

立法會
Legislative Council

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Panel on Planning, Lands and Works

**Minutes of special meeting
held on Monday, 31 January 2005 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 Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Hon LEE Wing-tat
Hon LI Kwok-ying, MH
Hon Alan LEONG Kah-kit, SC
Hon CHEUNG Hok-ming, SBS, JP

Members attending : Dr Hon LUI Ming-wah, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon SIN Chung-kai, JP
Hon Emily LAU Wai-hing, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Dr Hon KWOK Ka-ki
Hon Ronny TONG Ka-wah, SC
Hon KWONG Chi-kin

Member absent : Hon Daniel LAM Wai-keung, BBS, JP

- Public officers attending** : 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
- Ms CHIU Yuen-chu, Lolly, JP
Deputy Secretary for Home Affairs
- Mr CHUNG Ling-hoi, JP
Deputy Director of Leisure & Cultural Services (Culture)
(Acting)
- Attendance by invitation** : Swire Properties Ltd.
- Mr Keith KERR
Chairman
- Mr Gordon ONGLEY
Director and General Manager
- Mr Adrian TO
Senior Development Manager
- The Democratic Party
- Mr WONG Sing-chi
Spokesman
- Mr Stanley NG Wing-fai
Spokesman
- The Ink Society Ltd.
- Mr David PONG Chun-yee
Co-vice Chairman
- Hong Kong Chinese Orchestra
- Ms Celina CHIN Man-wah
Executive Director

The Hong Kong Academy for Performing Arts

Professor Kevin THOMPSON
Director

The International Association of Art Critics
Hong Kong Chapter

Mr Stephen CHAN Ching-kiu
Member

Association of Engineering Professionals in Society

Ir CHEUNG Yan-hong
Vice Chairman

Ir NG Man-kwong
Honorary Treasurer

Hong Kong Construction Industry Employees General
Union

Mr CHOI Chun-wa
Chairman

Hong Kong Repertory Theatre

Mr K B CHAN
Executive Director

Mr Fredric MAO
Artistic Director

Spring-Time Group Ltd

Mr KO Chi-sum
CEO & Producer

Hong Kong Ballet

Ms Cissy PAO Watari
Board Chairman

Ms Helen NG Han-bing
Chief Executive Officer

Jing Kun Theatre Ltd.

Ms TANG Yuen-ha
Artistic Director

Mr GENG Tian-yuan
Xiqu Director

Hong Kong Dance Company

Mr YUEN Lup-fun
Executive Director

Fringe Club

Mr Benny CHIA
Director

Ms Michele CHUI
Project Coordinator

Hong Kong Arts Administrators Association Ltd.

Mr Philip SODEN
Convenor, Focus Group on WKCD

Cattle Depot Artist Village Committee

Mr James WONG
Representative

The Hong Kong Institute of Surveyors

Mr T T CHEUNG
President

Mr Paul HO
Quantity Surveying Division, Vice-Chairman

The Hong Kong Institution of Engineers

Ir Dr Greg WONG Chak-yan
Vice President

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

Staff in attendance : Ms Pauline NG
Assistant Secretary General 1

Ms Alice AU
Senior Council Secretary (1)5

Mr Anthony CHU
Council Secretary (1)2

Miss Michelle NIEN
Legislative Assistant (1)3

Action

I Development of West Kowloon Cultural District

- (LC Paper No. CB(1)697/04-05(03) - Submission dated 6 January 2005 from The Democratic Party
- LC Paper No. CB(1)811/04-05(01) - Submission from Hong Kong Chinese Orchestra
- LC Paper No. CB(1)778/04-05(01) - Submission from The Hong Kong Academy for Performing Arts
- LC Paper No. CB(1)697/04-05(01) - Submission from The International Association of Art Critics (Hong Kong Chapter)
- LC Paper No. CB(1)697/04-05(04) - Submission dated January 2005 from Association of Engineering Professionals in Society
- LC Paper No. CB(1)697/04-05(02) - Submission dated 4 January 2005 from Hong Kong Construction Industry Employees General Union
- LC Paper No. CB(1)778/04-05(02) - Submission from Hong Kong Repertory Theatre
- LC Paper No. CB(1)778/04-05(03) - Submission from Hong Kong Ballet
- LC Paper No. CB(1)801/04-05(01) - Submission from Hong Kong Dance Company

- LC Paper No. CB(1)801/04-05(02) - Submission dated 26 January 2005 from Hong Kong Arts Administrators Association Ltd.
- LC Paper No. CB(1)477/04-05(04) - Submission from The Hong Kong Institute of Surveyors
- LC Paper No. CB(1)822/04-05(01) - Submission from The Hong Kong Institution of Engineers
- LC Paper No. CB(1)778/04-05(04) - Submission dated 21 January 2005 from The Hong Kong Institute of Architects)

The Chairman welcomed all to the meeting. He advised that the present meeting was a continuation of the previous special meeting held on 16 December 2005 to enable members to receive views from deputations on the development of West Kowloon Cultural District (WKCD). He would first invite Swire Properties Ltd. (Swire), a screened-out proponent, to present its proposal and then call upon individual deputations to present their views. Members agreed that Swire would have 20 minutes for its presentation while the deputations would each have five minutes to present their views orally.

