

# OFFICIAL RECORD OF PROCEEDINGS

Friday, 27 June 2008

The Council continued to meet at Nine o'clock

## MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, G.B.M., G.B.S., J.P.

THE HONOURABLE ALBERT HO CHUN-YAN

DR THE HONOURABLE RAYMOND HO CHUNG-TAI, S.B.S.,  
S.B.ST.J., J.P.

THE HONOURABLE MARTIN LEE CHU-MING, S.C., J.P.

DR THE HONOURABLE DAVID LI KWOK-PO, G.B.M., G.B.S., J.P.

THE HONOURABLE FRED LI WAH-MING, J.P.

DR THE HONOURABLE LUI MING-WAH, S.B.S., J.P.

THE HONOURABLE MARGARET NG

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, G.B.S., J.P.

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN YUEN-HAN, S.B.S., J.P.

THE HONOURABLE BERNARD CHAN, G.B.S., J.P.

THE HONOURABLE CHAN KAM-LAM, S.B.S., J.P.

THE HONOURABLE MRS SOPHIE LEUNG LAU YAU-FUN, G.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, S.B.S., J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG, G.B.S.

THE HONOURABLE WONG YUNG-KAN, S.B.S., J.P.

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE HOWARD YOUNG, S.B.S., J.P.

DR THE HONOURABLE YEUNG SUM, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

THE HONOURABLE LAU WONG-FAT, G.B.M., G.B.S., J.P.

THE HONOURABLE MIRIAM LAU KIN-YEE, G.B.S., J.P.

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE CHOY SO-YUK, J.P.

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE TIMOTHY FOK TSUN-TING, G.B.S., J.P.

THE HONOURABLE TAM YIU-CHUNG, G.B.S., J.P.

THE HONOURABLE ABRAHAM SHEK LAI-HIM, S.B.S., J.P.

THE HONOURABLE LI FUNG-YING, B.B.S., J.P.

THE HONOURABLE TOMMY CHEUNG YU-YAN, S.B.S., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LI KWOK-YING, M.H., J.P.

DR THE HONOURABLE JOSEPH LEE KOK-LONG, J.P.

THE HONOURABLE DANIEL LAM WAI-KEUNG, S.B.S., J.P.

THE HONOURABLE JEFFREY LAM KIN-FUNG, S.B.S., J.P.

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, S.B.S., J.P.

THE HONOURABLE ALAN LEONG KAH-KIT, S.C.

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

THE HONOURABLE CHEUNG HOK-MING, S.B.S., J.P.

THE HONOURABLE RONNY TONG KA-WAH, S.C.

THE HONOURABLE CHIM PUI-CHUNG

PROF THE HONOURABLE PATRICK LAU SAU-SHING, S.B.S., J.P.

THE HONOURABLE ALBERT JINGHAN CHENG, J.P.

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

THE HONOURABLE MRS ANSON CHAN, G.B.M., J.P.

**MEMBERS ABSENT:**

THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE FREDERICK FUNG KIN-KEE, S.B.S., J.P.

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE WONG TING-KWONG, B.B.S.

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.  
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

THE HONOURABLE TSANG TAK-SING, J.P.  
SECRETARY FOR HOME AFFAIRS

**CLERKS IN ATTENDANCE:**

MR RICKY FUNG CHOI-CHEUNG, J.P., SECRETARY GENERAL

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

**PRESIDENT** (in Cantonese): Only 23 Members are here in the Chamber now. A quorum is not present. Clerk, please ring the bell.

(After the summoning bell had been rung, a number of Members entered the Chamber)

**PRESIDENT** (in Cantonese): A quorum is now present, the meeting shall now start.

### **MEMBERS' MOTIONS**

**PRESIDENT** (in Cantonese): Two motions with no legislative effect. First motion: Report of the Subcommittee on West Kowloon Cultural District Development.

I now call upon Mr Alan LEONG to speak and move his motion.

