

## Thai restaurant in Kwun Tong convicted for illegal wastewater discharge into storm drain

Lemon Grass Thai & BBQ, a Thai restaurant on Luen On Street in Kwun Tong, illegally discharged wastewater into a storm drain at the roadside. It was fined \$12,000 by Kwun Tong Magistrates' Courts today (January 16) for contravening the Water Pollution Control Ordinance (WPCO).

The Environmental Protection Department (EPD) conducted a surprise inspection in May last year and revealed that the restaurant concerned instructed its staff members to discharge untreated wastewater into a storm drain at the roadside. EPD staff took a wastewater sample for analysis and the result showed that the concentration of oil and grease was 18,000 milligrams per litre, far exceeding the statutory standard by 600 times. An EPD spokesman explained that wastewater with a high concentration of oil and grease will obstruct drains, cause bad odours and pollute coastal waters downstream. Upon evidence gathering, the EPD initiated prosecution against the operator of the restaurant, HapiLand Limited, in accordance with the WPCO.

The spokesman reminded all responsible persons of restaurants that they must install and use appropriate wastewater treatment facilities, such as grease traps, to properly treat and discharge wastewater generated by the restaurants to avoid causing environmental pollution. Under the WPCO, it is an offence for anyone to discharge wastewater into the communal drainage system. Offenders are liable to a maximum fine of \$200,000 and six months' imprisonment. A maximum fine of \$400,000 and six months' imprisonment may be imposed on second or subsequent convictions.

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## LCQ17: Collision incident near Lamma Island in 2012

Following is a question by the Hon James To and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (January 16):

Question:

In response to the Report of the Commission of Inquiry into the Collision of Vessels near Lamma Island on 1 October 2012, the Transport and

Housing Bureau set up an Internal Investigation Team (the Team) in June 2013 to investigate whether there were maladministration and negligence of duty on the part of Marine Department officers in carrying out their duties in relation to Lamma IV. The Team submitted its investigation report to the Civil Service Bureau and the Police in 2014 to facilitate the conduct of disciplinary actions and criminal investigations respectively. In addition, some family members of the deceased have told me that they have not yet been issued the death certificates for the persons who died in the collision incident. In this connection, will the Government inform this Council:

(1) given that the Government has so far refused to make public the investigation report but only made arrangements for Members of this Council who had signed a confidentiality undertaking to peruse a redacted version of the investigation report, whether the Government will (i) consider afresh making public the investigation report and (ii) return to Members of this Council the notes they took while perusing the investigation report;

(2) of the reasons why death inquests in respect of the 39 persons who died in the collision incident have not yet commenced and when they are expected to commence;

(3) of the reasons why the death certificates for the persons who died in the collision incident have not yet been issued and when they are expected to be issued; and

(4) given that the non-issuance of the death certificates has resulted in some insurance companies refusing to pay the deceased's family members the death benefits in respect of the life insurance policies taken out by the deceased and has rendered some properties jointly owned by the deceased and their family members not capable of being assigned, how the Government will assist the deceased's family members in dealing with such matters?

Reply:

President,

In consultation with the Security Bureau, the Department of Justice (DoJ) and the Judiciary, my responses to the question raised by the Hon James To are as follows:

(1) After the vessel collision incident near Lamma Island on October 1, 2012 and pursuant to some of the findings in the Report of the Commission of Inquiry (CoI) into the Collision of Vessels near Lamma Island on 1 October 2012, an Investigation Team (the Team) was set up in the Transport and Housing Bureau (THB) in June 2013 to conduct investigation into staff conduct in the Marine Department (MD). The Team was tasked to identify any shortfall or deficiency on the part of MD officers when carrying out their duties in respect of the Lamma IV in the past as revealed by the CoI. After the investigation was completed, the Team made recommendations to the Civil Service Bureau in April 2014 for consideration on disciplinary actions to be taken against the officers who were alleged to have misconducted themselves in respect of the Lamma IV. For matters involving suspected criminal

offences, the Team had reported to law enforcement agencies for necessary follow-up investigation and actions.

