

**立法會**  
***Legislative Council***

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**Finance Committee of the Legislative Council**

**Minutes of the 19<sup>th</sup> meeting  
held at the Legislative Council Chamber  
on Friday, 10 June 2011, at 3:30 pm**

**Members present:**

Hon Emily LAU Wai-hing, JP (Chairman)  
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon LEE Cheuk-yan  
Hon Fred LI Wah-ming, SBS, JP  
Dr Hon Margaret NG  
Hon James TO Kun-sun  
Hon CHEUNG Man-kwong  
Hon CHAN Kam-lam, SBS, JP  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Hon LEUNG Yiu-chung  
Dr Hon Philip WONG Yu-hong, GBS  
Hon WONG Yung-kan, SBS, JP  
Hon LAU Kong-wah, JP  
Hon LAU Wong-fat, GBM, GBS, JP  
Hon Miriam LAU Kin-yee, GBS, JP  
Hon Andrew CHENG Kar-foo  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon LI Fung-ying, SBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP

Hon Audrey EU Yuet-mee, SC, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Kwok-hing, MH  
Hon LEE Wing-tat  
Dr Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon CHEUNG Hok-ming, GBS, JP  
Hon WONG Ting-kwong, BBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon CHIM Pui-chung  
Hon KAM Nai-wai, MH  
Hon Cyd HO Sau-lan  
Hon Starry LEE Wai-king, JP  
Dr Hon LAM Tai-fai, BBS, JP  
Hon CHAN Hak-kan  
Hon CHAN Kin-por, JP  
Dr Hon Priscilla LEUNG Mei-fun  
Hon CHEUNG Kwok-che  
Hon WONG Sing-chi  
Hon WONG Kwok-kin, BBS  
Hon IP Wai-ming, MH  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Dr Hon PAN Pey-chyou  
Hon Paul TSE Wai-chun  
Dr Hon Samson TAM Wai-ho, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon Tanya CHAN  
Hon Albert CHAN Wai-yip  
Hon WONG Yuk-man

**Members absent:**

Dr Hon David LI Kwok-po, GBM, GBS, JP  
Hon Timothy FOK Tsun-ting, GBS, JP  
Hon Paul CHAN Mo-po, MH, JP  
Dr Hon LEUNG Ka-lau

**Public officers attending:**

Ms Julia LEUNG, JP	Acting Secretary for Financial Services and the Treasury
Mr Stanley YING, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Alice LAU, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Ms Annette LEE, JP	Deputy Secretary for Transport and Housing (Housing)
Mr Tony LIU	Assistant Director of Housing (Estate Management)
Ms LAU Fung-ye, Shirley, JP	Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(H)
Mr FUNG Pak-yan, JP	Deputy Director of Social Welfare (Administration)
Mr NG Wai-kuen	Chief Social Security Officer (Social Security) 1, Social Welfare Department
Dr CHOW Yat-ngok, York, GBS, JP	Secretary for Food and Health
Mrs LAI CHAN Chi-kuen, Marion, JP	Permanent Secretary for Food and Health (Food)
Mr WONG Chi-kong, Alan, JP	Director of Agriculture, Fisheries and Conservation
Dr LEUNG Siu-fai	Deputy Director of Agriculture, Fisheries and Conservation
Dr SO Ping-man	Assistant Director of Agriculture, Fisheries and Conservation (Fisheries)
Mr CHENG Yan-chee, JP	Deputy Secretary for Financial Services and the Treasury (Financial Services)
Miss Mandy WONG	Principal Assistant Secretary for Financial Services and the Treasury (Financial Services)

**Clerk in attendance:**

Mrs Constance LI

Assistant Secretary General 1

**Staff in attendance:**

Ms Annette LAM

Chief Council Secretary (1)7

Mr Daniel SIN

Senior Council Secretary (1)7

Mr Frankie WOO

Senior Legislative Assistant (1)3

Ms Christy YAU

Legislative Assistant (1)8

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**Item No. 1 - FCR(2011-12)20**

**RECOMMENDATIONS OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 18 MAY 2011**

The Chairman advised that this item invited the Finance Committee (FC) to approve the six proposals considered and endorsed by the Public Works Subcommittee at its meeting on 18 May 2011. The Chairman put the item FCR(2011-12)20 to vote. The Committee approved the funding proposal.