### **REPORT OF THE SUBCOMMITTEE ON WEST KOWLOON CULTURAL DISTRICT DEVELOPMENT**

**MR ALAN LEONG** (in Cantonese): Good morning, Madam President. I move that the motion, as printed on the Agenda, be passed.

Like all sectors in society, the Subcommittee on West Kowloon Cultural District Development (the Subcommittee) hopes that the West Kowloon Cultural District (WKCD) project will be implemented as soon as possible. Over the past three years or so, the Subcommittee has been working to ensure that the project will be developed in a way that is prudent, reasonable, cost-effective and in Hong Kong's long-term interests, so that precious resources will be appropriately invested and contributed to maximize the benefit of arts and cultural development in Hong Kong.

The Phase I Study Report and the Phase II Study Report of the Subcommittee were published respectively in July 2005 and January 2006. Both Reports pointed out the inadequacies of the WKCD project pursued by the

Administration under the Invitation for Proposals (IFP) process, and made recommendations on the mode of implementing the WKCD project, as well as its management and financing arrangements.

After the publication of the Phase II Study Report, the Chief Secretary for Administration announced at the meeting of the Subcommittee on 21 February 2006 that the Government had decided not to pursue WKCD under the IFP process. Although it had taken more than two years for the Government to finally decide on the termination of the controversial IFP process, the Subcommittee was pleased that part of its major recommendations was ultimately accepted for relaunching the WKCD project.

The Phase III Study Report focuses on four main areas, including the planning aspect, the contents and implementation aspects of the Core Arts and Cultural Facilities, legislation for the establishment of the West Kowloon Cultural District Authority (WKCDA), and the financial arrangements.

In examining each of these areas, the Study focuses on two points, namely:

- (1) whether the Administration, in its planning, operation and management of WKCD, will base on an objective and transparent mechanism to ensure public accountability; and
- (2) whether WKCD, in playing the role of upgrading the arts and cultural standard of Hong Kong, and in developing Hong Kong into an arts and cultural international metropolis, will be able to achieve sustained development.

Madam President, with respect to planning, the Subcommittee is of the view that planning initiatives should be implemented with public engagement covering the entire West Kowloon and Hong Kong as a whole, so as to prevent WKCD from becoming a "black hole", while giving impetus to the revitalization of the nearby old districts. Through a proper system, the public should be allowed to have extensive and systematic participation in the drawing up of the Development Plan for WKCD.

In respect of the Core Arts and Cultural Facilities, the Subcommittee recommends a more detailed study should be conducted on how individual facilities can be configured to meet the users' needs and how synergy can be

achieved. The Administration's proposal of constructing a cultural institution with museum functions called M+ is of particular concern to the Subcommittee. We have noted that the M+ proposal is still at the conceptual stage. The Administration is still unable to explain clearly to the public about this M+ concept and how this M+ concept can realize the vision of becoming a world-class contemporary cultural and arts institution.

Therefore, the Subcommittee opines that the Administration must carry out more careful planning for M+. The Administration and WKCDA should report on the planning and financial budget of the interim M+ and the future M+ to the Legislative Council on a regular basis.

Madam President, the WKCDA is to be entrusted by the community to realize the vision and achieve the objectives of the WKCD project, and it will be given the necessary resources and powers to do so. The Subcommittee is especially concerned about whether there will be a balanced composition of WKCDA; whether the mechanism for constituting WKCDA would be fair and objective; whether the proceedings of WKCDA will be highly transparent; and whether there will be sufficient checks and balances to safeguard public interest.

The Subcommittee opines that certain parts of the West Kowloon Cultural District Authority Bill (the Bill) fail to meet the public aspirations. Moreover, WKCD is a project that belongs to the Hong Kong people. Right from the Phase I Study Report, the Subcommittee has all along advocated the establishment of a system to facilitate systematic public engagement in the planning and implementation of the WKCD project. The WKCDA should also maintain an ongoing dialogue with members of the relevant sectors and the general public, with a view to engaging the public in discussions at the initial stages of the project and encouraging submission of views.

