

立法會
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Paper for the House Committee meeting on 20 November 2020

**Report of Subcommittee on Three Pieces of Subsidiary Legislation
Relating to Fees Payable for Marine Fish Culture Licences and
Renewal of Livestock Keeping Licences**

Purpose

This paper reports on the deliberations of the Subcommittee on Three Pieces of Subsidiary Legislation Relating to Fees Payable for Marine Fish Culture Licences and Renewal of Livestock Keeping Licences ("the Subcommittee").

Background

2. On 15 August 2019, the Financial Secretary announced a package of relief measures with a view to countering the challenging external economic environment and softening local economy. The relief measures included waivers and reduction of various government fees and charges for one year in different sectors. On 15 September 2020, the Administration announced the extension of the waivers or concessions of government fees and charges implemented in 2019 and the introduction of new waivers to sustain the support for businesses and relieve individuals' financial burden in view of the impact of Coronavirus Disease 2019 ("COVID-19").

3. On 22 September 2020, the Chief Executive in Council made the following three items of subsidiary legislation, among others, to give effect to the extension of the existing waivers or concessions:

- (a) Marine Fish Culture (Amendment) Regulation 2020 (L.N. 174 of 2020);

- (b) Public Health (Animals and Birds) (Licensing of Livestock Keeping) (Amendment) (No. 2) Regulation 2020 (L.N. 175 of 2020); and
- (c) Public Health (Animals and Birds) (Licensing of Livestock Keeping) (Amendment) (Fee Concessions) Regulation 2019 (Amendment) Regulation 2020 (L.N. 176 of 2020).

The subsidiary legislation

4. By L.N. 174 to L.N. 176 of 2020, the existing waiving of fees payable for the grant or renewal of a licence to engage in fish culture within a fish culture zone under the Marine Fish Culture Regulations (Cap. 353A) and the reduction of fees payable for the renewal of a licence to keep livestock in or on premises in respect of which the licence is granted within livestock waste restriction or control areas under the Public Health (Animals and Birds) (Licensing of Livestock Keeping) Regulation (Cap. 139L), are extended for one year to benefit the agriculture and fisheries sectors concerned.

Commencement

5. L.N. 174 to L.N. 176 of 2020 were gazetted on 25 September 2020 and tabled before the Legislative Council at its meeting of 14 October 2020 for negative vetting. The waivers and concessions came into operation on 1 October 2020.

The Subcommittee

6. At the House Committee meeting held on 16 October 2020, Members agreed that a subcommittee should be formed to examine the three items of subsidiary legislation in detail. The membership list of the Subcommittee is in **Appendix I**.

7. Under the chairmanship of Hon Steven HO Chun-yin, the Subcommittee held two meetings on 23 October 2020 and 3 November 2020. The Subcommittee has invited submissions from relevant organizations and the public on the fee waivers and concessions on 23 October 2020. By the closing date, no submission has been received.

8. To allow more time for scrutiny, the Chairman of the Subcommittee moved a motion at the Council meeting of 4 November 2020 to extend the scrutiny period of L.N. 174 to L.N. 176 of 2020 to the Council meeting of 2 December 2020. The motion was passed.

Deliberations of the Subcommittee

9. The Subcommittee notes that the extension of fee waivers and concession for grant or renewal of marine fish culture and livestock keeping licences is part of the Administration's measures to sustain the support for businesses and relieve individuals' financial burden in the prevailing economic climate.

Justifications for the relief measures under L.N. 174 to L.N. 176

10. Some members have commented that poultry, pork and fish are staple food the demand for which does not vary significantly with economic fluctuation. They query about how hard the marine fish culture and livestock keeping sectors have been affected by the outbreak of COVID-19, as to justify specific relief measures at the expense of public revenue. The Administration has been requested to provide statistics or other relevant information to illustrate the impact of the outbreak of COVID-19 on the livestock keeping and marine fish culture sectors.

11. The Administration explains that some marine fish culture operators which supply high-value seafood products to restaurants may have experienced heavier impact as the catering business has suffered rather significant decline. Even food markets are less patronized in times of the pandemic, resulting in considerable reduction in the operators' income. In response to members' queries, the Administration has provided further information (vide **Appendix II**) on the rationale of the waivers and concessions introduced under L.N. 174 to L.N. 176 of 2020 and the impact of the COVID-19 pandemic on the marine fish culture and livestock keeping sectors.