2. Members noted that the representative of West Kowloon Cultural District Joint Conference could not attend the meeting due to some emergency. A submission from the Joint Conference was tabled at the meeting (and subsequently issued to members LC Paper No. CB(1)840/04-05(02)).

3. Mrs Selina CHOW declared interest as she had been involved in the WKCD development since the concept plan competition stage.

Meeting with deputations

Swire Properties Ltd.

4. With the aid of PowerPoint, Mr Gordon ONGLEY of Swire briefed members on its plan prepared in response to the Government's Invitation for Proposals (IFP) in respect of the WKCD. Instead of solely focusing on West Kowloon, Swire's Masterplan went broader than the IFP mandate, and adopted a holistic approach to develop the harbourfront areas of Tsim Sha Tsui and Central into cultural clusters. Details of Swire's proposal was set out in its publication entitled "A Vision of Hong Kong Cultural Harbour – Hong Kong as our Home, the Harbour as its Heart" which was tabled at the meeting.

(Post-meeting note: Swire's publication was subsequently issued to members vide LC Paper No. CB(1)840/04-05(01).)

The Democratic Party (DP)
(LC Paper No. CB(1)697/04-05(03))

5. Mr WONG Sing-chi of DP highlighted the following salient points as set out in DP's submission (LC Paper No. CB(1)697/04-05(03)) on the WKCD development:

- (a) While supportive of arts and cultural development, DP was opposed to the single-package development approach.
- (b) The land use of the WKCD should change from "Other Specified Uses" for "Arts, Cultural, Commercial and Entertainment Uses" to "Comprehensive Development Area (Cultural Development)" so that it would be subject to control by the Town Planning Board (TPB) and the public.
- (c) The provision of the canopy and any arts and cultural facilities in the WKCD should not form part of the mandatory requirements. A final decision should only be made in full consultation with the public.
- (d) The public consultation period should be extended to six months.
- (e) The Government should make public the financial information of the three screened-in proponents to enable fair and open assessment.
- (f) A statutory development board should be established to take charge of the development and management of the WKCD.

6. Mr NG Wing-fai of DP advised that in view of its objection to the single-package development approach, DP had made an application to TPB to rezone the 40 hectare of land in West Kowloon from "Other Specified Uses" for "Arts, Cultural, Commercial and Entertainment Uses" to "Comprehensive Development Area (Cultural Development)" to facilitate a holistic planning approach and better development control of the WKCD. DP held the view that the credibility of TPB in assessing development proposals was higher than the closed-door approach of Government officials.

7. Mr NG further said that in a similar court case on Royal Opera House (Regina v Westminster City Council) where the proposal involved an office development to pay for the improvements to the Royal Opera House, the court had ruled that financial matter was a material consideration provided that they related to the development and that the decision was made on planning grounds. Since financial subsidy of the development proposal was critical to the WKCD project, it should be taken as a material planning consideration and TPB should resume its

statutory duty to scrutinize such consideration.

The Ink Society Ltd. (InkS)

8. Citing the rapid development of arts and culture in other Asian cities, Mr PONG Chun-ye of InkS stated the Society's support for the early implementation of the project as the WKCD represented a golden opportunity to enhance the arts and cultural development in Hong Kong. Moreover, with the WKCD, Hong Kong could develop into a major arts market in the world.

9. Mr PONG further said that public consultation on the WKCD project had been going on for years. The project should be allowed to proceed in its present approach with enhanced participation from the arts and cultural sector. In addition, the Society called on the Government to disclose more financial information. Looking forward, an independent mode of governance should be adopted with further details to be worked out through consultation.

(Post-meeting note: The speaking note of Mr PONG was subsequently issued to members vide LC Paper No. CB(1)849/04-05(02).)

