

立法會
Legislative Council

Paper No. WKCD-529
(These minutes have been
seen
by the Administration)

Ref : CB1/HS/2/04/1

**Subcommittee on
West Kowloon Cultural District Development**

**Minutes of thirty-ninth meeting held on
Thursday, 24 January 2008, at 10:45 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Alan LEONG Kah-kit, SC (Chairman)
Hon James TO Kun-sun (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J.,
JP
Hon CHAN Kam-lam, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon LEE Wing-tat
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
Hon CHIM Pui-chung
Prof Hon Patrick LAU Sau-shing, SBS, JP
- Member absent** : Dr Hon LUI Ming-wah, SBS, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon CHAN Yuen-han, SBS, JP
Hon SIN Chung-kai, SBS, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon CHOY So-yuk, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon CHEUNG Hok-ming, SBS, JP

**Public officers
attending**

- : Ms Esther LEUNG, JP
Deputy Secretary for Home Affairs (3)
- Mr Vincent FUNG
Principal Assistant Secretary for Home Affairs
(West Kowloon Cultural District) 1
- Mr Danny LAU
Principal Assistant Secretary for Home Affairs
(West Kowloon Cultural District) 2
- Mr Howard LAM
Chief Treasury Accountant
(West Kowloon Cultural District)
Home Affairs Bureau
- Mr KWOK Kwok-chuen, BBS, JP
Government Economist
- Miss WONG Yuen-sheung, Ophelia, JP
Deputy Director of Planning/District
- Dr NG Chi-wa, Louis
Assistant Director (Heritage & Museums)
Leisure and Cultural Services Department
- Ms LIU Chiu-fun, Cynthia
Assistant Director (Performing Arts)
Leisure and Cultural Services Department

**Attendance by
invitation**

- : Ms Fiona WATERS
Director (GHK Hong Kong Ltd)
- Ms Kim TSANG
Senior Consultant (GHK Hong Kong Ltd)
- Mr Tom CALLAHAN
Consultant (GHK Hong Kong Ltd)
- Mr Alnwick CHAN
Executive Director
Knight Frank
- Mr Adam LEE
Director of Professional Services

Knight Frank

Clerk in attendance : Ms Anita SIT
Chief Council Secretary (1)4

Staff in attendance : Mr Jimmy MA
Legal Adviser

Ms Pauline NG
Assistant Secretary General 1

Miss Monna LAI
Assistant Legal Adviser 7

Mr Thomas WONG
Research Officer 4

Mr WONG Siu-yee
Senior Council Secretary (1)7

Mr Anthony CHU
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)7

Action

I Confirmation of minutes

(Paper No. WKCD-505 -- Minutes of meeting on
29 November 2007)

The minutes of the meeting held on 29 November 2007 were confirmed.

II Proposals in relation to the establishment of a statutory body to take forward the West Kowloon Cultural District project

(Paper No. WKCD-509 -- Information paper on "Statutory Planning Process for West Kowloon Cultural District Development" provided by the Administration

Paper No. WKCD-510 -- Information paper on "Key aspects of the proposed legislation for establishing a statutory body" provided by the Administration

Paper No. WKCD-511 -- Information paper on "Assessment

- Paper No. WKCD-512 -- of the Financial Implications of the West Kowloon Cultural District Project" provided by the Administration
- Paper on "Examination of the financial implications of the West Kowloon Cultural District project" prepared by the Legislative Council Secretariat)

Relevant papers previously issued

- (Paper No. WKCD-451 -- Information paper on "Key aspects of the proposed legislation for establishing a statutory body" provided by the Administration
- Paper No. WKCD-452 -- Information paper on "Statutory planning process for West Kowloon Cultural District" provided by the Administration
- Paper No. WKCD-459 -- Information paper on "Some key aspects of the proposed legislation for establishing a statutory body" provided by the Administration
- Paper No. WKCD-503 -- Letter dated 11 January 2008 from the Financial Services and the Treasury Bureau providing information on "Proposed funding approach for the West Kowloon Cultural District project")

2. The Subcommittee deliberated (index of proceedings attached at the **Appendix**).

3. With the aid of powerpoint, Ms Fiona Walters, the Director (GHK Hong Kong Ltd), gave a presentation on the Financial Adviser's assessment for the West Kowloon Cultural District (WKCD) project and related matters.