**Item No. 2 - FCR(2011-12)21**

**HEAD 62 – HOUSING DEPARTMENT**

**Subhead 700 General non-recurrent**

**New Item "Special rent payment for public housing tenants"**

**HEAD 170 – SOCIAL WELFARE DEPARTMENT**

**Subhead 700 General non-recurrent**

**New Item "Additional provision for social security recipients"**

**HEAD 147 – GOVERNMENT SECRETARIAT :**

**FINANCIAL SERVICES AND THE TREASURY BUREAU  
(THE TREASURY BRANCH)**

**Subhead 700 General non-recurrent**

**Item 881 Electricity charges subsidy for eligible residential accounts**

2. The Chairman advised that FC was invited to approve various one-off relief measures announced in the 2010-2011 Budget to ease the pressure of inflation and rising price on people's livelihood.

3. Mr LEE Wing-tat, Chairman of the Panel on Housing, said that the Panel was consulted on 4 April 2011 and raised no objection to the proposed measure of providing two months' rental payment for public housing tenants. Mr CHEUNG Kwok-che, Chairman of the Panel on Welfare Services, reported that the Panel was consulted on 9 May 2011 on the proposals of providing extra allowance to recipients of Comprehensive Social Security Assistance (CSSA), Old Age Allowance (OAA) and Disability Allowance, and members supported early implementation of the proposal. Mr CHAN Kam-lam, Chairman of the Panel on Financial Affairs, reported that the Panel supported in principle the proposal of providing electricity charges subsidy, when consulted at its meeting on 9 May 2011.

*Special rent payment for public housing tenants*

4. Mr WONG Kwok-hing asked if public housing tenants would benefit from the proposed rates exemption as announced in the 2011-2012 Budget. Assistant Director of Housing (Estate Management) (AD(EM)) advised that rates had been deducted from the rents of public housing units starting from 1 April 2011.

5. Mr Albert CHAN said that he supported the funding proposals in principle. He said that in a previous exercise, there were disputes that tenants on CSSA were required to pay the rates in arrears. He urged the Administration to improve the arrangements this year to avoid disputes. AD(EM) advised that the Social Welfare Department (SWD) would now pay the rents for CSSA tenants directly to the Housing Department (HD) and the problem should not recur.

6. Mr LEE Wing-tat suggested that the Administration should also provide rental allowance to eligible public housing applicants who were on the waiting list. He said that tenants in private accommodation had to spend a high proportion of their income to pay for the rent. He urged the Administration to review the policy for rental allowance.

7. Deputy Secretary for Transport and Housing (Housing) (DS(H)) said that applicants on the public housing waiting list were subject to verification of their eligibility for allocation of public housing units. There were other relief measures to help people in need as announced by the Financial Secretary (FS) in his Budget Speech. Mr LEE Wing-tat commented that many of the measures announced by FS were time-limited and were not specifically targeted at helping low-income tenants in private accommodation.

*Extra month of CSSA / OAA payment*

8. Mr WONG Kwok-hing expressed concern about possible swindling of the extra month of CSSA or OAA payment of those recipients who were living in residential care homes or similar institutions and who were unable to handle their personal finance. He urged SWD to conduct surprise checks and keep close watch of the situation at these institutions. Deputy Director of Social Welfare (Administration) (DD(A)) advised that following a suspected case of swindling CSSA payment years ago, SWD had since written to these institutions reminding them not to offset their fees with residents' extra month payment, and no such incidents had been found. SWD inspectors would also examine the financial records of these institutions, and would report suspected swindling cases to the Police if necessary.

Electricity charges subsidy

9. Ms Audrey EU said that some local green groups had criticized that the previous electricity charges subsidy scheme had actually encouraged higher energy consumption and ran contrary to the environmental protection objective. She asked if the Administration would consider providing subsidy only to those households who had consumed less energy over the previous billing period.

10. Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(H) (PAS(T)H) replied that the Administration could not find conclusive evidence showing that the provision of electricity charges subsidy would increase electricity consumption. As an example, the average electricity consumption per household in July 2009 when subsidy was provided was less than that in July 2007 when there was no subsidy. Possibly, one of the reasons could be a hotter summer in 2007. She added that it was not feasible to tie the subsidy to electricity consumption because electricity consumption depended on a number of factors including the weather, variation in household size and the billing period.

11. Ms EU pointed out that the electricity consumption was higher in the year 2008 and 2009. She suggested that the Administration should consider granting subsidy only to those households below a certain electricity consumption threshold. PAS(T)(H) advised that the objective of the electricity charges subsidy scheme was to relieve households from the pressure of inflation. Providing subsidy only to households with consumption below a threshold could not meet this objective.

