

立法會
Legislative Council

LC Paper No. CB(1) 919/04-05
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by the Administration)

Ref : CB1/PL/PLW/1

Panel on Planning, Lands and Works

**Minutes of special meeting
held on Thursday, 16 December 2004 at 2:30 pm
in the Chamber of the Legislative Council Building**

Members present : Hon LAU Wong-fat, GBS, JP (Chairman)
Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon James TO Kun-sun
Hon WONG Yung-kan, JP
Hon CHOY So-yuk
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Hon LEE Wing-tat
Hon Daniel LAM Wai-keung, BBS, JP
Hon Alan LEONG Kah-kit, SC
Hon CHEUNG Hok-ming, SBS, JP

Members attending : Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Dr Hon LUI Ming-wah, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon CHAN Yuen-han, JP
Dr Hon YEUNG Sum
Hon TAM Yiu-chung, GBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Dr Hon KWOK Ka-ki
Hon Ronny TONG Ka-wah, SC
Hon KWONG Chi-kin
Hon TAM Heung-man

- Members absent** : Hon Timothy FOK Tsun-ting, GBS, JP
Hon LI Kwok-ying, MH
- Public officers attending** : Mr SUEN Ming-yeung, Michael, GBS, JP
Secretary for Housing, Planning and Lands
- Mrs Rita LAU, JP
Permanent Secretary for Housing, Planning and Lands
(Planning and Lands)
- Miss AU King-chi, JP
Deputy Secretary for Housing, Planning and Lands
(Planning and Lands) 3
- Mr KWAN Pak-lam, JP
Project Manager/Kowloon
Civil Engineering and Development Department
- Mr CHUNG Ling-hoi, JP
Deputy Director of Leisure & Cultural Services (Culture)
(Acting)
- Mr Vincent FUNG
Principal Assistant Secretary for Home Affairs (Culture) 1
- Attendance by invitation** : **Screened-in proponents**
- Dynamic Star International Limited
- Ms Grace WOO
Representative
- Mr Mike WONG
Representative
- Mr Dennis CHAN
Representative
- Sunny Development Limited
- Mr YU Wai-wai
Representative
- Mr NG Kau
Representative

Mr Andrew BROMBERG
Representative

World City Culture Park Limited

Mr Colin LAM
Representative

Mr Patrick KWOK
Representative

Mr C K LAU
Representative

Deputations

Hong Kong Institute of Real Estate Administration

Mr Albert SO Chun-hin
Immediate Past President

Mr John HUI Wing-to
Past President

Hong Kong People's Council for Sustainable Development

Mr Albert LAI
Chairman

Hong Kong Institute of Archaeology

Ms LIU Mao
Director

Mr YIU Kam-lung
Research Assistant

The People's Panel on West Kowloon

Ms Ada WONG
Spokesperson

Project Hong Kong

Mr Gabriel YU
Representative

Hong Kong Christian Service

Dr Alvin KWOK
Professional Assistant

Hong Kong Curators Association

Mr Raymond TANG
Secretary

Mr Y K SZETO
Spokesman

Zuni Icosahedron Ltd.

Mr Mathias WOO
Programme Director

The Association of Architectural Practices Ltd.