The Government is aware that there has been public expectation for the Investigation Report (the Report) to be published. At the same time, the Government has to take into account of and strike a balance among various considerations for public disclosure of any content of the Report. In particular, the Government is mindful that the Report contains substantial personal data of persons involved in the investigation and information provided to the Government in confidence. The legal advice has confirmed that since the intended use of the personal data collated during the course of the investigation is for the purpose of the investigation, the Government is bound by the mandatory requirements in the Personal Data (Privacy) Ordinance (Cap 486) (the PDP0), including not to use the personal data collated for the purpose of investigation for a new purpose, such as disclosure to the public. Apart from the mandatory restrictions under the PDP0, the Government, being the holder of the confidential information contained in the Report, has the duty of confidentiality and the legal obligation to guard against unauthorised disclosure of such information. If the Government were to make public the Report, rather substantial parts of the Report (including but not limited to parts containing personal data and confidential information obtained during the investigation) would have to be redacted in order for the Government to fully comply with the aforesaid legal obligations. The excision of these materials will leave behind a Report which makes very little coherent sense, rendering it difficult to comprehend and/or giving rise to potential misunderstanding.

As a practical alternative, and having taken into account the Government's duty of confidentiality and the legal obligation to protect the personal data in the Report, a summary of the Report was published in 2014 to provide the gist of the facts and a lucid account of the work done by the Team as well as its overall findings and recommendations. The summary of the Report, submitted to the Legislative Council (LegCo) Panel on Economic Development (ED Panel) (vide Paper No. CB(1)1295/13-14(03)) and discussed by the ED Panel on April 28, 2014, is accessible by LegCo Members (Members) and the public at [www.legco.gov.hk/yr13-14/english/panels/edev/papers/edev0428cb1-1295-3-e.pdf](http://www.legco.gov.hk/yr13-14/english/panels/edev/papers/edev0428cb1-1295-3-e.pdf).

Furthermore, having regard to Members' role in monitoring the work of the Government, in consultation with DoJ, the Government has made available a redacted version the Report for Members' perusal on the condition that they have signed a confidentiality undertaking. To this end, during the two periods from June to August 2015 and from April to May 2017, THB positively responded to the request of Members and made available the redacted version of the Report for perusal by Members who have signed the confidentiality undertaking (the Undertaking) at designated venues. The Undertaking is necessary to allow the Government to fulfil its legal obligations while at the same time to enable Members to discharge their duty in monitoring the work of the Government. Before perusing the Report, Members agreed to and signed the Undertaking, in which Members undertook and agreed to return the Report and all notes taken before departing the venue of perusal of the

Report, as well as agreed that such notes be sealed and kept in the custody of THB. The arrangements above could already strike a suitable balance between facilitating Members' perusal and understanding of the redacted version of the Report, and the duty of confidentiality and other legal obligations the Government must adhere to.

The Government has endeavoured to strike a balance among various considerations, including public interest, requests for public disclosure of the Report as well as the legal obligations to protect data privacy and confidential information. Given that the contents of the Report remain as in 2014 with no further update, and that a summary of the Report is already accessible by the public to obtain an understanding of the overall findings, it is the Government's view that focusing the efforts on strengthening the Government's regulatory regime on local vessels is the appropriate approach to enhance safety at sea. This is in fact a view expressed by many members of the ED Panel before. The Government truly believes that such forward-looking approach is the most effective and productive way for us to work together towards enhancing the long-term marine safety in Hong Kong.

(2) to (4) Regarding the vessel collision incident near Lamma Island, the Births and Deaths General Register Office was notified by the Coroner that investigations would be required for the 39 cases of deaths in the incident. As the related procedures are still on-going, it is not appropriate to comment on the relevant cases at this stage.

As for the death certificates, the Births and Deaths General Register Office has to wait until the Coroner has completed the necessary investigation or inquest (if applicable) before the registration of a death could be processed. After the completion of the related procedures and upon notification by the Coroner, the Births and Deaths General Register Office will process the relevant registration of deaths as soon as practicable, and notify family members of the deceased to apply for a certified copy of the death entry (commonly known as "death certificate"). If for some particular reasons the family members of the deceased require a document to certify the fact of death of the deceased before the issuance of the death certificate, an application can be made to the Coroner's Court for a "Certificate of the Fact of Death" as an interim document certifying the fact of death.