In respect of the financial arrangements, the Subcommittee agrees in principle to the proposal of using revenue from the sale of non-cultural parts of WKCD to finance the capital costs of developing the cultural parts of WKCD, and using the rental proceeds from the retail/dining/entertaining facilities to meet the operating deficits of Core Arts and Cultural Facilities and related facilities.

As regards the Administration's proposal of a one-off upfront endowment of \$21.6 billion to be granted to WKCDA to finance the capital costs of the

WKCD project, the Subcommittee has reservations about this. The M+ proposal is still at the conceptual stage with numerous variables. There are also great differences in opinions between financial experts commissioned by the Subcommittee and government experts on whether the Government has underestimated the expenditure and overestimated the recurrent income. We are really worried that the WKCD project will have a fine start but a poor finish, resulting in the cultural vision of Hong Kong people being dashed. As the only statutory organization in the constitutional system of Hong Kong to approve government expenditure, it is absolutely impossible for the Legislative Council to wash its hand of the project after approving the one-off upfront endowment of \$21.6 billion. In view of this, the Subcommittee suggests that clear reporting requirements including, in particular, obligations on WKCDA and the Administration to be fully accountable to the Legislative Council for its operation and deployment of resources as well as to disclose relevant information, should be agreed with the Administration at the time the endowment fund is to be approved. This will ensure that the Legislative Council can know in advance and be vigilant against problems in the financial estimates of the Government.

I have just summarized the contents of the Subcommittee's Report which has looked into four aspects and focused on two points. Lastly, on behalf of the Subcommittee, I would like to express our gratitude to the following parties. First of all, the Administration which facilitates the Subcommittee's deliberations, in particular, the Deputy Secretary who represents the Home Affairs Bureau and her team; secondly, the various organizations and individuals for their written submissions and attendance at meetings of the Subcommittee; and the Specialist Adviser consultancy team of the University of Hong Kong for their discerning comments submitted to the Subcommittee.

As the Chairman of the Subcommittee, I would like to record my appreciation to colleagues of this Council for devoting their efforts to the work of the Subcommittee. On behalf of them, I must record our gratitude to the staff of the Secretariat of the Legislative Council. Without the most professional and outstanding assistance rendered by them, the Subcommittee could not have accomplished the three phases of its study efficiently and effectively.

Madam President, now I would like to express some views of my own.

Madam President, according to my judgment, Hong Kong must make a substantial investment in the cultural industry in order to keep abreast of other international metropolis and compare no less favourably with them. I paid a visit to Bilbao of Spain with four other colleagues of the Legislative Council in 2005. I was deeply impressed when we saw how their cultural and creative industries had rejuvenated Bilbao from debris. I am also certain that the development of the cultural and creative industries in Hong Kong is not only to clear Hong Kong of its notorious name of being a cultural desert, but is also a component that must not be neglected in identifying a way out in the economic restructuring. Like many people in Hong Kong, I hope that a cultural district which can genuinely give impetus to cultural and artistic creativity will be established as soon as possible. Unfortunately, at the initial stage, the Government only adopted a perfunctory attitude towards the project by shirking its responsibilities, promoting culture on the surface only but selling properties in reality, putting forward a single-tender arrangement which is like "crying up wine but selling vinegar", and trying to gloss things over. Fortunately, under the combined efforts of the civic society and the Legislative Council, the Government finally made concessions. It no longer dares to shirk its responsibilities, but has renewed its commitment in taking up its unshirkable duty to develop arts and culture.

Frankly speaking, the new arrangements made after the restart have shown improvement than the previous ones. However, they are still far from ideal. In the new proposal, there is a lack of a consistent cultural and arts policy. A concrete plan for developing cultural and arts software in Hong Kong is lacking. There is no commitment or ancillary facility to cultivate future artists, arts administrators, arts critics and audience. There is no resolution to create a cultural milieu in Hong Kong. Everything is so business-like, as if it aims only at closing a file that has been opened for 12 years.