Mr Nevin C L HO
Executive Committee Member

The Hong Kong Institute of Architects

Mr Vincent NG
Spokesman, West Kowloon Concern Group

Mr Michael CHIANG
Member, Planning and Lands Committee

Clerk in attendance : Miss Odelia LEUNG
Chief Council Secretary (1)4

Staff in attendance : Ms Pauline NG
Assistant Secretary General 1

Ms Bernice WONG
Assistant Legal Adviser 1

Ms Vicky LEE
Research Officer 3

Ms Alice AU
Senior Council Secretary (1)5

Ms Sarah YUEN
Senior Council Secretary (1)6

Mr Anthony CHU
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant

Action

I Development of West Kowloon Cultural District

- | | |
|-----------------------------------|--|
| (LC Paper No. CB(1)477/04-05(01) | -- Submission from Hong Kong Institute of Real Estate Administration |
| LC Paper No. CB(1)477/04-05(02) | -- Submission from Hong Kong Christian Service |
| LC Paper No. CB(1)512/04-05(01) | -- Submission from Hong Kong Curators Association |
| LC Paper No. CB(1)504/04-05(01) | -- Submission from The Hong Kong Institute of Architects |
| LC Paper No. CB(1)477/04-05(03) | -- Submission from Hong Kong Arts Centre |
| LC Paper No. CB(1)477/04-05(04) | -- Submission from The Hong Kong Institute of Surveyors |
| LC Paper No. CB(1)477/04-05(05) | -- Submission from Real Estate Developers Association of Hong Kong |
| LC Paper No. CB(1)504/04-05(02) | -- Submission from The Hong Kong Institution of Engineers |
| Ref: HPLB(CR)(PL)1-150/05/3(2004) | -- Legislative Council Brief on "Development of the West Kowloon Cultural District: Screening Result of Proposals" |
| LC Paper No. CB(1)502/004-05(01) | -- Hard copy of the opening statement delivered by the Chief Secretary for Administration at the special meeting on 30 |

- November 2004
- LC Paper No. CB(1)318/04-05(01) -- Information paper provided by the Administration
- LC Paper No. CB(1)318/04-05(03) -- Questions raised by Hon LEE Wing-tat concerning "Development of West Kowloon Cultural District"
- LC Paper No. CB(1)318/04-05(04) -- Administration's response to questions raised by Hon LEE Wing-tat (LC Paper No. CB(1) 318/04-05(03))
- LC Paper No. CB(1)318/04-05(02) -- Background brief on West Kowloon Cultural District prepared by the Legislative Council Secretariat
- LC Paper No. IN06/04-05 -- Information note on "Public Private Partnership Cases involving Land Development in the United Kingdom and the United States" prepared by Research & Library Services Division
- LC Paper No. CB(1)381/04-05(01) -- Wording of the three motions passed at the meeting on 30 November 2004
- LC Paper No. CB(1)381/04-05(03) -- Position paper of the Democratic Party on the development of the West Kowloon Cultural District
- LC Paper No. IN11/04-05 -- Information note on "Financial Study on the West Kowloon Cultural District" prepared by Research & Library Services Division)

The Chairman welcomed all to the meeting. He advised that the present special meeting was convened for members to be briefed by the proponents of the three screened-in proposals on the development of West Kowloon Cultural District (WKCD), and also to receive views from deputations. He would first invite the three screened-in proponents to present their proposals and then call upon individual deputations to present their views.

2. The Chairman also invited members to note that in view of the large number of deputations interested in making oral presentations to the Panel, another

special meeting had been scheduled for 6 January 2005 to receive public views on the subject. Members agreed to the arrangement.

(Post-meeting note: The special meeting scheduled for 6 January 2005 had subsequently rescheduled to be held on 31 January 2005.)

3. Members also noted the submissions from deputations which were unavailable to attend the meeting.

4. Members agreed that the presentation of the three screened-in proponents would be 20 minutes each while the deputations would each have five minutes to present their oral views.

Briefing by screened-in proponents

Dynamic Star International Limited (DSI)

5. With audio-visual aid, representatives of DSI, introduced its screened-in proposal as appended at Annex I. An information pack on DSI's proposal was tabled at the meeting.

Sunny Development Limited (SD)

6. With audio-visual aid, representatives of SD, introduced its screened-in proposal as appended at Annex II. An information pack on SD's proposal was tabled at the meeting.

World City Culture Park Limited (WCCP)

7. With audio-visual aid, representatives of WCCP, introduced its screened-in proposal as appended at Annex III. An information pack on WCCP's proposal was tabled at the meeting.

Presentation of views by deputations

Hong Kong Institute of Real Estate Administration (HKIREA) (LC Paper No. CB(1)477/04-05(01))

8. Mr John HUI of HKIREA referred members to HKIREA's submission (LC Paper No. CB(1)477/04-05(01)), and highlighted the following points for members' consideration:

- (a) HKIREA was supportive of developing the reclaimed land in West Kowloon into a cultural and entertainment hub.
- (b) While real estate development could be physically integrated with cultural facilities, the operation of real estate developments and

cultural facilities must be put under two distinct administrations. An independent Authority comprising multi-disciplinary parties including local and internationally renowned cultural experts, professionals and stakeholders including the Government should be established to operate the cultural facilities. Finance and funding should be separated to ensure that fluctuations of property prices would not affect cultural development for the 30 years and beyond.

- (c) Single-package development is not the only solution and the Government should not preclude other options at this stage. Under a comprehensive Master Development Plan, development of the whole project could be carried out in phases without compromising the integrated design and operation of WKCD while reducing the risks associated with property market fluctuations.
- (d) Irrespective of the mode of development, a transparent monitoring system with performance indicators should be established and agreed with the successful developer(s) before signing the relevant contract.