12. Mr WONG Yuk-man said that while he did not object to the funding proposals, he considered that the proposed relief measures were only piecemeal and fell short of solving the structural problems of the Hong Kong economy. He said that many people were still waiting for allocation of public housing units and the rental increase for shops in public housing estates also led to higher costs for food and goods. As the disparity between the wealthy and the poor was widening, the one-off relief packages could not reduce the burden of the low-income sector in the long run.

13. As there were no further questions from members, the Chairman put the item to vote. The Committee approved the funding proposal.

**Item No. 3 - FCR(2011-12)22**

**HEAD 22 – AGRICULTURE, FISHERIES AND CONSERVATION DEPARTMENT**

**Subhead 700 General non-recurrent**

**New item "One-off assistance package to trawler vessel owners, local deckhands and fish collector owners affected by the trawl ban and other related measures"**

14. The Chairman advised that that FC was invited to approve the creation of a new commitment of \$1,726.8 million to provide one-off assistance to trawler owners, local deckhands and fish collector owners who might be affected by a ban on trawling in Hong Kong waters, and to implement necessary related measures.

15. Mr Tommy CHEUNG Yu-yan, Chairman of the Panel on Food Safety and Environmental Hygiene, reported that the Panel discussed the proposal at the meeting held on 17 May 2011. Mr CHEUNG said that many Panel members expressed reservations about the proposal, and requested further consultation with the sector to work out more acceptable ex-gratia allowance (EGA) package, and also provide assistance to operators of related services affected by the trawl ban.

16. Mr Tommy CHEUNG further said that Members belonging to the Liberal Party supported the funding proposal, but were concerned that some fisheries-related trades, such as fish collectors, ice suppliers and vessel repairers might be affected by the trawl ban but were not covered by the EGA package. Mr CHEUNG said that the Administration had undertaken to closely monitor the impacts of the trawl ban on the fisheries-related trades and to provide assistance to affected operators.

### Conservation of fisheries resources

17. Mr Fred LI said that Members belonging to the Democratic Party supported the funding proposal and the implementation of the trawl ban. He considered that the Administration should take active measures to conserve marine resources and to sustain development of fisheries industry in Hong Kong.

18. Mr WONG Yung-kan and Mrs Sophie LEUNG LAU Yau-fun considered the sustainable development of Hong Kong's fisheries industries and conservation of marine resources important. Mr WONG remarked that the Government should introduce active measures to support the development of local aquaculture industries to ensure steady food supply, and make it a requirement that future infrastructural development and reclamation projects must include conservation elements (such as providing artificial reef) so as to protect the fisheries resources of Hong Kong. Mrs LEUNG was concerned that fewer marine species were coming to Hong Kong for breeding. She suggested that the Administration should put an effort to conserve marine ecology along Hong Kong's coastal waters.

19. Secretary for Food and Health (SFH) acknowledged the need for a new direction for fisheries development, and the need for enhancing facilities for aquaculture industries to increase local fish supply. Director of Agriculture, Fisheries and Conservation (DAFC) added that the Administration planned to implement a series of measures to promote the sustainable development of fisheries industries and to rejuvenate Hong Kong's marine ecology, such as limiting the number of local fishing vessels, regulating commercial fishing in Hong Kong waters and establishing fisheries protection areas.

20. DAFC advised that the trawl ban was an important measure to conserve fisheries resources in Hong Kong waters. The ban would stop further damage to Hong Kong's seabed before it became irreversible. The proposed measures would encourage local fishermen to shift to other modes of fishing operation or from fishing to other related trades.

### Eligibility for and calculation of ex-gratia allowance

21. Mr Fred LI expressed concern about the livelihood of the fishermen affected by the trawl ban, and the level of ex-gratia payment to be offered to the affected fishermen. He was concerned that the wide difference of EGA payable to inshore trawlers vis-à-vis larger trawlers would likely lead to disputes about the definition of the different types of trawlers. He suggested that the inter-departmental working group (IWG) led by AFCD should develop

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clear criteria and guidelines in classifying trawlers, and that such information should be provided to the Panel on Food Safety and Environmental Hygiene for reference. Mr KAM Nai-wai shared Mr LI's concern and sought details of the EGA calculations for different types of trawlers.

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22. DAFC responded that the Agriculture, Fisheries and Conservation Department (AFCD) had a long history of working with the local fisheries industry and had the knowledge of classifying various types of fishing vessels. Besides, AFCD had conducted a Port Survey in 2006, which was a five-yearly update exercise of a database that was compiled some twenty years ago. According to the survey, there were about 400 inshore trawlers among the total number of around 1 100 trawlers. DAFC said that paragraph 8 of the paper provided the factors for formulating the EGA calculations, and the details of the calculation criteria would be provided to the Panel on Food Safety and Environmental Hygiene for information, once they were formulated by IWG.