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## **LCQ22: Tax measures for aviation and maritime industries**

Following is a question by the Hon Holden Chow and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (January 16):

Question:

Since July 2017, the Government has been providing tax concessions for qualifying aircraft lessors and aircraft leasing managers. Such tax concessions include setting the profits tax rate for such enterprises at 8.25 per cent, i.e. one-half of the prevailing normal profits tax rate. On the other hand, it was mentioned in last year's Policy Address that the Government would use tax measures to foster ship leasing business in Hong Kong, as well as to promote the development of business of marine insurance and the underwriting of specialty risks in Hong Kong. In this connection, will the Government inform this Council:

(1) of the respective numbers of qualifying (i) aircraft lessors and (ii) aircraft leasing managers that have benefited from the aforesaid tax concessionary measures for aircraft leasing business since the implementation of such measures; the respective numbers of these two types of enterprises which were registered in Hong Kong, and the rates of change of such numbers, in each of the past three years; and

(2) of the Government's initial thinking regarding the tax measures to be introduced for promoting the development of ship leasing and marine insurance businesses in Hong Kong; whether it will set the profits tax rate for enterprises engaging in such businesses at 8.25 per cent?

Reply:

President,

The HKSAR Government is committed to developing Hong Kong's aviation and maritime industries to entrench our position as an international aviation hub and an international maritime centre. On aviation side, civil aviation is a long-term growth business. The rapid development of the Asia Pacific region in recent years has in particular induced the demand for aircraft leasing in the region. According to analysis conducted by the industry, the proportion of new aircraft being financed by leasing has risen to more than 30 per cent in recent years. To enhance the competitiveness of Hong Kong in the aircraft leasing business, the Government put forward the Inland Revenue (Amendment) (No. 2) Bill 2017 in 2017 to provide dedicated tax concessions to qualifying aircraft lessors and qualifying aircraft leasing managers in Hong Kong, with a view to developing Hong Kong into an aircraft leasing and financing hub.

On maritime, Hong Kong possesses a long maritime tradition and a diversified maritime services cluster. Among various maritime services, ship finance is a high value-added and high growth business. Shipping loans and advances in Hong Kong has more than doubled in the past ten years, registering an average annual growth rate of over 10 per cent. Among the ship finance business, ship leasing is a new business model with growing prevalence in the global shipping industry, particularly in the Mainland, and has great development potentials. As an international financial centre, Hong Kong has solid foundation and strengths to further develop the related businesses, with a view to promoting Hong Kong as a ship leasing centre in

the Asia-Pacific region.

Our reply to the question raised by the Hon Holden Chow is as follows:

(1) Since the commencement of the dedicated tax regime for aircraft leasing in July 2017, eight qualifying aircraft lessors and one qualifying aircraft leasing manager have received relevant tax benefits under the regime. Before the dedicated tax regime was in place, companies had few incentives to develop aircraft leasing business and the scale of aircraft leasing in Hong Kong was not substantial. As such, the Government did not keep record of the number of aircraft lessors and aircraft leasing managers specifically.

(2) The Government will introduce tax measures to foster the development of the ship leasing business in Hong Kong, including ship leasing and ship leasing management. In this regard, the Government has commissioned the Hong Kong Maritime and Port Board (HKMPB) to set up a dedicated task force to study the details of the tax measures, including the scope of application, rate of tax concession and other detailed arrangements. The task force which comprises members of the HKMPB and industry representatives has been formed last year, and the relevant study work is currently underway. It is expected that the study would be completed by the second half of this year and the proposed arrangement for the tax measures would be submitted to the HKMPB and the HKSAR Government.

Besides, to strengthen Hong Kong's status as a regional insurance hub, the Government will propose providing 50 per cent profit tax concessions for marine insurance and the underwriting of specialty risks (such as political risks and war risks), so as to promote the development of relevant businesses.

