

**For discussion
on 17 May 2011**

Legislative Council

Panel on Food Safety and Environmental Hygiene

**Ex-gratia Allowance for Trawler Owners,
Voluntary Buying out of Trawler Vessels and
One-off Grants to Local Deckhands Affected by the Trawl Ban**

PURPOSE

This paper briefs Members on the details of the proposed scheme in respect of the granting of ex-gratia allowance (EGA) to trawler owners and one-off grants to local deckhands affected by the trawl ban, as well as the voluntary buy-out arrangements for trawler vessels (the Scheme).

2. The paper also covers the scope of other assistance which the Administration will be rendering to the trade as a result of the trawl ban.

BACKGROUND

3. The Chief Executive announced in his 2010-11 Policy Address that the Government will implement a basket of management measures including banning trawling in Hong Kong waters through legislation to restore our seabed and the depleted fisheries resources as early as possible. To assist the fishermen affected by the trawl ban, the Government proposes to bundle the trawl ban with the introduction of the Scheme.

4. The background and justifications of the proposals have been provided in the Legislative Council (LegCo) brief on a ban on trawling activities in Hong Kong waters at **Annex I**. The Administration also briefed the LegCo Panel on Food Safety and Environmental Hygiene (the

Panel) about the policy initiative at its meeting of 15 October 2010, and the legislative proposals to take forward the trawl ban and other fisheries management measures at its meeting of 8 March 2011. The relevant Panel papers are at **Annex II and III** respectively. Members of the Panel also heard the views of fishermen and other stakeholders on the trawl ban and other fisheries management measures at a special Panel meeting with deputations on 15 March 2011. While most Members of the Panel and most of the fishermen bodies supported the trawl ban in principle, they emphasised the need to adequately address the livelihood of affected fishermen. Some fishermen bodies were concerned about the amount of EGA and the eligibility criteria for EGA. Members of the Panel and fishermen bodies requested the Government to provide the details of the Scheme as early as possible.

5. To take forward the trawl ban, the Government introduced the Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011 into LegCo on 30 March 2011. A Subcommittee on Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011 (the Subcommittee) has been established to scrutinise the Notice. In parallel, we have worked out the details of the Scheme, taking into account the views of Members of the Panel and the Subcommittee as well as the trade. The details of the Scheme are set out in the ensuing paragraphs.

THE SCHEME

6. The proposed Scheme includes –
- (a) EGA for the affected trawler owners for permanent loss of fishing grounds arising from the trawl ban;
 - (b) buying out of the affected trawler vessels for those trawler owners who volunteer to surrender their vessels; and
 - (c) one-off grants to assist the affected local deckhands employed by the trawler owners who volunteer to surrender their trawler vessels at (b) above.

(a) EGA

Inshore trawlers

7. For inshore trawlers which operate wholly or partly in Hong Kong waters, their owners are most affected as they will lose their fishing grounds in Hong Kong waters. We estimate that there are about 400 such vessels. The effect is not dissimilar to the permanent loss of fishing ground resulted from marine works projects, for which EGA is payable to affected fishermen. The EGA for affected inshore trawler owners will therefore be determined by drawing reference to the formula for calculating EGA payable to fishermen affected by marine works projects. Under the existing formula endorsed by the Finance Committee of LegCo on 1 December 2000, the EGA for fishermen affected by marine works projects resulting in permanent loss of fishing grounds in Hong Kong waters is the notional value of seven years' fish catch in the affected area derived from the Port Survey conducted by the Agriculture, Fisheries and Conservation Department (AFCD) in 1989/91.

8. During our consultation with the trade, owners of inshore trawlers opined that the amount of EGA derived from the existing formula for calculating EGA for fishermen affected by marine works projects was inadequate to address the plight of local fishermen affected by the trawl ban. We are aware that unlike past marine works projects which affected localised areas of Hong Kong waters only, the trawl ban would cover the entire Hong Kong waters. The affected fishermen would have to travel further afield, if they wish, to continue fishing. When they fish in Mainland waters, they will moreover be subject to more stringent management measures there e.g. fishing moratorium and closed area in shallow waters along the coastline. The impact on fishermen arising from the trawl ban will therefore be more significant than that due to marine works projects.

9. After considering the above factors and upon further engagement with the fisheries sector, we believe there is a case, on the basis of the 1989/91 Port Survey to be adjusted by the fish price movement, to enhance the multiplier of the EGA formula from seven years to 11 years' notional fish catch value in calculating the EGA for inshore trawler owners affected by the trawl ban.

10. The total amount of EGA derived from the above enhanced formula will be fully disbursed to, and apportioned amongst, the successful applicants in accordance with the decisions of the inter-departmental working group (IWG) to be formed for the trawl ban exercise. The EGA payable to individual trawler owners will depend on the number of successful applications as well as other apportionment criteria such as vessel type, vessel length, engine power, equipment on board, the percentage of time spent on trawling, and/or production in Hong Kong waters.

Larger trawlers

11. Apart from the most affected inshore trawlers, we estimate that there are about 700 larger trawlers which generally do not operate in Hong Kong waters. However, owners of these larger trawlers are concerned that after the trawl ban, they would lose the option to trawl in Hong Kong waters under the following circumstances –

- (a) during the annual fishing moratorium in the South China Sea;
- (b) when their vessels age to the extent that they are not fit for deep sea fishing further afield; and
- (c) if the Mainland authorities impose more stringent fisheries management measures in the South China Sea in future, forcing them to return to Hong Kong waters for operation.

12. We have noted the concerns of these larger trawlers. Given that these larger trawlers would lose the opportunity to move back to Hong Kong waters for trawling in future, we consider that their demand for EGA as reflected during the consultation should also be addressed. However, as the impact of the trawl ban on them is far much less when compared with inshore trawlers, these larger trawlers accept that a lump sum EGA would be appropriate. In deciding on the amount of the lump sum, we have taken into account the need to maintain relativity with inshore trawlers which will be directly impacted. We propose that a lump sum EGA of \$150,000 be given in respect of each larger trawler, if the relevant application is successful.

Total EGA

13. The total amounts of EGA payable to inshore trawlers and larger trawlers are estimated to be about \$1,190 million and about \$110 million respectively. The basis for estimating the total EGA is at **Annex IV**. The actual EGA payable to individual trawler owners will be determined by the IWG.

IWG

14. Similar to the method for determining the EGA for fishermen affected by marine works projects, we will set up an IWG comprising the AFCD and other relevant departments including the Marine Department to handle all matters relating to the processing of EGA applications from trawler owners affected by the trawl ban. The IWG has been an effective and well-established mechanism for determining the eligibility criteria and apportionment of EGA for marine works projects. A Fishermen Claims Appeal Board (FCAB), comprising non-official members, will be set up where necessary for processing appeals by the appellants against decisions of the IWG.

15. The IWG will work out the eligibility criteria and apportionment criteria, having regard to the views from fishermen representatives. The guiding principle is that the EGA to be apportioned to different groups of claimants should be proportional to the impact caused by the trawl ban. The IWG may inspect vessels, conduct surveys or adopt other necessary measures to assist them to assess claims filed by applicants. The actual amount of EGA to be awarded to individual claimants of inshore trawlers would be determined by the IWG having regard to their eligibility and factors such as those set out in paragraph 10 above. For reference purpose, the apportionment criteria and the estimated range of EGA payable to owners of different types of affected trawlers is at **Annex V**.

(b) Voluntary buying out of trawlers

16. The majority of trawler owners have relevant Mainland permits to fish in Mainland waters, and may continue their operations on the

Mainland after the implementation of trawl ban in Hong Kong waters. Some may choose to leave the trade for good, in which case they may no longer need their trawlers. We propose to invite EGA claimants to indicate in their EGA applications whether they would surrender their vessels to the Government. The buyout scheme would be voluntary. Owners of trawlers can decide in the light of their own circumstances whether they would surrender their vessels to the Government or make their own arrangements to sell their vessels in the market. The buy-out price of individual vessels to be offered will be the estimated current value to be determined by the IWG and will vary according to the type, length, age and equipment / gear of the vessel. The IWG will also make reference to the valuation provided by an independent marine surveyor as necessary in determining the buy-out price. We estimate that the buy-out prices would range from about \$0.13 million for an old, small wooden-hull stern / shrimp trawler, about \$1.1 million for a medium-sized stern / shrimp trawler in the middle of its serviceable life, to about \$3.5 million for a newer, large hang trawler. These indicative estimates are for reference only and the actual buy-out price for each surrendered vessel will depend on a detailed valuation. It is estimated that about \$240 million would be required for the voluntary buying out of some 400 trawlers.

17. The surrendered trawlers will be retained and scrapped by the Government to ensure that fishing effort is removed from Hong Kong waters. We are mindful of the environmental concern relating to disposal of the surrendered vessels. We will make reference to the relevant guidelines on dismantling of vessels and recycling of materials in an environmentally responsible and safe manner. As part of the fisheries management measures, the AFCD will use some of the surrendered trawlers as artificial reefs, which are conducive to enhancing the rehabilitation of the fisheries resources in Hong Kong waters. Furthermore, if suitable vessels can be identified, the AFCD plans to collaborate with non-governmental organisations and fishermen organisations to convert some vessels for pilot recreational fisheries programmes.

(c) One-off grants to local deckhands

18. We anticipate that some local deckhands would be temporarily unemployed before they can get another employment as a result of the cessation of trawling operations. We propose to provide a one-off grant to each local deckhand employed by the trawler owners who take part in the buy-out scheme stated in paragraphs 16 to 17 above to assist them to tide over this transition period. Drawing reference to the 2008 buy-out scheme for the poultry trade, we propose to offer a one-off grant of \$34,000 to each affected local deckhand, which is equivalent to about three months of the average salary of a worker. We estimate that about 1 000 local deckhands will be eligible for the one-off grants, and an estimate of about \$34 million would be required for the purpose. The preliminary eligibility criteria for the one-off grants to local deckhands are at **Annex VI**.

19. Although some fishermen bodies have requested to raise the one-off grant to more than three months of salary of a worker, we consider the proposed amount appropriate after drawing reference to the buy-out scheme for the poultry trade in 2008. Furthermore, the trawl ban was announced in October 2010 and is scheduled to take effect from end of 2012 at the earliest. Thus, the local deckhands would have more than two years from the announcement of the initiative to prepare themselves and look for new employment. The AFCD and the Employee Retraining Board will organise suitable training programmes to assist them to switch to other fisheries related or other employment.

RELATED TRADES

20. Representatives of related trades (e.g. fish collectors, ice supply and vessel repair) have requested that EGA be granted to them as they would also be impacted by the trawl ban. After carefully assessing the effect of the trawl ban on these trades, we consider that there are insufficient justifications in support of their requests, mainly because the remaining fishing vessels will continue to generate ancillary service requirements on related trades. We therefore do not consider the impact of the trawl ban on them to be significant. In fact, as a result of the trawl ban, we expect there to be increased activities of fish collectors as some

trawlers which at present operate mainly in Hong Kong waters may travel further afield to operate in the South China Sea and thus will need the services of fish collectors and ice suppliers to transport the fish catches back to Hong Kong and keep them fresh. Vessels operating further afield may moreover require increased repair and maintenance service.

21. The ban on trawling activities in Hong Kong waters will affect the supply (from inshore trawlers) of trash fish as feed for mariculture. However, the supply can easily be substituted by those from other sources, e.g. purse seiners. Furthermore, the AFCD will continue to promote the use of pellet feed which is more efficient, environmentally friendly and stable in supply. The AFCD will also assist mariculturists in sourcing and purchasing feed.

OTHER ASSISTANCE

22. The AFCD will be introducing a special training programme to equip those who give up their operations so as to assist them (both the vessel owners and the local deckhands) to switch to other sustainable fisheries related operations such as marine fish culture and recreational fishing.

23. Since 2010, the AFCD has launched, in collaboration with local fishermen and eco-tourism companies / non-governmental organisations, a pilot scheme of fisheries ecotourism in Sai Kung, north-eastern New Territories and the southern part of Hong Kong Island to help fishermen venture into ecotourism. The pilot scheme provides marine-based guided tours which cover the culture and practices of fisherman communities as well as the ecological and geological features of Hong Kong. So far, over 70 fishermen have been trained in the pilot scheme. The AFCD is exploring opportunities to embark on similar collaboration in other districts with a view to extending the scheme to such areas.

24. The AFCD is also following up with relevant Bureaux / Departments to review the moratorium on issue of new licence for mariculture operations, and to study the expansion and rotation of fish culture zones to facilitate the switching of fishermen from trawling to mariculture.

25. Affected trawler fishermen may apply to the Fisheries Development Loan Fund for low interest loans for switching to sustainable fisheries operations using selective fishing methods and other fisheries related fishing operations. We are reviewing the mechanism, terms and eligibility of the Loan Fund with a view to better meeting the requirements of the fisheries sector, in particular trawler fishermen affected by the trawl ban. We will be consulting the trade on this.

26. Given some trawler fishermen have expressed interest in venturing further afield to Mainland waters after the trawl ban, we have already started liaison with the relevant Mainland authorities with a view to gathering the required information and facilitating the development of new operations or new fishing grounds in which fisheries resources are still being developed in Mainland waters. Information regarding the latest visit by the Food and Health Bureau and the AFCD to Guangzhou in April 2011 is at **Annex VII**.

