

立法會
Legislative Council

LC Paper No. CB(2)855/00-01
(These minutes have been
seen by the Administration)

Ref : CB2/SS/8/00

**Subcommittee on Proposed Resolution under Section 29
of the Pharmacy and Poisons Ordinance**

**Minutes of meeting
held on Tuesday, 16 January 2001 at 8:30 am
in Conference Room B of the Legislative Council Building**

- Members Present** : Hon CHAN Kam-lam (Chairman)
Hon James TIEN Pei-chun, JP
Hon Abraham SHEK Lai-him, JP
Hon Michael MAK Kwok-fung
Hon LAU Ping-cheung
- Members Absent** : Hon David CHU Yu-lin
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon CHAN Yuen-han
Hon SIN Chung-kai
- Public Officers Attending** : Miss Angela LUK
Principal Assistant Secretary for Health and Welfare
- Mr Peter KWOK
Assistant Secretary for Health and Welfare
- Dr Constance CHAN
Assistant Director, Department of Health
- Miss Laurene CHOW
Head, Boards & Councils, Department of Health
- Ms Agnes YEUNG

Chief Treasury Accountant, Department of Health

Clerk in Attendance : Ms Doris CHAN
Chief Assistant Secretary (2) 4

Staff in Attendance : Ms Bernice WONG
Assistant Legal Adviser 1

Miss Mary SO
Senior Assistant Secretary (2) 8

I. Election of Chairman

Mr CHAN Kam-lam was elected chairman of the Subcommittee.

II. Meeting with the Administration

2. At the invitation of the Chairman, Assistant Director, Department of Health (AD,DH) said that the proposed Pharmacy and Poisons (Amendment) Regulation 2001 made under section 29 of the Pharmacy and Poisons Ordinance (Cap.138) by the Pharmacy and Poisons Board (the Board) sought to revise the following four items of fees relating to the examination, registration and certification of pharmacists -

- (a) the fee for the qualifying examination for each subject - revised from \$1,090 to \$1,110;
- (b) the fee for the issue of a certificate of registration as a pharmacist - revised from \$775 to \$790;
- (c) the fee for an annual practising certificate for a registered pharmacist - revised from \$585 to \$520; and
- (d) the fee for the issue of a certificate of good standing - revised from \$395 to \$415.

The proposed three items of fee increases would recover over 90% of the full cost, while the reduction of fee was achieved through higher productivity of the Board. These fee revisions should have very little effect on the public at large, as they would

Action

not affect people's livelihood or general business activities. AD,DH further tabled a paper setting out the cost computation of the existing four items of fees in question (see the Appendix). In respect of staff costs, AD,DH said that they referred to the costs of deploying DH staff to provide secretarial service to the Board.

3. Mr James TIEN referred members to paragraph 11 of the minutes of meeting of the Panel on Health Services held on 23 June 2000 which stated the explanation given by the Administration that the reason why the fee for the qualifying examination was high was because the number of candidates who needed to take the examination was small. In this connection, Mr TIEN queried whether the fee for the qualifying examination would be very high, say, if only one person would sit for the qualifying examination, and further enquired about the average number of candidates who had sat for the qualifying examinations in the past years.

4. AD,DH responded that past figures were used as the basis for projecting the number of candidates who would take the qualifying examinations. As regards the numbers of candidates who had sat for the qualifying examinations during the past five years, they were as follows -

| <u>Year</u> | <u>Number of candidates who applied for the qualifying examinations</u> |
|-------------|---|
| 1996 | 227 |
| 1997 | 213 |
| 1998 | 187 |
| 1999 | 158 |
| 2000 | 150 |

AD,DH further said that the aforesaid figures did not reflect exactly the number of qualifying examinations taken by the candidates. Although overseas graduates were required to pass qualification examinations in three subjects in order to practise as a pharmacist in Hong Kong, some of them would take all three examinations in one year, while others would take them in different year(s).