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## **LCQ16: Long-term development for sites of the quarries which have ceased or will cease operation shortly**

Following is a question by the Hon Tony Tse and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (January 16):

Question:

The quarries in Shek O and Lam Tei as well as that on Lamma Island have ceased or will cease operation shortly. Regarding the long-term development for the sites of those quarries, will the Government inform this Council:

(1) of the (i) area, (ii) boundary (marked on a map) and (iii) planned use of the Shek O Quarry site;

(2) given that the Shek O Quarry site is currently used as a casting yard for immersed tube tunnel units for the Shatin to Central Link railway project and the Route 6 – Trunk Road T2 works project, of the expected time when the Government can resume the site for long-term development;

(3) of the (i) area, (ii) boundary (marked on a map) and (iii) planned use of the Lam Tei Quarry site, and (iv) the expected time when the Government can resume the site for long-term development; given the proximity of the site to Tuen Mun town, whether the Government will consider using the site for housing development; and

(4) of the (i) area, (ii) boundary (marked on a map), (iii) planned use and (iv) existing use (if any) of the Lamma Quarry site, and (v) the expected time when the Government can resume the site for long-term development; as the Government has commenced a study on the future development of the site, and conducted a two-stage public consultation on this between 2012 and 2014, of the outcome of the consultation and the study?

Reply:

President:

The Government has been adopting the multi-pronged land supply strategy, including the use of the ex-quarry sites for short term or long term use. In view of its close proximity to the urban core and accessible location, the ex-Anderson Road Quarry site has been rezoned for residential development. As for the way forward of other quarry sites, the Government will, taking into account factors including viable land uses, technical feasibility, site implementation mechanism and cost effectiveness etc, formulate the implementation priority and take forward the relevant planning and follow-up works.

My reply to various parts of the question is as follows:

(1) and (2) The area of the ex-Shek O Quarry site is about 34.5 hectares (ha), including 22 ha of land (mostly man-made slopes) and 12.5 ha of man-made lake (site boundary at Plan 1 in Annex). The Quarry operation ceased in 2011 and the site has been used as a casting basin of immersed tube tunnel units for the Shatin to Central Link railway project since end-2014. The relevant immersed tube project has been completed. Upon the demolition, removal and reinstatement of the site, the relevant land is expected to be handed over to the Lands Department by end-2019. The site is zoned "Undetermined" on the approved Tai Tam and Shek O Outline Zoning Plan, and the Government will review the long-term use of the site in due course. Pending the formulation of the long-term use, the Government has earlier received a short-term tenancy application for the use of the ex-Shek O Quarry site for water sports purposes. The Lands Department is processing the application in accordance with the established mechanism.

(3) Lam Tei Quarry, with an area of about 30 ha, is still in operation with its operating contract to be expired in 2022/23 (site boundary at Plan 2 in Annex). In June 2016, the Planning Department (PlanD) and the Civil Engineering and Development Department (CEDD) commissioned the Preliminary Land Use Study for Lam Tei Quarry and the Adjoining Areas, with an objective to carry out preliminary planning study and technical assessment for the future land uses of the quarry and its adjoining areas, as well as recommend follow-up studies for the next stage. The preliminary study is targeted for completion within 2019.

(4) The area of the ex-Lamma Quarry site is about 34 ha, including a 20-ha platform and a 5-ha man-made lake (site boundary at Plan 3 in Annex). The site is zoned "Undetermined" on the approved Lamma Island Outline Zoning Plan.

In 2012, PlanD and CEDD commissioned the planning and engineering study on the ex-Lamma Quarry, having prepared the Recommended Outline Development Plan and formulated the land use plan based on a theme of tourism and housing. The reports and information digests of the two stages of Community Engagement have been uploaded to the study website for public viewing. To gauge the market sentiment of developing the site and to explore the feasibility of implementing the development plan, the market sounding out exercise was conducted earlier. Taking into account the findings of the exercise and views collected in the previous Community Engagement, the Government is comprehensively considering the land use planning, implementation arrangement of infrastructure and the site, as well as cost-effectiveness of the development, so as to formulate the way forward of the ex-Lamma Quarry development and the associated follow-up actions. To optimise the use of the site, pending the long term development, the ex-Lamma Quarry site has been leased to a non-Government organisation under a Short Term Tenancy for non-profit making environmental education and wildlife learning centre and associated facilities since 2011.