FINANCIAL AND CIVIL SERVICE IMPLICATIONS

27. We estimate that the Scheme together with other measures would involve non-recurrent expenditure of \$1,726.8 million, with about \$1,300 million for payment of the EGA to the affected trawler fishermen in view of the permanent loss of fishing grounds, about \$240 million for the voluntary buying out of some 400 trawlers, and about \$34 million for providing one-off grants to some 1 000 local deckhands employed by the trawler fishermen who take part in the voluntary buy-out scheme. We also estimate that about \$52.8 million would be required for implementing measures conducive to marine conservation and replenishment of fisheries resources as well as providing a special training programme for the affected trawler fishermen and local deckhands, and about \$100 million as contingency¹. The actual expenditure of the above items will depend on actual EGA payable to individual trawler owners to be determined by the IWG, the number and type of vessels surrendered under the voluntary buy-out scheme, and any

¹ The contingency is derived by multiplying about 1,300 million (for payment of the EGA to the affected trawler fishermen) by 7.5%, and will mainly be for meeting expenditure arising from appeals allowed by the FCAB.

other justifiable adjustments, e.g. adjustment to one-off grants according to the prevailing wage levels at the time of disbursement or contingency to meet support-worthy cases allowed by the FCAB. The proposed creation of a new commitment of \$1,726.8 million is a one-off commitment. Additional manpower, if any, required for implementing and enforcing the trawl ban will be sought in accordance with the established mechanism.

TIMETABLE

28. We issued a LegCo Brief on the subsidiary legislation on the trawl ban on 23 March 2011, gazetted the subsidiary legislation on 25 March 2011 and introduced it into LegCo on 30 March 2011 for negative vetting. The negative vetting period will expire on 18 May 2011. Subject to the legislative progress, we will seek funding approval for the Scheme from the Finance Committee of LegCo before the end of the 2010-11 legislative session.

29. Subject to the negative vetting of the subsidiary legislation and funding support from LegCo, we plan to roll out the scheme for buying out of trawlers coupled with EGA and assistance to affected local deckhands around late 2011, and provide a one year transition period before the trawl ban comes into operation in late 2012 at the earliest. Affected trawler fishermen would have a period of more than two years from the announcement of the initiative to consider and prepare for ceasing their trawling operations in Hong Kong waters, and switching to sustainable fisheries operations.

CONSULTATION

30. Since the Panel meeting of 8 March 2011, the FHB together with the AFCD have conducted further consultation with fishermen, fishermen groups, academics and environmentalists to hear their views on the trawl ban and the Scheme.

31. Most of the comments received point to support for the trawl ban, except that fishermen groups expressed worry about their livelihood, as

well as concern about how the EGA would be worked out and the amount they will get. Many were keen to see an enhancement to the amount of the EGA over and above what they could get under the existing formula for the EGA for marine works projects. There was a general agreement that the EGA should be granted fairly and only to trawler owners affected by the trawl ban, and the EGA should be proportional to the impact on them.

32. Green groups and academics welcomed the initiative to ban trawling in Hong Kong waters and the management measures to control fishing effort in Hong Kong waters. While they urged for their early implementation, some also requested the Government to address the livelihood of affected fishermen.

WAY FORWARD

33. Members are invited to note and advise on the contents of this paper.

**Food and Health Bureau
Agriculture, Fisheries and Conservation Department
May 2011**

LEGISLATIVE COUNCIL BRIEF

The Secretary for Food and Health submits the following note for Members' information -

Title of the Note

Date of Gazette

Fisheries Protection (Specification of Apparatus)
(Amendment) Notice 2011

25 March 2011

LEGISLATIVE COUNCIL BRIEF

Fisheries Protection Ordinance (Cap. 171)

Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011

INTRODUCTION

Pursuant to regulation 4A of the Fisheries Protection Regulations (Cap. 171 sub. leg. A), the Director of Agriculture, Fisheries and Conservation (DAFC) has made the Fisheries Protection (Specification of Apparatus) (Amendment) Notice 2011 (“the Amendment Notice”), at **Annex**, to specify trawling devices as a class of apparatus for the purpose of prohibiting its use for fishing activity in Hong Kong waters.

BACKGROUND AND JUSTIFICATIONS

2. In the 2010-11 Policy Address, the Chief Executive announced that the Government will implement a package of fisheries management measures, including banning trawling in Hong Kong waters through legislation in order to restore our seabed and marine resources as early as possible.

3. A consultancy study carried out by the Agriculture, Fisheries and Conservation Department (AFCD) in 1998 has revealed that 12 of the 17 evaluated fish species were heavily over-exploited, while the remaining five were fully exploited. Local catch composition had shifted from mainly large, slow-growing and high-value species to small, fast-growing and low-value species. Many of the once commercially important and abundant species are now rare in Hong Kong waters or have disappeared from commercial catches altogether.

4. The capture fisheries sector in Hong Kong comprises approximately 3 900 fishing vessels, of which about 1 100 are trawlers while the remaining are mostly sampans and small fishing boats engaged in inshore fishing. Some 400 of the trawlers operate partly or wholly in Hong Kong waters and the rest are larger vessels which operate further afield in the South China Sea. The estimated total engine power of these some 400 trawlers accounts for roughly 80% of the total engine power of the fishing fleet operating in Hong Kong waters, which is nearly double of the environmentally sustainable level according to a study conducted by the Chinese Academy of Fishery Science in 2006. The study estimated in 2006 that fisheries production of Hong Kong waters was 30% higher than the maximum sustainable yield and the total engine power of fishing vessels were 93% higher than the maximum sustainable effort.

5. Hong Kong waters are important fish spawning and nursery grounds, supporting a wide diversity of fishes, crustaceans, mollusks, corals and other marine species. However, the non-selective nature of trawling operations capturing fish of all sizes particularly in inshore waters, irrespective of their commercial and ecological value, and its damaging effect to the seabed, are detrimental to the marine ecosystems. Over the years, these operations have led to a continuous decline in the quantity, species diversity and size of marine organisms and deterioration of the marine environment.

6. Against this background, the Committee on Sustainable Fisheries (“the Committee”) was established by the Government in December 2006 to study the long term goals, the direction and feasible options for the sustainable development of the local fisheries industry. In its report submitted for Government’s consideration in April 2010, the Committee has recommended, inter alia, a ban on trawling in Hong Kong waters.

7. The benefits of the proposed trawl ban include –

(a) marine conservation

A ban on trawling activities would bring the harmful depletion to an immediate halt and enable the marine ecosystems to be gradually rehabilitated to an ecologically sustainable level. Not only would

the species with commercial value return to Hong Kong waters, those of ecological value such as corals and sea turtles would also benefit from a less disturbed and better marine environment. As a matter of fact, a ban on trawling activities in inshore waters is a common fisheries management practice worldwide.

(b) sustainable development

The cessation of trawling activities in Hong Kong waters would substantially reduce the total engine power of fishing vessels operating in local waters by roughly 80% (from 270 000 kilowatts to 64 000 kilowatts) and fish catch in local waters by more than 40% (from 26 700 tonnes to 14 700 tonnes). It would effectively restructure the local fishing industry into a more sustainable one. Slow-growing fish and species of high value would be allowed to grow and reproduce in Hong Kong waters. Availability of sustainable stocks of high-value species in Hong Kong waters would in turn improve cost efficiency and the operating environment for the fisheries industry, thereby enhancing the vibrancy of the trade and livelihood of practitioners.

(c) supply of marine fish

The ban on trawling activities in local waters would improve the quantity and quality of catch in Hong Kong waters in the long run. A simulation study by the University of British Columbia in Canada estimated that if measures including controlling the growth of the fishing fleet, banning trawling in Hong Kong waters and other fisheries management measures were implemented, Hong Kong fisheries resources and the catch value per unit fishing effort would be 50% and 70% higher respectively in 25 years' time than if no such measures were taken.

(d) eco-tourism

A diversified and healthy marine environment would attract local and overseas tourists to engage in activities such as recreational

fishing, scuba diving and eco-tourism in Hong Kong which has a deep root in fishing heritage.

8. To sum up, the trawl ban as well as other fisheries management measures would help conserve the marine diversities and fisheries resources, recover and maintain a marine environment of good quality and endowed with rich marine resources, and bring the fishing industry back to a sustainable path in the long term.

LEGISLATIVE FRAMEWORK

9. Regulation 4A of Fisheries Protection Regulations (Cap. 171 sub. leg. A) prohibits the use for the purpose of fishing any apparatus of a class or description specified by the DAFC by notice published in the Gazette. The DAFC has so specified three classes of apparatus. They are :

- any apparatus that produces or transmits electricity and that operates in water either alone or in conjunction with a net; and is capable of capturing or stunning fish.
- any suction device that operates on the seabed; and is capable of capturing fish.
- any dredging device that operates with a net or receptacle; is towed on the seabed; and is capable of capturing fish.

Any person who contravenes regulation 4A shall be guilty of an offence and liable to a maximum fine of \$200,000 and six months' imprisonment.

THE AMENDMENT NOTICE

10. The Amendment Notice at the [Annex](#) amends the Fisheries Protection (Specification of Apparatus) Notice (Cap. 171 sub. leg. B) to add another item (i.e. trawling devices) to the list of classes of apparatus the use of which for fishing is prohibited.

LEGISLATIVE TIMETABLE

11. The legislative timetable is as follows –

Publication in the Gazette	25 March 2011
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Tabling at the Legislative Council	30 March 2011
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12. Subject to negative vetting, the Amendment Notice shall come into operation on 31 December 2012.

IMPLICATIONS OF THE PROPOSAL

13. The Amendment Notice will not affect the current binding effect of the Fisheries Protection Ordinance (Cap. 171) and its subsidiary legislation. It is in conformity with the Basic Law, including the provisions concerning human rights, and

14. Regarding environmental implications, inshore trawl ban has been adopted by many countries and places to conserve fisheries resources. The initiative will allow the restoration of the marine habitats, which will in turn promote the diversity of marine life and safeguard the ecological integrity of our marine environment.

15. Sustainability assessment has revealed that the banning of trawling in Hong Kong waters would help enhance marine conservation and this is beneficial to marine biodiversity and the fisheries industry in the long run. It is therefore conducive to the sustainability principle of maintaining the biodiversity of Hong Kong. Additional manpower, if any, required for implementing and enforcing the trawl ban will be sought in accordance with the established mechanism.

16. Nevertheless, the proposal would impact on the livelihood of trawler fishermen who would lose part of their fishing grounds. Subject to approval

by the Finance Committee, the package of assistance would help to alleviate the said impact -

- (a) ex-gratia allowance payments for the trawler owners affected for permanent loss of fishing grounds arising from the ban;
- (b) buying out of the affected trawler vessels for those trawler owners who volunteer to surrender their vessels; and
- (c) one-off grants to assist the affected local deckhands employed by the trawler owners who volunteer to surrender their trawler vessels.

17. An applicant for the buy-out scheme must as at 13 October 2010 –

- (a) own a trawler and hold a valid certificate of ownership and operating licence of a Class III vessel issued by the Marine Department (MD) under the Merchant Shipping (Local Vessels) (Certification and Licensing) Regulation in respect of the trawler, and at the time of application, is still the owner of the trawler; or
- (b) hold an approval-in-principle letter for construction of a Class III vessel issued by the MD and submit a document proving that the vessel under construction is a trawler, and at the time of application, is still the owner of the trawler.

The eligibility criteria for the one-off EGA are the same as the buy-out scheme and the applicant is still the owner of the vessel at the time of EGA registration. As for the one-off grants, applicants must be a local deckhand and must, at the time of application, provide evidence proving that he/she has already been employed to work as at 13 October 2010 on the trawler joining the above-mentioned buy-out scheme. We will set up an inter-departmental working group to process the eligible applications based on the relevant criteria.

18. A special training programme will also be introduced to the trawler fishermen who give up their operations with a view to equipping them (both the vessel owners and the local deckhands) with the skill and knowledge for

switching to other sustainable fisheries related operations.

PUBLIC CONSULTATION

19. We consulted the Legislative Council Panel on Food Safety and Environmental Hygiene on 8 March 2011. Most Members who spoke at the meeting supported the trawl ban initiative but they were generally concerned about the impact on the livelihood of fishermen. Some Members requested more information on the proposed package relating to the ex-gratia allowance payments for affected trawler owners, the buy-out prices of trawler vessels surrendered voluntarily, and the one-off grants for affected local deckhands. A special Panel meeting was also held on 15 March 2011 to hear views from deputations. Environmental groups and some fishermen groups supported the trawl ban, while the other fishermen groups expressed worry about their livelihood.

20. We have also consulted the advisory committees under the Agriculture, Fisheries and Conservation Department, umbrella fishermen bodies, and fishermen representatives / individual fishermen in major home ports (including Aberdeen, Tai Po, Castle Peak, Cheung Chau, Shau Kei Wan and Sai Kung). Most members of the committees and fishermen representatives have generally supported the trawl ban initiative. However, some of them have expressed concern about the implementation details of the measures for affected trawler owners and local deckhands in paragraph 16. A few have requested the Government to consider providing trawler fishermen with the option of continuing trawling in Hong Kong waters.

21. Green groups and academics welcome the trawl ban initiative, and have urged the Government to see to its early implementation.

PUBLICITY

22. Targeted publicity will be arranged for affected fishermen. A spokesman will be available to answer media and public enquiries.

