

Legislative Council Panel on Health Services

**Information Paper on Fee Revision Proposals  
Related to Control of Animals**

**INTRODUCTION**

This paper informs Members of the fee revisions proposed under the Rabies Regulation (Cap 421A) and the Dangerous Dogs Regulation (Cap. 167D).

**BACKGROUND**

2. Most Government fees and charges have been frozen since February 1998 as an exceptional measure to ease the burden on the community at a time of economic setback. In view of the current state of economic recovery, the Administration has proposed to adjust the fees and charges for services not directly affecting people's livelihood or general business activities, including services related to the control of animals and plants, and the registration of veterinary surgeons provided by Agriculture, Fisheries and Conservation Department.

3 It is Government policy that fees should in general be set at levels sufficient to recover the full cost of providing the services. A costing exercise conducted at 2000-01 price level reveals that some of the fees in the above Regulations fall short of the full cost. It is acknowledged that it would cause some difficulties if fees are increased rapidly to achieve full cost recovery. We have therefore proposed to phase in their full cost recovery, taking account of different circumstances, along the following lines:-

- (a) to achieve full cost recovery within three to seven years for fees with existing cost recovery rate of 40% – 70% through a 15% increase; and;
- (b) to achieve full cost recovery within one to three years for those fees within existing cost recovery rate of over 70%, through a 10% or lower increase.

4. In June 2000, we consulted the Legislative Council Panel on Health Services on the proposed revisions of 69 fee items vide paper CB(2)2253/99-00(05), in line with the policy set out in paragraph 3 above. The Panel did not raise objection to the proposed fee revisions.

5. In the past months, Agriculture, Fisheries and Conservation Department conducted a costing review of the fee items under the Rabies Regulation based on the latest costing data. These fees were last revised in 1997-1998. The review shows that the full cost of some of the services fall below the existing fees as a result of streamlining of operation while that of the others exceeds the current fees. Revisions of these fees are therefore necessary. These revisions were not covered in the previous paper CB(2)2253/99-00(05) because the indicative cost figures available at that time (i.e. the actual cost figure at 1997-98 price level revised in line with price adjustment between 1997-98 and 2000-01) did not indicate such a need for change.

## **PROPOSAL**

6. To recover the full cost of the services under the Rabies Regulation, we propose to: -

- (a) reduce by 10%-42% the fees of those services with the full cost below the existing fees; and
- (b) increase by 15% the fees of the other services with the full cost above the existing fees with a view to phasing in their full cost recovery over three to four years.

Since the detention fee for dangerous dogs under the Dangerous Dogs Regulation is pegged to the detention fee for dogs under the Rabies Regulation, it will also be reduced by 25%. A comparison of the existing and proposed fees is at the **Annex**.

## **CONSULTATION**

7. The trades concerned have been consulted and generally raise no objection to all the proposed fee revisions, including those set out in paragraph 6 above.

## **FINANCIAL IMPLICATIONS**

8. The above proposals are estimated to result in a net reduction in revenue of about \$69,000 per annum.

## **IMPLEMENTATION TABLE**

9. We plan to implement the fee revision proposals consulted in June 2000 and those set out in paragraph 6 above in January 2001.

Agriculture, Fisheries and Conservation Department  
November 2000

### Comparison between Existing and Proposed Fees

**Annex**

<u>Item</u>	<u>Fee description</u>	Existing fee (\$/per unit)	Proposed Fee (\$/per unit)	Amount of Increase/ (Decrease) (\$/per unit)	Amount of Increase/ (Decrease) %
<b>Rabies Regulation (Cap. 421A)</b>					
1	Detention fee for cats in a quarantine centre (per day or part thereof)	72	46	(26.00)	-36%
2	Detention fee for rodents and lagomorphs in a quarantine centre (per day or part thereof)	72	46	(26.00)	-36%
3	Detention fee for other animals under 1 kg in a quarantine centre (per day or part thereof)	72	46	(26.00)	-36%
4	Detention fee for dogs in a quarantine centre (per day or part thereof)	120	90	(30.00)	-25%
5	Detention fee for dogs in an observation centre (per day or part thereof)	82	94	12.00	15%
6	Detention fee for cats in an observation centre (per day or part thereof)	67	77	10.00	15%
7	Detention fee for animals other than dogs and cats in an observation centre (per day or part thereof)	67	77	10.00	15%
8	Extension or variation of an import permit	140	125	(15.00)	-10%
9	Duplicate copy of a licence, certificate or permit	140	82	(58.00)	-42%
<b>Dangerous Dogs Regulation Cap 167D</b>					
10	Detention fee for dangerous dogs	120	90	(30.00)	-25%