9. Regarding the Administration's concern about the difficulties involved in the preparation of a number of complicated but interlocking land grant documents if the multi-package arrangement was adopted, Mr Albert SO of HKIREA stated that the problem could be overcome if new dimensions of legal framework for land administration were adopted, i.e. the definition of "land" should no longer be 2-dimensional. Using a 3-dimensional land administration approach, multiple ownership and multiple land grants including rights and obligations of individuals could still be effectively administered and operated. However, cultural facilities must be separately defined and administered.

Hong Kong People's Council for Sustainable Development (HKPCSD)

10. Mr Albert LAI of HKPCSD, said that in considering the development of WKCD, HKPCSD maintained that arts and cultural development should be separated from property development because of the following three reasons:

- (a) In terms of maintaining a stable source of finance, property prices were susceptible to market fluctuations and hence, would affect the income of the developer. This would directly affect the successful proponent's financial commitment for the project. But arts and cultural development could only be nurtured under a sustainable environment in the community with long-term efforts and financial support;
- (b) In terms of governance and funding, the proponents had suggested more or less the same approach by setting up independent or non-profit making governing boards or trust funds to manage,

operate and provide funding for the core arts and cultural facilities (CACF). In case of mis-management by the governing boards or trust funds resulting in recurrent losses, the successful proponent might be required to inject capital constantly to maintain the operation of the CACF. This would result in many disputes and conflicts in the next 30 years; and

- (c) In terms of public participation, the Government's approach of treating WKCD as a property development project had effectively excluded public participation in the selection process. The ultimate decision would only be made by a small handful of government officials. HKPCSD considered that the project should also be assessed from an arts and cultural development point of view with a wide degree of participation from all the stakeholders in the community taking into account their views and expectations on arts and cultural development in future.

11. Regarding the canopy, Mr Albert LAI said that from a public interest point of view, the cost of \$4 to \$6 billion could be more meaningfully spent if the funds were used to buy back the 973 hectares of private land in the 12 priority sites identified for enhanced conservation under the Government's new nature conservation policy published recently. Given all these considerations, he called on the Government to abort the existing approach of "selecting one out of three" and revisit various aspects in the planning and development of WKCD in full consultation with the public.

Hong Kong Institute of Archaeology (HKIA)

12. Ms LIU Mao of HKIA expressed disappointment with the Government's lack of emphasis on and funding support for archaeological works in Hong Kong. She considered that cultural development should not be commercialized. Instead, the Government should formulate a clear cultural policy as the backbone of WKCD development taking into account the principles of "people-oriented" and "community driven" as highlighted in the "Culture and Heritage Commission Policy Recommendation Report".

(Post-meeting note: The speaking note of Ms LIU Mao was subsequently issued to members vide LC Paper No. CB(1)578/04-05(01).)

The People's Panel on West Kowloon (PPWK)

13. Ms Ada WONG of PPWK said that PPWK was set up as a platform to enable public discussion on and participation in the development process of WKCD. While it was supportive of the idea of WKCD development, PPWK was of the view that the Government should abort its present course of action and start the whole planning process all over again together with members of the public. Highlighting the lack of public discussion and support on various aspects of the Government's present way forward for WKCD development including the mode of development, governance and finance, she cautioned that if the Government tried to push through the project without the blessing of the people, it might cause widespread public discontent. In particular, Ms WONG raised the following questions for the Government to consider:

- (a) It was unclear as to how public views collected during the present public consultation exercise would be incorporated into the Government's assessment on the three screened-in proposals;
- (b) As presently proposed, the WKCD project was all about hardware in arts and cultural development. Without the Government having a clear vision and master plan on the future development of arts and culture in Hong Kong and the complimentary software say in respect of arts education, PPWK was highly doubtful of the effectiveness of the WKCD project *per se* in enhancing the cultural quality of the people of Hong Kong. In this respect, PPWK was disappointed that the Government had decided to dissolve the Cultural and Heritage Commission in 2003 when the planning of the WKCD project was entering a critical stage; and
- (c) Given all these uncertainties, PPWK called on the Government to abort the existing approach of "selecting one out of three" and revisit the planning and development of the WKCD project in full consultation with the public.