(Post-meeting note: The powerpoint presentation materials were sent to members via e-mail on 25 January 2008.)

4. At the invitation of the Chairman, the Government Economist briefed members on the economic impact of the WKCD project.

(Post-meeting note: The Executive Summary of the Report on the economic impact of developing WKCD was tabled at the meeting and was subsequently issued to members vide CB(1)694/07-08 on 25 January

2008.)

Follow-up action

5. At the request of Ms Emily LAU, the Administration was requested to provide information on the legislative provisions of other places in relation to the suggestion of opening up the meetings of the board and committees of the future statutory body on WKCD to the public.

(Post-meeting note: The Administration's reply (Paper No. WKCD-524) was issued to members vide LC Paper No. 812/07-08 on 14 February 2008.)

Financial assessments for the WKCD project

6. The Chairman recapped that at the seminar on the financial assessments for the WKCD project held on 21 January 2008, some Members had requested the Secretariat to explore the feasibility of engaging a specialist adviser to assist members in examining the financial implications of the WKCD project. At the invitation of the Chairman, the Assistant Secretary General 1 (ASG1) referred to the relevant paper prepared by the Secretariat (Paper No. WKCD-512), and advised that the Subcommittee could consider engaging an academic as specialist adviser to the Subcommittee in analyzing the methodology and assumptions adopted for the financial assessment in the Financial Adviser's Report. The Secretariat was in the process of drawing up the scope of services required of the specialist adviser and further details should be available for discussion at the next meeting scheduled for 4 February 2008, preferably in a closed session. Responding to Ms Emily LAU's enquiry about the proposed timeframe of the work of the specialist adviser, ASG1 advised that the specialist adviser was expected to complete its study before the end of April 2008.

7. Members noted that two meetings had been scheduled for 4 and 14 February 2008. The Chairman suggested that further meetings might need to be scheduled after the bill on WKCD Authority was gazetted. The Secretariat would consult members on their availability after the meeting.

