



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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30 April 2014

Clerk to Panel on Food Safety and Environmental Hygiene  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong  
(Attn.: Mr Jove Chan)

Dear Mr Chan,

**Follow-up action arising from the discussion at the  
Panel meeting on 11 February 2014**

**Agriculture, Fisheries and Conservation Department fees and charges**

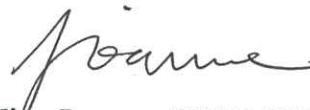
At the Panel meeting held on 11 February 2014, the Administration undertook to provide the Panel with the accounting principles and costing methods for the formulation of the proposed adjustment on the fees and charges of the Agriculture, Fisheries and Conservation Department (AFCD). The Administration's response 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 AFCD, 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. vehicles ;
- (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 AFCD 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,



( Miss Jeanne CHENG )

for Secretary for Food and Health

c.c. Secretary for Financial Services and the Treasury  
(Attn.: ATO(MA)2, Miss Amy Chow)  
Director of Agriculture, Fisheries and Conservation  
(Attn.: TA, Ms Annie Fong)