Project Hong Kong (PHK)

14. Introducing the background of the establishment of PHK, Mr Gabriel YU said that the aim of PHK was to contribute creative input towards making Hong Kong an international cultural city. In the past, PHK had held seminars to solicit views from arts and cultural professionals on the development of WKCD. PHK considered that the crux of the problem was the Government's refusal to abort the single-package development approach and to dispense with the canopy, taking into account widespread dissenting views in the community.

15. Mr YU also pointed out that while PHK welcomed the provision of more high quality cultural facilities, such facilities should be built not just in the West Kowloon area but all over Hong Kong. To ensure better planning to the benefit of

the public, PHK suggested that the Government should, as a matter of priority, set up a statutory body with executive powers to formulate a master plan on the future development of arts and culture in Hong Kong, and review how the WKCD should be planned and developed to contribute towards achieving this ultimate goal.

16. Referring to wide public concern about the WKCD project becoming another “Cyberport”, Mr YU said that the Government should review whether the single-package development was the best option to make the most out of this valuable piece of seafront land in Hong Kong for the public. Pending such a review, the Government should abort the existing approach of “selecting one out of three” and revisit the whole WKCD project with full public participation.

Hong Kong Christian Service (HKCS)
(LC Paper No. CB(1)477/04-05(02))

17. Dr Alvin KWOK of HKCS took members through the salient points of HKCS’s submission (LC Paper No. CB(1)477/04-05(02)) as follows:

- (a) Public participation, particularly in respect of the people’s aspiration on arts and cultural development, was essential to the success of the WKCD project in enhancing the cultural quality of the people. Instead of adopting a top-down approach by allowing the public the only choice of “one out of three”, the Government should adopt a bottom-up approach to carefully consider all the views expressed by members of the public on other alternative proposals during consultation;
- (b) This piece of valuable seafront land in West Kowloon was valuable public resources to be enjoyed by all. Hence, HKCS considered that residential development in WKCD should not only be limited to luxury properties, public housing for the grassroots should also be built; and
- (c) HKCS considered that WKCD should be developed as a cultural point for all the people. The Government should plan for the WKCD development along the same principle of equality taking into account gender mainstreaming, age mainstreaming, racial mainstreaming, as well as the special needs of the mentally and physically handicapped people. Moreover, high culture as well as popular culture should be given the same emphasis. The facilities should be designed as barrier-free and cater for the needs of different age groups, races and genders.

Hong Kong Curators Association (HKCA)
(LC Paper No. CB(1)512/04-05(02))

18. Mr Y K SZETO of HKCA invited members to go through the detailed views and suggestions as set out in HKCA's submission (LC Paper No. CB(1)512/04-05(02)). He then highlighted the following salient points:

- (a) Stressing the educational value of museums, HKCA was supportive of the idea of WKCD development with the construction of new museums to enhance the cultural quality of the people. Nonetheless, HKCA was open as to whether the single-package development approach should be adopted. Other development options were also viable and should be given due consideration. In terms of monitoring, a three-throng approach should be adopted by enacting the relevant museum legislation, clearly delineating the relationship between the museums and the successful proponent, and formulating a framework for monitoring by both the Government and the public. Performance indicators should be formulated for the proposed museums;
- (b) HKCA's major concern was how to maintain and operate the proposed museums in a professional manner bringing about benefits to the community. However, the relevant requirements on the provision of museums did not form part of the mandatory requirements in the Invitation for Proposals (IFP) and hence, did not have any binding effect on the successful proponent. Coupled with the fact that Hong Kong did not have a museum law as other advanced countries, HKCA was gravely concerned about the Government's power and ability to monitor compliance by the successful proponent.
- (c) HKCA had always stressed the need to enact a comprehensive museum law in Hong Kong.
- (d) The themes of the four proposed museums were quite similar and not diversified enough to sustain the interest of the visiting public. Moreover, the themes of the "modern art museum" and "water ink museum" might duplicate those of some existing museums.
- (e) The Government should disclose more information in relation to the operation of the proposed museums including the source of funding, staffing requirements and mode of governance. More importantly, it should clearly specify the collection policy, budget and timeframe for the proposed museums so that the public and the professionals could make a fair comparison among the screened-in proposals.

19. Mr Mathias WOO of ZI condemned the Government for failing to respond to the concerns and questions raised by the arts and cultural sector as well as other professionals on the development of WKCD during previous public consultation. Citing the importance of WKCD development on Hong Kong's future cultural development, he called on members to consider setting up a dedicated committee under the Legislative Council to look after arts and cultural affairs.

