S for S speaks on judicial review on co-location arrangement

Following is the transcript of remarks by the Secretary for Security, Mr John Lee, at a media briefing after attending the meeting of the Panel on Security of the Legislative Council this afternoon (July 10):

Reporter: Do you think there will be any effect of the judicial review to the (express) railway?

Secretary for Security: Our plan will proceed to start the operation of the express railway in September. We have strong confidence in the legal basis of this co-location arrangement. We of course respect people's rights in lodging judicial review. We will deal with it in accordance with the laws of Hong Kong. Thank you.

(Please also refer to the Chinese portion of the transcript.)

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Tuesday, July 10, 2018 is 102.1 (same as yesterday's index).

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EMSD announces test results of LPG quality in June 2018

The Electrical and Mechanical Services Department (EMSD) today (July 10)

announced that the department collected eight liquefied petroleum gas (LPG) samples from auto-LPG filling stations and LPG terminals on a random basis in June 2018 for laboratory tests. The results showed that the LPG quality of all these samples complied with auto-LPG specifications.

The detailed test results are available on the EMSD's website (www.emsd.gov.hk/emsd/eng/sgi/lpg_smpl_analysis.shtml). Enquiries can also be made to the EMSD's hotline on 2333 3762.

In addition, the EMSD has been vetting independent third-party test reports submitted by LPG supply companies for each shipment to ensure that the quality of imported LPG complies with the specified requirements.

<u>LegCo to debate motion on vote of no confidence in President of LegCo</u>

The following is issued on behalf of the Legislative Council Secretariat:

The Legislative Council (LegCo) will hold a meeting tomorrow (July 11) at 11am in the Chamber of the LegCo Complex. During the meeting, Members will debate a motion on the vote of no confidence in the President of LegCo.

The motion, to be moved by Professor Joseph Lee, states: "That this Council has no confidence in the President of the Legislative Council, Andrew Leung."

Mr Michael Tien will move a motion on restructuring the governance of MTR Corporation Limited. The motion states: "That the MTR Corporation Limited (MTRCL) has built and operates 11 railways in Hong Kong, and in the future, seven new railway projects will most likely be assigned to MTRCL; the people of Hong Kong heavily rely on the railway system as a mode of transport, but in recent years, there have been strong views in society on the service quality, corporate governance and supervision of works of MTRCL; the Hong Kong SAR Government as the majority shareholder of MTRCL has a major responsibility of monitoring MTRCL in providing to the public the safest railway services and infrastructure of the best quality; in this connection, this Council urges the SAR Government to adopt the following measures to restructure the governance of MTRCL to restore public confidence in MTRCL:

(1) setting up an independent railway development department — given that at present, a railway from planning to construction involves various government departments, including the Electrical and Mechanical Services Department, the Civil Engineering and Development Department, the Buildings Department and the Highways Department, resulting in fragmentation of responsibilities and inefficiency; besides, responsible for all the works of roads, tunnels, bridges, etc. in Hong Kong, the Highways Department can hardly attend to

everything at the same time, thus giving rise to problems in the regulation of railways; hence, the SAR Government should set up an independent railway development department dedicated to railway works and directly responsible to the Secretary for Transport and Housing;

- (2) planning new development areas in tandem with their ancillary railway facilities in planning some of the new development areas in the past, since the SAR Government did not concurrently consider ancillary transport facilities, serious traffic problems arose in such areas, and the SAR Government then constructed railways in a rush, thus causing the works quality to fall; hence, new development areas and ancillary railway facilities should be planned in tandem in order to prevent the quality of railway projects from being affected by very tight work schedules;
- (3) urging MTRCL to regularly review its investment strategy of updating the signalling system in the past, repeated serious disruptions of MTR train services were caused by the ageing signalling system; hence, MTRCL should regularly upgrade the signalling system to the latest version, rather than refusing to upgrade the signalling system on the ground of the cost being the prime factor of consideration, so as to ensure provision of stable and reliable public transport services to passengers;
- (4) rationalising the appointment of the Chairman and the Chief Executive Officer of MTRCL to cope with the foreseeable railway projects, either of the Chairman and the Chief Executive Officer of MTRCL, being the two highest persons-in-charge, should have an engineering background to facilitate monitoring of the works progress at the highest level;
- (5) supervising MTRCL in reviewing the criteria of its internal tendering system when drawing up the criteria of its internal tendering system, MTRCL should study following the criteria of the tendering system of the SAR Government which draw greater reference from the past performance, cooperative attitude, accountability performance of tenderers, etc., rather than overstressing the principle of 'the lowest bid wins' and the number of times the tenderers were awarded railway projects in the past as priority considerations, so as to avoid monopolisation;
- (6) requiring MTRCL to strengthen the project management notification system MTRCL should draw up specific and transparent notification criteria and make improvements on two levels: on the first level, requiring frontline site staff to report to the management in higher ranks the site conditions, including but not limited to issuing to contractors non-conformance notices/reports for any work that does not comply with plans and works requirements, and on the second level, reporting to the Government all construction problems in respect of repeated mistakes without rectification, delays in resolving such problems and suspected violations of statutory requirements; and
- (7) raising MTRCL's requirements for supervision of the works of contractors -MTRCL should draw reference from the requirements of the SAR Government in supervising public works, including considering the introduction of the Contractor Management Handbook for public works to