12. The Chairman has commented that the financial losses that marine fish culture and livestock keeping operators have sustained are unlikely to be compensated by the sales of meat and marine fish products in the markets due to the increase in public patronage. He explains that imported fish are sometimes temporarily kept in marine fish culture operator's fish rafts before they are supplied to local restaurants. When the catering sector's business drops, the demands for imported fish fall and the fish stock will continue to be held in the rafts, which incur cost on the operators. Livestock keeping operators' businesses have also suffered as they are exposed to the threat of various animal epidemics.

Although the Administration's waivers and concessions are scant to afford sufficient financial protection to these operators, the Chairman agrees that they are still useful in providing basic relief.

Other supportive measures for the agriculture and fisheries sectors

13. Members observe that licence fees represent a small proportion of the operating costs of the marine fish culture and livestock keeping sectors. They have queried whether the waivers and concessions could effectively ease their financial burdens, and whether other supportive measures are available to provide additional relief if necessary.

14. The Administration has maintained that the respective waivers and concessions are part of the 36 groups of fee waiving and concession measures that will benefit a wide range of sectors, including the marine fish culture and livestock keeping sectors. In respect of the waivers and concessions of agriculture and fisheries sectors, the same measures were implemented in the previous year. Although the actual amount of money saved from licence fees may not be significant, the Administration holds the view that the measures should help ease operators' financial stress in times of difficulties. Besides, a subsidy of \$10,000 under the Anti-epidemic Fund has been handed out to each eligible local marine fish culture operator; the livestock sector has separately indicated that they do not need other financial support from the Administration.

Relief measures outside the waiver/concession period

15. The subject fee waivers and concessions are valid for one year from 1 October 2020 to 30 September 2021. Some members have asked whether operators who have paid the licence fees before the respective measures came into effect on 1 October 2020 would receive ex-gratia payment. They have also queried if the waivers and concessions would be extended if the COVID-19 situation is not contained when the measures expire in 2021.

16. The Administration explains that similar waivers and concessions were put in place between 1 October 2019 and 30 September 2020, during which operators or licensees were able to receive fee waiver or concession for new licences or their renewal. As regards whether the waivers and concession would be extended upon their expiry in 2021, the Administration has advised the Subcommittee that it was premature to consider and would keep the situation under review.

Eligibility for various relief measures

17. Members have sought clarification from the Administration on whether the eligibility for relief funds under the Emergency Relief Fund and Anti-epidemic Fund is determined on a household basis or licence-holder basis. The Administration advises that whereas rehabilitation grants for loss of crops, livestock or fish under the Emergency Relief Fund are issued on a household basis, subsidies under the Anti-epidemic Fund are available to each holder of the marine fish culture licence.

Holding capacity of livestock farms

18. According to the Administration, at present there are 43 pig farms with livestock keeping licence. Most of these farms hold stocks of less than 2 000 pigs. Some members observe that, according to L.N. 175 of 2020, livestock keeping licence holders may be able to enjoy concessions between \$250 and \$1,500 depending on the holding capacity of their farms. The licence fee reduction for keeping between 1 000 and 1 999 pigs is \$1,000 if the licence is renewed within the prescribed concession period. They query whether, in reality, any licence holders at all would be able to receive more than \$1,000 in licence fee reduction since no farm contains more than 2 000 pigs. Members have also queried why Cap. 139L should still retain the schedule of licence fees for farms holding more than 2 000 pigs as such farms do not exist and that the Administration would not issue further livestock keeping licences.

19. The Administration has explained that the number of local pig farms and their holding capacity have been frozen since 2006 with the introduction of the volunteer surrender scheme for pig farm licences. This policy was introduced on public hygiene and environmental considerations and the Administration has no intention to increase the number of livestock keeping licences. However, it is possible for an existing farm to increase its holding capacity by merging with another farm, and thereby, enjoy a higher rate of concession.

Section-by-section examination of L.N. 174 to L.N. 176 of 2020

L.N.174 of 2020

20. The Chairman has sought clarification on whether the waivers cover the following situation: if a marine fish culture operator passes on his/her business to a family member as a legacy between, say, 1 October 2020 and 30 September 2021, and the marine fish culture licence is being renewed in the meantime. The Chairman asks whether the licence fee would still be waived even if the licence renewal is approved after the period.

21. The Administration advises that licence renewal under such circumstances can be handled rather quickly, and if the application is made within the prescribed period, the waivers may still apply.