ENQUIRIES

23. For enquiries, please contact Miss Diane Wong, Principal Assistant Secretary for Food and Health (Food) 2, at 2973 8232.

Food and Health Bureau
23 March 2011

**Fisheries Protection (Specification of Apparatus)
(Amendment) Notice 2011**

(Made by the Director of Agriculture, Fisheries and Conservation under regulation 4A of the Fisheries Protection Regulations (Cap. 171 sub. leg. A))

1. Commencement

This Notice comes into operation on 31 December 2012.

2. Fisheries Protection (Specification of Apparatus) Notice amended

The Fisheries Protection (Specification of Apparatus) Notice (Cap. 171 sub. leg. B) is amended as set out in section 3.

3. Schedule amended

The Schedule, after item 3—

Add

- “4. Any apparatus, whether operated manually or mechanically, which is intended to be used to drag or tow a net on the seabed or through the water column in a bag shape by one or more vessels to capture fish by straining them from the water.”.



Director of Agriculture, Fisheries and
Conservation

16/3/2011

Explanatory Note

This Notice amends the Fisheries Protection (Specification of Apparatus) Notice (Cap. 171 sub. leg. B) to add another item to the list of classes of apparatus the use of which for fishing is prohibited.

**For discussion
on 15 October 2010**

LegCo Panel on Food Safety and Environmental Hygiene

The 2010-11 Policy Address

**Policy Initiatives of
Food and Health Bureau for 2010-11**

Purpose

This paper elaborates on the new initiatives set out in the 2010-11 Policy Agenda in relation to the work of this bureau on food safety and environmental hygiene, and gives an account of the implementation of the on-going initiatives in past Policy Agendas.

2010-11 Policy Agenda

Quality City and Quality Life

Mission and Vision

2. The Food and Health Bureau (FHB) is committed to building a healthy society and accountable for formulating related policies under its ambit. On the food safety and environmental hygiene fronts, we will continue to ensure food safety and provide a clean and hygienic environment to promote public health and raise the living standard of our citizens.

New Initiatives

- (a) *Identify suitable sites for columbarium development across the territory and conduct technical feasibility studies of shortlisted sites to increase supply of columbarium facilities*

3. The FHB has launched a public consultation on review of columbarium policy on 6 July 2010 which lasted for about three months and just ended on 30 September. As columbaria are essential facilities for the community, all districts should collectively share the responsibility to develop columbarium facilities. In the consultation document, the Government has proposed the first batch of 12 potential sites in seven districts and most of the District Councils (DCs) have given in-principle support to developing columbarium facilities at these sites. The Government is conducting technical feasibility studies (such as traffic impact assessment and environmental impact assessment) for the relevant sites. Once a site is confirmed to be suitable for columbarium development, the relevant DC will be formally consulted again.

4. The Government will continue to identify other suitable sites for columbarium development across the territory actively and welcome suggestions on site selection from DCs and local communities. In the meantime, the Government will improve the outlook and layout of proposed columbaria through flexible design in order to ease the concern and anxiety of nearby residents. Construction of columbaria on a territory-wide basis is not a task that can be accomplished overnight. The Government will further its efforts in soliciting support from the DCs and local communities through continuous communication.

(b) *Consolidate the feedback received in the public consultation on review of columbarium policy and formulate appropriate measures to enhance regulation of private columbaria*

5. The public consultation document on review of columbarium policy has put forward concrete proposals on how to enhance regulation of private columbaria. The Administration considers that in the longer run, a licensing scheme should be introduced. However, introducing a licensing scheme through legislation is a complicated issue and is not a task that can be completed within a short period of time. A licensing scheme which is excessively stringent will impede the healthy development of the trade, reduce the overall supply of columbarium facilities and lengthen the waiting time for niches. On the other hand, a lax licensing scheme may not effectively curb the proliferation of unauthorised private columbaria. Striking the right balance between the two is by no means easy. Various sectors of the community also have different views towards the implementation details such as the scope and level of regulation. The Government must exercise prudence to ensure the appropriateness of the licensing scheme. We are consolidating and analysing over 500 submissions collected and will report back to this Panel on the consultation outcome in due course.

(c) *Implement the recommendation of the Committee on Sustainable Fisheries to ban trawling activities in Hong Kong waters through introducing the necessary legislation into the Legislative Council (LegCo) in the 2010-11 legislative session, with the aim of conserving and restoring marine resources*

6. Fish trawling will not only disturb the seabed but will also capture fingerlings that have no immediate commercial value, thereby seriously affecting the recovery ability and fisheries resources of the marine environment. In its report, the Committee on Sustainable Fisheries

recommended that the Administration should ban trawling activities in Hong Kong waters.

7. Therefore, in order to protect the valuable marine resources and ecological environment, the Government plans to ban fish trawling by notice in the Gazette within this legislative session and to seek funding approval from the LegCo for providing assistance to the trawler fishermen affected. We will introduce a one-off buyout scheme for eligible trawler fishermen to alleviate the impact of the relevant measure on their livelihood as appropriate. The scheme includes: (1) payment of an ex-gratia allowance (EGA) to owners of the trawlers affected by the above-mentioned measure (i.e. the ban on trawling activities in Hong Kong waters); (2) introducing a voluntary buyout scheme to purchase the trawlers from the owners affected; and (3) payment of a one-off grant to help local deckhands employed by owners of trawlers joining the buyout scheme. An applicant for the buyout scheme must as at 13 October 2010:

- (1) own a trawler and hold a valid certificate of ownership and operating licence of a Class III vessel issued by the Marine Department (MD) under the *Merchant Shipping (Local Vessels) (Certification and Licensing) Regulation* in respect of the trawler, and at the time of application, is still the owner of the trawler; or
- (2) hold an approval-in-principle letter for construction of a Class III vessel issued by the MD and submit a document proving that the vessel under construction is a trawler, and at the time of application, is still the owner of the trawler.

The eligibility criteria for the one-off EGA are the same as the buyout scheme and the applicant is still the owner of the vessel at the time of EGA registration. As for the one-off grant, applicants must be a local deckhand and must, at the time of application, provide evidence proving that he/she has already been employed to work as at 13 October 2010 on the trawler

joining the above-mentioned buyout scheme. We will set up an inter-departmental working group to process the eligible applications based on the relevant criteria. We will also help the fishermen affected to switch to other sustainable fisheries including aquaculture and recreational fishing by providing training and technical support. Some of the vessels recovered under the voluntary buyout scheme will be used as artificial reefs after processing and put into Hong Kong waters in order to enhance the fisheries resources and improve the marine environment.

8. The measure to ban trawling activities in Hong Kong waters will formally take effect after the voluntary buyout scheme has largely been completed. We expect the measure to be implemented in late 2012 at the earliest.

9. The Committee on Sustainable Fisheries also suggested that the Government should implement other fisheries management measures, including capping the number of local fishing vessels, prohibiting non-local fishing vessels from operating in Hong Kong waters and designating fisheries protection areas. We will consult the trade and the LegCo on details of the fisheries management measures in due course. If all goes well, we plan to introduce an amendment bill within this legislative session in order to take forward the relevant measures.

Progress Report on Implementation of On-going Initiatives

(a) *Following through the scrutiny of the Food Safety Bill by the LegCo to provide for new food safety control tools. The Bill will include a mandatory registration scheme for food importers and distributors, enhanced food traceability measures and power to make regulations for tightening control on imported food*

10. The Food Safety Bill (the Bill) was introduced into the LegCo on 2

June 2010 and a Bills Committee has been set up by the LegCo to scrutinise the Bill.

11. Members of the Bills Committee are generally in support of the Bill. With regard to the concern expressed by some fishermen about the practicability of the record-keeping requirement under the Bill, the Centre for Food Safety (CFS) conducted a pilot scheme from 29 July 2010 to 10 September 2010 for six-weeks. Major fishermen organisations were invited to nominate their members to join the exercise. 22 fishermen participated in the scheme, each having their own mode of operation and selling their catches through different channels.

12. The pilot scheme demonstrates effectively that the record-keeping requirement for fishermen under the Bill is practicable and does not involve much extra work. With guidance from the CFS staff, most fishermen were able to make use of their existing transaction records, such as invoices and receipts, to meet the new requirements. We will continue to provide guidance to fishermen and assist them in getting prepared. We will also render full assistance to the Bills Committee in the scrutiny of the Bill. It is hoped that the Bill will be passed as early as possible so that an effective food tracing mechanism can be established to enhance protection of food safety.

(b) Preparing legislation to provide for a set of comprehensive and clear food safety standards for pesticide residues and veterinary drug residues in food that meet Hong Kong's needs

13. We are further refining the proposed regulatory framework for pesticide residues in food, and setting statutory maximum residue limits for different kinds of food involving about 400 pesticides. The Government Laboratory is also gearing up their testing capacity for the pesticides to be covered in the regulatory framework. As for veterinary drug residues in food, we are working out the details of the proposed regulatory framework

and drawing up the timetable for the next stages of work. We will consult the trade and members of the public on the proposed regulatory framework in due course.

(c) *Continuing the programme to convert all aqua privies into flushing toilets in phases by 2012-13*

14. We have been implementing the programme to convert aqua privies by phases since 2005 and so far, the conversion of 227 aqua privies has been completed under the first five phases of works. The conversion of another 90 aqua privies under phase 6 is in progress and due for completion in mid-2011.

15. Phase 7, which is also the final phase of the conversion programme, will convert some 145 aqua privies. We plan to seek funding approval from the LegCo in January 2011. The conversion works are tentatively scheduled to commence in the first quarter of 2011.

(d) *Tightening up the regulatory framework for poultry and animals for the purpose of enhancing public health and food safety*

16. The Government has been adopting a comprehensive preventive and surveillance programme to reduce the risk of avian influenza outbreaks in Hong Kong. The measures include tight biosecurity measures and vaccination at local farms, enhanced import control, stringent hygiene requirements on wholesale and retail markets, prohibition of overnight stocking of live poultry at the retail level, etc.

17. Hong Kong has adopted preventive vaccination despite that we have no endemic H5 avian influenza infection in poultry. Since March 2003, the existing H5N2 vaccine has been used on local poultry in Hong Kong, and to date, there has been only one reported outbreak of H5N1

highly pathogenic avian influenza on a local farm (December 2008). The existing H5N2 vaccine is still largely effective in protecting local poultry against H5N1 highly pathogenic avian influenza virus infection, while another H5N1 (Re-5) vaccine developed by the Mainland also provides effective protection to poultry imported from the Mainland against H5N1 highly pathogenic avian influenza virus infection. The Agriculture, Fisheries and Conservation Department (AFCD) intends to conduct a voluntary field trial programme at local farms using the H5N1 vaccine to further confirm its suitability for use in the territory. We will report the situation to this Panel in due course.

(e) *Implementing a multi-pronged strategy to minimise the risk of avian influenza outbreaks*

18. To reduce the risk of human infection of avian influenza in the long term, the Government has earlier on proposed to develop a poultry slaughtering centre. In June this year, the Government decided to shelve the development of a poultry slaughtering centre at this stage, mainly because the latest scientific assessment confirmed that the prevailing risk of avian influenza in Hong Kong was very low. This is the outcome of the biosecurity measures and preventive and control measures against avian influenza implemented at the poultry farm, wholesale, retail and import levels over the years.

19. The Government will maintain its efforts in controlling the risk of avian influenza. The policy on banning the overnight stocking of live poultry at the retail level will remain unchanged. We will maintain the numbers and rearing capacity of local chicken farms, the number of live poultry retail outlets and the daily quantity of imported chickens. We will also strengthen our surveillance at the farm, wholesale, retail and import levels, and regularly review the risk of avian influenza to Hong Kong, with a view to ensuring that our policies are formulated in light of the prevailing

circumstances.

- (f) *Promoting sustainable development of the fisheries industry and conserving fisheries resources in Hong Kong waters including offering free training on sustainable fishing practices, and launching a pilot fish hatchery and nursery scheme*

20. As stated in paragraphs 6 to 9 above, we have been actively studying the recommendations of the Committee after receiving its report. We have already developed specific plans to ban trawling activities in Hong Kong waters and implement a series of fisheries management measures. In the coming year, we will continue to explore other measures and provide fishermen with free training courses on sustainable fisheries as well as to launch a pilot fish hatchery and nursery scheme on a larger scale, with a view to promoting the further development of the local aquaculture industry.

- (g) *Reviewing proposals on the regulation of restricted dining places to safeguard public health*

21. The Administration has been closely monitoring and taking enforcement actions against such premises which operate without a licence. Illegal operation has now been reduced significantly. Many operators have already obtained licences or switched to lawful operation as a club. We will continue to closely monitor the situation and review the need for introducing measures to regulate restricted dining places based on actual circumstances.

(h) *Exploring how to co-operate with the Mainland authorities on using latest information technology application to ensure effective tracing of food along the production chain and achieve better food safety management through control at source*

22. The FHB and the Food and Environmental Hygiene Department (FEHD) are working in collaboration with the Mainland authorities on a pilot programme to apply Radio Frequency Identification (RFID) technology in tracing live pigs imported from the Guangdong Province. From 2006 until now, four stages of trial tests on hand-held readers have been conducted at the Man Kam To Animal Inspection Station and the Sheung Shui Slaughterhouse, involving over 30 000 batches of pigs (three out of the 40 live pigs in each batch were affixed with RFID ear tags). Apart from the hand-held readers, we have just launched the trial tests on passageway readers at the Sheung Shui Slaughterhouse in September this year. We will evaluate the overall effectiveness of the trial programme in due course.