Hong Kong Chinese Orchestra (HKCO)
(LC Paper No. CB(1)811/04-05(01))

10. Ms CHIN Man-wah of HKCO took members through the salient points of the submission from HKCO (LC Paper No. CB(1)811/04-05(01)) as follows:

- (a) Hong Kong needed the WKCD to maintain its position as an international world city. Arts and cultural facilities of world-class standards should be provided in the WKCD.
- (b) The Government should formulate a long-term arts and cultural policy with suitable funding arrangements to support the development of flagship performing groups.
- (c) The requirement of having resident companies could help the development of flagship performing groups in Hong Kong as well as nurture local talents.
- (d) The Government should provide more information on the governance and operation of the WKCD so that the whole project could focus on supporting local arts and cultural development.

The Hong Kong Academy for Performing Arts (HKAPA)
(LC Paper No. CB(1)778/04-05(01))

11. Professor Kevin THOMPSON of HKAPA stated that the Academy supported the WKCD development, in particular its integrated town planning approach. The need for the mandatory performing venues had already been clearly established by consultancies into the utilization of existing venues, and the first priority of the WKCD project should be to develop further arts and cultural engagement among Hong Kong residents. It was key to development of the creative industries, and this should be separated from the contentious issue of having single or multiple developers.

12. Professor THOMPSON also pointed out that the suggestion of constructing the WKCD in phases would subject the already completed facilities to a succession of noisy, visually intrusive building sites some years after initial opening. Public amenity and enjoyment might be easily compromised. The involvement of multiple developers might lead to reduction of architectural values and overall quality of facilities.

13. Professor THOMPSON further said that the mode of governance proposed by the screened-in proponents appeared to follow good governance practice in that they include independent, autonomous board structures comprising arts professionals to oversee management of facilities.

The International Association of Arts Critics (Hong Kong Chapter) (IAAC)
(LC Paper No. CB(1)697/04-05(01))

14. Mr CHAN Ching-kiu of IAAC referred members to the Association's submission and highlighted the following points for members' consideration:

- (a) While supportive of the concept of WKCD development, IAAC was opposed to the single-package development approach.
- (b) The Government's present approach was reckless, irresponsible and did not follow the principles of "people-oriented" and "community driven" as highlighted in the Culture and Heritage Commission's Policy Recommendation Report.
- (c) The Government had failed to demonstrate to the public the relationship between the facilities to be provided in the WKCD and Hong Kong's long-term arts and cultural development.
- (d) The canopy lacked character and could not become an iconic landmark in Hong Kong. It was irresponsible of the Government to spend large sums of public moneys on the canopy at times of

budget deficit.

- (e) The requirements in the IFP were drawn up in an unprofessional and haphazard manner without any detailed research and public consultation.

Association of Engineering Professionals in Society (AEPS)
(LC Paper No. CB(1)697/04-05(04))

15. Ir CHEUNG Yan-hong of AEPS presented the Association's submission on the WKCD project (LC Paper No. CB(1)697/04-05(04)) as follows:

- (a) The Association welcomed the WKCD project as it would benefit the community as a whole and help promote Hong Kong's status as a cultural hub in the Asia Pacific region.
- (b) The Association supported the principle of having property development subsidizing arts and cultural development. But the scope of property development should not be more than that of the arts and cultural components.
- (c) The decision of constructing the canopy should only be made after careful consideration of all relevant factors including its financial implications, technical feasibility and sustainability. Moreover, the design of the canopy should be subject to stringent sustainability assessment.
- (d) The Association had reservation about the single-package development approach as it would preclude the participation of small and medium-sized companies in the construction industry. More opportunities should be given to small and medium-sized local companies to participate in the WKCD project.

Hong Kong Construction Industry Employees General Union (HKCIEGU)
(LC Paper No. CB(1)697/04-05(02))

16. Mr CHOI Chun-wa of HKCIEGU said that the Union supported the early implementation of the WKCD project to promote Hong Kong's arts and cultural development. The project could also increase employment opportunities of the local construction industry. Citing the present debate in the community on the WKCD, he said that a consensus view on how to proceed with the project should emerge after rational discussions. Moreover, the matter should not be politicized as it was not conducive to maintaining harmony in the community.

Hong Kong Repertory Theatre (HKRT)
(LC Paper No. CB(1)778/04-05(02))

17. Mr Fredric MAO of HKRT invited members to take note of the following as stated in the Theatre's submission (LC Paper No. CB(1)778/04-05(02)):

- (a) The Theatre supported the whole concept of the WKCD development, in particular the requirement of having resident companies. This could help the development of flagship performing groups in Hong Kong.
- (b) The Government should formulate a long-term arts and cultural policy with suitable funding arrangements to support the development of flagship performing groups.
- (c) The Government had the responsibility of investing in arts and cultural development. The future of Hong Kong's arts and cultural development would hinge on the Government's policy direction.
- (d) The Government should adopt a clear stance in promoting the development of a partnership relationship between the successful proponent and local performing groups.
- (e) The Government should clearly specify its monitoring responsibilities and powers in respect of the operation and management of the WKCD.