23. Mr WONG Yung-kan commented that whether to ban trawling was a difficult decision to take and there had been disputes regarding the proposed rates of EGA for the four types of inshore trawlers. He commented that the Administration should re-examine how the proposed \$1.7 billion for EGA was to be disbursed among the affected trawler owners.

24. Mr Albert CHAN said that he had no objection to the implementation of trawl ban in principle but had reservation about applying the ban on shrimp trawlers which caused relatively mild damage to the marine environment. He questioned the basis for arriving at the proposed rates of EGA and why the amounts payable would have to depend on the number of successful applicants. He also asked about the types of fish produce to be taken into account in calculating the amount of EGA.

25. SFH responded that shrimp trawlers also caused considerable damage to the marine environment, and exempting shrimp trawlers would defeat the policy objective of the trawl ban. DAFC supplemented that AFCD had already estimated that there were about 400 trawlers affected by the ban, and the classification of trawlers into four types each with a different range of EGA was drawn up for general reference. The actual amount of EGA payable to individual trawlers would depend on the actual number of successful applications and other apportionment criteria of the particular cases.

Appeal mechanism

26. Mr Fred LI noted that the Administration intended to set up a Fishermen Claims Appeal Board (Appeal Board). He suggested that the

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Appeal Board should include members of the Panel on Food Safety and Environmental Hygiene to monitor the implementation of the one-off assistance package. Mr Alan LEONG said that certain groups of the fisheries sector were concerned that as IWG or the Appeal Board did not have fishermen representatives, these bodies might not be able to appreciate their special circumstances or understand their needs and situations when considering their applications or appeal cases. Mr LEONG asked if the Administration would invite representatives from the sector to participate in the work of these bodies.

27. SFH advised that IWG comprised professional staff in AFCD and representatives from relevant departments such as Marine Department. The Appeal Board would comprise non-official, non-partisan individuals with professional or legal background. To maintain impartiality in the Appeal Board's operation, it was not appropriate to appoint members of the legislature to the Appeal Board. SFH added that both IWG and the Appeal Board would maintain close dialogue with the fisheries sector as necessary.

Assistance to affected trawler owners

28. Mr WONG Kwok-hing suggested that the Administration should offer interest-free loans to help affected trawler owners shift to other business. He referred to a letter he received from a group of representatives of shrimp trawler owners/deckhands at Castle Peak Bay requesting an extension of the period for opting voluntary buy-out of trawlers from nine months to two years. The group also considered it unreasonable that deckhands employed by inshore trawler owners who did not join the buy-out scheme would not be able to receive the one-off grant. Mr WONG asked the Administration to consider the representatives' views.

29. SFH replied that the Administration had injected \$190 million into the Fisheries Development Loan Fund a few years ago to provide low-interest loans to help fishermen to restructure or change their business. Certain flexibility had also been introduced to make it easier to obtain loans under the Fund, for example, a fishing vessel could now be used as collateral for obtaining a loan. SFH advised that while the Administration could consider lowering the interest rates, it was difficult to waive interest altogether under the current fiscal policy.

30. Mr WONG Kwok-hing and Mr WONG Yuk-man considered that the Administration should provide adequate support and assistance to the local deckhands employed by affected inshore trawler owners who opted for the voluntary buy-out scheme. Mr WONG Kwok-hing suggested that the Administration should provide relevant vocational training programmes that

meet the demand of the job market, and job-matching service to enable the displaced deckhands to find employment following the implementation of the trawl ban. Referring to paragraph 20(e) of the FC paper, Mr WONG Yuk-man asked the Administration to provide detailed information and statistics on the training programmes that would be provided under the proposed allocation of the \$52.8 million. He also asked about the expected number of participants of the special training programmes and the estimated number of people who would successfully change jobs or career as a result. In this connection, he asked if some of these displaced workforce could be absorbed into the civil service.