(i) *Reviewing the provision of cemeteries, columbaria and crematoria facilities and striving to provide more facilities to meet future demand*

23. The Administration continues its work on providing more public columbarium and crematorium facilities. The reprovisioning of the Wo Hop Shek Crematorium has proceeded as scheduled for completion at the end of 2011 or early 2012. Besides, in December 2009, the LegCo Finance Committee approved the upgrading of the reprovisioning project of the Cape Collinson Crematorium to Category A for completion at the end of 2014. Upon completion of the projects, the total annual capacity of all public cremators will be increased from 38 000 sessions to 53 000 sessions. This will sufficiently meet the cremation demand up to the early 2020s.

24. For increasing the supply of public columbarium facilities, the LegCo Finance Committee approved in July 2009 funding for the provision of public columbarium and garden of remembrance facilities at Kiu Tau Road, Wo Hop Shek, for completion in July 2012. By that time, about 41 000 niches and a garden of remembrance will be provided. Besides, the Government will continue to adopt all feasible measures to increase the supply of columbarium facilities as mentioned above.

25. The support of the LegCo, local residents and relevant DCs remains essential to the Government in the provision of public columbarium and crematorium facilities as well as the introduction of other public burial services. With the support of the Panel and relevant DCs, the options of scattering cremated human ashes in gardens of remembrance and in designated Hong Kong waters have been gaining momentum. Since the new gardens of remembrance commenced operation and the procedures for scattering of cremated human ashes at sea were streamlined in 2007, we have handled about 1 900 and 1 300 applications respectively. Before that, there were only 339 and 44 applications respectively. The FEHD has launched a pilot scheme on the provision of free ferry services every Saturday starting from January 2010 to facilitate the public to scatter cremains at sea. So far, over 500 families have applied for use of such services. In addition, the FEHD launched an internet memorial service in the second quarter of 2010. Since its operation, over 3 000 web pages have been created in remembrance of the deceased on the “Memorial” website. We will continue to promote these services to the public, and encourage more innovative and sustainable means of handling cremains and paying tribute to the deceased.

(j) *Following up on the recommendations of the review on hawker licensing, including the issuing of fixed-pitch hawker licences after consultation with the relevant DCs*

26. The Administration has earlier reviewed the hawker licensing policy and proposed to allow fixed pitch hawkers in the front row to take up vacant pitches in the back row, re-issue a certain number of Fixed Pitch Hawker Licences and Itinerant (Frozen Confectionery) Hawker Licences, as well as to relax the requirements for succession to and transfer of “Dai Pai Tong” licences. Besides, as DCs can effectively advise the Government on hawker issues in their districts having regard to the local situation and residents’ aspirations, we have also proposed to strengthen the role of DCs in issues related to hawker licensing. We have been following up on the implementation of these proposals after support was received from the Panel at its meeting in April 2009.

27. The work regarding the taking up of vacant pitches in the back row by fixed pitch hawkers in the front row was completed in August 2009. A total of 648 back-row pitches have been merged with front-row pitches. As for the remaining vacant fixed pitches, the FEHD has consulted the relevant DCs and received their support to allocate 218 vacant pitches to eligible persons. As at September 2010, the FEHD has issued 213 new fixed pitch licences. In regard to Itinerant (Frozen Confectionery) Hawker Licences, as at September 2010, the FEHD has issued 45 new licences and is actively processing the applications for the remaining 16 licences.

Food and Health Bureau
October 2010

**For discussion
On 8 March 2011**

Legislative Council
Panel on Food Safety and Environmental Hygiene

**Legislative Proposals to Take Forward the Trawl Ban and
Other Fisheries Management Measures**

PURPOSE

This paper updates Members on the progress in taking forward the policy initiative of introducing a trawl ban in Hong Kong waters and gives an overview on the rest of the complementary fisheries management measures to be introduced in this legislative session.

BACKGROUND

2. The fisheries resources in Hong Kong waters have been over-exploited and the catch of the fisheries sector, if maintained at the current level, would not be sustainable. It is considered that the non-selective nature of trawling operations capturing fish of all sizes irrespective of their commercial and ecological value, are damaging the seabed, detrimental to the marine ecosystems, and have an adverse impact on the catch value of the fisheries sector in the longer run.

3. The capture fisheries sector in Hong Kong comprises about 3 900 fishing vessels, of which about 1 100 are trawlers while the remaining are mostly sampans and small fishing vessels operating inshore. Some 400 of the trawlers, constrained by their size and equipment installation, spend considerable amount of time fishing in Hong Kong waters and the rest are larger vessels which operate mainly further afield in the South China Sea. These some 400 trawlers account for roughly 80% of the total fishing effort in terms of engine power of the fishing fleet operating in Hong Kong, which is nearly double of the environmentally sustainable level according to a study conducted by the

Chinese Academy of Fishery Science in 2006¹.

4. In his 2010-11 Policy Address, the Chief Executive (CE) announced that the Government will implement a basket of management measures including banning trawling in Hong Kong waters through legislation in order to restore our seabed and marine resources as early as possible. To assist the fishermen affected by the trawl ban, the Government proposes to bundle the trawl ban with the introduction of a voluntary buy-out scheme as well as ex-gratia allowance (EGA) for the affected trawler fishermen (the Scheme). Elaboration of the Scheme is set out in paragraphs 7 to 12 below. The background and justifications of the proposals have been provided in the Legislative Council (LegCo) brief on a ban on trawling activities in Hong Kong waters at **Annex I**. The Administration also briefed the LegCo Panel on Food Safety and Environmental Hygiene about the policy initiative at its meeting of 15 October 2010 and the relevant panel paper is at **Annex II** (paragraphs 6 to 9 therein are pertinent).

THE TRAWL BAN

5. The Fisheries Protection Regulations (Cap. 171A) prohibit destructive fishing activities, which include the use of explosive, toxic substance, electricity, dredging and suction devices for fishing. Any person who contravenes any of the provisions of the regulations shall be guilty of an offence and liable to a maximum fine of \$200 000 and six months' imprisonment.

6. Regulation 4A prohibits the use for the purpose of fishing any apparatus of a class or description specified by the Director of Agriculture, Fisheries and Conservation (DAFC) by notice published in the Gazette. We propose to take forward the trawl ban initiative by specifying trawling devices as a class of apparatus for the purposes of regulation 4A(1) of the Fisheries Protection Regulations.

¹ The study estimated in 2006 that the maximum sustainable yield of Hong Kong waters was about 20 500 tonnes annually, and the fishing effort in terms of engine power should be kept below 140 000 kilowatts. However, fisheries production of Hong Kong waters in 2006 was about 26 700 tonnes, and the overall engine power of fishing vessels was some 270 000 kilowatts (i.e. 30% and 93% higher than the maximum sustainable yield and the maximum sustainable fishing effort respectively).

THE SCHEME

7. The proposed trawl ban would impact on the livelihood of trawler fishermen who would lose part of their fishing grounds. The Scheme facilitates the voluntary surrender of trawler vessels to the Government. The Scheme would provide an incentive for the trawler fishermen to quit their operations which are harmful to our marine environment and to dispose of their vessels. To those who intend to turn to other sustainable operations, the Scheme will help pave their way of leaving the trawling operations.

8. The Scheme includes –

- (a) EGA payments for the trawler owners affected for permanent loss of fishing grounds arising from the proposed trawl ban to be effected through the legislative procedure referred to in paragraph 6 above;
- (b) buying out of the affected trawler vessels for those trawler owners who volunteer to surrender their vessels; and
- (c) one-off grants to assist the affected local deckhands employed by the trawler owners who volunteer to surrender their trawler vessels at (b) above.

(a) *EGA*

9. The effect of a trawl ban on trawler owners is not dissimilar to the permanent loss of fishing grounds resulted from marine works projects, for which EGA is payable to affected fishermen. The EGA for affected trawler owners will be determined with reference to how EGA payable to fishermen affected by marine works projects is determined.

10. Similar to previous exercises on determining the EGA in respect of marine works projects, we propose to set up an interdepartmental working group (IWG) comprising relevant departments to handle all matters relating to the processing of EGA applications from fishermen affected by the proposed trawl ban. The IWG of marine works projects has been an effective and well-established mechanism for determining eligibility criteria according to the principles laid down in the relevant policies and the apportionment method for calculating the amount of the EGA to eligible applicants. A Fishermen Claims Appeal Board (FCAB), comprising non-official members, will be set up where necessary for

processing appeal cases by the affected trawler owners to see that the IWG's decisions relating to EGA comply with Government policy. The eligibility criteria for the Scheme are at **Annex III**.

(b) Voluntary surrender of trawler vessels

11. The surrender of affected trawler vessels to the Government is voluntary. The majority of the trawler owners possess the permits to fish in Mainland waters and may continue their operations there after the implementation of trawl ban in Hong Kong waters. To those who choose to leave the trade, they could, within a certain timeframe to be specified by the Government, decide in the light of their own circumstances whether they would surrender their vessels to the Government or make their own arrangements to sell their vessels in the market. The buy-out price of an individual vessel to be offered by the Government will be the market price to be determined and will vary according to type, length, age and depreciation of the trawler vessel. We will also draw reference to the valuation provided by independent marine surveyors in determining the buy-out price. The surrendered trawler vessels will be retained and/or scrapped by the Government to ensure that fishing effort is removed from Hong Kong waters. As part of the fisheries management measures, the AFCD will consider using some of the surrendered vessels as artificial reefs, which are conducive to enhancing the rehabilitation of the fisheries resources in Hong Kong waters. If suitable vessels can be identified, the AFCD will consider collaborating with non-governmental organisations and fishermen organisations to convert some vessels for piloting recreational fisheries programmes.

(c) One-off grants to local deckhands

12. As we anticipate that some local deckhands would lose their job temporarily before they can find other employment as a result of the cessation of trawling operations or the switch to non-trawler fishing with selective fishing methods of their employers, we propose to provide a one-off grant to each local deckhand employed by the trawler owners who volunteer to surrender their trawler vessels to assist them to tide over this transition period. We estimate that about 1 000 local deckhands will be eligible for the one-off grants.

Measures to help trawler fishermen switch to sustainable operations

13. To help fishermen gain practical experience in other sustainable

operations, since 2010, the AFCD has been providing free training courses on eco-tourism, aquaculture and other fisheries related operations during the fishing moratorium of the South China Sea to fishermen. Over 130 fishermen have attended these training courses. The AFCD has also launched, in collaboration with local fishermen and the private sector, a pilot scheme of fisheries eco-tourism in Sai Kung and the north-eastern New Territories to help fishermen venture into eco-tourism. The scheme provides marine-based guided tours which cover the culture and practices of fisherman communities as well as the ecological and geological features of Hong Kong. So far, over 70 fishermen have been trained in the pilot scheme. The AFCD will continue to explore opportunities to collaborate with fishermen in other districts with a view to extending the scheme to such areas.

14. It is expected that, upon the implementation of the trawl ban, not all fishermen will leave the trade for good. The AFCD will be introducing a special training programme to the trawler fishermen who give up their operations under the Scheme with a view to equipping them (both the vessel owners and the local deckhands) with the skill and knowledge for switching to other sustainable fisheries related operations.

OTHER FISHERIES MANAGEMENT MEASURES

15. To bring the fishing industry back to a sustainable path, we plan to take forward other measures recommended by the Committee on Sustainable Fisheries to control the fishing effort in Hong Kong waters and protect important fish spawning and nursery grounds. These measures include –

- (a) setting up a registration system for local fishing vessels;
- (b) limiting the entry of new fishing vessels and maintaining an appropriate level of fishing effort;
- (c) restricting fishing activities with the use or aid of non-fishing vessels and prohibiting fishing activities with the use or aid of non-local fishing vessels; and
- (d) designation of fisheries protection areas.

16. The Fisheries Protection Ordinance (Cap. 171), with the long title “to promote the conservation of fish and other forms of aquatic life

within the waters of Hong Kong and to regulate fishing practices and to prevent activities detrimental to the fishing industry” is the appropriate piece of legislation to give effect to the proposed measures.

(a) *Registration system for local fishing vessels*

17. We propose to introduce a registration system for local vessels engaging in fishing in Hong Kong waters. Under the proposal, all local fishing vessels have to be registered with the DAFC if they are to be used for fishing in Hong Kong waters. The DAFC will only register existing local fishing vessels, i.e. vessels possessing the following before the enactment of the legislation –

- (a) a valid operating licence of a Class III (b), (c) or (d) vessel issued by the Marine Department (MD) under the Merchant Shipping (Local Vessels)(Certification and Licensing) Regulation (Cap. 548D); or
- (b) an approval-in-principle letter for construction of a Class III (b), (c) or (d) vessel issued by the MD under Cap. 548D².

18. A certificate of registration will be issued to the registered vessels. These vessels will need to adhere to the vessel particulars, e.g. engine power and vessel class and type, and fishing method(s) specified in the certificate of registration. Prior approval from the DAFC is required for any changes or alterations to the vessel particulars or fishing method(s).

