

Legislative Council Panel on Health Services

**Revision of Fees and Charges for Services Related to
Control of Animals and Plants and
Registration of Veterinary Surgeons**

Introduction

This paper invites Members to advise on the proposed adjustments of fees and charges for certain Government services related to the control of animals and plants and the registration of veterinary surgeons.

Background

2. At the LegCo Panel on Financial Affairs on 13 April 2000, Members were consulted on proposals to revise various fees and charges for services not directly affecting people's livelihood or general business activities. In this connection, Members suggested that the proposals should be considered by the relevant subject Panels of LegCo. At the House Committee meeting held on 14 April 2000, Members agreed that the respective LegCo Panels should be consulted on whether, and if so how, fees and charges under their purviews should be increased.

Administration's Proposals

3. The Administration's general policy is to recover 100% of the cost of providing the service. However, for a variety of reasons, some existing fees fall far short of full cost recovery. It is acknowledged that it would cause some difficulties if fees were increased rapidly to achieve 100% cost recovery. We therefore propose a phased increase, taking account of different circumstances, along the following lines –

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

fees with existing cost recovery rate of over 70%, through a 10% or lower increase.

4. The proposed adjustments in respect of services related to the control of animals and plants and the registration of veterinary surgeons provided by the Agriculture, Fisheries and Conservation Department are set out in the Appendix.

5. The proposed adjustments involve a total of 69 fee items. Of these 69 items, 46 items involve an increase of 3% to 7% only and two items involve an increase of 15% following the lines set out in paragraph 3 above.

6. Exceptional cases departing from the full-cost recovery policy involve fees and charges related to the quarantine maintenance for plants, the disinfection treatment for plants and soil, the impounding of animals and the detention of dogs. These involve 21 subsidized fee items. The last revision was carried out in 1997/98. An increase of 2.9% is proposed to maintain the real value of these fees, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.

Financial Implications

7. If all the proposed fee adjustments are implemented, we estimate that an additional revenue of about \$320,000 per annum would be generated.

Further Improvement in Cost-effectiveness

8. The Administration will continue to undertake necessary measures to –

- (a) contain costs by continuing to implement the Enhanced Productivity Programme and taking other efficiency improvement measures; and
- (b) review whether it is still necessary to provide the various services that require payment of fees and charges.

We will discuss the findings of the review with Members by the end of this financial year.

Implementation Timetable

9. The Administration intends to introduce the fee adjustments to the Legislative Council early in the next legislative session.

Advice Sought

10. Members are invited to endorse the fee adjustments recommended in the Appendix.

**Environment and Food Bureau /
Agriculture, Fisheries and Conservation Department
June 2000**

**Agriculture, Fisheries and Conservation Department
Fees Revision 2000/01**

<u>Fee Item</u>	<u>Fee Description</u>	<u>Existing fee</u> \$	<u>Existing cost recovery rate</u> %	<u>Proposed fee</u> \$	<u>Amount of increase</u> \$	<u>% of increase</u> %	<u>Cost recovery rate after adjustment</u> %	<u>Estimated additional annual revenue</u> \$	<u>Basis</u>
Plant (Importation and Pest Control) Ordinance (Cap. 207)									
(I) <u>Phytosanitary certificate for plants</u>									
1	Living plants not exceeding 5 plants (per examination)	107	96%	111	4	4%	100%	136	Full cost recovery in 2000/01.
2	Living plants exceeding 5 plants and not exceeding 20 plants (per examination)	165	96%	172	7	4%	100%	448	Full cost recovery in 2000/01.
3	Living plants exceeding 20 plants and not exceeding 50 plants (per examination)	200	96%	208	8	4%	100%	176	Full cost recovery in 2000/01.
4	Living plants exceeding 50 plants - the first 50 plants (per examination)	200	96%	208	8	4%	100%	408	Full cost recovery in 2000/01.
5	Living plants exceeding 50 plants - each additional multiple of 50 plants or part (per examination)	41	96%	43	2	4%	100%	2,320	Full cost recovery in 2000/01.
6	Cut flowers not exceeding 10 dozens (per examination)	107	96%	111	4	4%	100%	0	Full cost recovery in 2000/01.
7	Cut flowers exceeding 10 dozens and not exceeding 100 dozens (per examination)	134	96%	140	6	4%	100%	0	Full cost recovery in 2000/01.
8	Cut flowers exceeding 100 dozens - the first 100 dozens (per examination)	134	96%	140	6	4%	100%	12	Full cost recovery in 2000/01.
9	Aquatic plants not exceeding 200 plants (per examination)	113	95%	119	6	5%	100%	0	Full cost recovery in 2000/01.
10	Aquatic plants exceeding 200 plants and not exceeding 2,000 plants (per examination)	130	95%	136	6	5%	100%	6	Full cost recovery in 2000/01.

