

**Supplementary Information on**

**FCR(2012-13)16 : Ex-gratia allowances for mariculturists affected by  
marine works projects in Hong Kong waters**

**for the FC Meeting on 27 April 2012**

As requested by the FC Chairman at the pre-meeting briefing with the Administration on 25 April 2012, supplementary information on the basis for working out the financial implication of the proposals in relation to the ex-gratia allowance (EGA) for mariculturists affected by marine works projects in Hong Kong waters (paragraph 22 of FCR(2012-13)16) is appended below.

2. To let Members know the maximum possible costs to Government if the proposals are implemented, we have made an assumption in calculating the financial implication that all eligible mariculturists in the affected fish culture zones (FCZs) would choose to cease their business permanently<sup>1</sup>, which would result in the highest EGA payment. With the proposed extension of applicability of the proximity criterion to large-scale mud dredging operation, based on the known public marine works projects, we expect that mariculturists at Lo Tik Wan, which is 4.3 km away from the Kwai Tsing Container Basin dredging site, will thus be eligible for EGA. With some 40 marine fish culture licence holders in Lo Tik Wan, the maximum total EGA payable by the Government to all eligible mariculturists is estimated to be \$27.9 million.

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<sup>1</sup> Eligible mariculturists who choose to (a) continue their business at their own risk and receive an EGA payment equivalent to 50% of the notional loss of income for a normal two-year fish culture cycle; (b) suspend their business for two years and receive an EGA payment equivalent to the notional loss of income for a normal two-year fish culture cycle and the loss of working capital; and (c) cease their business permanently will receive an EGA payment equivalent to the notional loss of income for a normal two-year fish culture cycle, the loss of working capital, and the loss of capital investment in rafts, cages and other essential farm equipment.

3. As for the maximum EGA payable to affected mariculturists in the affected FCZs located at the Western waters under the one-off, special arrangement, the same assumption that all eligible mariculturists in the affected FCZs would choose to cease their business permanently has been adopted. There are some 250 marine fish culture licence holders in the affected FCZs, i.e. Ma Wan, Cheung Sha Wan and Sok Kwu Wan, who are eligible for the EGA. The maximum total EGA payable to them is estimated to be \$74.1 million.

4. On average, an eligible mariculturist may receive about \$340,000 if he opts to cease business. The actual rate received by an individual mariculturist would vary, mainly depending on whether he opts to continue, suspend or cease business, the size of his farm and the latest survey results.

**Food and Health Bureau**

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