31. DAFC responded that he was very concerned about the fisheries industry and had explored ways to expand the scope of the fisheries business. Many local deckhands and fishermen had indicated their preference to work in areas related to their expertise and training and close to the marine environment. The Administration would provide suitable training and job-matching assistance to facilitate them to change to related fields. Deputy Director of Agriculture, Fisheries and Conservation (DDAFC) supplemented that training programmes related to the fisheries industries were currently held during the period of fishing moratorium, which included courses such as leisure boat servicing and operation, aquaculture and eco-tourism. About 1 000 fishermen had attended these courses. AFCD had also engaged other companies and organizations (such as local travel agents) as training partners to provide placement opportunities. The Administration would consider the views and requests of the fisheries sector in developing other training programmes such as computer courses, to meet the demands of the industry.

32. Mr Alan LEONG noted that the EGA for affected trawler owners was calculated on the basis of 11 years of notional value of fish catch and multiplied by a fish price movement factor. He said that some fishermen groups had expressed dissatisfaction about the formula. In particular, he sought clarification on how the "fish price movement" multiplier of 1.63 was calculated, and whether the Administration would consider revising the EGA formula if the fisheries sector could provide documentary evidence to prove that their actual loss exceeded the amount evaluated from the formula.

33. SFH and DAFC explained that the notional value of fish catch was based on the data collected from the Port Survey conducted by AFCD in 1989-91 and adjusted by the fish price movement since then. The fish price movement factor represented the variation in fish price collected regularly by AFCD staff. The formula was based on that endorsed by FC on 1 December 2000 on EGA for fishermen affected by marine works projects resulting in permanent loss of fishing grounds in Hong Kong waters.

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34. Noting the Administration's reply, Mr Albert CHAN considered it not plausible that the fish price increased only 1.6 times in the last twenty years. He commented that the payment calculated based on the formula was not sufficient to cover the fishermen's loss.

35. Mr LEUNG Kwok-hung noted from paragraph 8 of the paper that the actual amount of EGA payable to individual trawler owners would depend, inter alia, on the number of successful applications, and that the funding proposal was premised on the assumption that there were about 400 eligible inshore trawlers. He asked whether trawler owners would receive less payment than they expected if it turned out that the Administration had under-estimated the total value of one-off assistance package required or the number of successful applications. He commented that trawler owners should not be victimized by the Administration's miscalculation. He further said that if some fishermen had to change their mode of operation from inshore to outside Hong Kong waters because of the trawl ban, the cost incurred in their restructuring should be borne by the Administration.

Impacts on fisheries-related trades

36. Mr Fred LI expressed concern about the impacts of the implementation of trawl ban on certain fisheries-related trades such as ice suppliers and machinery repair operators. Regarding the latter, Mr LI said that they were mainly serving the 400-odd inshore trawlers and their business would be adversely affected if the trawlers were phased-out eventually. He asked if ex-gratia payment would be available to these fisheries-related trades.

37. SFH responded that the Administration would provide technical and other non-pecuniary assistance for ice suppliers to facilitate their continued operation when trawling in Hong Kong waters was banned. As regards vessel repairers, SFH said that their businesses were not restricted to local inshore trawlers and these operators could still service other vessels. Currently, there were 27 vessel repairers in Castle Peak Bay that could serve not only the 400 inshore trawlers but other vessels as well. Some of the inshore trawlers might still require service from these vessel repairers if they continued to operate within Hong Kong waters in other mode of operation. The actual impact of the trawl ban on these operators would have to be further observed, and the Administration would continue to consider appropriate support to these trades as necessary.

38. Ms Miriam LAU asked whether the \$90 million contingency provisions could be used to provide assistance to the fisheries-related trades, such as ice-suppliers or fish collectors, which were affected by the trawl ban.

DDAFC clarified that the contingency provisions could only be used in connection with the payments for trawlers, deckhands and other measures as outlined in paragraph 20 of the paper.

39. Mr Fred LI commented that small fish collectors that had mainly been serving inshore trawlers were unlikely to navigate into distant waters to transact with larger trawlers. He asked whether the one-off assistance package could cover the smaller fish collectors. In this connection, Mr KAM Nai-wai was of the view that the IWG should assess the impacts of the trawl ban on the fish collectors and vessel repairers as soon as possible.

40. Mrs Regina IP queried why assistance was not provided to fish collector owners under the current proposal. She referred to the EGA package for the poultry trade after the outbreak of Avian Flu whereby the fowl carriage operators also received ex-gratia payment. She said that many fish collector owners were able to produce evidence that they were mostly serving inshore vessels and that given their vessel size, those operators were unlikely to collect fish produce from larger trawlers in distant waters from Hong Kong. She asked if the Administration would reconsider the arrangements.

