



中華人民共和國香港特別行政區政府總部食物及衛生局
Food and Health Bureau, Government Secretariat
The Government of the Hong Kong Special Administrative Region
The People's Republic of China

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Clerk to Panel on Health Services
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Hong Kong
(Attn.: Ms Maisie LAM)

Dear Ms LAM,

Legislative Council Panel on Health Services

**Revision of fees and charges for services not directly affecting people's
livelihood under the purview of the Department of Health**

At the Panel meeting on 20 April 2015, the Administration undertook to provide information on the computation of the costs of the 118 statutory fee items relating to the registration of healthcare professionals as set out in LC Paper No. CB(2)1237/14-15(03). The information is set out in the ensuing paragraphs.

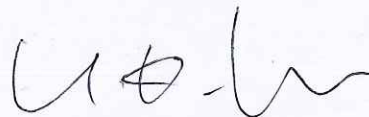
It is government policy that fees charged by the Government should in general be set at levels adequate to recover the full cost of providing the goods or services. In computing the full costs of service provided by the Department of Health (DH), we have taken into account the direct and indirect expenditure attributable to the provision of the services in accordance with generally accepted accounting and costing principles and conventions, including –

- (a) expenditure that is fully attributable and chargeable to the provision of the service, e.g. direct materials and staff costs;

- (b) expenditure which cannot be fully attributed or charged to the provision of the service but can be apportioned on a reasonable basis, e.g. electricity and rent;
- (c) capital expenditure which has been incurred in full or in part for the purposes of providing the service and is accordingly written off over a period of time by way of depreciation, e.g. computer system;
- (d) costs which are related to the provision of the service but do not involve cashflow expenditure, e.g. notional accommodation costs for a service provided in government-owned premises;
- (e) any costs of work performed by other government entities which are directly related to the provision of the service; and
- (f) a share of the administrative expenses of the department providing the service and a share of Central Departments' costs, which are collectively known as administrative overheads.

All cost computations of the fees and charges of DH have been vetted and certified by a Senior Treasury Accountant in the department to ensure that costing exercises are conducted to a professional standard, and the costings of the proposed fees and charges have fairly reflected the work of the procedures involved, the resources deployed and the price levels concerned for the delivery of the services.

Yours sincerely,



(LEE Yau-kwong)
for Secretary for Food and Health

c.c. Secretary for Financial Services and the Treasury
(Attn.: Mr Jimmy LAM)

Director of Health
(Attn.: Mr Daniel WONG)