Spring-Time Group Ltd. (Spring-Time)

18. Referring to the plight faced by cultural and performing groups in Hong Kong, Mr KO Chi-sum of Spring-Time said that the Group was in full support of the WKCD development as Hong Kong was in an acute need of performing venues. The provision of arts and cultural facilities could provide much needed space for cultivating local talents and the viable operation of performing groups. It could help directly in promoting arts and cultural development in Hong Kong. As presently proposed by the Government, proceeds from commercial development would be used to support arts and cultural development.

(Post-meeting note: Spring-Time's submission was tabled at the meeting and subsequently issued to members vide LC Paper No. CB(1)840/04-05(03).)

Hong Kong Ballet (HKB)
(LC Paper No. CB(1)778/04-05(03))

19. Ms Cissy PAO Watari of HKB referred members to the submission from HKB (LC Paper No. CB(1)778/04-05(03)) on the WKCD, and invited members to note the following points:

- (a) Arts and cultural hardware and software should be developed simultaneously. The hardware should be able to spearhead and encourage the development of software as it would attract the best foreign and local cultural events and talents.
- (b) Hong Kong should capitalize on the resources that had already been put into the WKCD project by a whole host of world-class designers/architects/planners/developers, and put all the good elements into a great master plan.
- (c) A major master plan, a major funding body and a major operating organization were needed in order to build a full-scale, world-class cultural infrastructure. This could not be executed in a piecemeal fashion. This was something that had to be worked out among the Government, the private sector and all cultural elements.
- (d) The canopy was oversized.

Jing Kun Theatre Ltd. (Jing Kun)

20. Ms TANG Yuen-ha of Jing Kun said that the WKCD development was a new exciting initiative from the Government. It would contribute much to Hong Kong's future arts and culture development including the improvement of the cultural quality of the people, the nurturing of local talents, the cultivation of local interest in Chinese arts and culture, etc.

(*Post-meeting note: The speaking note of Ms TANG was subsequently issued to members vide LC Paper No. CB(1)849/04-05(01).*)

Hong Kong Dance Company (HKDC)
(LC Paper No. CB(1)801/04-05(01))

21. Mr YUEN Lup-fun of HKDC stated that the Company supported the WKCD development as it could provide more high-quality performing venues in Hong Kong. In the past, the development of performing groups had been seriously constrained by the lack of hardware facilities.

22. On the Government's role, Mr YUEN said that the Government should maintain its funding support for local arts and cultural development. A long-term

arts and cultural policy should be developed with clear mission statement, mode of governance and funding arrangements for the WKCD, as well as its relationship with the sustainable development of flagship performing groups in Hong Kong.

Fringe Club (FC)

23. Mr Benny CHIA of FC invited members to take note of the following views of FC:

- (a) The WKCD project had a positive impact on Hong Kong's future arts and cultural development.
- (b) The WKCD project could provide much needed cultural and recreational facilities in Hong Kong. This could help spur the development of creative industries.
- (c) Multiple-package development could give rise to interface problems and might undermine build and design quality.
- (d) The canopy was a central theme of Foster's design. Hence, public discussion should focus on how to perfect the canopy design so that it became Hong Kong's new icon.
- (e) There should be further discussion on which mode of governance was the best way forward for the WKCD project. At the same time, Hong Kong needed to nurture the necessary human resources to take up the management responsibilities.

(Post-meeting note: The speaking note of Mr CHIA was subsequently issued to members vide LC Paper No. CB(1)889/04-05(01).)

*Hong Kong Arts Administrators Association Ltd. (HKAAA)
(LC Paper No. CB(1)801/04-05(02))*

24. Mr Philip SODEN of HKAAA highlighted the salient points of HKAAA's submission on the WKCD as follows:

- (a) The need for the mandatory performing venues had already been clearly established by consultancies into the utilization of existing venues.
- (b) Other non-core facilities such as arts educational facilities, permanent homes for the professional performing companies and affordable studio/exhibition space for local artists could also be easily justified on the basis of present needs.

- (c) The themes of the proposed museums were chosen because of previously expressed community expectations or based on popular culture. They should have no problem in attracting visitors.
- (d) There was no denying the iconic value of the canopy. If the canopy could migrate temperature extremes and offer year-round enjoyment and utility of the open spaces under it, then it made sense from a public amenity point of view, and that made sense for the cultural district.
- (e) Mode of governance proposed by the screened-in proponents generally followed world's best practice.

