

Subcommittee on West Kowloon Cultural District Development**Follow-up to meeting on 16 March 2005**

The Administration is requested to provide itemized response to the following in writing:

- (a) which department is responsible for preparing the Public Sector Comparator (PSC) for the West Kowloon Cultural District (WKCD) development;
- (b) how long will it take to prepare PSC for projects of the same scale and magnitude of the WKCD;
- (c) what information should be available in order that a proper PSC can be prepared? Should the specific requirements of the structure and facilities be available before the PSC can be prepared;
- (d) how detailed were the specific requirements for the facilities of WKCD available at the time the cost-benefit analysis was carried out;
- (e) whether and how the cost-benefit analysis was put to top government officials for vetting/endorsement before the project in the proposed manner was decided and announced? Please provide the details including the relevant dates;
- (f) details of cost-benefit analysis for undertaking the WKCD as a Public Private Partnership (PPP) project as against the conventional procurement approach both in terms of the construction and the operation of the proposed arts and cultural facilities. Why the private sector would be in a better position to build, operate and manage arts and cultural facilities in the WKCD;
- (g) details of risk analysis for undertaking the WKCD as a PPP project, and possible measures to guard against default;
- (h) how can the Government maintain control over and ensure accountability for the WKCD development throughout its course of development if a set of specific deliverables are not available;
- (i) a list of procedural steps for the development of the WKCD project that have complied with the guidelines specified in the Efficiency Unit (EU)'s publication entitled "Serving the Community By Using the Private Sector – An introductory guide to Public Private Partnerships" (the Introductory Guide);

- (j) with reference to Chapter 6 of the Introductory Guide, the measures to be put in place by the Government to safeguard against the 18 identified problems for PPPs;
- (k) EU's advice as to what further processes the Government should take in the latter stages so that the WKCD project could be put on the right PPP track as specified in the Introductory Guide;
- (l) details of local or overseas PPP projects that are comparable to the nature and scale of the development of WKCD. The Science Park, the Hong Kong International Airport and railway development had been cited as reference cases. Please explain whether PSC had been constructed in these cases or other cases quoted by the Government. Please explain their similarities and differences;
- (m) the Government's role and public accountability for the development of arts and culture in Hong Kong;
- (n) the Government's stance on funding of the arts and cultural components through proceeds from land sales/grant of the WKCD;
- (o) the Government's stance on adopting a multiple-level bidding approach for the WKCD development;
- (p) provide a formal response to the submissions dated 31 January and 16 March 2005 respectively from the Hong Kong Institute of Surveyors. Please also comment on the Institute's suggestion that the tenure of the operation agreement could be subject to review or satisfactory performance; and
- (q) provide a formal response to the Information Note on "Management, operation and financing of a cultural district" prepared by the Research & Library Services Division of the Legislative Council Secretariat.