Fee Item	Fee Description	Existing fee \$	Existing cost recovery rate %	Proposed fee \$	Amount of increase \$	% of increase %	Cost recovery rate after adjustment %	Estimated additional annual revenue \$	Basis
11	Aquatic plants exceeding 2,000 plants - the first 2,000 plants (per examination)	130	95%	136	6	5%	100%	6	Full cost recovery in 2000/01.
12	Bulbs, corms, roots, tubers for the purpose of propagation not exceeding 100 (per examination)	107	96%	111	4	4%	100%	8	Full cost recovery in 2000/01.
13	Bulbs, corms, roots, tubers for the purpose of propagation exceeding 100 and not exceeding 1,000 (per examination)	120	96%	126	6	4%	100%	6	Full cost recovery in 2000/01.
14	Bulbs, corms, roots, tubers for the purpose of propagation exceeding 1,000 - the first 1,000 (per examination)	120	96%	126	6	4%	100%	12	Full cost recovery in 2000/01.
15	Fresh plant products not exceeding 50 kgs (per examination)	96	96%	100	4	4%	100%	4	Full cost recovery in 2000/01.
16	Fresh plant products exceeding 50 kgs and not exceeding 200 kgs (per examination)	148	96%	154	6	4%	100%	0	Full cost recovery in 2000/01.
17	Fresh plant products exceeding 200 kgs and not exceeding 500 kgs (per examination)	200	96%	208	8	4%	100%	24	Full cost recovery in 2000/01.
18	Fresh plant products exceeding 500 kgs and not exceeding 1,000 kgs (per examination)	251	96%	263	12	4%	100%	108	Full cost recovery in 2000/01.
19	Fresh plant products exceeding 1,000 kgs - the first 1,000 kgs (per examination)	251	96%	263	12	4%	100%	108	Full cost recovery in 2000/01.
20	Fresh plant products exceeding 1,000 kgs - each additional multiple of 1,000 kgs or part (per examination)	52	96%	54	2	4%	100%	48	Full cost recovery in 2000/01.
21	Dried plant products not exceeding 50 kgs (per examination)	96	96%	100	4	4%	100%	36	Full cost recovery in 2000/01.

Fee Item	Fee Description	Existing fee \$	Existing cost recovery rate %	Proposed fee \$	Amount of increase \$	% of increase %	Cost recovery rate after adjustment %	Estimated additional annual revenue \$	Basis
22	Dried plant products exceeding 50 kgs and not exceeding 500 kgs (per examination)	113	95%	119	6	5%	100%	180	Full cost recovery in 2000/01.
23	Dried plant products exceeding 500 kgs and not exceeding 1,000kgs (per examination)	148	96%	154	6	4%	100%	138	Full cost recovery in 2000/01.
24	Dried plant products exceeding 1,000 kgs -the first 1,000 kgs (per examination)	148	96%	154	6	4%	100%	2,826	Full cost recovery in 2000/01.
25	Cereal grains and pulses not exceeding 500 kgs (per examination)	96	96%	100	4	4%	100%	8	Full cost recovery in 2000/01.
26	Cereal grains and pulses exceeding 500 kgs and not exceeding 1,000 kgs (per examination)	130	95%	136	6	5%	100%	0	Full cost recovery in 2000/01.
27	Cereal grains and pulses exceeding 1,000 kgs and not exceeding 2,000 kgs (per examination)	148	96%	154	6	4%	100%	24	Full cost recovery in 2000/01.
28	Cereal grains and pulses exceeding 2,000 kgs - the first 2,000 kgs (per examination)	148	96%	154	6	4%	100%	30	Full cost recovery in 2000/01.
29	Seeds not exceeding 10 kgs (per examination)	96	96%	100	4	4%	100%	632	Full cost recovery in 2000/01.
30	Seeds exceeding 10 kgs and not exceeding 50 kgs (per examination)	130	95%	136	6	5%	100%	516	Full cost recovery in 2000/01.
31	Seeds exceeding 50 kgs and not exceeding 200 kgs (per examination)	148	96%	154	6	4%	100%	708	Full cost recovery in 2000/01.
32	Seeds exceeding 200 kgs - the first 200 kgs (per examination)	148	96%	154	6	4%	100%	2,160	Full cost recovery in 2000/01.
33	Timber not exceeding 1 cu m (per examination)	96	96%	100	4	4%	100%	0	Full cost recovery in 2000/01.
34	Timber exceeding 1 cu m and not exceeding 50 cu m (per examination)	113	95%	119	6	5%	100%	42	Full cost recovery in 2000/01.