20. Mr WOO also said that the provision of arts and cultural facilities was a complicated matter. In overseas countries, it would take about 15 years to provide a museum from research, planning to construction. But looking at the relevant requirements in the IFP, they were obviously not well-thought out and did not have any professional input that well-versed with Hong Kong's environment and cultural needs. To say the least, the Government had not provided any justifications for the proposed arts and cultural facilities stated in the IFP both in terms of quantity and nature. The Government's attitude of "take it or leave it" was clearly not conducive to the successful development of WKCD. Expressing appreciation for the ground work and research done by the screened-in proponents, Mr WOO said that before going ahead, the Government should review its present approach by making reference to all these useful ground work as well as the views of the public and the professionals. It would be a pity to waste all these efforts if the WKCD project ended up as a fiasco.

The Association of Architectural Practices Ltd. (AAP)

21. Mr Bosco HO of AAP said that AAP supported in principle the whole WKCD development. As AAP had made clear its stance on various issues relating to the WKCD development in a number of occasions, he did not wish to repeat the whole thing again at the present meeting. However, he stressed that AAP would adopt an open attitude in considering the proposals put forward by the three screened-in proponents.

The Hong Kong Institute of Architects (HKIA)
(LC Paper No. CB(1)504/04-05(01))

22. Mr Vincent NG, Spokesman of West Kowloon Concern Group of HKIA, presented HKIA's submission (LC Paper No. CB(1)504/04-05(01)), and highlighted the following points for the Government to consider:

- (a) While HKIA was supportive of the idea of WKCD development, it was opposed to the Government's single-package development approach, and called on the Government to abort the existing process of "selecting one out of three".
- (b) Instead, the Government should invite the public to participate in and come to a consensus view on the formulation of a master

planning blueprint for WKCD development. The blueprint should clearly specify the number and different kinds of cultural facilities as well as the development density of the WKCD so that the required land grant and actual construction work could take place in phases without compromising the integrity of the whole development.

- (c) HKIA's professional view was that the development of WKCD including the construction of the canopy in phases was feasible and indeed preferable. As the successful proponent had to assume substantially higher risks for the whole development under the single-development approach, this could directly weaken the Government's bargaining position.
- (d) HKIA considered that the requirements under the Government's IFP were not well-thought out and without the public's support. Given the generality of the requirements, it would be quite impossible to conduct a fair comparison on the pros and cons of the three screened-in proposals.
- (e) The Government should set up a development board comprising members from professional bodies, the arts and cultural sector, Legislative Council Members, local community leaders and international experts to co-ordinate and monitor the WKCD development according to the master planning blueprint.

(Post-meeting note: Another submission from HKIA was tabled at the meeting and subsequently issued to members vide LC Paper No. CB(1)536/04-05(01).)

23. The Chairman thanked the deputations for their valuable views and suggestions. To facilitate members' more in-depth consideration, he invited those deputations which had not submitted their written submissions to do so after the meeting.

Discussion session

Relationship between the WKCD development and the Arts and Culture Policy

24. Ir Dr Raymond HO considered that there was a variety of themes in the wide spectrum of arts and cultures, and making the right selection of arts and cultural facilities (ACF) to be put in the WKCD development was pivotal to the success of long-term arts and cultural development in Hong Kong. Citing the Museum Cluster as an example, he said that the IFP had only specified in a broad-brush manner the different themes of the proposed museums without any justification. He was concerned that this lack of emphasis on the software side of the ACF would fail to reflect the special characteristics of Hong Kong on the

crossroad of western and eastern cultures. Ir Dr HO also queried how public views collected during the on-going public consultation exercise in respect of the community's demand for the ACF could be incorporated in the Government's on-going assessment on the screened-in proposals.

25. Expressing similar views, Mr Albert HO was dissatisfied that as presently proposed, the hardware side of the ACF would dictate and restrict the scope of arts and cultural development in Hong Kong in future.

26. Acknowledging the importance of the software side of the ACF, the Deputy Secretary for Housing, Planning and Lands (Planning and Lands) 3 (DSHPL) said that this critical element would be given due consideration in the Government's assessment on the screened-in proposals, including the proponents' mission statement and programme policy for these facilities such as the mode of governance, operation plan, partnership with both local and international arts and cultural groups, education plans, etc. However, she hoped members could understand that as the assessment of the proposals was still in progress, it would not be appropriate for her to comment on specific aspects of the screened-in proposals at this stage.