Cattle Depot Artist Village Committee (CDAVC)

25. Mr James WONG of CDAVC opined that the Government's planning approach for the WKCD was wrong right from the beginning. The Government should formulate a master layout plan and then organize open design competitions for each component so that each component could become an icon by its own right.

26. Mr WONG further said that two of the screened-in proposals did not measure up to the proposed museums required under the IFP. The Government should provide justifications as to why they were screened-in.

27. On the design of the canopy, Mr WONG said that it did not have any relevance to Hong Kong's history or culture. CDAVC was highly doubtful whether this could become Hong Kong's new icon. More discussions amongst the public was required before the canopy should be given the go-ahead.

The Hong Kong Institute of Surveyors (HKIS)
(LC Paper No. CB(1)477/04-05(04))

28. Mr T T CHEUNG of HKIS drew members' attention to the following points set out in the Institute's second submission which was tabled at the meeting (and subsequently issued to members vide LC Paper No. CB(1)840/04-05(04)):

- (a) The Government should draw up a master layout plan for the whole WKCD development site together with a revised scheme for arts and cultural facilities and services by "mix and match approach" based on previously submitted proposals. The revised scheme should be subject to a further round of public consultation. Once a publicly accepted scheme was finalized, this would then form a common basis for a second round of tender, involving the screened-in proponents and more proponents around the world.

- (b) The Institute strongly emphasized the need for the Government to follow some best international practices in implementing this public-private-partnership project by preparing its own “business case” comprising at least a public sector comparator, cost benefit analysis, risk analysis and detailed output specifications.
- (c) The perception of favouritism had been a real cause for concern, which could not be dispelled unless the Government could assume adequate control over the master layout plan of the scheme as well as its output specifications for various arts and cultural facilities and services.
- (d) On these premises, the Institute objected to the single-package arrangement and proposed a multi-stage bidding process which would allow the Government to better structure its service and facility requirements and risks.
- (e) The IFP only provided some broadly defined requirements in respect of various arts and cultural facilities and services. The required outputs were vague, ambiguous and uncertain.
- (f) The Government largely relied on a set of published marking scheme to assess the relative merits of different proposals. It was not scientific at all as an “apple” could never be able to compare with an “orange”. In the absence of a public sector comparator for benchmarking the screened-in proposals for value-for-money, it was inevitable that the public concluded their interests being damaged.

The Hong Kong Institution of Engineers (HKIE)
(LC Paper No. CB(1)822/04-05(01))

29. Ir Dr WONG Chak-yan of HKIE briefed members on the salient points of the Institution’s submission on the WKCD development as follows:

- (a) A well balance between the cultural development and the property development should be maintained in line with the development intensity of the public consultations on “Hong Kong 2030: Planning Vision and Strategy”.
- (b) The plot ratio set by the Government was only an indication. The plot ratio would likely be reduced from what had been proposed and consequential reduction in financial offer from the successful proponent could be controversial and the current mechanism for assessment was not clear on this decisive issue.

- (c) As regards the proposed canopy, further details on the maintenance costs to be borne by the Government after the 30-year operation period should be provided to facilitate an objective and rational discussion. Due consideration should be given to the necessary contingency measures for maintenance. The possible energy savings by the canopy design as well as the adverse impact of possible green house effect should be properly and scientifically addressed.
- (d) Landmark was not necessarily restricted to the canopy option. The professional engineers in Hong Kong were capable of making a feasible technical solution so that the signature design feature could be put in place by local expertise.
- (e) The Administration should increase the extent of participation of local engineering companies in the development of WKCD.
- (f) The implementation of the WKCD project should be expedited whether under single-package or multiple-package development as it would help alleviate the employment situation of the construction industry and bring early benefits to the community as a whole.

30. 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

Interface with arts and cultural development

31. At the Chairman's invitation, the Deputy Secretary for Housing, Planning and Lands (Planning and Lands)³ (DSHPL) stated that the Government would carefully consider and analyze all views expressed by the deputations at the meeting. Nonetheless, she called on members' understanding that as the public consultation exercise was still underway, it would not be appropriate for her to comment on any specific proposals at this stage.