41. SFH explained that most of the fish collectors were already collecting fish produce from larger trawlers. The few vessels that served mainly inshore trawlers could turn to these larger trawlers after the implementation of the trawl ban. DAFC said that the Administration would assess the extent of impact on fish collector owners. Necessary assistance would be provided through loans to enable these owners to convert their vessels to collect fish produce from larger trawlers or shift to other business modes. In response to Mrs Regina IP's further enquiry, DDAFC confirmed that the \$1.7 billion one-off assistance package included resources for providing assistance to inshore fish collectors genuinely affected by the trawl ban. Applications for assistance from these owners would be handled by IWG which was chaired by AFCD.

42. Ms Miriam LAU queried why an inshore fish collector owner had to take up the loan schemes administered by AFCD in order for it to receive the one-off subsidy under the current proposal. DAFC clarified that the loan schemes were set up to help fishermen to upgrade their operations or switch to other sustainable fisheries-related or other marine-related business. A subsidy would also be provided under the current proposal to such fish collector owners who could demonstrate that they suffered material loss due to the trawl ban, and the award of a loan from AFCD could be an indication of their eligibility.

43. Mr WONG Yung-kan asked if any unused balance of the one-off assistance package could be used for increasing the level of the EGA payments

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to larger trawler owners. SFH advised that the funds had to be spent in accordance with the arrangements specified in the paper as approved by FC. Persons who were in need of financial assistance could apply for the relevant loan schemes. The Chairman advised that prior approval from FC must be sought if the Government intended to make any expenditure-related deviations from the funding proposal.

Consultation of the funding proposal

44. SFH thanked Mr WONG Yung-kan for his advice in formulating the one-off assistance package, and for lining up meetings between the Administration and the stakeholders. Mr Albert CHAN criticized that certain sectors of the fisheries industries had not been consulted on the EGA proposal, and that shrimp trawler owners were only consulted in recent months. He requested the Administration to defer the funding proposal so as to allow more time for consultation with the sector on the detailed scope of EGA.

45. SFH stressed that the Administration had conducted the consultation thoroughly. DAFC supplemented that since the Chief Executive had announced the trawl ban in his 2010-11 Policy Address, the Administration had conducted more than 90 consultation sessions with the fisheries sectors through fishermen associations, fishermen representatives in various districts and representatives of related trades.

46. Mr LEUNG Kwok-hung requested the Administration to provide detailed records of the 90 consultation sessions, as he pointed out that views in favour of and in opposition to the Administration's proposal should be made clear. SFH replied that the agreement of the consulted parties was required before the meeting records could be disclosed. DAFC said that comments and suggestions received during the consultations had been reflected and incorporated as appropriate in the current proposal. However, detailed minutes were not kept for each consultation session as interlocutors did not expect their views to be made public. Nonetheless, the Administration undertook to provide a list setting out the locations, dates and parties consulted of the various consultation sessions.

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47. The Chairman put the item FCR(2011-12)22 to vote. The Committee approved the funding proposal.

**Item No. 4 - FCR(2011-12)23**  
**HEAD 148 – GOVERNMENT SECRETARIAT :**  
**FINANCIAL SERVICES AND THE TREASURY BUREAU**  
**(FINANCIAL SERVICES BRANCH)**  
**Subhead 700 General non-recurrent**  
**New Item "Financial Dispute Resolution Centre"**

48. The Chairman advised that FC was invited to approve a new commitment of \$92 million for supporting the establishment of a Financial Dispute Resolution Centre (FDRC) and its operating costs for the first three years. The Panel on Financial Affairs had discussed the proposal at its meeting on 9 May 2011.

49. Mrs Regina IP asked whether the existing resources in the Securities and Futures Commission (SFC) and the Hong Kong Monetary Authority (HKMA) for handling financial disputes could be re-deployed to the proposed FDRC. She further asked whether SFC and HKMA would still handle financial disputes after the establishment of FDRC, and whether FDRC would handle complaints filed by members of the public against SFC and/or HKMA.

50. Deputy Secretary (Financial Services) (DS(FS)) clarified that SFC and HKMA currently did not have the statutory authority to settle disputes with monetary claims, but they would handle complaints which were of regulatory concerns, or refer complaints outside their jurisdictions to the appropriate bodies for further action. Complaints about the maladministration of HKMA and SFC could always be lodged to the Office of the Ombudsman. DS(FS) further advised that the proposed FDRC would help resolve monetary disputes between individual consumers and financial institutions in a speedy, impartial and affordable manner.

51. The Chairman put the item to vote. The Committee approved the funding proposal.

52. The meeting was adjourned at 5:48 pm.