27. The Deputy Director of Leisure & Cultural Services (Culture) (Acting) supplemented that the IFP had specified the mandatory requirements for the Core Arts and Cultural Facilities. The mix and size of the ACF in the WKCD were mapped out in the light of previous studies and actual needs. As regards the themes of the museums, the IFP had stated that the themes of "moving image", "modern art", "ink" and "design" were only the preferred ones for the Museum Cluster. Proponents were at liberty to propose museums of other themes taking into account the views collected during previous public consultations.

28. Ir Dr Raymond HO however was unconvinced by the Government's explanation. He pointed out that the funding requirement of a museum would largely depend on its theme as the cost of acquiring the exhibits could vary. It would not be appropriate to compare the proposals on such a sketchy basis without adequate information being given to the public. As the consultation exercise was still on-going and the public might have very different views and expectations on the ACF, he was puzzled by the Government's planning approach which was tantamount to putting the horse before the cart.

29. Sharing Ir Dr Raymond HO's concern about the Government's hasty approach in the planning of the ACF, Mr Mathias WOO of ZI reiterated the point that it took time to conduct relevant studies before the theme, scale and content of a museum could be determined.

30. In response to Mr Albert HO, the three proponents respectively recounted their past commitments in supporting arts and cultural development in Hong Kong in recent years. Notwithstanding, Mr Albert HO was concerned that as the WKCD project was essentially a real estate development, the successful proponent being a

real estate developer might not have the vision and commitment required for the long-term development of arts and culture in Hong Kong. As such, he did not agree that the Government should push through the project without more thorough discussion and deliberation in the community.

Sustainable operation of the ACF

31. Ir Dr Raymond HO was concerned about the financial arrangement to be put in place to ensure the sustainable operation of the proposed museums both within and after the 30-year operation period taking into account the substantial up-front and long-term investments needed to acquire the exhibits. In this respect, he asked whether the Government had provided any baseline figure to the screened-in proponents for this purpose, say in the amount required for the dedicated funds to be established by the successful proponent; and how this figure was calculated.

32. In response, DSHPL said that the IFP did not provide any such figure. The screened-in proponents had proposed different budgets and financing arrangements in their proposals for the Museum Cluster.

33. Mr Colin LAM of WCCP said that WCCP would set up the Hong Kong Arts and Culture Trust (HKAC Trust) to support the operation of the CACF including the Museum Cluster. Fund injections from WCCP and investment return of the HKAC Trust would provide adequate cushions to support the CACF over the 30-year operation period. WCCP would ensure that there was a large balance in the HKAC Trust and substantial artifacts collections at the hand-over for the future sustainability of the CACF.

34. Mr YU Wai-wai of SD said that SD had engaged specialist consultants to advise on the design, management and exhibition of the proposed museums. A budget for each museum would be prepared taking into account the various sources of exhibits. Two funds would be set up to finance the museums' operation as part of SD's commitment to support and underwrite the WKCD's operations and cultural development aspirations. In this connection, he assured members that SD would take out performance bond specifically for the purpose.

35. Mr Mike WONG of DSI said that the operation of the CACF including the museums would be funded by various sources including donations, sponsorships and commercial returns such as admission fees to the facilities, etc. Operating shortfalls would be met with funding from a not-for-profit Foundation which would derive funding from the operating income of part of the revenue generating properties with the development. This arrangement, involving the vesting of the operating income from part of the revenue generating properties to the Foundation, would continue after the expiry of the 30-year operation period.

36. Expressing concern about the sustainability of finances for the operation of the ACF within the 30-year operation period, Mr LEE Wing-tat said that the

Government had only taken care of the hardware side without due consideration to the software requirements. To facilitate members' consideration, he sought the deputations' views on the estimated funding requirement for the ACF.

37. Mr Y K SZETO of HKCA said that the funding requirements for establishing a museum could vary greatly depending on the theme to be adopted. While the meaning and social benefits of a museum might not be commensurate with the amount of funding, it would be useful to have an estimated figure so that the public could at least have an idea of the type and scale of museums that were going to be built in the WKCD.

38. Mr Mathias WOO of ZI said that as currently planned, the WKCD development was being taken forward as a real estate project. That was why the Government had only laid down the sketchy requirements for the hardware side of the ACF. The arts and cultural sector had all along stressed the importance of the software side in the planning for the ACF, which was totally ignored by the Government. Even at this advanced stage, the arts and cultural sector did not know what to expect from the proposed ACF, let alone comment on the amount of funding required to maintain the sustainable operation of the ACF during the 30-year period. Mr WOO was very disappointed that this very important arts and culture development project was being taken forward in such a haphazard manner.

