

By fax & by post

8 February 2006

The Hon Alan LEONG Kah-kit, SC
Chairman
Subcommittee on West Kowloon
Cultural District Development
Legislative Council
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear

**Subcommittee on
West Kowloon Cultural District (WKCD) Development**

Thank you for your letter of 4 February.

As explained in my letter of 2 February to the Chairman of the House Committee (copy attached), we need time to study the responses of the three screened-in proponents to the additional development parameters and conditions for WKCD proposed by the Administration in October 2005. After the process of considering the proponents' responses (including consultations with ExCo) has been completed, the Administration will be in a readier position to keeping LegCo, including the WKCD Subcommittee, informed of further developments.

I declined the invitation to attend the Subcommittee meeting on 3 February for the sole reason of readiness. This is not a question of attitude as evinced in your letter. As spoken yesterday, I will attend a meeting of the Subcommittee to brief LegCo on the latest development for WKCD before the end of this month

As regards the list of issues requiring response from the Administration attached to your letter, in fact we have responded to at least some of them before. This notwithstanding, the Secretary for Housing, Planning and Lands will try to respond to the issues on the list as much as possible during the LegCo motion debate on WKCD today.

I am glad that you have raised the issue of the powers and functions of the Legislature and the Executive respectively under the Basic Law. I would like to assure you that the Administration, in the near future, will give a comprehensive and substantive public elucidation on this important issue.

Yours sincerely,

(Rafael S.Y. HUI)
Chief Secretary for Administration

By fax and by post

2 February 2006

The Hon Miriam LAU Kin-yee, GBS, JP
Chairman
House Committee
Legislative Council
Legislative Council Building
8 Jackson Road
Central, Hong Kong

West Kowloon Cultural District Development

Thank you for your letter of 14 January attaching a copy of the Report on the Phase II Study (the Phase II Report) by the Subcommittee on West Kowloon Cultural District (WKCD) Development for the Administration's consideration and response.

The Secretary for Housing, Planning and Lands has informed the Subcommittee of the Administration's response on 6 January. A copy of the letter is attached for your reference. Now that the three screened-in proponents have responded to the additional development parameters and conditions proposed by the Administration in October 2005, I would like to elaborate on the Administration's present position.

In October 2005, we informed the Legislative Council that we would invite further responses from the three screened-in proponents on the additional development parameters and conditions and thereafter decide whether to continue with the Invitation for Proposals for the Development of the

WKCD (IFP) in the light of the responses. The last paragraph of Chapter VI of the Phase II Report states that should less than two of the screened-in proponents express a positive response to the additional development parameters and conditions and the Government undertake a review as to how WKCD should be further proceeded with, the recommendations in the Phase II Report will provide a convenient starting point from where the Administration could proceed further with the WKCD project.

By the end of January 2006, the three screened-in proponents have responded to the additional development parameters and conditions. All of them expressed interest in continuing to participate in the WKCD project. The Administration therefore will continue with the development of WKCD under the IFP framework.

I understand that the Chairman of the Subcommittee on WKCD Development will move a motion on the Subcommittee's Phases I and II Study Reports at the Legislative Council meeting on 8 February. As the Administration will need time to study the three screened-in proponents' responses and the specific questions raised by them about the additional development parameters and conditions (such as the arrangements for the carving out of the commercial and residential portions and the use of sale proceeds from the carved-out portions), the Administration, very regrettably, would not be able to provide a more current and substantive response during the aforementioned motion debate scheduled for next week.

On the other hand, after the process of considering the proponents' responses (including consultations with ExCo) has been completed, the Administration will be in a readier position to keeping LegCo (including the WKCD Subcommittee) informed of further developments.

(Rafael S. Y. HUI)
Chief Secretary for Administration