Madam President, we have two options when faced with this scenario. First, we continue to cast a vote of no confidence in the Government. And new plans will be made only after everything is ready. Alternatively, we can just listen to it or take in what it professes while exercising prudence and vigilance.

With the combined efforts of the Legislative Council and the civic society, and through proactive participation and monitoring, we will build a WKCD that we want and make sure that the Government will not ruin the project.

Madam President, since I moved the motion debate in 2004, I have been concerned about the WKCD project over all these years. As the Chairman of the Subcommittee, I really hope to give support to the entire WKCD proposal put forward by the Government. However, the sincerity expressed by the Government and its actions must be able to provide me with the biggest incentive, so that I can adopt a wait-and-see attitude of listening to what it says first and observing future developments, while allaying my concern about the inability of the Legislative Council and the public to exercise effective monitoring.

The Civic Party and I have all along believed that to ensure the sustained development and accountability of the WKCD project, the Government must make clear commitments in the following four aspects:

- (1) the mission, function, and agenda of WKCDA must be specific and clear;
- (2) the appointment of the Board of WKCDA must be objective, accurate, fair and open;
- (3) the public engagement exercise must be institutionalized and systematic; and
- (4) the Legislative Council must be able to continuously monitor the utilization of the funds effectively after the appropriation of \$21.6 billion is approved.

Madam President, as at today, the Government has already provided positive and proactive responses to points (1) and (2), for which credit should be given. However, in respect of the appointment of the Board of WKCDA, the Government is unwilling to adopt a mechanism with objective criteria for appointing public officers, which is a bit disappointing to me. How can we

ensure that the incident of the appointment of Deputy Directors of Bureau will not recur in the appointment of WKCDA? How can we ensure that we can identify talents with the best calibre to work for the WKCD project?

Moreover, to ensure that the Legislative Council and the public will be able to exercise effective monitoring on the use of \$21.6 billion of public funds, the Government should set up a mechanism to report to the Legislative Council on the capital costs, and also undertake to report to the Legislative Council the financial status of WKCDA on a regular basis. This will facilitate monitoring by the Legislative Council and issuing of early warning on any miscalculation by the Government.

I hope that the Government will make a more positive response to the two points mentioned above before the Second and Third Readings of the Bill in this Council next week and its funding application to the Finance Committee.

Madam President, the WKCD project has since the establishment of the Subcommittee in January 2005 aroused extensive public concern and active participation of the civic society. According to the constitutional arrangement in Hong Kong, this Council monitors the Government on two fronts — good governance and deployment of resources. During the entire process of the study and publication of the three phases of Reports, the Subcommittee has given play to the constitutional role of this Council to the fullest.

The Subcommittee has accomplished its mission today. We only wish that this marks the beginning of a new phase for the sustained development of the WKCD project, so that WKCD will genuinely belong to the people of Hong Kong. The next term of the Legislative Council must continue to give play to the constitutional role of this Council. Whether this Council is able to be a vigilant gate keeper in this regard will be one of the touchstones of its success. I am all the more willing to work in concert with incumbent and future Members of this Council to this end.

With these remarks, Madam President, I beg to move, and I urge Honourable colleagues to support the motion.

**Mr Alan LEONG moved the following motion: (Translation)**

"That this Council notes the Phase III Study Report of the Subcommittee on West Kowloon Cultural District Development."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Alan LEONG be passed.

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): Madam President, the West Kowloon Cultural District (WKCD) project is an important strategic investment in the promotion of the long-term development of Hong Kong. The objective of the WKCD project is to develop an integrated arts and cultural district with world-class arts and cultural facilities, distinguished artists, iconic architectures, and quality programmes, so as to meet Hong Kong people's increasing demand for an enriched cultural life and encourage innovation, with a view to giving impetus to Hong Kong in its development of a knowledge-based economy. The cultural district will have appeal to Mainland and overseas visitors alike.