(b) *Limiting new entrants*

19. Having regard to the existing condition of the marine environment and the fisheries resources situation, it is necessary to restrict further growth in fishing effort in Hong Kong waters so as to ensure sustainable development of the trade and allow the marine environment and fisheries resources to rehabilitate. It is therefore our intention to cap the number of fishing vessels and the total engine power of these vessels to control fishing effort. Apart from existing fishing vessels already operating in Hong Kong waters, we do not intend to allow any other fishing vessels to enter into the local fishing industry. To this end, we propose to announce a specified period during which owners of

² The applicant must, at the time of application for registration, be able to provide the constructed vessel to the DAFC for inspection.

existing local fishing vessels may apply to the DAFC for registration. All existing local fishing vessels as defined in paragraph 17 above are eligible. The DAFC will not entertain any applications for such first-time registration after the specified period. The growth in the engine power of registered vessels will also be limited to the level so registered upon completion of all applications received before the end of the specified period. The DAFC will reject any subsequent applications for alteration of vessel particulars which would lead to an increase in engine power of a registered vessel, when prior approval referred to in the last sentence of paragraph 18 above is sought.

20. However, the DAFC may approve any subsequent applications related to a registered vessel which will not lead to an increase in fishing effort in Hong Kong waters. Examples include change of ownership of a registered vessel, replacement of a registered vessel by a new one without any increase in engine power, changes to fishing method(s) which will not lead to an increase in fishing effort in Hong Kong waters.

(c) Restriction of fishing activities with the use or aid of non-fishing vessels and prohibition of fishing activities with the use or aid of non-local fishing vessels

21. To further control the fishing effort in Hong Kong waters, we propose to control fishing activities with the use or aid of non-fishing vessels (both local and non-local) and prohibit fishing activities with the use or aid of non-local fishing vessels. Instead of an outright prohibition of all fishing activities with the use or aid of non-fishing vessels, we propose that fishing activities by specified fishing methods which will not adversely impact on the fisheries resources be allowed. We intend to help fishermen switch to recreational fishing operations, which would normally involve using hand-lining method. As such, fishing by hand-lining or without using any fishing gear with the use or aid of a non-fishing vessel will not be subject to the control. To cater for future changes, we propose to specify the above methods in a schedule, and the DAFC shall be empowered to amend the schedule by notice in the Gazette. All fishing activities with the use or aid of non-local fishing vessels will be prohibited.

22. We also propose that the DAFC may on application grant research permits, upon such conditions as he thinks fit, for fishing with the use or aid of any vessel for scientific, environmental monitoring or related purposes.

(d) Fisheries protection areas (FPAs)

23. We propose that the Government may designate any area in Hong Kong waters as FPAs to protect fish fry, juvenile and spawning fish from unregulated fishing in important spawning and nursery grounds, help restore fisheries resources in Hong Kong waters, and promote their sustainable growth in the long run. We also propose that the Government may make regulations to provide for the control and management of FPAs.

Offences

24. We propose to make it an offence for any person who carries out any fishing activity with the use or aid of a vessel which has not been registered with the DAFC. It does not apply to fishing activities with the use or aid of a non-fishing vessel by specified fishing methods to be listed in a schedule in the legislation. These fishing methods will unlikely adversely affect fisheries resources. It is also an offence for fishing with the use or aid of a registered vessel not adhering to the vessel particulars, e.g. engine power of the registered vessel exceeding that in the certificate of registration or fishing with a method which is different from those specified in the certificate of registration (as stated in paragraph [18] above).

25. The holder of a certificate of registration is required to notify the DAFC of any changes to his personal particulars in the registration, and to provide the information in relation to the registration requested by the DAFC. We propose to make it an offence if he fails to comply with the above requirements without reasonable explanation.

Other powers

26. To ensure that the DAFC or his authorised officers can carry out the enforcement duties effectively, in particular, on board vessels in question, we propose to provide the DAFC and his authorised officers with the power of detaining a vessel or person for inspection or inquiry in addition to those powers already provided under the existing Ordinance. The authorised officer may arrest any person whom he reasonably suspects of having committed an offence under the Ordinance if it appears to him that service of a summons is impracticable.

IMPLEMENTATION

Legislative timetable

27. Since the announcement of the trawl ban initiative, the Government has been engaging the trade and outreaching to fishermen at various homeports to understand their concerns over the trawl ban and listen to their views on other fisheries management measures.

28. We plan to publish the legal notice on the trawl ban (paragraph 6 above) in the Gazette, and table it in LegCo for negative vetting in March 2011. Subject to the legislative progress, we aim to seek funding for the trawl ban from the Finance Committee of LegCo before the end of the 2010-11 legislative session. We also plan to introduce the amendment bill for the other fisheries measures set out in paragraphs 15 – 26 above in the second quarter of 2011.

29. Subject to funding approval on the trawl ban, it is our plan to start inviting applications under the Scheme by end of 2011. We envisage that all the applications relating to the Scheme can be processed by end of 2012 before the trawl ban takes effect from end of 2012 at the earliest. It is our ballpark estimate that a one-off expenditure of around \$1 billion will be required to fund the major part of the exercise.

30. We will continue to engage the trawler fishermen and other stakeholders and listen to their views on the implementation details of the Scheme. The Government will present the finalised proposals with detailed arrangements including financial implications to this Panel in the second quarter of 2011.

Training

31. The AFCD will continue with the training programmes during the annual fishing moratorium of the South China Sea and the fisheries eco-tourism pilot scheme. The AFCD also plans to extend the pilot scheme to other districts in order to help more fishermen develop their business. Furthermore, the AFCD is making reference to fishermen's comments and concerns received in designing and planning the special training programmes mentioned in paragraph 14 above so as to better equip the affected trawler fishermen for switching to sustainable fisheries related operations.

Other assistance to fishermen

32. Moreover, affected fishermen may apply to the Fisheries Development Loan Fund for low interest loan for switching to sustainable fisheries operations using selective fishing methods and other fisheries related operations. We are also reviewing the mechanism, loan terms and eligibility of the Fisheries Development Loan Fund to enable the Fund to better cope with fishermen's needs for developing or switching to sustainable fisheries and related operations.

CONSULTATION

33. After announcement of the trawl ban initiative in October 2010, the AFCD has consulted the Advisory Committee on Agriculture and Fisheries (including its Capture Fisheries Subcommittee and Aquaculture Subcommittee), the Fish Marketing Advisory Board, umbrella fishermen bodies (including the Hong Kong Fishermen Consortium, the Hong Kong Fishery Alliance, the Hong Kong and Kowloon Fishermen Association and the International Fisheries Organizations Alliance), and fishermen representatives / individual fishermen in major home ports (including Aberdeen, Tai Po, Castle Peak, Cheung Chau, Shau Kei Wan and Sai Kung) on the trawl ban initiative and other fisheries management measures, and sought their views on their implementation and the Scheme. Most members of the committees and fishermen representatives generally support the trawl ban and other fisheries management measures. However, some of them express concern about the implementation details of the Scheme, e.g. the buy-out price of trawlers, the level of EGA payments, and the eligibility criteria for EGA. A few request the Government to consider providing trawler fishermen with the option of continuing trawling in Hong Kong waters.

34. There are divergent views on the eligibility criteria for EGA. Nevertheless, most agree that the EGA should only be granted to trawler owners affected by the trawl ban, and the EGA should be proportional to the impact on them. Some request the future IWG to seek fishermen's views, e.g. in determining the detailed eligibility criteria and the apportionment method for calculating the amount of the EGA to eligible fishermen.

35. Apart from the trawler sector, representatives of some related industries also express that they would be affected by the trawl ban and request Government's assistance. These industries include the marine

fish culture sector (e.g. on the supply of fresh fish feed) and the fish trading (e.g. in sourcing fish supply).

36. Green groups and academics welcome the initiative to ban trawling in Hong Kong waters and the management measures to control fishing effort in Hong Kong waters. They also urge the Government to see to its early implementation.

ADVICE SOUGHT

37. Members are invited to note and advise on the contents of this paper.

**Food and Health Bureau
Agriculture, Fisheries and Conservation Department
1 March 2011**

File Ref. : FH CR 1/2576/07

LEGISLATIVE COUNCIL BRIEF

A BAN ON TRAWLING ACTIVITIES IN HONG KONG WATERS

INTRODUCTION

At the meeting of the Executive Council on 28 September 2010, the Council ADVISED and the Chief Executive ORDERED that –

- (a) trawling activities (i.e. fishing using pair trawlers, stern trawlers, shrimp trawlers and hang trawlers) should be banned in Hong Kong waters; and
- (b) the Government should launch a voluntary one-off buy-out scheme for trawlers to be affected by the initiative in (a) above. Subject to meeting the eligibility criteria, the affected fishermen should be paid ex-gratia allowance (EGA) while affected local deckhands be given one-off grants.

JUSTIFICATIONS

2. The capture fisheries sector in Hong Kong comprises approximately 3 700 fishing vessels, of which about 1 100 are trawlers while the remaining are mostly sampans and small fishing boats engaged in inshore fishing. Some 400 of the trawlers operate partly or wholly in Hong Kong waters and the rest are larger vessels which operate further afield in the South China Sea. The estimated total engine power of these some 400 trawlers accounts for roughly 80% of

the total engine power of the fishing fleet operating in Hong Kong waters, which is nearly double of the environmentally sustainable level according to a study conducted by the Chinese Academy of Fishery Science in 2006 ^{Note 1}.

3. Hong Kong waters are important fish spawning and nursery grounds, supporting a wide diversity of fishes, crustaceans, mollusks, corals and other marine species. However, the non-selective nature of trawling operations capturing fish of all sizes particularly in inshore waters, irrespective of their commercial and ecological value, and its damaging effect to the seabed, are detrimental to the marine ecosystems. Over the years, these operations have led to a continuous decline in the quantity, species diversity and size of marine organisms and deterioration of the marine environment.

4. A consultancy study carried out by the Agriculture, Fisheries and Conservation Department (AFCD) in 1998 has revealed that 12 of the 17 evaluated fish species were heavily over-exploited, while the remaining five were fully exploited. Local catch composition had shifted from mainly large, slow-growing and high-value species to small, fast-growing and low-value species. Many of the once commercially important and abundant species are now rare in Hong Kong waters (e.g. yellow croaker 黃花, Hong Kong grouper 紅班, longtooth grouper 泥班, painted sweet lips 細鱗 and John's snapper 牙點 and Malabar red snapper 紅魚) or have disappeared from commercial catches altogether (e.g. Chinese bahaba 黃唇魚). Against this background, the Committee on Sustainable Fisheries (the Committee) was set up by the Government in 2006 to study the long term goals, the direction and the feasible options for the sustainable development of the local fisheries industry. The background and the major recommendations of the Committee are at **Annex A**. The Committee has recommended, inter

¹ The study estimated in 2006 that the maximum sustainable yield of Hong Kong waters was about 20 500 tonnes annually, and the fishing effort in terms of engine power should be kept below 140 000 kilowatts. However, fisheries production of Hong Kong waters in 2006 was about 26 700 tonnes, and the overall engine power of fishing vessels was some 270 000 kilowatts (i.e. 30% and 93% higher than the maximum sustainable yield and the maximum sustainable fishing effort respectively).

alia, a ban on trawling activities in Hong Kong waters in its final report.

Benefits of the proposed trawl ban

5. The following are the benefits of the proposed trawl ban -

(a) *Marine conservation*

A ban on trawling activities will bring the harmful depletion to an immediate halt and thus enable the marine ecosystems to be gradually rehabilitated to an ecologically sustainable level. Not only would the species with commercial value as mentioned above return to our waters, those of ecological value such as corals and sea turtles would also benefit from a less disturbed and better marine environment. As a matter of fact, a ban on trawling activities in inshore waters is a common fisheries management practice world-wide. Both the Mainland and Taiwan have introduced similar measures for marine conservation and fish stock rehabilitation purposes. According to some published reports on the Mainland, the fisheries resources as well as its composition of commercially important species have increased after the implementation of these measures. Restoration of the habitats of marine animals will in turn promote the diversity of marine life and safeguard the ecological integrity of our marine environment. It would also allow the public at large and our future generations to enjoy a better marine environment.

(b) *Sustainable development*

To the fisheries sector, the cessation of trawling activities in Hong Kong waters would substantially reduce the total engine power of fishing vessels operating in local waters by roughly 80% (i.e. from 270 000 to 64 000 kilowatts) and fish catch in local waters by more than 40% (i.e. from 26 700 tonnes to 14 700 tonnes). It would effectively restructure the local fishing industry into a more sustainable one, comprising large trawlers operating further afield in the South China Sea and smaller non-trawlers fishing with selective fishing methods in Hong Kong waters. Slow-growing fish and species of high value will be allowed to grow and reproduce in Hong Kong waters.

Availability of sustainable stocks of high-value species in Hong Kong waters would in turn improve cost efficiency and the operating environment for the fisheries industry, thereby enhancing the vibrancy of the trade and livelihood of practitioners. The fisheries industry has attained a steady state of mainly family-based operations targeting low value species in recent years and this initiative will give it the necessary impetus for the industry to turn to selective fishing methods targeting high value species. Examples on the Mainland and in some overseas countries such as Indonesia have amply demonstrated that the productivity and financial performance of the fishermen who have switched from trawling to selective fishing methods would improve as a result of the replenished fisheries resources after a ban on trawling.