L.N. 175 and L.N. 176 of 2020

22. Members note that the Public Health (Animals and Birds) (Licensing of Livestock Keeping) (Amendment) (Fee Concessions) Regulation 2019 (L.N. 104 of 2019) amended the Public Health (Animals and Birds) (Licensing of Livestock Keeping) Regulation (Cap. 139L) to prescribe a lower fee for the renewal of a licence within the concession period from 1 October 2019 to 30 September 2020. Members also note that L.N. 175 of 2020 amends Cap. 139L to extend the concession period for another year (i.e. from 1 October 2020 to 30 September 2021). This is achieved by replacing the phrase "2019 to 30 September 2020" in item 1A under Schedule 2 to Cap. 139L with the phrase to "2020 to 30 September 2021".

23. The Chairman has queried whether the relevant wording in item 1A should simply be amended to read "1 October 2019 to 30 September 2021". He has expressed concern that, with the current amendment, there may not be reference that the fee for a livestock keeping licence over the period between 1 October 2019 and 30 September 2020 has been waived. He asks if the amendment as drafted would give rise to questions about the validity of a licence renewed a year ago.

24. The Administration explains that L.N. 175 of 2020 is part of a legislation proposal involving 24 groups of fee waiving/concession measures for a wide range of sectors, and most of these measures would be for a period of one year. To align with the other pieces of subsidiary legislation under the proposal and to reflect clearly the legislative intent to provide relief measures for another year, L.N. 175 of 2020 presents the concessions by reference to a one-year period. The validity of licences renewed within the concession period between 1 October 2019 and 30 September 2020 would not be affected.

Recommendation

25. The Subcommittee has completed the scrutiny of L.N. 174 to L.N. 176 of 2020 and members support the three items of subsidiary legislation.

Advice sought

26. Members are invited to note the deliberations of the Subcommittee.

Council Business Division 1
Legislative Council Secretariat
18 November 2020

**Subcommittee on Three Pieces of Subsidiary Legislation Relating to
Fees Payable for Marine Fish Culture Licences and
Renewal of Livestock Keeping Licences**

Membership list*

Chairman Hon Steven HO Chun-yin, BBS

Member Hon Abraham SHEK Lai-him, GBS, JP

(Total: 2 members)

Clerk Mr Daniel SIN

Legal Adviser Mr Cliff IP

* Changes in membership are shown in **Annex to Appendix I**.

**Subcommittee on Three Pieces of Subsidiary Legislation Relating to
Fees Payable for Marine Fish Culture Licences and
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Changes in membership

Member	Relevant date
Dr Hon Helena WONG Pik-wan	Up to 12 November 2020

According to the announcement made by the Hong Kong Special Administrative Region Government on 11 November 2020 pursuant to the Decision of the Standing Committee of the National People's Congress on Issues Relating to the Qualification of the Members of the Legislative Council ("LegCo") of the Hong Kong Special Administrative Region, Kenneth LEUNG, KWOK Ka-ki, Dennis KWOK Wing-hang and Alvin YEUNG were disqualified from being members of LegCo on 30 July 2020.

Subcommittee on Three Pieces of Subsidiary Legislation Relating to Fees Payable for Marine Fish Culture Licences and Renewal of Livestock Keeping Licences

Supplementary Information

At the meeting of Subcommittee on Three Pieces of Subsidiary Legislation Relating to Fees Payable for Marine Fish Culture Licences and Renewal of Livestock Keeping Licences on 3 November 2020, the Government was asked about the rationale of the waivers proposed under the subsidiary legislation and the impact of the COVID-19 pandemic on the marine fish culture and livestock keeping sectors.

2. The Government's response is as follows-

The Financial Secretary announced a package of relief measures in August 2019 to support the business (especially small and medium enterprises), relieve people's financial burden and stimulate the economy with a view to countering the challenging external economic environment and softening local economy. The measures include waiving 27 groups of government fees and charges for one year to benefit a wide range of sectors, which include the fees payable for marine fish culture licences and renewal of livestock keeping licences. Then, in September 2020, to sustain the support for businesses and relieve individuals' financial burden to benefit a wide range of sectors, the Government announced the extension of 27 groups and one group of fee waivers/concessions for one more year and four more months respectively, and further roll out seven new groups of fee waivers for one year.

The marine fish culture sector and the livestock keeping sector, which mainly supply to the local market (including the catering business), have been affected by the overall economic situation, including the impact of the COVID-19 pandemic. For example, the monthly average of live marine fish traded in the wholesale fish markets of the Fish Marketing Organization ("FMO") has dropped over 50% in terms of both quantity and value in 2020, as compared with 2019.