III Any other business

8. There being no other business, the meeting ended at 1:00 pm.

Council Business Division 1
Legislative Council Secretariat
11 April 2008

**Proceedings of the thirty-ninth meeting of the
Subcommittee on West Kowloon Cultural District Development
on Thursday, 24 January 2008, at 10:45 am
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000000 - 000037	Chairman	Confirmation of minutes of the meeting held on 29 November 2007 (Paper No. WKCD-505)	
000038 - 000306	Chairman	Opening remarks	
000307 - 000846	Administration	Briefing by the Administration (Paper No. WKCD-509)	
000847 - 001715	Chairman Dr KWOK Ka-ki ALA7 Administration	<p>Dr KWOK Ka-ki's enquiries on whether the location of the open space in the West Kowloon Cultural District (WKCD) would be specified in the South West Kowloon Outline Zoning Plan (the OZP) or the Development Plan (DP) and concern that the land along the waterfront would be reserved for residential/hotel/office developments</p> <p>The Administration's response that in the first stage of the statutory planning process for WKCD, the Planning Department would initiate actions to amend the OZP to incorporate the key development parameters of WKCD for public objections. Some general information of the open space, such as the width of the waterfront promenade, would be included as one of the development parameters. During the second stage, WKCDA would prepare a DP in consultation with the public. Details of the open space and the disposition of different land uses would be contained in the DP. The DP would have to be submitted and considered by the Town Planning Board (TPB) and the public could give views to TPB in accordance with the provisions of the Town Planning Ordinance (Cap. 131) (TPO)</p> <p>Responding to Dr KWOK's enquiry on</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>how the future legislation for establishing the WKCD Authority (WKCDA) would give effect for the DP to be deemed as a draft plan under TPO, ALA7's explanation that she would only be able to provide comments in this regard when the WKCDA Bill (the Bill) was available</p>	
001716 - 002224	Prof Patrick LAU Administration Chairman	<p>Responding to Prof LAU's enquiry on whether development parameters for individual plots of land in WKCD would be incorporated in the OZP at the first stage, the Administration's explanation that no layout of land uses would be included in the first stage amendment of the OZP. However, different building heights might be specified for different zones in the WKCD site. At the first planning stage, the Administration intended to lay down the general development framework taking into account the views collected during the recent public engagement exercise</p>	
002225 - 002848	Mr LEE Wing-tat Administration	<p>Mr LEE Wing-tat's enquiry about the procedures for WKCDA to change the approved DP, and expressed concern that in the long term, in order to sustain the project financially, WKCDA might have resort to increasing the plot ratio or change other parameters</p> <p>The Administration's explanation that-</p> <p>(a) Since the approved DP would be an approved plan under TPO, the provisions with regard to amending an approved plan (section 12A of TPO) would be applicable to the approved DP. TPO already provided a mechanism under which any amendment to an approved plan shall be published for public inspection and objections</p> <p>(b) the Financial Advisor (FA) had assessed the financial arrangements to cover the capital costs and the</p>	

Time marker	Speaker	Subject(s)	Action required
		operating deficits of WKCD in a prudent manner, with a safety margin for contingencies	
002849 - 003659	Mr James TO Chairman Administration	<p>Mr TO suggested that the minimum amount of open space to be provided in WKCD and that such open space should be open to the public 24 hours a day should be stipulated in the (the Bill or the OZP to provide assurance to Members and the public. He found it difficult to support the Bill if the Administration could not provide such assurance</p> <p>The Administration's explanation that the incorporation of development parameters into the OZP was aimed at providing a planning framework for the subsequent preparation of the DP by WKCDA. The Administration was mindful of the public's concerns regarding public open space, and would seek to incorporate relevant parameters into the OZP</p>	
003700 - 004346	Ms Audrey EU Administration	<p>Ms EU's expression of view that –</p> <p>(a) the preparation of DP by WKCDA was the most important stage but this was not a statutory process under TPO. If the consultation work by WKCDA could achieve a consensus on the DP, the second stage of public consultation by TPB would be relatively straightforward;</p> <p>(b) she enquired whether the timeframe and other details of the consultation work to be undertaken WKCDA on the DP would be specified in the Bill;</p> <p>(c) given that a DP would have more details than a draft OZP, she enquired whether all details in the DP would be subject to public comments when the DP was gazetted as a draft plan under s.5 of</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>the TPO for two months for public comments</p> <p>The Administration's explanation that from the past experience in planning large scale developments, such as the Kai Tak Development, the public had been sufficiently engaged. The public were provided with conceptual plans first to solicit their views. This was an administrative process which had an obvious benefit of more flexibility in undertaking public consultation. After the DP was submitted to TPB for consideration and approval, the public could also give views to TPB on the DP under the mechanism provided in TPO. She further confirmed that a DP would have more details than an OZP and the details could be amended in accordance with the procedures in TPO</p>	
004347 - 004442	Chairman	Arrangement for the rest of the meeting	
004443 - 005125	Ms Emily LAU Chairman Administration	<p>Ms LAU's expression of view that WKCDA should be allowed sufficient time to undertake public consultation on the DP</p> <p>Ms LAU's enquiries about the timeframe for handling of objections against the DP under TPO and whether the Bill would specify the minimum provision of open space along the waterfront</p> <p>The Administration's explanation that –</p> <p>(a) to allow flexibility for WKCDA for its preparation of the DP, the relevant provisions in the Bill would be broad and general;</p> <p>(b) after the DP was gazetted for public comments by TPB, the public would be given two months to give comments. TPB would have to resolve the objections within nine months, during which time hearings would be conducted for parties to present their views.</p>	