The WKCD belongs to the general public of Hong Kong. It is imperative to have public engagement in the promotion of cultural development. The development approach recommended to the public by the Government last September was drawn up on the consensus of arts and cultural sectors as well as other related sectors after deliberations and consultations conducted by the Consultative Committee for a period of 15 months. From September to December 2007, extensive invitation to engage the public in the discussions of this development project was issued by the Government. The outcome of the public engagement exercise indicated that there was general support among the public for the development proposals drawn up by the Consultative Committee on the Core Arts and Cultural Facilities of the West Kowloon Cultural District (Consultative Committee), and there were also strong requests for the expeditious implementation of the construction of WKCD. Indeed, as the WKCD project has been brewing for quite some time, there is a certain degree of urgency in view of the development needs of Hong Kong.

Taking into account public opinions, the Government has adopted the recommendations of the Consultative Committee on the core arts and cultural

facilities. The Consultative Committee has also recommended a prudent and transparent financing approach. I am pleased to hear that the public works Subcommittee of the Finance Committee (FC) of the Legislative Council endorsed the financing arrangement last week and agreed to the submission of the proposal of providing a one-off upfront endowment of \$21.6 billion to the West Kowloon Cultural District Authority (WKCDA) for consideration and approval of the FC.

The Government has also taken actions to follow up another recommendation of the Consultative Committee, that is, to introduce legislation for the establishment of the WKCDA. I would like to thank the Bills Committee under the leadership of Mrs Selina Chow for their efforts. The Bills Committee had convened as frequent as 15 meetings from February to June this year, putting forward a series of views and proposals on the Bill. The entire process of discussion was conducted in a pragmatic, rational and interactive manner. Having carefully considered the views of Members, the Government has submitted more than 10 proposed Committee stage amendments. The Second Reading debate of the Bill will be resumed next week.

We are provided with a good opportunity today to discuss the Phase III Study Report of the Subcommittee on West Kowloon Cultural District Development (the Subcommittee). I am grateful for the tremendous effort that the Subcommittee has devoted to the WKCD project over the past three and a half years and the publication of three Reports. The Government has carefully considered and accepted views put forward in the previous two Reports. In respect of the newly published Phase III Study Report, we will also seriously examine the contents. I would be glad to give a further response after listening to Members' speeches today. Thank you, Madam President.

**DR RAYMOND HO** (in Cantonese): Madam President, it has been nearly a decade since the Government first introduced the West Kowloon Cultural District (WKCD) project. Within this period of time, there have been many arguments over the project. In 2003, the Government decided to adopt a single-tender arrangement or a single-package development approach. At that time, the Government also proposed the construction of a large canopy. Invitation for Proposals (IFP) was issued. According to the IFP, proponents could submit proposals different from the proposal of the Government with a plot

ratio of 1.81. Finally the Government received five proposals, among which two were screened out due to failure to meet the requirements. The remaining three were screened in for further assessment. In view of public opinions, the Government subsequently put forward a modified plan, abolishing the single-package development approach, setting a maximum plot ratio of 1.81 and requiring the successful proponent to pay \$30 billion for the establishment of an operation fund. In February 2006, on the grounds that the three screened-in proponents had not given positive response to the modified approach, the Government announced that the WKCD project had to start all over again. The development of the WKCD project suffered a setback once again with a further delay of more than two years. Like the majority of the Hong Kong people, I am very disappointed with the repeated delays of the WKCD project, and hope that the project will be launched expeditiously, so as to avoid continued wastage of precious land resources. And more importantly, I hope that the public will be benefited as soon as possible.

