

15 July 2024
For information

LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT

**Revision of Fees under
Mines (Safety) Regulations, Cap. 285B,
Dangerous Goods (Government Explosives Depots) Regulations, Cap. 295D,
and Dangerous Goods (Control) Regulation, Cap. 295G
under the Purview of the Civil Engineering and Development Department**

PURPOSE

This paper briefs Members on the proposed revision of 23 out of 30 items of government fees related to services provided by the Civil Engineering and Development Department (“the Services”) in respect of (i) mine blasting; (ii) storage and delivery of explosives and explosive accessories; and (iii) manufacture, storage, conveyance and use of explosives, i.e. Schedule 1 Dangerous Goods (“S1DG”). The fees related to the Services are set out in the Third Schedule to the Mines (Safety) Regulations (Cap. 285B) under the Mining Ordinance (Cap. 285), Schedule to the Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295D) and Schedule 8 to the Dangerous Goods (Control) Regulation (Cap. 295G)¹, both of which are under the Dangerous Goods Ordinance (Cap. 295).

THE PROPOSAL

2. In line with the “user pays” principle, it is the Government’s policy that fees charged by the Government should in general be set at levels adequate to recover the full cost of providing the services according to paragraph 2 of the Financial Circular (FC) No. 6/2016 “Fees and Charges”. The last fee review for the Services was conducted in 2018. To ease the operating pressure of businesses in the face of economic downturn and the pandemic, the Government announced the implementation of waivers on the above fees from 1 October 2019 to 30 September 2023. This is the first revision proposal regarding the fees related to the Services since the end of the waiver period.

¹ Dangerous Goods (Control) Regulation (Cap. 295G) came into operation on 31 March 2022 and replaced Dangerous Goods (General) Regulations (Cap. 295B).

Fees

3. A review of the cost of providing the Services at the 2024-25 price level has been carried out. The result shows that the existing cost recovery rates of the 30 items of fees related to the Services range from 77% to 98%.

Proposed revisions

4. It is the Government's target to achieve full cost recovery as early as practicable according to paragraph 14 of the FC No. 6/2016. We propose to increase the 23 items of fees related to the Services as mentioned in paragraph 1 above by 8% to 10% in 2024-25, with the amount of increase from \$30 to \$7,700. The proposed magnitudes of fee revisions are at similar order as the previous fee revision conducted in 2018. As the existing cost of recovery rates of the remaining 7 items of fees range from 95% to 98%, the fees of these items will be kept unchanged.

5. Details of the fee revision proposal are at **Annex**. After the proposed fee revision is implemented, the cost recovery rates of the Services will be increased to 85% to 100%.

6. We will implement the revised fees in 2024-25 once the legislative amendment procedures are completed. The costs of the Services will be reviewed regularly and fee revision proposal will be submitted as and when necessary, having regard to the "user pays" principle.

PUBLIC CONSULTATION

7. The users of the Services involved in the subject fee revision are mainly explosives suppliers, companies / organizations operating explosives stores, contractors, and holders of the mine blasting certificates, explosives licences and permits. Their businesses mainly involve blasting works and firework displays, etc. Thus, the revision proposal for the fees related to the Services does not have direct impact on people's livelihood or general business activities. Stakeholders in the related industries, including members of the Consultative Group on Blasting Regulation, explosives suppliers, members of the Dangerous Goods Standing Committee and companies / organizations operating explosives stores, have been consulted on the proposed fee revision. They had no adverse comment on the proposed fee adjustments.

EFFICIENCY IMPROVEMENT MEASURES

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

FINANCIAL IMPLICATION

9. When the proposed fee revision is implemented, the increase in revenue is estimated to be about \$2.8 million per annum.

WAY FORWARD

10. Members are invited to note the proposal as set out in this paper. We will proceed with the necessary legislative amendments by negative vetting. We will table the proposed subsidiary legislations at the Legislative Council for negative vetting in Q4 2024 tentatively and will implement the revised fees in early 2025.