Fee Item	Fee Description	Existing fee \$	Existing cost recovery rate %	Proposed fee \$	Amount of increase \$	% of increase %	Cost recovery rate after adjustment %	Estimated additional annual revenue \$	Basis
35	Timber exceeding 50 cu m and not exceeding 100 cu m (per examination)	130	95%	136	6	5%	100%	0	Full cost recovery in 2000/01.
36	Timber exceeding 100 cu m - the first 100 cu m (per examination)	130	95%	136	6	5%	100%	0	Full cost recovery in 2000/01.
37	Visiting fee in urban area/in N.T. (per visit)	112	96%	117	5	4%	100%	4,735	Full cost recovery in 2000/01.
Subtotal								15,865	

<u>Fee Item</u>	<u>Fee Description</u>	<u>Existing fee</u> \$	<u>Existing cost recovery rate</u> %	<u>Proposed fee</u> \$	<u>Amount of increase</u> \$	<u>% of increase</u> %	<u>Cost recovery rate after adjustment</u> %	<u>Estimated additional annual revenue</u> \$	<u>Basis</u>
Plant (Importation and Pest Control) Ordinance (Cap. 207)									
(II) Quarantine maintenance for plants Note 1									
38	Plants occupying an area of 0.5 sq m or less	46	5%	47	1	2.9%	5%	10	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
39	Plants occupying an area exceeding 0.5 sq m - the first area of 0.5 sq m	46	5%	47	1	2.9%	5%	4	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
40	Plants occupying an area exceeding 0.5 sq m - each additional area of 0.5 sq m or part	46	5%	47	1	2.9%	5%	9	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
41	Plants occupied an area of 0.5 sq m or less - first 3 months	46	5%	47	1	2.9%	5%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
42	Plants for each occupied area of 0.5 sq m or less - each additional period of 3 months or part	26	3%	27	1	2.9%	3%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
Subtotal								23	

Note 1 The fee items related to the quarantine maintenance for plants are set below the full cost to encourage compliance with the quarantine maintenance requirements to reduce the risk of exotic pests imported into Hong Kong.

<u>Fee Item</u>	<u>Fee Description</u>	<u>Existing fee</u> \$	<u>Existing cost recovery rate</u> %	<u>Proposed fee</u> \$	<u>Amount of increase</u> \$	<u>% of increase</u> %	<u>Cost recovery rate after adjustment</u> %	<u>Estimated additional annual revenue</u> \$	<u>Basis</u>
Plant (Importation and Pest Control) Ordinance (Cap. 207)									
<u>(III) Disinfection treatment for plants and soil</u>									
Note 2									
43	Bulbs, corms, roots and tubers not exceeding 1,000 (per treatment)	77	22%	79	2	2.9%	22%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
44	Bulbs, corms, roots and tubers exceeding 1,000 - the first 1,000 (per treatment)	77	22%	79	2	2.9%	22%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
45	Bulbs, corms, roots and tubers exceeding 1,000 - each additional multiple of 1,000 or part	59	18%	61	2	2.9%	18%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
46	Foliated materials not exceeding 20 pieces (per treatment)	66	20%	68	2	2.9%	21%	8	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
47	Foliated materials exceeding 20 pieces - the first 20 pieces (per treatment)	66	20%	68	2	2.9%	21%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.

Note 2 The fee items related to the disinfection treatment for plants and soil are set below the full cost to encourage compliance with the quarantine maintenance requirements to reduce the risk of exotic pests imported into Hong Kong.

<u>Fee Item</u>	<u>Fee Description</u>	<u>Existing fee</u> \$	<u>Existing cost recovery rate</u> %	<u>Proposed fee</u> \$	<u>Amount of increase</u> \$	<u>% of increase</u> %	<u>Cost recovery rate after adjustment</u> %	<u>Estimated additional annual revenue</u> \$	<u>Basis</u>
48	Foliated materials exceeding 20 pieces - each additional multiple of 20 pieces or part (per treatment)	46	15%	47	1	2.9%	16%	4	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from
49	Seeds, grains and pulses not exceeding 100 kgs (per treatment)	66	20%	68	2	2.9%	21%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
50	Seeds, grains and pulses exceeding 100 kgs - the first 100 kgs (per treatment)	66	20%	68	2	2.9%	21%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
51	Seeds, grains and pulses exceeding 100 kgs - each additional multiple of 100 kgs or part (per treatment)	46	15%	47	1	2.9%	15%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
52	Soil not exceeding 40 kgs (per treatment)	34	17%	35	1	2.9%	18%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
53	Soil exceeding 40 kgs - the first 40 kgs (per treatment)	34	17%	35	1	2.9%	18%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
54	Soil exceeding 40 kgs - each additional multiple of 40 kgs or part (per treatment)	26	13%	27	1	2.9%	14%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
Subtotal								12	