(c) *Supply of marine fish*

A well managed marine environment will also ensure stable supply of quality marine fish for Hong Kong people. The local capture fisheries industry contributes about 30% of marine produce to local consumption. A stable local supply of fisheries produce would also help buffer against possible impact caused by fluctuation in imports. The ban on trawling activities in local waters will improve the quantity and quality of catch in Hong Kong waters in the long run. A simulation study by the University of British Columbia in Canada estimated that if measures including controlling the growth of the fishing fleet, banning trawling in Hong Kong waters and other fisheries management measures are implemented, Hong Kong's fisheries resources and the catch value per unit fishing effort would be 50% and 70% higher respectively in 25 years' time than if no such measures are taken. As mentioned above, our marine environment is now close to its limit of rehabilitation ability. Should we not conserve the marine environment by implementing the trawl ban now, it is likely that our fisheries resources would become increasingly depleted in the near future and some of the economically and ecologically important species would become locally extinct in our marine environment.

(d) *Eco-tourism*

A diversified and healthy marine environment would attract

local and overseas tourists to engage in activities such as recreational fishing, scuba diving and ecotourism in Hong Kong which has a deep root in fishing heritage.

Impact on fishermen

6. A trawl ban in Hong Kong waters would mean that trawling activities can only take place outside Hong Kong waters. The smaller trawlers that operate mainly in Hong Kong waters due to vessel and equipment limitations, or the lack of relevant licence to fish in Mainland waters, will be adversely affected. This group of trawlers is estimated to be about 400.

The proposed one-off buy-out scheme

7. The proposed trawl ban in Hong Kong waters would mean that trawler fishermen will lose part of their fishing grounds. The effect is not dissimilar to the permanent loss of fishing ground resulted from marine development works, for which EGA is payable to affected fishermen. In order to overcome the likely resistance of the trade against the trawl ban, we propose to bundle it with the introduction of a one-off buy-out scheme for trawler vessel owners with a view to adequately addressing the adverse impact of the trawl ban on their livelihood. Subject to the funding approval by the LegCo, the proposed scheme will include -

- (i) making EGA payments to the trawler vessel owners affected by the trawl ban;
- (ii) voluntary buying out of the affected trawlers; and
- (iii) providing one-off grants to assist the affected local deckhands employed by the trawler vessel owners who take part in the buy-out scheme.

The EGA for affected trawling vessel owners should be determined in

line with the established EGA formula^{Note 2} for fishermen affected by marine works projects. An inter-departmental working group comprising relevant government departments would be convened to consider any EGA claims according to the eligibility criteria and formula agreed.

8. Offering EGA on this occasion is justifiable because fishermen, as with operators of other primary industries operators, generally do not have a high education level. Very often, the only means that they may rely on for making a living is by fishing. They would have difficulty in switching quickly to other means of making a living if their fishing operations are affected. There have been precedent cases for offering EGA to fishermen for loss of fishing grounds due either to marine works projects or designation of an area as a Marine Reserve.

9. The proposed buy-out scheme will help address the impact on the livelihood of trawler fishermen as a result of the proposed trawl ban. It also provides a direct incentive for the trawler fishermen to quit their operations which are harmful to our marine environment and to dispose of their vessels. To the trawler fishermen who intend to turn to other sustainable operations, the buy-out scheme will help pave their way of leaving the trawling operations.

10. We expect that, upon the implementation of the trawl ban, not all fishermen will leave the trade for good. AFCD will be introducing a special training programme to the trawler fishermen who give up their operations in the buy-out scheme with a view to equipping them (both the vessel owners and the local deckhands) with the skill and knowledge for switching to other sustainable fishing operations such as mariculture and recreational fishing.

11. Mariculture is regulated under the Marine Fish Culture Ordinance (Cap. 353), and must be conducted by licence holders in one

² For eligible fishermen affected by marine works projects which would lead to permanent loss of fishing grounds in Hong Kong waters, the EGA payments are the notional value of seven years' fish catch in the affected area of the fishermen derived from the Port Survey conducted by the AFCD.

of the 26 designated marine fish culture zones. Since 1987, the Government has introduced a moratorium on the issue of new licences to reduce the possible impact of mariculture on the marine environment. Advances in mariculture techniques in recent years, e.g. the use of pellet feed, have significantly reduced such possible impact and the Committee has recommended a review of the moratorium and a study on the expansion and rotation of fish culture zones to facilitate the switching of trawler fishermen to mariculture. This idea is worth considering and it is indeed the international trend to move towards mariculture. AFCD is following up with relevant Bureaux/Departments in this respect.

12. As we anticipate that some local deckhands would lose their job temporarily before they can look for other employment as a result of the cessation of trawling operations or the switch to non-trawler fishing with selective fishing methods of their employers, we propose to provide a one-off grant to each local deckhand employed by the trawler vessel owners who take part in the buy-out scheme to assist them to tide over this transition period. We estimate that about 1 000 local deckhands will be eligible for the one-off grants.

13. Affected fishermen may also apply to the Fisheries Development Loan Fund for low interest loans for switching to sustainable fisheries operations using selective fishing methods. The Fund, with a fund capital of \$290 million, is established by the Government to facilitate the sustainable development of the fisheries industry with the objectives, among others, to provide loans to fishermen to help them switch to sustainable fisheries or related operations, which are conducive to reducing fishing effort and conserving fisheries resources in local waters.

14. As part of the fisheries management measures, AFCD will use some of the bought-out trawlers as artificial reefs, which are conducive to enhancing the rehabilitation of the fisheries resources, in Hong Kong waters. Bureaux and Departments would explore and flesh out details of other fisheries management measures recommended by the Committee in the coming year for discussion with the relevant parties.

TIMETABLE

15. When announcing the trawl ban on 13 October 2010, we have also announced a cut-off date such that any person who seeks to license a trawler in Hong Kong after that date would not be eligible for the EGA and the vessel buy-out scheme even though the proposed trawl ban would apply to such trawler. Also, local deckhands employed by these trawler vessel owners would not be eligible for one-off grants. We will brief the relevant Panel of the Legislative Council on the legislative amendments to be made under the Fisheries Protection Regulations (Cap. 171A) and the EGA package in the first quarter of 2011. We plan to introduce the legislative amendments in the second quarter of 2011 to provide the legal instrument for the trawl ban. In the meantime, Bureaux and Departments would also explore other fisheries management measures recommended by the Committee. Subject to the legislative progress, we will seek funding approval for the buy-out scheme from the Finance Committee of LegCo before the end of the 2010-11 legislative session.

16. Subject to the negative vetting of the legislative instrument for the proposed trawl ban and funding support from LegCo, we plan to roll out the trawler buy-out scheme around late 2011, and provide a one year transitional period before the trawl ban becomes effective in late 2012 at the earliest. According to this tentative timetable, affected trawler fishermen would have a period of about two years from the announcement of the initiative to consider and prepare for ceasing their trawling operations in Hong Kong waters, and switching to sustainable fisheries operations before implementation of the trawl ban in Hong Kong waters.

IMPLICATIONS OF THE PROPOSAL

17. The proposed trawl ban in Hong Kong waters is in conformity with the Basic Law, including the provisions concerning human rights. The financial, civil service, economic, environmental and sustainability implications are set out at **Annex B**.

PUBLIC CONSULTATION

18. Before finalising its report, the Committee has consulted various stakeholders including the relevant advisory bodies under AFCD, fishermen associations and green groups on a number of occasions regarding the recommendations in its report, in particular, that on banning trawling in Hong Kong waters. The Administration consulted the Panel on Food Safety and Environmental Hygiene of LegCo in May 2010, the Aquaculture and the Capture Fisheries Subcommittees of the Advisory Committee on Agriculture and Fisheries, and the Fish Marketing Advisory Board in June and July 2010 respectively on the findings and recommendations of the Committee, including the proposed trawl ban in Hong Kong waters. We also conducted briefing sessions for fishermen bodies including the umbrella organisations such as the Hong Kong Fishermen Consortium and the Hong Kong Fishery Alliance and fishermen communities in the major fishing ports from June to July 2010. While some members of the Panel and the Subcommittees and some fisherman representatives indicated their support to the proposed trawl ban, they were concerned about the implementation timetable and urged the Government to adequately address the livelihood issue of the affected fishermen if the proposal is to be taken forward.

PUBLICITY

19. Following the announcement in the Policy Address on 13 October 2010, SFH will brief the Panel on Food Safety and Environmental Hygiene on this policy initiative. A spokesman will also be available to respond to media enquiries.

ENQUIRIES

20. For enquiries, please contact Miss Diane Wong, Principal Assistant Secretary for Food and Health (Food) 2, at 2973 8232.

Food and Health Bureau

13 October 2010

THE COMMITTEE ON SUSTAINABLE FISHERIES AND ITS MAJOR RECOMMENDATIONS

Background

As compared to the last century, the fisheries resources within the traditional fishing grounds of Hong Kong's fishing fleet, namely local waters and the South China Sea, have been beset with problems of excessive fishing effort, marine pollution and marine works, leading to a significant reduction in the quality and quantity of fish catch. Taking into account the rise in operating cost, the fishermen's business has become increasingly difficult, as is the case of capture fisheries around the world. Against this background, the Government established the Committee on Sustainable Fisheries (the Committee) in late 2006 to study the long-term direction and goals for the development of the territory's fisheries industry, and to recommend feasible strategies and options to promote the sustainable development of the fisheries sector to the Government for consideration.

5. Chaired by the Director of Agriculture, Fisheries and Conservation, the Committee comprises Legislative Council members, representatives from the fisheries industry, academics and experts from various fields and representatives from relevant Government departments. The Committee has studied and discussed in detail matters relating to the sustainable development of the fisheries industry. It has also made two local and one Mainland study visits as well as listened to and collected views on different occasions from various stakeholders including the fisheries industry, green groups and advisory committees relevant to local fisheries. The Committee submitted a report in April 2010 to the Government for consideration.

3. After carefully studying the international and local fisheries industries, as well as the contributions of the local fisheries industry to Hong Kong's economy and society, the Committee considers that the

local fisheries industry, as an important local cultural asset with a long history, has potential for sustainable development. To achieve the goals of the sustainable development of the fisheries industry, it has formulated two directions:

- i. to assist fishermen to develop or switch to modernised and sustainable modes of operation; and
- ii. to protect, conserve and rehabilitate the marine ecosystem and fisheries resources.

Recommendations

4. The Committee recommends the following measures to promote the sustainable development of the local fisheries industry.

Promoting modernised and sustainable practices

5. The technology employed by the fisheries industry in Hong Kong is not advanced enough, resulting in high operating costs and low efficiency, and hence low competitiveness. Therefore, the Committee proposes to promote modernisation and development of sustainable fisheries through the following measures:

- (a) enhance fishermen's understanding of sustainable fisheries and raise their awareness of the importance of marine conservation to the ecology and economy;
- (b) promote fisherman cooperative enterprises to assist fishermen in acquiring multi-disciplinary knowledge and financing the development of the industry;
- (c) provide stable financial support to sustainable fisheries development programmes;
- (d) review the existing criteria and terms of fisheries loans;
- (e) implement specific support measures for sustainable fisheries operations (e.g. aquaculture, recreational

- fisheries, fisheries product logistics and processing); and
- (f) strengthen communications with the Mainland counterparts to help fishermen seek business opportunities.

6. On promoting the sustainable development of aquaculture, the Committee recommends to:

- (a) conduct a review of the existing management and regulatory regime of aquaculture, which may include, for example, studying the culture environment and operation of local marine fish culture zones, and reviewing the moratorium on issuing new marine fish culture licences;
- (b) study the development of new sites for fish culture, extension or alternative use of fish culture zones, etc, with a view to supporting the future development of aquaculture;
- (c) enhance existing studies and training in relation to hatchery and step up effort to develop new culture species and improve the quality of cultured fish; and
- (d) foster the development of marketing networks in the local and Mainland markets for local quality fisheries products through setting up and enhancing promotion and publicity of the brand name of “Accredited Fish Farms” and by making use of the “Mainland and Hong Kong Closer Economic Partnership Arrangement”.

7. On recreational fishing, the Committee recommends to:

- (a) designate fisheries protection areas and marine parks as well as deploying artificial reefs and restocking to enhance recreational fishing;
- (b) the AFCD, in collaboration with other departments and non-profit-making organisations, enhance the operating

- environment of recreational fishing, including assisting in the identification and upgrading of spots and routing designs for recreational fishing; and
- (c) strengthen publicity to bring in more tourists, and provide loans, technical support and training to interested fishermen to help them develop or switch to recreational fishing.

Controlling fishing effort

8. The Committee proposes the following measures to control the fishing effort in Hong Kong waters:

- (a) establish a regulatory mechanism to restrict new entrants and ex-fishermen from rejoining the capture fisheries industry;
- (b) prohibit fishing by non-local vessels in Hong Kong waters through legislation;
- (c) restrict fishing activities by non-fishing local vessels in Hong Kong waters and allow only recreational fishing using specified fishing gear or method on these vessels;
- (d) ban non-selective trawling in Hong Kong waters and provide appropriate financial assistance to affected trawler fishermen; and
- (e) strengthen fisheries management and law enforcement.

