

Legal Dept.
Lawyers
Finance Committee

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\$500m paid for private lawyers

By LINDA CHOY

A LACK of expertise in the Legal Department cost it almost \$500 million between November 1989 and March this year.

The money was spent on contracting out cases to the private sector.

A paper to the Legislative Council's Finance Committee showed that \$370 million was spent on 275 cases briefed out at rates above the department's standard rate.

The most expensive was a lawsuit concerning Tin Shui Wai Development Ltd and a 1982 agreement.

The case, which involved 15 private legal firms and consultants, cost the taxpayer \$75.6 million.

The suit was filed by the company — jointly owned by China and tycoon Li Ka-shing's Cheung Kong Holdings — in an effort to recover \$1.5 billion from the Government over a four-year delay in a development.

Under a 1982 agreement, the company sold 488 hectares of land to the Government, about 388 hectares of which were to be given back two or three years later for it to develop.

But the company got nothing for seven years. At the close of the case in October last year, after 200 days of hearings, the judge ruled in favour of the Government.

Another case, costing \$54 million, related to the prosecution of Bumiputra

Malaysian Finance Ltd for alleged corruption.

The cost of the Tin Shui Wai case almost equalled the total expense involved in the 4,257 cases briefed out to the private sector at the department's standard rate.

From November 1989 to March this year, only one Court of Appeal case was contracted out, at a cost of \$120,000.

Another 201 High Court cases and 3,342 District Court cases were briefed out at total costs of \$15.6 million and \$50.6 million respectively.

A Legal Department spokesman said cases were briefed out when the department considered "it needed the expertise of the private sector".