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		<p>If changes were to be made to the draft plan, they would also be gazetted and the public could make further presentations. After that, TPB would decide whether to make changes to the plan. The revised DP, with the unresolved objections, would be submitted to the Chief Executive in Council (CE in C) for approval</p>	
005126 - 005332	Administration Chairman	<p>The Chairman's query on whether the planning matters that had been finalized during the different stages of the planning process for WKCD could still be changed at a subsequent stage or at some other time in future</p> <p>The Administration's response that as the planning of WKCD was subject to the TPO, and taking into account that the TPO provided mechanisms for making changes to both draft and approved plans, the Administration considered it not appropriate to prescribe certain planning matters in the Bill to the effect that such matters could never be changed, because so doing would go against the planning framework provided in TPO. Moreover, as the WKCD project was a very long-term project, there should be flexibility for changes to be made when necessary. To reflect the Government's policy on WKCD and the public's expectations on the planning aspects, the Bill would provide for the conditions that the WKCDA would be subject to in preparing the DP</p>	
005333 - 010126	Administration Chairman	<p>Briefing by the Administration (Paper No. WKCD-510)</p> <p>The Administration's advice that drafting for the Bill was already at an advance stage. It was envisaged that the Bill would be gazetted in February 2008 after approval by CE in C. The Subcommittee could discuss the Bill after it was gazetted and before it was</p>	

Time marker	Speaker	Subject(s)	Action required
		introduced into the Legislative Council (LegCo)	
010127 - 010649	Dr KWOK Ka-ki	<p>Dr KWOK's reservation on whether WKCDA should be conferred with such wide ranging powers and functions</p> <p>Dr KWOK's view that it was important for LegCo and the public to monitor the work of WKCDA, as there had been governance problems with other statutory bodies</p> <p>His query on the effectiveness of the Administration's proposed accountability, and he was concerned that the resources for arts and cultural development for areas outside WKCD would be reduced due to the WKCD project</p>	
010650 - 011330	Mr LEE Wing-tat Administration Chairman	<p>Mr LEE's enquiry on –</p> <p>(a) whether lands would be granted to WKCDA in one-go or in phases; and</p> <p>(b) whether it would be provided in the Bill that CE in C might give directions to WKCDA</p> <p>Mr LEE's suggestion that the corporate and business plans of WKCDA should be made available for the discussion of LegCo and the public before they were finalized</p> <p>The Administration's explanation that –</p> <p>(a) after the DP was prepared and approved, the Administration would consider granting the lands to WKCDA in one-go or in phases, depending on the practical needs;</p> <p>(b) there would be provision in the Bill for CE in C to give direction to WKCDA and the Administration would have to pay for any loss incurred by WKCDA by reason of</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>such compliance; and</p> <p>(c) corporate and business plans would be sent to the Government for record purpose only. LegCo could invite the Chairman and Chief Executive Officer of WKCD to attend its committee meetings to answer Members' queries on its work. The plans could not be disclosed for public discussion as they might include market-sensitive or confidential commercial information</p>	
011331 - 012004	Mr Albert HO Administration	<p>Mr HO's expression of concern that WKCD would have a great impact on the funding policy and the allocation of resources for arts and cultural programmes in Hong Kong. He asked whether WKCD could provide funding for arts and cultural programmes or other forms of subsidies</p> <p>The Administration's explanation that –</p> <p>(a) WKCD project was just part of the arts and cultural policy of Hong Kong and WKCD was primarily tasked to manage and operate the arts and cultural facilities in WKCD. While WKCD could subsidize arts and cultural programmes at the venues, including M+, it would not replace the role of the Hong Kong Arts Development Council in providing recurrent funding for arts and cultural groups;</p> <p>(b) to complement WKCD, the Administration would strengthen the cultural software development, currently at an annual recurrent expenditure of around \$2.5 billion. Resources for arts and cultural developments outside WKCD would not be reduced</p>	
012005 - 012252	Ms Emily LAU	Ms LAU's expression of disappointment	