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## **LCQ7: Measures to facilitate employment of persons with disabilities**

Following is a question by the Hon Gary Fan and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (January 16):

Question:

According to the Hong Kong Poverty Situation Report on Disability 2013, the unemployment rate of those working-age persons with disabilities (PWDs) who participated in the labour market was 6.7 per cent in 2013, which was notably higher than the overall rate of the same age group (3.7 per cent). On the other hand, the Labour Department has since 2005 been implementing the Work Orientation and Placement Scheme (WOPS) under which wage subsidy is granted to employers who employ PWDs. In this connection, will the Government inform this Council:

- (1) among the PWDs employed under WOPS in each of the years from 2015 to 2018, of the respective numbers and percentages of those who were still working for the same employer on expiry of 12 months after appointment;
- (2) whether it assessed, in the past three years, the effectiveness of the various measures currently implemented to facilitate employment of PWDs (including WOPS, Talent-Wise Employment Charter and the Sunnyway – On the Job Training Programme for Young People with Disabilities); if so, of the details; if not, the reasons for that; and
- (3) given that some non-profit-making organisations have suggested the Government to introduce more appealing measures (e.g. provision of tax concessions) to encourage the commercial sector to employ PWDs, whether the Government will consider adopting such suggestion; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the relevant bureaux and departments, I provide a consolidated reply to the Member's question as follows:

(1) The Labour Department (LD) implements the Work Orientation and Placement Scheme (WOPS) to encourage employers to hire job seekers with disabilities and provide them with coaching and support through the provision of an allowance. The LD recorded 811, 816, 802 and 796 placements under the WOPS from 2015 to 2018 respectively. In 2015 and 2016 (Note), there were 241 and 230 cases respectively where the employees with disabilities concerned were employed for over 12 months, representing 30 per cent and 28 per cent respectively of the annual totals for the two years. According to the information provided by the LD, employment contracts under the WOPS were terminated mostly owing to the resignation of employees with disabilities. Dismissal by employers only accounted for a minority of the termination cases. The main reasons for employees with disabilities to resign were their inability to adapt to the new job, their wish to change to a new working environment and their finding a better job. On the other hand, employers dismissed employees with disabilities mainly because of the latter's performance issues.

(2) The LD reviews from time to time the implementation of the WOPS, and conducts questionnaire surveys on the WOPS to collect the views of the participating employers each year. In the light of the review outcomes, the

LD launched enhancement measures in September 2018 to further encourage employers to hire persons with disabilities who have employment difficulties and assist them in settling in their new posts. Under these enhancement measures, the maximum allowance payable to employers for each of these employees has been increased by \$16,000 to a total of \$51,000, with the maximum period of allowance payable extended from eight to nine months. Last year, the Social Welfare Department reviewed the Sunnyway – On the Job Training Programme for Young People with Disabilities (Sunnyway), and has, starting from 2018-19, extended the follow-up period for post-placement support for Sunnyway participants with disabilities from 6 to 12 months. The Government also reviews various relevant schemes from time to time, and proactively encourages different sectors of the community and government departments to adopt appropriate measures to promote internship and employment opportunities for persons with disabilities.

(3) The Government will continue to encourage employers to hire persons with disabilities through providing the former with financial incentives, and will review and enhance the relevant measures on an ongoing basis. Such measures include providing an allowance for employers to encourage them to hire persons with disabilities (the maximum allowance payable to employers for each job seeker with disabilities who have employment difficulties hired is \$51,000 and the maximum period of allowance payable is nine months); giving employers who hire persons with disabilities a subsidy for purchasing assistive devices and carrying out workplace modification (employers may apply for a maximum subsidy of \$20,000 for each person with disabilities employed for carrying out workplace modification and/or purchasing assistive devices, or a maximum subsidy of \$40,000 for purchasing a single assistive device and its essential accessories); and offering grants to non-governmental organisations for setting up social enterprises (the maximum funding support per business is \$3 million).

Note: As the 12-month follow-up period for some WOPS placements in 2017 is just over, the LD is collating information on the employment situation of the employees with disabilities concerned for compiling relevant statistics for that year. Besides, since a vast majority of employees with disabilities placed under the WOPS in 2018 have been employed for less than 12 months, figures for 2017 and 2018 regarding employees with disabilities employed for over 12 months are not yet available.