32. While acknowledging the concern raised by attending deputations on the lack of cultural and performance venues in Hong Kong, Ms Emily LAU considered that the WKCD project should not proceed hastily without first establishing in a realistic way the actual need and demand of arts and cultural facilities in Hong Kong, as well as whether the WKCD project as currently proposed by the Government represented the best way to satisfy such need and

demand. Otherwise, it would be very difficult to ensure the sustainable development of arts and cultural facilities in Hong Kong including their operation, management and maintenance. She was gravely concerned that without ascertaining these important fundamentals, the proposed arts and cultural facilities would become white elephants straining the public purse.

33. Ms Audrey EU expressed grave concern about the availability of a sustainable source of funding to sponsor the development of arts and culture in Hong Kong, and to operate and maintain the arts and cultural facilities in the WKCD within the 30-year operation period and beyond. Citing fluctuations in the property market, she said that it was undesirable to adopt the single-package development approach and put all risks on one single developer. She also queried whether the Government would continue its policy of subsidizing arts and cultural development in future.

34. While acknowledging the pressing demand for arts and cultural development in Hong Kong, Ms Margaret NG pointed out that the crux of the problem with the WKCD was that the Government had failed to convince members and the public that precious public resources would be adequately safeguarded in the process, and that its proposed financing mode was sound and appropriate for the purpose of nurturing arts and cultural development. Citing the Cyberport project as an example, she said that its property development had thrived while its mission of transforming Hong Kong into an informational and technological hub had yet to come to fruition. Other issues such as the appropriateness of using 40-hectare of land for the WKCD development and the canopy were still subject to debate.

35. As a Member returned from the Sports, Performing Arts, Culture and Publication functional constituency, Mr Timothy FOK said that the arts and cultural sector had generally called for the early implementation of the project so as to meet the acute demand of arts and cultural facilities in Hong Kong. He hoped that through more public discussions, a consensus view would emerge as to how proceeds from commercial activities of the WKCD would be used to subsidize arts and cultural development, and what mode of governance would be best for the WKCD development.

36. Mr Philip SODEN of HKAAA said that the models of governance proposed by the screened-in proponents generally followed world's best practice with the establishment of independent boards of trusts that would comprise representatives from the arts and cultural sector, professionals and the general public. These trusts would be dispersing funds generated from the commercial and residential developments on the site. Under the IFP, the successful proponent would have to guarantee a certain amount of annual recurrent funding throughout the 30-year operation period for the operation and maintenance of the facilities.

37. As regards the question of single-package vs. multiple-package development, Mr SODEN cautioned against the lack of connectivity and conflicting architectural styles if different elements of the WKCD were developed by different developers. In order to create an icon, he stressed that all components must hang together so as to create attraction for both local residents and overseas visitors.

38. Ms Emily LAU however said that in the absence of any detailed financial information, she remained unconvinced that sound financial arrangements would be put in place to ensure the sustainable operation of the proposed arts and cultural facilities. In particular, she pointed out that the acquisition of exhibits for museums could be very costly.

39. Drawing from his own experience and citing popular events such as the Hong Kong Arts Festival, Mr KO Chi-sum of Spring-Time said that given the opportunity, many arts and cultural groups and events could be run on a self-financing basis from box revenue. In fact, many successful programmes drew audience both locally and from around the world. He was confident that with concerted efforts of the arts and cultural sector, the real estate developers and the community, the WKCD development would represent a golden opportunity to spur the development of arts and culture in Hong Kong.

40. Mr K B CHAN of HKRT stated that while members' concern about the sustainable operation of the proposed arts and cultural facilities was understandable, he believed that such concern would be adequately addressed when further financial information was made available by the Government at a later stage. Nonetheless, he reiterated that HKRT supported the WKCD development because it represented a golden opportunity to further promote Hong Kong's arts and cultural development by satisfying the existing shortfall of cultural and performance venues for the local cultural and performing groups. In this connection, the mandatory requirement of having resident companies also helped to a large extent. Responding to Ms Audrey EU, Mr CHAN said that it should remain the Government's responsibility to promote the development of arts and culture and to subsidize cultural and performing groups in Hong Kong.

41. Ms NG Han-bing of HKB also stressed that the Government should remain responsible for promoting arts and cultural development in Hong Kong and for subsidizing local cultural and performing groups. Citing the Royal Ballet company which was based in the Royal Opera House in Covent Garden, she said that similar development in the WKCD could offer profit-sharing business opportunities for local cultural and performing groups.

42. Mr PONG Chun-ye of InkS said that operating budgets of the proposed museums could be worked out by making reference to advice from experts and professionals in running world-class museums. InkS, as an advocator for the

establishment of an Ink Museum in the WKCD, had presented a position paper to the Government and the potential developers with estimates of the recurrent expenditure for the Ink Museum. Mr PONG stressed that the arts and cultural sector should work together with the Government and the successful proponent in drawing up the detailed funding requirements of the proposed arts and cultural facilities in the WKCD.

