

LEGISLATIVE COUNCIL BRIEF

MINING ORDINANCE (Cap. 285) Mines (Safety) (Amendment) (No. 2) Regulation 2018

DANGEROUS GOODS ORDINANCE (Cap. 295) Dangerous Goods (General) (Amendment) (No. 2) Regulation 2018 Dangerous Goods (Government Explosives Depots) (Amendment) (No. 2) 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) (No. 2) Regulation 2018, the Dangerous Goods (General) (Amendment) (No. 2) Regulation 2018 and the Dangerous Goods (Government Explosives Depots) (Amendment) (No. 2) Regulation 2018 (“the Regulations”) to revise 17 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, 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 31 March 2018 (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 costs of providing the Services at the 2018-19 price level has been carried out recently. The review shows that the cost recovery rates at existing fee levels range from 67% to 109%. 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 40% to 70%, an increase of about 15% will be adopted;
- (b) 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;
- (c) for items with an existing cost recovery rate of over 95% but not over 105%, no revision to the fee will be made; and
- (d) 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, 17 out of the 27 items of fees for the Services will be subject to revision, including 15 items to be adjusted upward by 9% to 15% and two items to be adjusted downward by 6% and 8%, respectively. Details of the fee revision proposal are provided at **Annex 1**. When the proposed fee revision is implemented, the cost recovery rates of the Services will range from 77% to 103%. 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 February 2019.

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 CIVIL SERVICE IMPLICATIONS

8. When the proposed fee adjustments are implemented, the estimated increase in revenue is about \$1.5 million per annum. There are no civil service implications.

ECONOMIC IMPLICATIONS

9. There are no significant economic implications.

FAMILY IMPLICATIONS

10. There are no family implications.

EFFICIENCY INITIATIVES

11. The Government 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 18 July 2018, 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 16 November 2018. A spokesman will be available to answer enquiries on the subject.

ENQUIRIES

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

**Development Bureau
November 2018**

**Proposed Revision of Fees 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 2018-19 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) | 2018 | 4,750 | 67% | 5,460 | 710 | 15% | 77% |
| 2 | Renewal of mine blasting certificate under regulation 22(5)(a) | 2018 | 2,650 | 99% | 2,650 | 0 (Retain existing charge level) | 0% | 99% |
| 3 | Replacement of worn or defaced mine blasting certificate under regulation 22(5)(c) | 2018 | 215 | 97% | 215 | 0 (Retain existing charge level) | 0% | 97% |
| 4 | Endorsement of mine blasting certificate under regulation 22(6)(b) | 2015 | 2,750 | 101% | 2,750 | 0 (Retain existing charge level) | 0% | 101% |
| 5 | Replacement of lost mine blasting certificate under regulation 22(10) | 2018 | 215 | 97% | 215 | 0 (Retain existing charge level) | 0% | 97% |
| 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) | 2018 | 58,750 | 109% | 53,950 | -4,800 | -8% | 100% |
| 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) | 2018 | 47,500 | 92% | 51,700 | 4,200 | 9% | 100% |

| Item | Fee Description | Last Revision (Year) | Existing Fee (\$) (a) | Existing Cost Recovery Rate at 2018-19 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 | Grant or renewal of a licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode A store | 2018 | 51,900 | 99% | 51,900 | 0 (Retain existing charge level) | 0% | 99% |
| 9 | Grant or renewal of a licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode B store | 2018 | 10,800 | 106% | 10,200 | -600 | -6% | 100% |
| 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 | 2018 | 15,150 | 103% | 15,150 | 0 (Retain existing charge level) | 0% | 103% |
| 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 | 2018 | 19,900 | 90% | 21,900 | 2,000 | 10% | 99% |
| 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) | 2018 | 74,100 | 98% | 74,100 | 0 (Retain existing charge level) | 0% | 98% |
| 13 | Issue of duplicate of a licence or permit ¹ | 2018 | 770 | 99% | 770 | 0 (Retain existing charge level) | 0% | 99% |
| 14 | Making of an alteration or addition to, or endorsement on, a licence or permit ² | 2018 | 2,060 | 80% | 2,270 | 210 | 10% | 88% |

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

² for items 1, 2, 3, 4 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 2018-19 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 ³ | 2018 | 5,300 | 67% | 6,100 | 800 | 15% | 77% |
| 16 | Grant of a permit to move dangerous goods in category 1 (explosives) | 2018 | 285 | 86% | 315 | 30 | 11% | 95% |
| 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) | 2018 | 405 | 73% | 445 | 40 | 10% | 80% |
| 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) | 2018 | 200 | 72% | 220 | 20 | 10% | 79% |
| 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 | 2018 | 4,400 | 88% | 4,840 | 440 | 10% | 97% |