According to the proposal of the relaunched plan, culture and property will be separated. I fully support this approach. Not long ago, the Public Works Subcommittee, of which I am the Chairman, endorsed the proposal of providing a one-off upfront endowment to the West Kowloon Cultural District Authority (WKCDA) to implement the WKCD project. The upfront endowment will cover the capital costs of the WKCD project. The retail/dining/entertaining part of the commercial sites will be vested in WKCDA in the future in order that the rental proceeds from these facilities will be used to meet the operating costs of arts and cultural facilities. I hope this funding proposal will also be endorsed by the Finance Committee later so that the WKCD project will no longer suffer further delays.

I would also like to take this opportunity to talk about which mode of development should be adopted by WKCDA to develop M+. During the discussion of the issue by the Subcommittee on West Kowloon Cultural District Development, some members think that WKCDA should not adopt the "design and build" mode of development; instead, it should only consider organizing a design competition. I believe at this stage, we should not specify that only a certain contractual agreement or tendering method can be adopted by WKCDA; nor should we rule out any options of development. Since each mode has its

merits, we should leave it to the future WKCD to study them in details before making a decision. We should leave some room for WKCD to make its own decisions in this regard.

As regards the scale of M+, I am of the view that M+ should absolutely not be downsized. On the contrary, the scale should be expanded where conditions permit. If we wish to develop M+ into an international venue of visual culture so that it will become one of the major tourist spots of Hong Kong, its scale should be comparable to other similar world-class facilities. Apart from taking into account the size and volume of huge exhibits and huge sculptures, it is imperative that M+ provides sufficient space for these exhibits as well as sufficient working space where the exhibitors and their staff can work. When I paid an overseas duty visit to Spain with four other Members in 2005, we visited the Guggenheim Museum of Bilbao, which is a very good example.

As a matter of fact, during the initial planning of the Guggenheim Museum, the enormous investments and subsequent financial arrangements had also aroused great controversies. However, the result came as a surprise to the critics. The Museum is able to attract over one million visitors every year, which far exceeds the original estimate of 200 000 or so. And among the visitors, 90% come from places outside Bilbao, while 50% come from places outside Spain. Based on the experience of the Guggenheim Museum of Bilbao, I think we should not be too pessimistic in assuming that M+ will certainly record a deficit in the future. In fact, the success of M+ will, to a certain extent, hinge on whether we are willing to make investment with a view to developing it into a world-class cultural facility.

Madam President, the WKCD project has been under discussion for almost 10 years. It is now time to draw a conclusion from different views in the community, and to forge a consensus on the finalized plan so that the project will be implemented as soon as possible, which will be beneficial to the public.

Madam President, I so submit. Thank you.

**MR TIMOTHY FOK** (in Cantonese): Madam President, in 1998, the Government proposed to construct a series of world-class cultural facilities on

the prime site at the waterfront of the West Kowloon Reclamation. On completion, not only will the facilities become the cultural landmark of Hong Kong and even in the region, the cultural level as well as the international status of Hong Kong will also be upgraded.

At that time, the arts and cultural sector was very dedicated and enthusiastic in studying the layout and contents of the West Kowloon Cultural District (WKCD) project, hoping that this seedling of a cultural metropolis will grow to be healthy and strong, so that it will not only play the role as a cradle for cultivating local artists, but also provide a stage for the preservation of traditional arts and cultural legacy and enrich the cultural life of the people of Hong Kong. This is a package which will bring about mutual benefits and achieve a win-win situation. Unfortunately, it has already been a decade and since the Government has emphasized that \$21.6 billion will be sufficient to meet the needs of development, it is unnecessary for us to insist on our worries, thus making it impossible for the WKCD project to commence. On behalf of the performing arts and cultural sector, I urge Members to adopt a pragmatic manner, so that the WKCD project can be finalized and implemented as soon as possible for early completion.