5. Mr TIEN expressed surprise that only \$20 was proposed to be increased for the fee for the qualifying examination, having regard to the fact that the number of candidates who had sat for the qualifying examination had fallen from 227 in 1996 to 150 in 2000. Principal Assistant Secretary for Health and Welfare (PAS/HW) explained that as some operating costs were fixed regardless of the number of the candidates who would take the qualifying examination, for example, the cost for hiring examiner to set questions for the examination, it would not be possible for the level of fee to be increased in proportion to the level of decrease in the number of candidates who would take the examination.

Action

6. Noting that the existing fee for an annual practising certificate for a registered pharmacist was proposed to be reduced from \$585 to \$520, Mr Michael MAK enquired whether people had been over-charged in the past. Chief Treasury Accountant, DH responded that the existing fee of \$585 was based on the costing results for 1995/96. She further said that the reason why the fee for annual practising certificate could be reduced by 11% was due to cost savings brought about by streamlining the process. Another reason for the reduction of the fee for annual practising certificate was because the operating costs for issuing the annual practising certificate were shared by an increasing number of registered pharmacists, i.e. from 1,067 in 1996 to about 1,300 in 2000. PAS/HW supplemented that the aim of the proposed fee revisions was to achieve full cost recovery for providing the services. Hence, if the costs for providing a particular service were reduced, user fee would be correspondingly reduced. Referring to the cost computation of the existing four items of fees relating to the examination, registration and certification of pharmacists, Mr MAK enquired how the Administration had arrived at such detailed breakdown of costs. Chief Treasury Accountant, DH responded that the Government had an established accounting guidelines on cost computation, including staff costs, accommodation costs, departmental expenses and central administration overhead. In respect of the staff costs for processing one application, they were based on the actual number and rank of staff deployed to perform such work and their time spent in this regard.

7. In reply to Mr MAK's further enquiry on the financial implication of the proposed four items of fee revisions, PAS/HW said that the Government revenue would be reduced by about \$75,000 per annum.

8. Mr LAU Ping-cheung said that if the operating costs for providing services relating to the examination, registration and certification of pharmacists were high, it would be inevitable that the fees concerned would be high. In this connection, Mr LAU enquired whether there was any room for cost savings so as to drive the fees down. Mr Abraham SHEK echoed Mr LAU's view.

9. PAS/HW responded that members of the Board had reviewed the existing working arrangements and were satisfied with the secretarial service provided by DH staff. PAS/HW further said that as the Board was an independent regulatory body, it could hire outside people to replace DH staff to carry out its work if it so wished. Mr LAU further enquired whether the operating costs of the Board had included rental fee for the Board's office. PAS/HW replied in the positive.

10. In reply to the Chairman's enquiry about the financial loss to the Government if the Council only approved the proposed fee reduction and not the proposed three items of fee increases, PAS/HW said that the financial implication should be minimal.

Action

Conclusion

11. In summing up, the Chairman suggested that the Subcommittee should report its deliberations to the House Committee on 19 January 2001. Members agreed. PAS/HW said that the Administration would give a fresh notice to move a motion to seek the Council's approval of the Pharmacy and Poisons (Amendment) Regulation 2001 made by the Board as soon as possible.

12. There being no other business, the meeting ended at 8:50 am.

Legislative Council Secretariat

12 February 2001

COST COMPUTATION

Department of Health

Fees payable under the Pharmacy and Poisons Regulations

**Cost at 2000-01 Prices
(for processing one application)**

| | Examination in each subject prescribed by the Board | Issue of a certificate of registration as a pharmacist | Annual practising certificate for a registered pharmacist | Issue of a certificate of good standing |
|---------------------------------------|--|---|---|---|
| | \$ | \$ | \$ | \$ |
| Staff Costs | 924 | 682 | 449 | 360 |
| Accommodation Costs | 85 | 63 | 41 | 33 |
| Departmental Expenses | 78 | 31 | 21 | 16 |
| Central Administrative Overhead | 24 | 18 | 12 | 9 |
| Unit Cost | 1,111 | 794 | 523 | 418 |
| Existing fee | 1,090 | 775 | 585 | 395 |
| Proposed fee | 1,110 | 790 | 520 | 415 |