³ 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 2018-19 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 | 2018 | 6,140 | 97% | 6,140 | 0 (Retain existing charge level) | 0% | 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 | 2018 | 10,800 | 99% | 10,800 | 0 (Retain existing charge level) | 0% | 99% |
| 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 | 2018 | 15,150 | 87% | 16,650 | 1,500 | 10% | 95% |
| 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 1,000 kg | 2018 | 24,850 | 81% | 27,350 | 2,500 | 10% | 89% |
| 24 | Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 1,000 kg but not exceeding 1,500 kg | 2018 | 35,650 | 80% | 39,200 | 3,550 | 10% | 88% |
| 25 | Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 1,500 kg but not exceeding 2,000 kg | 2018 | 46,600 | 81% | 51,250 | 4,650 | 10% | 89% |

| Item | Fee Description | Last Revision (Year) | Existing Fee (\$) (a) | Existing Cost Recovery Rate at 2018-19 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 | Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 2,000 kg but not exceeding 2,500 kg | 2018 | 58,250 | 82% | 64,100 | 5,850 | 10% | 90% |
| 27 | Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 2,500 kg | 2018 | 69,800 | 75% | 76,800 | 7,000 | 10% | 82% |

Mines (Safety) (Amendment) (No. 2) 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 1 February 2019.

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)

Third Schedule, item 1—

Repeal

“4,750”

Substitute

“5,460”.



Secretary for Financial Services and
the Treasury

7 Nov 2018

Explanatory Note

This Regulation amends the Mines (Safety) Regulations (Cap. 285 sub. leg. B) to increase the fee payable for the issue of mine blasting certificates.

Dangerous Goods (General) (Amendment) (No. 2) 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 1 February 2019.

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

“58,750”

Substitute

“53,950”.

(2) Regulation 183(1), Table, item 1—

Repeal

“2,060”

Substitute

“2,270”.

(3) Regulation 183(1), Table, item 2—

Repeal

“47,500”

Substitute

“51,700”.

(4) Regulation 183(1), Table, item 2—

Repeal

“2,060”

Substitute

“2,270”.

(5) Regulation 183(1), Table, item 3—

Repeal

“2,060”

Substitute

“2,270”.

(6) Regulation 183(1), Table, item 3—

Repeal

“\$5,300”

Substitute

“\$6,100”.

(7) Regulation 183(1), Table, item 3(b)—

Repeal

“10,800”

Substitute

“10,200”.

(8) Regulation 183(1), Table, item 4—

Repeal

“2,060”

Substitute

“2,270”.

- (9) Regulation 183(1), Table, item 4—

Repeal

“\$5,300”

Substitute

“\$6,100”.

- (10) Regulation 183(1), Table, item 4(b)—

Repeal

“19,900”

Substitute

“21,900”.

- (11) Regulation 183(1), Table, item 5—

Repeal

“285”

Substitute

“315”.

- (12) Regulation 183(1), Table, item 6—

Repeal

“2,060”

Substitute

“2,270”.

- (13) Regulation 183(1), Table, item 6—

Repeal

“\$5,300”

Substitute

“\$6,100”.



Secretary for Financial Services
and the Treasury

7 Nov 2018

Explanatory Note

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

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

Dangerous Goods (Government Explosives Depots) (Amendment) (No. 2)
Regulation 2018

Section 1

1

**Dangerous Goods (Government Explosives Depots)
(Amendment) (No. 2) 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 1 February 2019.

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

“\$405”

Substitute

“\$445”.

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

Repeal

“\$200”

Substitute

“\$220”.

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

Dangerous Goods (Government Explosives Depots) (Amendment) (No. 2)
Regulation 2018

Section 3

2

Repeal

“4,400”

Substitute

“4,840”.

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

Repeal

“15,150”

Substitute

“16,650”.

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

Repeal

“24,850”

Substitute

“27,350”.

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

Repeal

“35,650”

Substitute

“39,200”.

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

Repeal

“46,600”

Substitute

“51,250”.

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

Repeal

“58,250”

Substitute

“64,100”.

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

Repeal

“69,800”

Substitute

“76,800”.



Secretary for Financial Services
and the Treasury

7 NOV 2018

Explanatory Note

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