39. Taking note of the deputations' views, Mr LEE Wing-tat queried how the Government could conduct a fair assessment on the screened-in proposals as regards the merits of their proposed ACF if there were no specific requirements on the software side of the ACF. He also questioned how public views on the ACF would weigh in the Government's assessment process.

40. DSHPL thanked the deputations for their views, and said that the Government would listen carefully all the views expressed by members and the public with an open mind. All collected public views would be analyzed in an objective manner and would be taken into consideration in the Government's subsequent negotiations with the proponents and during the selection process. The Government would also make public all views received as long as there was no objection from the relevant authors. She stressed that the views of the community would play a pivotal role in the next phase of the Government's work.

Single-package development

41. Dr YEUNG Sum referred to the submission from the Real Estate Developers Association of Hong Kong (REDA) (LC Paper No. CB(1)477/04-05(05)), and expressed agreement with the following views stated by REDA:

- (a) Bundling facilities of such a mammoth scale with property development could easily disrupt the operation of a free market;

- (b) With 490 000 square metres (m²) intended for commercial and residential uses versus 230 000 m² for cultural facilities, WKCD was without a shred of doubt a real estate development despite the Government's claim otherwise; and
- (c) If the Government truly believed that the proposed cultural facilities were for the good of Hong Kong, it should put forward this proposal for public consultation and submit the relevant funding proposal to the Finance Committee for approval. The Government should not bypass the Legislative Council's scrutiny through hidden subsidy in the form of land grant.

42. In this connection, the Chairman advised that REDA had been invited to attend the special meeting scheduled for 6 January 2005.

43. Dr YEUNG also stated that the Democratic Party (DP) was not against the WKCD development *per se*. Instead, DP was gravely concerned about the Government's haphazard and draconian manner in taking the project forward without due consideration of public views. DP was also opposed to the idea of giving hidden subsidy in the form of land grant to the successful proponent under the single-package development approach.

44. Dr YEUNG Sum and Mr LEE Wing-tat sought the stance of the three screened-in proponents should the Government decide to abort the single-package development approach at a later stage.

45. Ms Grace WOO of DSI said that many stakeholders were involved in the WKCD development. DSI would consider the views collected during public consultation against the requirements stated in the IFP. In case there was any changes to the requirements, DSI would accept and respect the Government's decision.

46. Mr YU Wai-wai of SD said that SD was open-minded in respect of the single-package development approach. SD would also respect the views of the public.

47. Mr Colin LAM of WCCP said that WCCP was open-minded in respect of the single-package development approach. WCCP would respect the views of the public collected during the public consultation exercise.

48. In reply to Dr YEUNG Sum, DSHPL said that it would be premature to make any conjecture about the views of the public in respect of the single-package approach as the consultation exercise was underway. Nonetheless, she re-assured members that all views received would be made public.

Disclosure of information

49. Mr Albert HO opined that the Government should disclose more information in respect of the assessment criteria, and asked whether the proponents would consider requesting the Government to do so. He also said that Panel members had requested the Government to make open the information on the financial arrangements of the three screened-in proposals.

50. In reply, the three proponents all said that they had prepared their proposals in accordance with the requirements as set out in the IFP. They would respect the Government's decision regarding the disclosure of more information both in relation to the assessment criteria and the financial arrangements.

Way forward

51. In view of public interest at stake, Ms CHAN Yuen-han opined that there should be a dedicated subcommittee under the Panel to follow up on the WKCD development taking into account the valuable views put forward by the deputations and professional bodies. She considered that it would be the best way forward if a consensus on the public's expectation and requirements of the controversial WKCD development could be reached after discussions by this dedicated subcommittee. She said that the three Legislative Council Members from the Hong Kong Federation of Trade Unions might make such a request to the Chairman in writing.

52. The Chairman advised that the Panel would convene another special meeting on 6 January 2005 to receive views from other deputations. It would be more appropriate to consider Ms CHAN's suggestion after the Panel had received views from all interested parties. Members agreed to the Chairman's view.

(Post-meeting note: The special meeting scheduled for 6 January 2005 had subsequently been rescheduled to be held on 31 January 2005.)