Development Bureau

Civil Engineering and Development Department

July 2024

**Proposed Revision of Fees under
Mines (Safety) Regulations, Cap. 285B,
Dangerous Goods (Government Explosives Depots) Regulations, Cap. 295D,
and Dangerous Goods (Control) Regulation, Cap. 295G**

Item	Fee Description	Existing Fee (\$) (a)	Cost Recovery Rate at 2024-25 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase (\$) (b) – (a)	Proposed Percentage Increase [(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)	5,460	85%	6,010	550	10%	94%
2	Renewal of mine blasting certificate under regulation 22(5)(a)	2,650	85%	2,920	270	10%	94%
3	Replacement of worn or defaced mine blasting certificate under regulation 22(5)(c)	215	96%	215	0 (charge level to be retained)	0%	96%
4	Endorsement of mine blasting certificate under regulation 22(6)(b)	2,750	87%	3,030	280	10%	95%
5	Replacement of lost mine blasting certificate under regulation 22(10)	215	96%	215	0 (charge level to be retained)	0%	96%
Schedule to the Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295D)							
6	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)	445	96%	445	0 (charge level to be retained)	0%	96%

Item	Fee Description	Existing Fee (\$) (a)	Cost Recovery Rate at 2024-25 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase (\$) (b) – (a)	Proposed Percentage Increase [(b)-(a)]/(a)	Cost Recovery Rate after Fee Adjustment
7	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)	220	95%	220	0 (charge level to be retained)	0%	95%
8	Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is not exceeding 50 kg	4,840	81%	5,320	480	10%	89%
9	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	6,140	84%	6,750	610	10%	92%
10	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	10,800	87%	11,900	1,100	10%	96%
11	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	16,650	86%	18,300	1,650	10%	94%
12	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	27,350	82%	30,100	2,750	10%	90%

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13	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	39,200	82%	43,100	3,900	10%	90%
14	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	51,250	83%	56,400	5,150	10%	91%
15	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	64,100	84%	70,500	6,400	10%	93%
16	Fee for the delivery of explosives from a depot to any other place by the Government where the quantity is exceeding 2 500 kg	76,800	77%	84,500	7,700	10%	85%
Schedule 8 to the Dangerous Goods (Control) Regulation (Cap. 295G)							
17	Grant or renewal of a manufacture (factory) licence for S1DG	53,950	98%	53,950	0 (charge level to be retained)	0%	98%
18	Grant or renewal of a manufacture (blasting) licence for S1DG	53,950	98%	53,950	0 (charge level to be retained)	0%	98%
19	Grant or renewal of a Mode A licence for storing Group 6 S1DG or special Class 9 S1DG (not used for blasting)	51,900	93%	56,050	4,150	8%	100%
20	Grant or renewal of a Mode A licence for storing Group 7 S1DG (not used for blasting)	21,900	88%	24,100	2,200	10%	97%

Item	Fee Description	Existing Fee (\$) (a)	Cost Recovery Rate at 2024-25 Price Level	Proposed Fee (\$) (b)	Proposed Amount of Increase (\$) (b) – (a)	Proposed Percentage Increase [(b)-(a)]/(a)	Cost Recovery Rate after Fee Adjustment
21	Grant or renewal of a Mode A licence for storing S1DG other than Group 6 S1DG or special Class 9 S1DG (not used for blasting) or Group 7 S1DG (not used for blasting)	51,700	92%	56,050	4,350	8%	100%
22	Grant or renewal of a Mode B licence for storing Group 6 S1DG or special Class 9 S1DG (not used for blasting)	10,200	87%	11,200	1,000	10%	95%
23	Grant or renewal of a Mode B licence for storing Group 7 S1DG (not used for blasting)	15,150	92%	16,550	1,400	9%	100%
24	Grant or renewal of a use (individual) licence for S1DG	1,520	97%	1,520	0 (charge level to be retained)	0%	97%
25	Grant or renewal of a possession licence for S1DG	51,700	92%	56,350	4,650	9%	100%
26	Grant or renewal of a discharge (blasting) permit for S1DG	74,100	89%	81,500	7,400	10%	98%
27	Issue of duplicate or replacement of a licence or permit ²	770	90%	845	75	10%	99%
28	Alteration or addition or endorsement of conditions of a licence or permit ³	2,270	87%	2,500	230	10%	96%
29	Alteration or addition or endorsement of conditions of a licence or permit involving relocation of an explosive store, or a change of the designated possession / blasting area in a licensed blasting site ⁴	6,100	87%	6,710	610	10%	96%
30	Grant of a conveyance permit for S1DG	315	91%	345	30	10%	100%

² for items 1 to 7 in the Table of Schedule 8 to Cap. 295G

³ for items 1, 2, 3, 4, 6 and 7 in the Table of Schedule 8 to Cap. 295G

⁴ for items 3, 4, 6 and 7 in the Table of Schedule 8 to Cap. 295G