<u>Fee Item</u>	<u>Fee Description</u>	<u>Existing fee</u> \$	<u>Existing cost recovery rate</u> %	<u>Proposed fee</u> \$	<u>Amount of increase</u> \$	<u>% of increase</u> %	<u>Cost recovery rate after adjustment</u> %	<u>Estimated additional annual revenue</u> \$	<u>Basis</u>
Rabies Regulation (Cap. 421A)									
(IV) <u>Dog licence</u>									
55	Licence in respect of a dog vaccinated by a person who is a public officer (per licence)	70	45%	81	11	15%	52%	180,000	Phase in full cost recovery over next 5 years. Cost recovery rates for subsequent years will be 60%, 69%, 80%, 91% and 100% respectively.
56	Licence in respect of a dog vaccinated by a person who is not a public officer (per licence)	40	46%	46	6	15%	53%	100,000	Phase in full cost recovery over next 5 years. Cost recovery rates for subsequent years will be 61%, 70%, 80%, 93% and 100% respectively.
Subtotal								280,000	
Rabies Ordinance (Cap. 421)									
(V) <u>Fee for detention</u>									
57	Detention fee for cats (per day or part thereof)	72	95%	76	4	5%	100%	15,000	Full cost recovery in 2000/01.
58	Detention fee for Part II animals detained under Section 7 of the Rabies Ordinance (mainly stray dogs) - capture Note 3	550	55%	566	16	2.9%	57%))))		An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
59	Detention fee for Part II animals detained under Section 7 of the Rabies Ordinance (mainly stray dogs) - keeping (per day or part thereof)	39	97%	40	1	3%	100%)	1,000	Full cost recovery in 2000/01.
Subtotal								16,000	

Note 3 The detention fee for Part II animals (mainly stray dogs) comprises a capture fee of \$550 and a daily keeping fee of \$39. The fee for the capture component is set below the full cost to encourage the reclaim of these animals.

<u>Fee Item</u>	<u>Fee Description</u>	<u>Existing fee</u> \$	<u>Existing cost recovery rate</u> %	<u>Proposed fee</u> \$	<u>Amount of increase</u> \$	<u>% of increase</u> %	<u>Cost recovery rate after adjustment</u> %	<u>Estimated additional annual revenue</u> \$	<u>Basis</u>
Pounds Ordinance (Cap. 168)									
(VI) <u>Fee for impounded animals</u> Note 4									
60	For every horse, mule, donkey, buffalo, or ox (for whole impounding period)	23	0.4%	24	1	2.9%	0.4%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
61	For any animal weighing <10 kg not specified above (excluding a dog, a sheep, a goat, a pig, a cat, a fowl, a turkey, a duck, a goose or other bird) (for whole impounding period)	43	0.7%	44	1	2.9%	0.7%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
62	For any animal weighing >=10 kg not specified above (excluding a dog, a sheep, a goat, a pig, a cat, a fowl, a turkey, a duck, a goose or other bird) (for whole impounding period)	223	3.6%	230	7	2.9%	3.7%	0	An increase of 2.9% is proposed to maintain the real value of the fee item, based on the movement of the Government Consumption Expenditure Deflator from 1997/98 to 2000/01.
Subtotal								0	

Note 4 The impounding fees are set below the full cost to encourage the reclaim of the impounded animals.

<u>Fee Item</u>	<u>Fee Description</u>	<u>Existing fee</u> \$	<u>Existing cost recovery rate</u> %	<u>Proposed fee</u> \$	<u>Amount of increase</u> \$	<u>% of increase</u> %	<u>Cost recovery rate after adjustment</u> %	<u>Estimated additional annual revenue</u> \$	<u>Basis</u>
Veterinary Surgeons Registration Ordinance (Cap. 529)									
<u>(VII) Fees for registration of veterinary surgeons</u>									
63	Application for registration	725	94%	774	49	6%	100%	980	Full cost recovery in 2000/01.
64	Application for issuance of practising certificate	590	94%	626	36	6%	100%	360	Full cost recovery in 2000/01.
65	Application for renewal of practising certificate	590	94%	626	36	6%	100%	6,120	Full cost recovery in 2000/01.
66	Extension of time for renewal of practising certificate	590	94%	626	36	6%	100%	0	Full cost recovery in 2000/01.
67	Issue of a registration certificate	310	93%	332	22	7%	100%	220	Full cost recovery in 2000/01.
Subtotal								7,680	
Dairies Regulations (Cap. 139D)									
<u>(VIII) Dairy licence fee</u>									
68	Dairy licence (per licence) - per animal	165	96%	172	7	4%	100%	0	Full cost recovery in 2000/01.
69	Dairy licence - minimum fee (per licence)	6600	N/A	6880	280	4%	N/A	840	In case the number of animals in a dairy farm is 40 or less, the minimum fee will apply. The minimum fee is equivalent to 40 times the dairy licence fee per animal.
Subtotal								840	
Grand Total								320,420	