The Government proposed the initial concept of the WKCD after making reference to renowned cultural and arts facilities of other places in the world, such as the South Bank and the West End of London in the United Kingdom. Two years ago, members of the Subcommittee on West Kowloon Cultural District Development visited Bilbao in Spain and studied the management experience of the local museum there in with the hope of bringing arts, cultural and entertainment facilities together to attract people and create a pool of artistic talents. This is a project that not only upgrades the cultural and arts standards in Hong Kong, but also embodies the far-reaching effect of facilitating the cultivation of cultural literacy of the entire city. Thus, in considering the development of WKCD, we should not focus on the immediate economic return. Instead, we should take into account its long-term effects on the overall atmosphere and spirit of Hong Kong and the quality of life of the people.

At present, what the cultural and arts sector in Hong Kong is most concerned is whether the facilities and exhibition venues of the WKCD will be able to meet the needs of Hong Kong; whether these facilities will embody the characteristics of Hong Kong; whether they will be able to promote the

development of traditional arts of Hong Kong and even China; and whether WKCD will become a unique cultural hub in the world with characteristics of both Western and Chinese cultures.

Members are worried that the arts and cultural facilities of WKCD will incur a loss and become a long-term financial burden of the Government. However, WKCD is located in the heart of Hong Kong, with core features that cover culture, arts, dining, recreation, entertainment and other areas of consumer spending. It will certainly become an important landmark of Hong Kong, generating extraordinary economic benefits. Given that the Government has given assurance in many aspects, we should adopt a supportive attitude, rather than being sceptical, thus causing delay to the project over and over again. A decade has gone by. We do not wish and cannot bear to wait for another decade, or even a third decade.

With these remarks, I again urge for the expeditious commencement of the WKCD project without further delay.

**MISS CHOY SO-YUK** (in Cantonese): President, since the Subcommittee on West Kowloon Cultural District Development (the Subcommittee) of the Legislative Council was set up in January 2005, members of the Subcommittee have been actively participating in discussions, working hard to put forward views on various aspects of the West Kowloon Cultural District (WKCD) project, such as land use and planning, environmental considerations, and financing implications, and so on. Members of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) have also devoted a lot of efforts in studying and putting forward proposals on various details. For instance, last year, we proposed that the Government should inject funding into the West Kowloon Cultural District Authority (WKCDA), and adopt a phased approach of development to avoid criticisms of the single-tender arrangement and transfer of benefits. We also suggested that in building a world-class cultural and arts district, the Government should at the same time formulate an overall cultural policy of Hong Kong, so that the policy and the cultural software would play a complementary role to each other. These proposals have been accepted by the Consultative Committee on the Core Arts and Cultural Facilities of the West Kowloon Cultural District and the Government.

The Subcommittee published its Phase III Study Report last Friday. The focus of our concern is on the financial arrangements of the core items of

WKCD, particularly because the completion of M+ will mean a substantial increase of 50% in the total area of all existing public museums in Hong Kong, and since 78% of the operating deficit of WKCD will come from M+, there is a need for us to review the financial arrangement of the entire cultural district.

The DAB is supportive of the provision of an upfront endowment for WKCD to develop the WKCD project. However, we are most concerned about whether this amount of \$21.6 billion will be sufficient to meet the development of the entire project. There is always a possibility of unpredictable circumstances. In the event of unforeseen circumstances after the approval of this funding of \$21.6 billion which would cause the WKCD project to exceed its original budget, which party should be responsible for paying the outstanding amount?

One of the concerns of the Subcommittee is whether the increase of construction cost will only be 3.4% in the first eight years with an annual growth of only 2% thereafter as estimated by the Government. In this connection, we have questioned this point very strongly, particularly as the year-on-year underlying inflation rate in Hong Kong stood at 5.1% in early 2008 while the Government's prediction of inflation rate is only 2% in eight years' time. The huge discrepancy in the projected inflation rate regarding the WKCD project is most worrying.