Conservation and Enhancement of Fisheries Resources

9. The Committee also proposes certain measures to protect important marine and fisheries ecosystems, such as fish spawning and nursery grounds, and to promote the rehabilitation and growth of fisheries resources in Hong Kong waters. These include:

- (a) designate important spawning and nursery grounds within Hong Kong waters as fisheries protection areas and step up the management measures in these areas, such as setting up “no take” zones, implementing a seasonal fishing moratorium and deploying artificial reef etc.; and
- (b) prohibit commercial fishing in marine parks.

IMPLICATIONS OF THE PROPOSAL

FIANANCIAL AND CIVIL SERVICE IMPLICATIONS

The trawler buy-out scheme would include paying off the ex-gratia allowance (EGA) to the trawler vessel owners affected by the trawl ban; voluntary buying out of the affected trawlers; and providing one-off grants to the affected local deckhands employed by the trawler vessel owners who take part in the buy-out scheme. The actual expenditure on the buy-out scheme will depend on the take-up rate.

2. In addition to the above one-off buy-out package, the proposal is expected to incur further capital and recurrent expenditure for the AFCD to implement and enforce the trawl ban to be effective in 2012 at the earliest. We would seek the required resources in accordance with the established mechanism.

ECONOMIC IMPLICATIONS

3. While the ban on trawling activities in local waters would reduce the overall catch of the local fishing fleet (those operating within and outside Hong Kong waters included) by roughly 5% at the outset, by restoring the marine eco-system it will improve the quantity and quality of catch in Hong Kong waters in the long run, and also help restructure the local fishing industry into a more sustainable one. The public at large will also benefit from a stable supply of quality marine fish.

4. The ban would inevitably affect the livelihood of some practitioners in the fishery trade. In particular, the smaller trawlers that cannot operate outside Hong Kong might opt out of business. The workers so affected (including the ship-owners, family co-workers and employees) may also have difficulties in securing alternative employment given their education profile. Nonetheless, the one-off buy-out scheme and other financial assistance should help address

such potential hardship. Fishermen remaining in the trade will also benefit from the availability of sustainable stocks of high-value species in Hong Kong waters in due course.

ENVIRONMENTAL IMPLICATIONS

5. Inshore trawl ban has been adopted by many countries and places to conserve fisheries resources. The initiative will allow the restoration of the marine habitats, which will in turn promote the diversity of marine life and safeguard the ecological integrity of our marine environment.

SUSTAINABILITY IMPLICATIONS

6. Sustainability assessment has revealed that the banning of trawling in Hong Kong waters would help enhance marine conservation and this is beneficial to marine biodiversity and the fisheries industry in the long run. It is therefore conducive to the sustainability principle of maintaining the biodiversity of Hong Kong. A ban on trawling activities is also one of the major measures to help bring the local fishing industry to a sustainable path.

7. Nevertheless, the proposal might affect the livelihood of fishermen of some trawlers and their local deckhands. It would be addressed through introducing the buy-out scheme for the affected trawler vessel owners, providing EGA to affected vessel owners and a one-off grant to the affected local deckhands, as well as implementing a special training programme to help them turn to sustainable fisheries operations.

**For discussion
on 15 October 2010**

LegCo Panel on Food Safety and Environmental Hygiene

The 2010-11 Policy Address

**Policy Initiatives of
Food and Health Bureau for 2010-11**

Purpose

This paper elaborates on the new initiatives set out in the 2010-11 Policy Agenda in relation to the work of this bureau on food safety and environmental hygiene, and gives an account of the implementation of the on-going initiatives in past Policy Agendas.

2010-11 Policy Agenda

Quality City and Quality Life

Mission and Vision

2. The Food and Health Bureau (FHB) is committed to building a healthy society and accountable for formulating related policies under its ambit. On the food safety and environmental hygiene fronts, we will continue to ensure food safety and provide a clean and hygienic environment to promote public health and raise the living standard of our citizens.

New Initiatives

- (a) *Identify suitable sites for columbarium development across the territory and conduct technical feasibility studies of shortlisted sites to increase supply of columbarium facilities*

3. The FHB has launched a public consultation on review of columbarium policy on 6 July 2010 which lasted for about three months and just ended on 30 September. As columbaria are essential facilities for the community, all districts should collectively share the responsibility to develop columbarium facilities. In the consultation document, the Government has proposed the first batch of 12 potential sites in seven districts and most of the District Councils (DCs) have given in-principle support to developing columbarium facilities at these sites. The Government is conducting technical feasibility studies (such as traffic impact assessment and environmental impact assessment) for the relevant sites. Once a site is confirmed to be suitable for columbarium development, the relevant DC will be formally consulted again.

4. The Government will continue to identify other suitable sites for columbarium development across the territory actively and welcome suggestions on site selection from DCs and local communities. In the meantime, the Government will improve the outlook and layout of proposed columbaria through flexible design in order to ease the concern and anxiety of nearby residents. Construction of columbaria on a territory-wide basis is not a task that can be accomplished overnight. The Government will further its efforts in soliciting support from the DCs and local communities through continuous communication.

(b) *Consolidate the feedback received in the public consultation on review of columbarium policy and formulate appropriate measures to enhance regulation of private columbaria*

5. The public consultation document on review of columbarium policy has put forward concrete proposals on how to enhance regulation of private columbaria. The Administration considers that in the longer run, a licensing scheme should be introduced. However, introducing a licensing scheme through legislation is a complicated issue and is not a task that can be completed within a short period of time. A licensing scheme which is excessively stringent will impede the healthy development of the trade, reduce the overall supply of columbarium facilities and lengthen the waiting time for niches. On the other hand, a lax licensing scheme may not effectively curb the proliferation of unauthorised private columbaria. Striking the right balance between the two is by no means easy. Various sectors of the community also have different views towards the implementation details such as the scope and level of regulation. The Government must exercise prudence to ensure the appropriateness of the licensing scheme. We are consolidating and analysing over 500 submissions collected and will report back to this Panel on the consultation outcome in due course.

(c) *Implement the recommendation of the Committee on Sustainable Fisheries to ban trawling activities in Hong Kong waters through introducing the necessary legislation into the Legislative Council (LegCo) in the 2010-11 legislative session, with the aim of conserving and restoring marine resources*

6. Fish trawling will not only disturb the seabed but will also capture fingerlings that have no immediate commercial value, thereby seriously affecting the recovery ability and fisheries resources of the marine environment. In its report, the Committee on Sustainable Fisheries

recommended that the Administration should ban trawling activities in Hong Kong waters.

7. Therefore, in order to protect the valuable marine resources and ecological environment, the Government plans to ban fish trawling by notice in the Gazette within this legislative session and to seek funding approval from the LegCo for providing assistance to the trawler fishermen affected. We will introduce a one-off buyout scheme for eligible trawler fishermen to alleviate the impact of the relevant measure on their livelihood as appropriate. The scheme includes: (1) payment of an ex-gratia allowance (EGA) to owners of the trawlers affected by the above-mentioned measure (i.e. the ban on trawling activities in Hong Kong waters); (2) introducing a voluntary buyout scheme to purchase the trawlers from the owners affected; and (3) payment of a one-off grant to help local deckhands employed by owners of trawlers joining the buyout scheme. An applicant for the buyout scheme must as at 13 October 2010:

- (1) own a trawler and hold a valid certificate of ownership and operating licence of a Class III vessel issued by the Marine Department (MD) under the *Merchant Shipping (Local Vessels) (Certification and Licensing) Regulation* in respect of the trawler, and at the time of application, is still the owner of the trawler; or
- (2) hold an approval-in-principle letter for construction of a Class III vessel issued by the MD and submit a document proving that the vessel under construction is a trawler, and at the time of application, is still the owner of the trawler.

The eligibility criteria for the one-off EGA are the same as the buyout scheme and the applicant is still the owner of the vessel at the time of EGA registration. As for the one-off grant, applicants must be a local deckhand and must, at the time of application, provide evidence proving that he/she has already been employed to work as at 13 October 2010 on the trawler

joining the above-mentioned buyout scheme. We will set up an inter-departmental working group to process the eligible applications based on the relevant criteria. We will also help the fishermen affected to switch to other sustainable fisheries including aquaculture and recreational fishing by providing training and technical support. Some of the vessels recovered under the voluntary buyout scheme will be used as artificial reefs after processing and put into Hong Kong waters in order to enhance the fisheries resources and improve the marine environment.

8. The measure to ban trawling activities in Hong Kong waters will formally take effect after the voluntary buyout scheme has largely been completed. We expect the measure to be implemented in late 2012 at the earliest.

9. The Committee on Sustainable Fisheries also suggested that the Government should implement other fisheries management measures, including capping the number of local fishing vessels, prohibiting non-local fishing vessels from operating in Hong Kong waters and designating fisheries protection areas. We will consult the trade and the LegCo on details of the fisheries management measures in due course. If all goes well, we plan to introduce an amendment bill within this legislative session in order to take forward the relevant measures.

Progress Report on Implementation of On-going Initiatives

(a) *Following through the scrutiny of the Food Safety Bill by the LegCo to provide for new food safety control tools. The Bill will include a mandatory registration scheme for food importers and distributors, enhanced food traceability measures and power to make regulations for tightening control on imported food*

10. The Food Safety Bill (the Bill) was introduced into the LegCo on 2

June 2010 and a Bills Committee has been set up by the LegCo to scrutinise the Bill.

11. Members of the Bills Committee are generally in support of the Bill. With regard to the concern expressed by some fishermen about the practicability of the record-keeping requirement under the Bill, the Centre for Food Safety (CFS) conducted a pilot scheme from 29 July 2010 to 10 September 2010 for six-weeks. Major fishermen organisations were invited to nominate their members to join the exercise. 22 fishermen participated in the scheme, each having their own mode of operation and selling their catches through different channels.

12. The pilot scheme demonstrates effectively that the record-keeping requirement for fishermen under the Bill is practicable and does not involve much extra work. With guidance from the CFS staff, most fishermen were able to make use of their existing transaction records, such as invoices and receipts, to meet the new requirements. We will continue to provide guidance to fishermen and assist them in getting prepared. We will also render full assistance to the Bills Committee in the scrutiny of the Bill. It is hoped that the Bill will be passed as early as possible so that an effective food tracing mechanism can be established to enhance protection of food safety.

(b) Preparing legislation to provide for a set of comprehensive and clear food safety standards for pesticide residues and veterinary drug residues in food that meet Hong Kong's needs

13. We are further refining the proposed regulatory framework for pesticide residues in food, and setting statutory maximum residue limits for different kinds of food involving about 400 pesticides. The Government Laboratory is also gearing up their testing capacity for the pesticides to be covered in the regulatory framework. As for veterinary drug residues in food, we are working out the details of the proposed regulatory framework

and drawing up the timetable for the next stages of work. We will consult the trade and members of the public on the proposed regulatory framework in due course.

(c) *Continuing the programme to convert all aqua privies into flushing toilets in phases by 2012-13*

14. We have been implementing the programme to convert aqua privies by phases since 2005 and so far, the conversion of 227 aqua privies has been completed under the first five phases of works. The conversion of another 90 aqua privies under phase 6 is in progress and due for completion in mid-2011.

15. Phase 7, which is also the final phase of the conversion programme, will convert some 145 aqua privies. We plan to seek funding approval from the LegCo in January 2011. The conversion works are tentatively scheduled to commence in the first quarter of 2011.

(d) *Tightening up the regulatory framework for poultry and animals for the purpose of enhancing public health and food safety*

16. The Government has been adopting a comprehensive preventive and surveillance programme to reduce the risk of avian influenza outbreaks in Hong Kong. The measures include tight biosecurity measures and vaccination at local farms, enhanced import control, stringent hygiene requirements on wholesale and retail markets, prohibition of overnight stocking of live poultry at the retail level, etc.

17. Hong Kong has adopted preventive vaccination despite that we have no endemic H5 avian influenza infection in poultry. Since March 2003, the existing H5N2 vaccine has been used on local poultry in Hong Kong, and to date, there has been only one reported outbreak of H5N1

highly pathogenic avian influenza on a local farm (December 2008). The existing H5N2 vaccine is still largely effective in protecting local poultry against H5N1 highly pathogenic avian influenza virus infection, while another H5N1 (Re-5) vaccine developed by the Mainland also provides effective protection to poultry imported from the Mainland against H5N1 highly pathogenic avian influenza virus infection. The Agriculture, Fisheries and Conservation Department (AFCD) intends to conduct a voluntary field trial programme at local farms using the H5N1 vaccine to further confirm its suitability for use in the territory. We will report the situation to this Panel in due course.

(e) *Implementing a multi-pronged strategy to minimise the risk of avian influenza outbreaks*

18. To reduce the risk of human infection of avian influenza in the long term, the Government has earlier on proposed to develop a poultry slaughtering centre. In June this year, the Government decided to shelve the development of a poultry slaughtering centre at this stage, mainly because the latest scientific assessment confirmed that the prevailing risk of avian influenza in Hong Kong was very low. This is the outcome of the biosecurity measures and preventive and control measures against avian influenza implemented at the poultry farm, wholesale, retail and import levels over the years.

19. The Government will maintain its efforts in controlling the risk of avian influenza. The policy on banning the overnight stocking of live poultry at the retail level will remain unchanged. We will maintain the numbers and rearing capacity of local chicken farms, the number of live poultry retail outlets and the daily quantity of imported chickens. We will also strengthen our surveillance at the farm, wholesale, retail and import levels, and regularly review the risk of avian influenza to Hong Kong, with a view to ensuring that our policies are formulated in light of the prevailing

circumstances.