conduct regular assessments on the quality, progress and safety of works, environmental protection, management and attitude of the persons-in-charge of projects, subcontracting of works, performance of procurement, etc., and requiring resident site staff to conduct thorough on-site supervision, thereby effecting more stringent supervision of railway projects."

Mr Luk Chung-hung, Mr Chan Han-pan, Dr Kwok Ka-ki and Mr Lam Cheuk-ting will move separate amendments to Mr Tien's motion.

Mr Lam will move a motion under the Legislative Council (Powers and Privileges) Ordinance. The motion states: "That the House Committee (HC) be authorisd under section 9(2) of the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) to exercise the powers conferred by section 9(1) of that Ordinance to order the MTR Corporation Limited (MTRCL) to attend before HC on or before the date of the first HC meeting after the passage of this motion to produce all the documents, photos, related records of meetings and correspondences and all other relevant documents and information presented to MTRCL by China Technology Corporation Limited, Fang Sheung Construction Company and Leighton Contractors (Asia) Limited in relation to the quality of the extension works of Hung Hom station of the Shatin to Central Link."

Mr Wong Ting-kwong will move a proposed resolution under section 34(4) of the Interpretation and General Clauses Ordinance to extend the period for amending the Employment (Amendment) (No. 2) Ordinance 2018 (Commencement) Notice laid on the table of the Council on June 13, 2018 to the first sitting of the next session of LegCo.

Mr James To will move two proposed resolutions under section 34(2) of the Interpretation and General Clauses Ordinance in relation to the Securities and Futures (Professional Investor) (Amendment) Rules 2018 as set out in Appendix 1 and Appendix 2.

The Secretary for Justice and Mr Hui Chi-fung will each move a proposed resolution under the Fatal Accidents Ordinance to amend the Fatal Accidents Ordinance as set out in Appendix 3 and Appendix 4 respectively.

On government bills, the Hotel and Guesthouse Accommodation (Amendment) Bill 2018 and the Electoral Legislation (Miscellaneous Amendments) Bill 2018 will be introduced into the Council for the First Reading and the Second Reading. The Second Reading debate on the Bills will be adjourned.

The Second Reading debate on the Human Organ Transplant (Amendment) Bill 2018 will resume. If the Bill is supported by Members and receives its Second Reading, it will stand committed to the committee of the whole Council. After the committee of the whole Council has completed consideration of the Bill and its report is adopted by the Council, the Bill will be set down for the Third Reading.

During the meeting, Deputy Chairman of the Public Accounts Committee, Mr Kenneth Leung, will present the "Report of the Public Accounts Committee on Report No. 70 of the Director of Audit on the Results of Value for Money Audits" and address the Council.

Chairman of the Committee on Rules of Procedure, Mr Paul Tse, will present the "Committee on Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region Progress Report for the period October 2017 to July 2018" and address the Council.

Meanwhile, Chairman of the Panel on Food Safety and Environmental Hygiene, Mr Steven Ho; Chairman of the Panel on Manpower, Mr Kwok Wai-keung; Chairman of the Panel on Commerce and Industry, Mr Wu Chi-wai; Chairman of the Panel on Constitutional Affairs, Mr Martin Liao; Chairman of the Panel on Housing, Ms Alice Mak; Chairman of the Panel on Welfare Services, Mr Shiu Kachun; Chairman of the Panel on Transport, Mr Frankie Yick; Chairman of the Panel on Education, Dr Chiang Lai-wan; Chairman of the Panel on Economic Development, Mr Jeffrey Lam; Chairman of the Panel on Administration of Justice and Legal Services, Dr Priscilla Leung; Chairman of the Panel on Health Services, Professor Lee; and Chairman of the Panel on Financial Affairs, Mr Kenneth Leung, will present the 2017-2018 Reports of the related Panels and address the Council respectively.

Members will also ask the Government 22 questions on various policy areas, six of which require oral replies.

The agenda of the above meeting can be obtained via the LegCo Website (www.legco.gov.hk). Please note that the agenda is subject to change, and the latest information about the agenda could be found on the LegCo Website.

Members of the public are welcome to observe the proceedings of the meeting from the public galleries of the Chamber of the LegCo Complex. They may reserve seats by calling 3919 3399 during office hours. Members of the public can also watch or listen to the meeting via the "Webcast" system on the LegCo Website.