost Recovery Rate at 2017-18 Price Level</b>	<b>Proposed Fee (\$)</b> (b)	<b>Proposed Amount of Increase/Decrease (\$)</b> (b) – (a)	<b>Proposed Percentage Increase/Decrease</b> [(b)-(a)]/(a)	<b>Cost Recovery Rate after Fee Adjustment</b>
26	Fee for the 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	2017	50,650	69%	58,250	7,600	15%	79%
27	Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 2500 kg	2017	60,700	63%	69,800	9,100	15%	73%



## Mines (Safety) (Amendment) Regulation 2018

(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 31 March 2018.

### 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

“4,130”

#### Substitute

“4,750”.

(2) Third Schedule, item 2—

#### Repeal

“2,870”

#### Substitute

“2,650”.

(3) Third Schedule, item 3—

#### Repeal

“185”

#### Substitute

“215”.


(4) Third Schedule, item 5—

#### Repeal

“185”

#### Substitute

“215”.

  
Secretary for Financial Services and  
the Treasury

19 Jan 2018

**Explanatory Note**

This Regulation amends the Mines (Safety) Regulations (Cap. 285 sub. leg. B) to vary 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 2018

(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 31 March 2018.

### 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**

“53,400”

**Substitute**

“58,750”.

(2) Regulation 183(1), Table, item 1—

**Repeal**

“700”

**Substitute**

“770”.

(3) Regulation 183(1), Table, item 1—

**Repeal**

“1,720”

**Substitute**

“2,060”.

(4) Regulation 183(1), Table, item 2—

**Repeal**

“43,200”

**Substitute**

“47,500”.

(5) Regulation 183(1), Table, item 2—

**Repeal**

“700”

**Substitute**

“770”.

(6) Regulation 183(1), Table, item 2—

**Repeal**

“1,720”

**Substitute**

“2,060”.

(7) Regulation 183(1), Table, item 3—

**Repeal**

“700”

**Substitute**

“770”.

(8) Regulation 183(1), Table, item 3—

**Repeal**

“1,720”

**Substitute**

## Dangerous Goods (General) (Amendment) Regulation 2018

Section 3

3

- “2,060”.
- (9) Regulation 183(1), Table, item 3—  
**Repeal**  
 “\$4,420”  
**Substitute**  
 “\$5,300”.
- (10) Regulation 183(1), Table, item 3(a)—  
**Repeal**  
 “47,200”  
**Substitute**  
 “51,900”.
- (11) Regulation 183(1), Table, item 3(b)—  
**Repeal**  
 “9,810”  
**Substitute**  
 “10,800”.
- (12) Regulation 183(1), Table, item 4—  
**Repeal**  
 “700”  
**Substitute**  
 “770”.
- (13) Regulation 183(1), Table, item 4—  
**Repeal**  
 “1,720”  
**Substitute**  
 “2,060”.

## Dangerous Goods (General) (Amendment) Regulation 2018

Section 3

4

- (14) Regulation 183(1), Table, item 4—  
**Repeal**  
 “\$4,420”  
**Substitute**  
 “\$5,300”.
- (15) Regulation 183(1), Table, item 4(a)—  
**Repeal**  
 “13,750”  
**Substitute**  
 “15,150”.
- (16) Regulation 183(1), Table, item 4(b)—  
**Repeal**  
 “18,100”  
**Substitute**  
 “19,900”.
- (17) Regulation 183(1), Table, item 5—  
**Repeal**  
 “260”  
**Substitute**  
 “285”.
- (18) Regulation 183(1), Table, item 6—  
**Repeal**  
 “64,450”  
**Substitute**  
 “74,100”.
- (19) Regulation 183(1), Table, item 6—

**Repeal**

"700"

**Substitute**

"770".

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

**Repeal**

"1,720"

**Substitute**

"2,060".

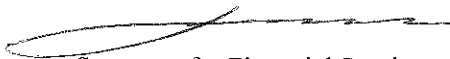
(21) Regulation 183(1), Table, item 6—

**Repeal**

"\$4,420"

**Substitute**

"\$5,300".



Secretary for Financial Services and  
the Treasury

19 Jan 2018

**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 2018

(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 31 March 2018.

### 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**

“\$350”

**Substitute**

“\$405”.

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

**Repeal**

“\$175”

**Substitute**

“\$200”.

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

**Repeal**

“4,000”

**Substitute**

“4,400”.

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

**Repeal**

“5,580”

**Substitute**

“6,140”.

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

**Repeal**

“9,820”

**Substitute**

“10,800”.

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

**Repeal**

“13,750”

**Substitute**

“15,150”.

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

**Repeal**

“21,600”

**Substitute**

“24,850”.

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

**Repeal**

“31,000”

**Substitute**

“35,650”.

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

**Repeal**

“40,500”

**Substitute**

“46,600”.

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

**Repeal**

“50,650”

**Substitute**

“58,250”.

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

**Repeal**

“60,700”

**Substitute**

“69,800”.



Secretary for Financial Services and  
the Treasury

19 Jan 2018

**Explanatory Note**

This Regulation amends the Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295 sub. leg. D) to increase 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 another place by the Government.