(Post-meeting note: The position paper of InkS was subsequently issued to members vide LC Paper No. CB(1)870/04-05(01) under restricted cover.)

43. Mr James WONG of CDAVC remarked that the lack of cultural and performance venues might only be a problem faced by some arts groups as this aspect was not mentioned at all in the Cultural and Heritage Commission (the Commission)'s Policy Recommendation Report (the Report). Nonetheless, he said that with its scheduled opening in 2013, the WKCD development could not provide an immediate solution to the problem faced by these arts groups.

44. Mr CHAN Ching-kiu of IAAC said that all along, the Government had yet to demonstrate how the proposed WKCD development could achieve the vision of arts and cultural development as envisaged by the Commission's policy recommendations. He added that in taking forward the WKCD project, it would be most important for the Government to thoroughly consider the "software" side or cultural contents before planning the "hardware". Otherwise, the project would slant towards the provision of large venues that might not necessarily meet the community's need.

45. The Deputy Secretary for Home Affairs responded that the aspiration and vision behind the Report was to raise public concern on culture and develop Hong Kong into an international cultural metropolis. The Report had outlined the long-term direction for the cultural development in Hong Kong and put forward recommendations which covered overall policies as well as implementation strategies. Having accepted most of the recommendations for implementation and follow-up, the Administration had set up three committees last year to advise the Secretary for Home Affairs on the way forward for performing arts, libraries and museums respectively and to assist the Home Affairs Bureau to further explore and implement the recommendations in the Report by phases.

46. DSHPL supplemented that the Commission had also stated support for the WKCD development as it presented an unprecedented opportunity for cultural development in Hong Kong. At the same time, the Commission had also made suggestions on the principles to be followed in taking forward the development which the Government had incorporated into the IFP.

47. Regarding the disclosure of financial information contained in the screened-in proposals for the development of the WKCD, DSHPL said that the Government had already undertaken that such information would be made public in due course. The Government had pledged that before signing a provisional agreement with the successful proponent, all relevant financial information of all the screened-in proponents would be disclosed to the full extent and as soon as disclosure would not compromise or prejudice the Government's negotiation position. This disclosure would include the construction costs, operating expenses of the arts and cultural facilities, the original financial proposals submitted to the Government in June last year by the three proponents, their subsequent revisions, and the final proposal by the selected proponent, etc. The Government would also consult the Legislative Council before any agreement was signed.

Implementation timetable

48. Mrs Selina CHOW said that as she had been closely involved in the WKCD development, she hoped to see the early implementation of the project so as to allow greater participation of the local arts and cultural sector, especially on the software side. It would be a great pity to put the whole project on hold pending resolution of all issues which could take a long time. She asked whether public discussions could continue while the Government proceeded with the planning of the project.

49. Citing the long time taken to construct and provide arts and cultural facilities, Mr Benny CHIA of FC agreed that there was an urgency in the WKCD development if Hong Kong wanted to remain competitive with the development in other Asian cities. Similar view was echoed by Professor Kevin THOMPSON of HKAPA who opined that there were many good examples from around the world that had been tried and tested to rely on.

50. Mr CHOI Chun-wa of HKCIEGU said that the community was in general support of the WKCD development. Hence, the project should proceed without further delay so that the public could have early enjoyment of the proposed facilities.

51. Mr James WONG of CDAVC however reiterated his view that the lack of cultural and performance venues was not a major problem faced by the arts and cultural sector in Hong Kong.

52. Mr NG Wing-fai of DP did not agree that such an important project should be pushed through without having all the contentious issues resolved first. Referring to the submission from the Hong Kong Institute of Architects (LC Paper No. CB(1)778/04-05(04)), he pointed out that according to the Institute's proposal to adopt an Incremental Approach as the basis for the planning and phased-stage development of the WKCD, the arts and cultural facilities in the WKCD could still

be delivered for public use in more or less the same timeframe as that under the single-package development approach.

Establishment of a statutory body to oversee the WKCD development

53. Referring to the motion on “Development of the West Kowloon Cultural District” passed by the Council at its meeting on 5 January 2005, Mr Alan LEONG said that Members and the public were in agreement that the WKCD development merited support in principle. However, the Government’s proposed approach to take the project forward had failed to ensure the optimal use of precious land resources and safeguard public interests while nurturing arts and culture. In this connection, he sought the deputations’ view on one of the requests put forward in the motion that a West Kowloon Cultural District development authority, which should be a statutory body comprising members from various sectors, should be established to take up the planning, development and management of the WKCD.

