

## **PORT WELFARE COMMITTEE**

PWC Paper No. 1/2002

### **Declaration of Interests by Members of the Port Welfare Committee**

#### **Purpose**

The purpose of this paper is to seek Members' endorsement of the adoption of a one-tier system for declaration of interests by Members of this Committee.

#### **Background**

2. In response to criticism and insistence of Members of the Legislative Council that there should be safeguards against possible conflict of interest under the Government Advisory and Statutory Bodies (ASBs) system, the Central Administration requested bureaux/departments to consider adopting a declaration of interests system for ASBs under their purview. Marine Department, following a review, has agreed in principle to adopt a one-tier system for the ASBs under its purview whereby a chairman/member is required to disclose his/her interest when he/she considers that there is a potential conflict of interest in a matter placed before the body.

#### **Proposed Guidelines for the Declaration of Interests System**

3. The Port Welfare Committee currently requires no declaration of interests by the Chairman and Members. A one-tier system with the principles and guidelines set out in paragraphs 4-7 below is recommended to be adopted by the Committee.

## **General Principles**

4. When a Member (including the Chairman) has a potential conflict of interest in a matter placed before the Committee, he/she should make full disclosure of his/her interest. The basic principle to be observed is that Members' advice should be disinterested and impartial and it is the responsibility of each Member to judge and decide if the situation warrants a declaration, and to seek a ruling from the Chairman in case of doubt.

5. It is impossible to define or describe all the situations that would call for such a declaration, because each individual case differs, and because of the difficulty of catering for unusual and unforeseen circumstances. On the other hand, it is not intended that a Member should make a declaration of interest simply because the Committee is considering a matter in which he/she has knowledge or experience.

## **Potential Conflict of Interest Situations**

6. The following are potential conflict of interest situations:-

- (a) Pecuniary interests in a matter under consideration by the Committee, held either by the Member or by any close relative of his/hers. Members are themselves the best judge of who, in the particular circumstances, is a "close relative".
- (b) A directorship, partnership, advisory or client relationship, employment or other significant connection with a company, firm, club, association, union or other organisation which is connected with, or the subject of, a matter under consideration by the Committee.
- (c) Some friendships which might be so close as to warrant declaration in order to avoid situations where an objective observer might believe a Member's advice to have been influenced by the closeness of the association.
- (d) A Member who, as a barrister, solicitor, accountant or other professional adviser, has personally or as a member of a company, advised or represented or had frequent dealings with any person or body connected with a matter under consideration by the Committee.

- (e) Any interest likely to lead an objective observer to believe that the Member's advice might have been motivated by personal interest rather than a duty to give impartial advice.

### **Declaration of Interests at Meetings**

7. Members are required to observe the following at meetings :-
- (a) If a Member (including the Chairman) has any direct personal or pecuniary interest in any matter under consideration by the Committee, he/she must, as soon as practicable after he/she has become aware of it, disclose to the Chairman (or the Committee) prior to the discussion of the item.
  - (b) The Chairman (or Committee) shall decide whether the Member disclosing an interest may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw from the meeting.
  - (c) If the Chairman declares an interest in a matter under consideration, the chairmanship may be temporarily taken over by another Member.
  - (d) When a known direct pecuniary interest exists, the Secretary may withhold circulation of relevant papers to the Member concerned. Where a Member is in receipt of a paper for discussion which he/she knows presents a direct conflict of interest, he should immediately inform the Secretary and return the paper.
  - (e) All cases of declaration of interests shall be recorded in the minutes of the meetings.

### **Recommendation**

8. It is recommended that a one-tier declaration of interests system, including the principles and guidelines set out in paragraphs 4-7 above should be endorsed by this Committee and be implemented with immediate effect.

Port Welfare Committee  
Secretariat  
August 2002