II Any other business

53. There being no other business, the meeting ended at 5:35 pm.

**Speaking note of Mr YU Wai-wai,
representative of Sunny Development Limited at the special meeting of
the Panel on Planning, Lands and Works
on 16 December 2004**

In retrospect, when we received the Invitation for Proposals for the Development of the West Kowloon Cultural District last September, several of our colleagues sat down and discussed whether we should go for it or not. Although we are all architects and may be considered as artists, we are not too familiar with the operations and management of arts and culture. However, we all felt that the idea was fantastic as Hong Kong does need a cohesive arts and cultural district which can transform Hong Kong into an arts and cultural city of Asia.

With that in mind, we immediately divided ourselves into three groups to explore the development and operations of arts and culture. The first group visited local arts and cultural organizations and attended open forums to collect different opinions. The second group conducted tours of the local and overseas arts and cultural facilities while the third group visited and spoke to the local as well as international arts and cultural advisors. After thorough consultation and discussions, Sunny has established four areas that we think are of major concern to the West Kowloon District project. a) cultural facilities, b) cultural education and development, c) a green environment, and d) management structure.

When the whole world envies that London has Hyde Park and New York has Central Park, Sunny has already begun planning for Hong Kong discreetly.

Sunny's plan includes an extensive green garden, changing the skylight and the cultural atmosphere of Hong Kong. The innovative green garden will be created as an arts and cultural landscape which enables the people of Hong Kong to be culturally nurtured when they enjoy the facilities. In addition, it can imperceptibly influence Hong Kong people's interest in and appreciation of arts and culture, and integrate them in their daily lives. This art and cultural landscape compares favorably with Hyde Park and Central Park.

In the master plan, Sunny incorporates arts and cultural designs in the green garden, enabling each and every venue to integrate seamlessly with nature. The arts and

cultural facilities will span across the coastal line of Victoria Harbour, occupying the prime location of water front. As Victoria Harbour belongs to the people of Hong Kong, Sunny Department believes that the buildings along the shore line of the West Kowloon Cultural District should be used as arts and cultural facilities.

In the areas of arts and cultural facilities, after extensive consultation and meticulous planning, Sunny has decided to increase more elements in addition to the facilities required in the IFP (e.g. theatres, museums, etc.) We have added a 1,750-seat, world-class acoustics concert hall as a perfect venue for Hong Kong Philharmonic Orchestra and Hong Kong Chinese Orchestra, providing performing arts and cultural programmes to Hong Kong. In addition, we have also invited the world's most established and versatile performing arts consultant, IMG Artists, to advise us on Broadway musicals, international orchestras and world-renowned instrumentalists' performances. We will also have a 350-seat recital hall which can be used for recital as well as chamber music performances.

Perhaps we would ask: Does Hong Kong actually have enough artistic performers and enough audience? How many artistic performers should be produced in Hong Kong or perhaps how many overseas talents should be imported?

All these questions present a strong message to Sunny, that is, cultural and artistic education should be absolutely emphasized. From a macro perspective, a cultural and educational blueprint should be set by the government. However, Sunny firmly believes that West Kowloon Cultural District can be instrumental in this area. In terms of art and cultural education, Sunny will establish a secondary school of arts and culture to serve as a link to higher education of arts and culture and to develop more local artistic professionals. Sunny is honoured to be recognized and supported by Hong Kong Academy of Performing Arts to organize and design the curriculum of this secondary school and operate it as well. To provide a home for local artistic organizations, Sunny will also establish a resource center of arts and culture. It will provide the necessary space, facilities, and administrative support for arts and cultural organizations of different areas so that they can comfortably formulate their long term development plans and offer more large scale performances. As such, we can increase the number of large scale local productions. We will also establish a museum research institute which goal is to develop expertise in museum management and restoration of artifacts. It will lay the foundation for the localization process of talents. We will also provide different major venues, educational facilities and studios.

In terms of the canopy, Sunny adopts a design approach that breaks up the large

canopy into one hundred small pieces, each measuring about 80 metres x 50 metres, the size of four standard sized swimming pools. Its purpose is to enhance the versatility and flexibility of the canopy and to compliment the potential changes of cultural facilities in future and to keep up with the time.

The vision of Sunny is to develop West Kowloon Cultural District into a cultural landscape where we can integrate education with culture and culture with nature.

Before I pass the microphone to Mr Ng Kau who will talk about the governance, I would like to share with you a 2-minute video which introduces Sunny's vision of the master plan design.