- (f) *Promoting sustainable development of the fisheries industry and conserving fisheries resources in Hong Kong waters including offering free training on sustainable fishing practices, and launching a pilot fish hatchery and nursery scheme*

20. As stated in paragraphs 6 to 9 above, we have been actively studying the recommendations of the Committee after receiving its report. We have already developed specific plans to ban trawling activities in Hong Kong waters and implement a series of fisheries management measures. In the coming year, we will continue to explore other measures and provide fishermen with free training courses on sustainable fisheries as well as to launch a pilot fish hatchery and nursery scheme on a larger scale, with a view to promoting the further development of the local aquaculture industry.

- (g) *Reviewing proposals on the regulation of restricted dining places to safeguard public health*

21. The Administration has been closely monitoring and taking enforcement actions against such premises which operate without a licence. Illegal operation has now been reduced significantly. Many operators have already obtained licences or switched to lawful operation as a club. We will continue to closely monitor the situation and review the need for introducing measures to regulate restricted dining places based on actual circumstances.

- (h) *Exploring how to co-operate with the Mainland authorities on using latest information technology application to ensure effective tracing of food along the production chain and achieve better food safety management through control at source*

22. The FHB and the Food and Environmental Hygiene Department (FEHD) are working in collaboration with the Mainland authorities on a pilot programme to apply Radio Frequency Identification (RFID) technology in tracing live pigs imported from the Guangdong Province. From 2006 until now, four stages of trial tests on hand-held readers have been conducted at the Man Kam To Animal Inspection Station and the Sheung Shui Slaughterhouse, involving over 30 000 batches of pigs (three out of the 40 live pigs in each batch were affixed with RFID ear tags). Apart from the hand-held readers, we have just launched the trial tests on passageway readers at the Sheung Shui Slaughterhouse in September this year. We will evaluate the overall effectiveness of the trial programme in due course.

- (i) *Reviewing the provision of cemeteries, columbaria and crematoria facilities and striving to provide more facilities to meet future demand*

23. The Administration continues its work on providing more public columbarium and crematorium facilities. The reprovisioning of the Wo Hop Shek Crematorium has proceeded as scheduled for completion at the end of 2011 or early 2012. Besides, in December 2009, the LegCo Finance Committee approved the upgrading of the reprovisioning project of the Cape Collinson Crematorium to Category A for completion at the end of 2014. Upon completion of the projects, the total annual capacity of all public cremators will be increased from 38 000 sessions to 53 000 sessions. This will sufficiently meet the cremation demand up to the early 2020s.

24. For increasing the supply of public columbarium facilities, the LegCo Finance Committee approved in July 2009 funding for the provision of public columbarium and garden of remembrance facilities at Kiu Tau Road, Wo Hop Shek, for completion in July 2012. By that time, about 41 000 niches and a garden of remembrance will be provided. Besides, the Government will continue to adopt all feasible measures to increase the supply of columbarium facilities as mentioned above.

25. The support of the LegCo, local residents and relevant DCs remains essential to the Government in the provision of public columbarium and crematorium facilities as well as the introduction of other public burial services. With the support of the Panel and relevant DCs, the options of scattering cremated human ashes in gardens of remembrance and in designated Hong Kong waters have been gaining momentum. Since the new gardens of remembrance commenced operation and the procedures for scattering of cremated human ashes at sea were streamlined in 2007, we have handled about 1 900 and 1 300 applications respectively. Before that, there were only 339 and 44 applications respectively. The FEHD has launched a pilot scheme on the provision of free ferry services every Saturday starting from January 2010 to facilitate the public to scatter cremains at sea. So far, over 500 families have applied for use of such services. In addition, the FEHD launched an internet memorial service in the second quarter of 2010. Since its operation, over 3 000 web pages have been created in remembrance of the deceased on the “Memorial” website. We will continue to promote these services to the public, and encourage more innovative and sustainable means of handling cremains and paying tribute to the deceased.

(j) *Following up on the recommendations of the review on hawker licensing, including the issuing of fixed-pitch hawker licences after consultation with the relevant DCs*

26. The Administration has earlier reviewed the hawker licensing policy and proposed to allow fixed pitch hawkers in the front row to take up vacant pitches in the back row, re-issue a certain number of Fixed Pitch Hawker Licences and Itinerant (Frozen Confectionery) Hawker Licences, as well as to relax the requirements for succession to and transfer of “Dai Pai Tong” licences. Besides, as DCs can effectively advise the Government on hawker issues in their districts having regard to the local situation and residents’ aspirations, we have also proposed to strengthen the role of DCs in issues related to hawker licensing. We have been following up on the implementation of these proposals after support was received from the Panel at its meeting in April 2009.

27. The work regarding the taking up of vacant pitches in the back row by fixed pitch hawkers in the front row was completed in August 2009. A total of 648 back-row pitches have been merged with front-row pitches. As for the remaining vacant fixed pitches, the FEHD has consulted the relevant DCs and received their support to allocate 218 vacant pitches to eligible persons. As at September 2010, the FEHD has issued 213 new fixed pitch licences. In regard to Itinerant (Frozen Confectionery) Hawker Licences, as at September 2010, the FEHD has issued 45 new licences and is actively processing the applications for the remaining 16 licences.

Food and Health Bureau

October 2010

**Proposed Ex-gratia Allowance, Voluntary Buying out
of Trawler Vessels, and One-off Grants**

Eligibility Criteria for Applicants

(A) EGA

The eligibility criteria are to be determined by an inter-departmental working group (IWG) established before the commencement of the registration for applying for EGA. Only applicants who can meet the criteria are eligible for the EGA. The criteria should include the following:

- (a) the applicant must be the owner of a trawler vessel which is used for fishing only and not engaged in other commercial activities as at 13 October 2010, and at the time of application is still the owner of that trawler;
- (b) the applicant must be the holder of a valid certificate of ownership and operating licence of a Class III vessel issued by the Marine Department (MD) under the Merchant Shipping (Local Vessels) (Certification and Licensing) Regulation (Cap. 548D) in respect of the trawler vessel on or before 13 October 2010; or has obtained an approval-in-principle letter for construction of a Class III vessel issued by the MD on or before 13 October 2010, and submit a document proving that the vessel under construction is a trawler vessel;
- (c) the trawler vessel in the application must wholly or partly fish within Hong Kong waters;

- (d) the applicant must provide the trawler vessel and fishing gear for inspection during registration;
- (e) the particulars of qualified coxswain and engineer operator of the vessel must be provided for registration; and
- (f) other criteria as determined by the IWG.

(B) Voluntary Buying out of Trawlers

The applicant must be eligible for the EGA in (A) above.

(C) One-off Grants for Local Deckhands

- (a) the applicant must be a local deckhand and must, at the time of application, provide evidence proving that he/she has already been employed to work as at 13 October 2010 on the trawler vessel joining the above-mentioned Scheme, and has remained working on the trawler vessel until the owner of the trawler vessel has submitted an application for the Scheme;
- (b) the applicant must make a declaration on his/her employment status to support his claim in his/her employment on the trawler vessel;
- (c) the applicant must submit a declaration by his/her employer confirming the his/her employment record; and
- (d) the applicant should as far as practicable provide relevant documentary evidence (e.g. Mandatory Provident Fund records, employment contracts, salary payment records, etc.) to support his claim in his/her employment on the trawler vessel.

Ballpark Estimate of Ex-gratia Allowance for Affected Trawlers

(A) Inshore trawlers

- A notional value of eleven years' fish catch in Hong Kong waters by all trawlers based on the data from the Port Survey conducted by the Agriculture, Fisheries and Conservation Department (AFCD) in 1989/91 and adjusted with fish price movement since then:

\$66.3 million of fish catch × 11 years × 1.63 fish price movement

= \$1,189 million (say \$1,190 million)

(B) Larger trawlers

- A lump sum EGA of \$150,000 in respect of each larger trawler

\$150,000 x 700 vessels

= \$105 million (say \$110 million)

**Apportionment Criteria and Ballpark Estimate of EGA
Payable to Eligible Trawler Fishermen**

The background information and the general principles are set out below for Members' reference. The actual EGA payable to individual trawler owners would be subject to the deliberation of the inter-departmental working group for the trawl ban exercise to be set up.

There are about 1 130 trawlers of different types in Hong Kong (580 pair trawlers, 160 stern trawlers, 350 shrimp trawlers and 40 hang trawlers). Trawlers of various types and lengths have different modes of operation and spend different amount of time in Hong Kong waters for production -

- (a) stern trawlers and shrimp trawlers are of vessel length above 10 metres. Within this group, the larger vessels have better navigational capability and tend to spend a larger portion of time operating outside Hong Kong while the smaller vessels operate mainly in Hong Kong waters due to navigational capability and equipment limitations;
 - (b) pair trawlers are of vessel length above 20 metres, and the majority operate outside Hong Kong and only a small number (the smaller ones) fish in Hong Kong waters; and
 - (c) although hang trawlers are of vessel length above 20 meters, they spend relatively longer time fishing in Hong Kong waters due to their special mode of operation which is usually confined to coastal waters.
- (A) Inshore trawlers**
- Eligible trawlers therefore will be categorised by vessel type and vessel length. Different types of vessels would receive

different amounts of EGA and the amounts will also vary with vessel length. The inter-departmental working group may take into account other factors, such as engine power and equipment on board, in adjusting the amounts of EGA payouts for individual vessels. The relative differences in the estimated annual production values in Hong Kong waters of these trawlers will form the basis for apportioning the EGA to eligible vessel owners of different categories. The estimated ranges of EGA payable to different types of inshore trawlers which operate mainly in Hong Kong waters are (only indicative estimate for reference purposes) :

	<u>EGA*</u> <u>(\$ million per vessel)</u>
Stern trawlers :	1.9 – 2.3
Shrimp trawlers :	0.9 – 3.5
Hang trawlers :	3.5 – 5.5
Pair trawlers :	1.5 – 2.0

* There are a few small silver shrimp trawlers which are estimated to receive a lower amount of EGA than any of the above ranges due to their smaller catch as compared with any of the above groups.

(B) Larger trawlers

- A lump sum EGA of \$150,000 is proposed to be given in respect of each larger trawler, if the relevant application is successful.

One-off Grants to Local Deckhands

Preliminary Eligibility Criteria of Applicants

- (a) the applicant must be a local deckhand and must, at the time of application, be able to provide evidence proving that he/she was employed to work as at 13 October 2010 on the trawler vessel joining the Scheme, and has remained working on the trawler vessel until the owner of the trawler vessel has submitted an application for the Scheme;
- (b) the applicant must make a declaration on his/her employment status to support his claim in his/her employment on the trawler vessel;
- (c) the applicant must submit a declaration by his/her employer confirming his/her employment record;
- (d) the applicant should as far as practicable provide relevant documentary evidence (e.g. Mandatory Provident Fund records, employment contracts, salary payment records, etc.) to support his claim in his/her employment on the trawler vessel; and
- (e) the actual eligibility criteria are subject to the deliberation of the inter-departmental working group for the trawl ban exercise.

**Note on the Latest Visit by the FHB and the AFCD
to the Mainland authorities in April 2011**

PSFH reflects Hong Kong fishermen's views to Mainland officials (with photo)

The Permanent Secretary for Food and Health (Food), Mrs Marion Lai, today (April 20) visited Guangzhou and met officials in charge of fisheries policies to reflect Hong Kong fishermen's views on developing capture fisheries in Mainland waters.

She met the Deputy Director of the Bureau of Fishery Administration and Fishing Port Superintendence in the South China Sea Region of the Ministry of Agriculture, Mr Guo Jinfu, and officials of the Guangdong Provincial Oceanic and Fishery Administration and the Hong Kong and Macao Floating Fishermen's Business Office of the People's Government of Guangdong Province. At the meeting, Mrs Lai exchanged views with her Mainland counterparts on ways to enhance liaison and co-operation on fisheries development between the two places. Issues including floating fishing vessel management and sustainable fishing operations were also discussed.

Mrs Lai also took the opportunity to brief Mainland officials that to protect precious marine resources and ecology, the Hong Kong SAR Government proposed legislation to ban non-selective trawling operations from further damaging the seabed and affecting adversely other marine resources.

"After the announcement of the initiative, a number of Hong Kong fishermen reflected to us their wish to continue their operations by fishing in the South China Sea after

trawling is banned in Hong Kong waters. Some are even considering switching to other modes of operation or to operate in fishing grounds in which fisheries resources are still being developed," she said.

At the meeting, Mrs Lai noted that most Hong Kong trawlers have already obtained capture permits issued by the Mainland authorities and operate in Mainland waters from time to time. The Hong Kong SAR Government reflected to the Mainland authorities local fishermen's views, in the hope that the authorities could possibly offer assistance to Hong Kong fishermen and let them continue their capture fisheries operations in Mainland waters.

Meanwhile, Mrs Lai also learned more about the feasibility and relevant requirements for a trawler to switch to other modes of operation under a scheme of controlling the total number and engine power of capture vessels in the Mainland.

Joining Mrs Lai on the visit were the Principal Assistant Secretary for Food and Health (Food), Miss Diane Wong, and the Assistant Director of Agriculture, Fisheries and Conservation (Fisheries), Dr So Ping-man.

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