54. Ir CHEUNG Yan-hong of AEPS supported the establishment of a statutory body to take charge of the WKCD project as this mode of development had proved to be successful in delivering large-scale infrastructural projects such as the Mass Transit Railway and the Science Park.

55. Mr James WONG of CDAVC also expressed support for the suggestion, but stressed that the proposed statutory body must operate with a high degree of transparency to ensure public accountability.

56. Stating support for the establishment of a statutory body to oversee the WKCD development, Mr Albert CHAN was gravely concerned that under the single-package development mode, the WKCD would become another project serving to transfer interests to a single private developer. While it was acceptable for the private sector to sponsor arts and cultural development in Hong Kong with proceeds from commercial activities, he was strongly of the view that private developers should not be allowed to interfere with the operation of cultural and performing groups as a result of the WKCD development.

Public-Private-Partnerships (PPPs)

57. Ir Dr Raymond HO noted that HKIS was opposed to the single-package arrangement and proposed a multi-stage bidding process to take forward the WKCD project as a PPP initiative. In this regard, he sought elaboration from HKIS on how the Government’s present IFP approach for the WKCD could be further improved or re-structured so as to ensure fairness in assessment as well as value-for-money for the project.

58. In response, Mr Paul HO of HKIS stressed that HKIS was gravely concerned that the Government had yet to satisfy the public that it had followed the best international practices in implementing the WKCD development as a PPP

project by preparing its own “business case” comprising a public sector comparator, cost benefit analysis, risk analysis and detailed output specifications. In some overseas countries, for controversial PPP projects, this kind of business case was also made available to the public to safeguard public interests.

59. Regarding the IFP process, Mr HO said that the Government should draw up a master layout plan for the whole WKCD development site together with a revised scheme for arts and cultural facilities and services by “mix and match approach” based on previously submitted proposals. The revised scheme should then be subject to a further round of public consultation. Once a publicly accepted scheme was finalized, this would form a common basis for a second round of tender, involving the screened-in proponents and more proponents around the world.

60. Ir Dr WONG Chak-yan of HKIE said that HKIE was concerned about the uncertainties of the IFP requirements such as the development plot ratio. HKIE opined that a well balance between cultural development and property development should be maintained in line with the development intensity of the public consultations on “Hong Kong 2030: Planning Vision and Strategy”. As the plot ratio set by the Government was only an indication, it would likely be reduced from what had been proposed and the consequential reduction in financial offer from the successful proponent could lead to disputes.

Canopy

61. Mrs Selina CHOW sought the deputations’ view on how to ensure the integrity of the design of WKCD without the canopy which was a central theme of the whole project. In response, Mr James WONG of CDAVC said that reference could be made to the proposal put forward by World City Culture Park Limited which adopted an alternative design concept for the canopy. Mr NG Wing-fai of DP also said that the canopy was not an indispensable element of the WKCD. Mr KO Chi-sum of Spring-Time however said that as the canopy was part and parcel of Foster’s artistic design, its integrity should be respected.

The Administration’s response

62. DSHPL noted the concerns raised by members and the deputations on the sustainable operation of the WKCD over the 30-year operation period and beyond. In view of the uncertainties in the market, the Government had not tendered out the project. Instead, the Government had adopted the IFP approach which allowed all parties concerned to shape the specifics of the WKCD along the process. She stressed that other than the mandatory requirements, the IFP had only specified the Government’s baseline requirements. In assessing the screened-in proposals, the Government would build on the mandatory requirements and formulate more definite requirements taking into account the views and suggestions collected during the on-going public consultation exercise. DSHPL stressed that the

Government could revise and impose conditions during the negotiation stage to ensure the adoption of financially sound arrangements to allow the sharing of proceeds from commercial activities with the arts and cultural components.

63. Regarding the suggestion to set up a statutory body for the arts and cultural facilities at WKCD, DSHPL said that the Government was open-minded and the matter could be further discussed in the community. She emphasized that the Government would strive to ensure transparency, accountability to the Legislative Council and the public, as well as participation of local arts and cultural groups throughout the process.

Way forward

64. The Chairman advised that the Council had passed a motion concerning the development of WKCD at its meeting on 5 January 2005. Since the WKCD development involved various policy aspects including land use and planning, arts and culture, environment and financing, the House Committee, as a follow up on the motion, decided on 21 January 2005 to set up a subcommittee to study the development project. Members agreed that under the circumstances, matters in relation to the WKCD project would be taken up by the subcommittee henceforth.

II Any other business

65. There being no other business, the meeting ended at 5:45 pm.