Time marker	Speaker	Subject(s)	Action required
	Administration	<p>that the Administration had not heeded members' request that WKCDA should open up the meetings of its Board and committees to the public</p> <p>Ms LAU's expression of views that –</p> <ul style="list-style-type: none"> (a) the LegCo Member(s) in the WKCD Board should be elected by and among LegCo Members in order that the elected Member(s) would be accountable to LegCo instead of to the Government; (b) to enhance the accountability and public acceptance of the WKCDA, it should be specified in the Bill that the list of non-public officer members of the Board had to be endorsed by LegCo before CE's appointment; (c) she asked about the penalty regarding the breach of the requirement on declaration of interests <p>The Administration's explanation that –</p> <ul style="list-style-type: none"> (a) LegCo could nominate suitable Members for CE's consideration but the decision on appointment would still rest with CE; (b) the Administration had reservation on stipulating in law requiring WKCDA to open up its meetings as the discussions would involve facility management contracts and evaluation of performance of arts groups. Various other measures were provided in the Bill to enhance the transparency of the work of WKCDA; and (c) WKCDA was subject to the scrutiny of the Director of Audit 	
012253 - 013520	Mr LEUNG Kwok-hung Chairman	Mr LEUNG's expression of views that –	

Time marker	Speaker	Subject(s)	Action required
	Administration	<p>(a) given that the WKCD project involved substantial amount of public resources, it was not appropriate for CE to appoint all WKCDA members as they would only be accountable to the Government and it would be difficult for LegCo to perform its monitoring role properly;</p> <p>(b) he expressed concern about the criteria adopted by WKCDA in the provision of funding support for arts and cultural programmes;</p> <p>(c) he supported that WKCDA should open up its meetings to the public, except under specified circumstances; and</p> <p>(d) resources used for developing WKCD could be put to better uses to raise the awareness of the public in arts and culture in Hong Kong, such as the promotion of arts and culture in the media. As WKCD would focus on high arts and culture, it would not be conducive to the development of arts and culture in Hong Kong</p> <p>The Administration's explanation that both large and small scale performing venues would be available in WKCD to cater for budding artists as well as the performing groups and artists of various sizes. One of the main functions of WKCD was to promote local and indigenous culture. The Administration would strengthen the cultural software development in the community and school settings</p> <p>Responding to the Chairman on land grant details, the Administration explained that before DP was approved, the Administration could not provide details of the land grant to WKCDA. If Members so requested, the Administration would liaise with the</p>	

Time marker	Speaker	Subject(s)	Action required
		Lands Department to see whether land grant document samples could be provided	
013521 - 015946	Administration GHK Hong Kong Ltd	Briefing by the Administration (Paper No. WKCD-511) and presentation by GHK Hong Kong Ltd The Administration's explanation that the same assumptions and assessment methodology had been used in the paper (Paper No. WKCD-511) as those used for the FA's Report, which had been made public in September 2007. The figures in the paper had been adjusted using the 2008 Net Present Value (NPV)	
015947 - 020336	Chairman	Schedule of next meetings and further meetings	
020337 - 020649	Assistant Secretary General (ASG1)	Examination of the financial implications of the WKCD project (Paper No. WKCD-512)	
020650 - 020849	Chairman Ms Emily LAU ASG1	Appointment of specialist adviser and the working timeframe	
020850 - 021211	Administration	Briefing by the Government Economist on the economic impact of developing WKCD	
021212 - 021340	Chairman Ms Emily LAU	Matters to be discussed at next meeting	