

Bills Committee on West Kowloon Cultural District Authority Bill

**Points raised by individual members at the meeting on 3 June 2008
on which the Administration is requested to provide written response**

The Administration's response to the points raised by individual members at the meeting on 3 June 2008 is set out below –

(1) The Administration should consider specifying in clause 6(3)(c) the minimum number of Board members of the West Kowloon Cultural District Authority (WKCDA) who are not public officers.

Administration's Response:

We will propose Committee Stage Amendments (CSAs) to specify that there will be not less than 8 non-public officer members in the WKCDA Board. Please refer to p.3 of Annex to LC Paper No. CB(1)1785/07-08(01).

(2) The Administration should consider specifying in the Bill that WKCDA should adopt a prudent investment policy with a view to protecting the capital of the endowment fund approved by the Legislative Council.

Administration's Response:

Clause 20 of the WKCDA Bill already provides that the Authority shall invest, in a financially prudent manner, the funds available for investment (including the upfront endowment to be approved by the Finance Committee of the Legislative Council) in such classes or descriptions of investment as the Financial Secretary may specify in writing. In response to Members' views, we will propose CSAs to provide for the establishment of an Investment Committee under the WKCDA Board to advise the WKCDA in relation to its functions under Clause 20 and to monitor its investment and oversee the management of such investment. Please refer to paragraph 6 of LC Paper No. CB(1)1751/07-08(01), paragraph 8 of LC Paper No. CB(1)1785/07-08(01), paragraph 5 of LC Paper No. CB(1)1851/07-08(01) for detailed arrangements.

Given the above, we consider that it is not necessary to further specify in the Bill that the WKCDA should adopt a prudent investment policy to protect the capital of the endowment fund.

(3) The Administration should consider suitably narrowing down the scope of the functions of the "Investment Committee" under new clause 8A(2)(c).

Administration's Response:

We will propose CSAs to restrict the scope of the proposed Investment

Committee mainly to matters relating to finance and investment. Please refer to paragraph 8 of LC Paper No. CB(1)1785/07-08(01) and paragraph 5 of LC Paper No. CB(1)1851/07-08(01) for the detailed arrangement.

(4) The Administration should consider suitably narrowing down the scope of the functions of the "Remuneration Committee" under new clause 8B(2)(b).

Administration's Response:

We will propose CSAs to restrict the scope of the proposed Remuneration Committee mainly to matters relating to employment terms and conditions as well as retirement benefits. Please refer to paragraph 9 of LC Paper No. CB(1)1785/07-08(01) and paragraph 5 of LC Paper No. CB(1)1851/07-08(01) for the detailed arrangement.

(5) The Administration should clarify whether the Director of Accounting Services would need to be appointed by the WKCD Board to sit on the "Investment Committee".

Administration's Response:

The Director of Accounting Services, or his representative, will be a standing member of the proposed Investment Committee. We will further refine the proposed CSAs to reflect our policy intent more clearly. Please refer to p.5 of Annex to LC Paper No. CB(1)1785/07-08(01) for the detailed arrangement.

(6) The Administration should clarify the relationship between clause 8B(2) and clauses 10(2), 10(3) and 10(4) and reconsider the need for clause 8B(10).

Administration's Response:

Taking into account Members' views, we have further refined the proposed Clause 8B(2) such that the functions of the Remuneration Committee are to, among other things, advise the WKCD in relation to its functions under Clause 10(2) and (3) (i.e. determine the terms and conditions of the employment of its employees and make arrangements for the provision and maintenance of schemes for the payment of pensions, etc). Clause 8B(10), which defines "remuneration", will be removed consequentially.

(7) The Administration should clarify whether the development plan prepared under clause 18 and deemed by the Town Planning Board (TPB) to be a draft plan prepared by TPB for the purposes of the Town Planning Ordinance (Cap. 131) (TPO) shall have the same legal status in all respects

as that of a draft plan prepared directly by TPB under the TPO.

Administration's Response:

Clause 18(8) has explicitly provided that a development plan which is deemed suitable for publication under Clause 18(7)(a) or (b) is deemed to be a draft plan prepared by the Town Planning Board (TPB) for the purposes of the Town Planning Ordinance (Cap. 131) and the provisions of that Ordinance concerning any draft plan are to apply accordingly. The purpose of this clause is to ensure that a plan that is deemed by the TPB as suitable for publication under Clause 18(7)(a) or (b) will be subject to the Town Planning Ordinance as if it is prepared by the TPB.

**Home Affairs Bureau
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