I would like to point out that the increase of construction cost involves a number of factors, including the increases of raw material prices and wages. For instance, the construction cost of the Housing Authority for the year 2006-2007 had increased by almost 20%. According to the explanation of the Housing Department, the escalation of the prices of construction materials is to a certain extent caused by the appreciation of the Renminbi, as the exchange rate has resulted in the escalation of the prices of copper and steel, which indirectly causes an increase in production cost.

Furthermore, the Home Affairs Bureau came to the Legislative Council last month and submitted a request for an appropriation of \$1.7 billion for the redevelopment of the Hong Kong Sports Institute. This amount exceeds the original estimate by \$440 million. The construction cost of the project alone has increased by 18.7%. That was why I raised strong queries in the Subcommittee and asked whether the current estimate was too conservative. As illustrated in the above example, our worries are certainly not unfounded; nor

are they over-pessimistic. On the contrary, I think the confidence shown by the Government in this amount of \$21.6 billion is like "dancing with its eyes closed", that is, blindly optimistic.

We can do nothing when the Government insists that the budget for the WKCD project is accurate. But up till now, the Government is still unable to give an account of what it is going to do in the event of the cost exceeding the budget. As a matter of fact, I found the explanation of the Government very unconvincing. However, the public has aspirations for the early completion of the WKCD project, and hopes that the project will commence as soon as possible. We have been continuously receiving letters from many groups and from the sector recently, requesting us to work for the early commencement of the WKCD project. Under such circumstances, we agree to the appropriation of funds for the WKCD project. But we hope that in the event of any problems found in the WKCD project in the future, government officials will address our concern immediately and take corresponding measures. It must take remedial actions promptly without delay. Otherwise, it will only be too late to do anything.

We have also another query, and that is, have the government consultants overestimated the rental proceeds that can be generated to meet the operating costs of the core facilities? The Government has adopted \$30 per sq ft as the rental level in its estimate. When compared to the surrounding areas, such as the Elements and the MegaBox, \$30 per sq ft is, of course, not of a particularly high level. However, we have to take into account that WKCD is principally a cultural and arts venue, not a dining and entertainment facility. A jargon used in the real estate sector is that these dining and entertaining facilities can only attract "secondary tenants". Under these circumstances, we are more concerned about whether the Government will actually be able to generate this level of rental.

We are also concerned about whether WKCD is easily accessible. As it takes at least 20 minutes to walk from the MTR station to WKCD now, if people spend some 10 minutes in the district, it will, in fact, take them one whole hour. How many members of the public and visitors are actually willing to walk for an hour to reach there is another question of our concern.

President, I agree to the proposals put forward in the Report that the governing body of M+ should report to the Legislative Council on the planning and budgetary requirements for the interim M+ and the future M+ from time to time, and that the Legislative Council should also monitor closely the overall development progress of the WKCD project.

I so submit, President.

**PROF PATRICK LAU** (in Cantonese): President, the subject of WKCD is a long story. We can go on talking about it for several days and we still cannot finish it. I may even have to write a book on it.

President, more than a decade ago, many people (particularly those from foreign countries), on arrival in Hong Kong, asked me why we had constructed so many buildings but left this stretch of land idle. As we all know, this stretch of land was the result of a wrong decision on reclamation. In fact, originally there was a plan for this stretch of land. When I was a member of the Town Planning Board, there was a very good proposal, and that is, developing the land into a low-density West Kowloon cultural centre. This was a decade ago. President, we have been walking on this road for so long. Do you think it is worthwhile to follow this path? As a matter of fact, I have enjoyed the whole process. This is particularly so after I have become a Member of the Legislative Council as I come to understand the importance of politics and development.

President, that we have been able to come a long way is attributed to the spirit of unity and harmony of the Legislative Council. I remember when you first became the President and this subject was discussed ..... I think this has become an example in the Legislative Council, and that is, it is only when all Members of the Council agreed to submit the report to the Government that the Government had to accept good advice and reconsider the entire WKCD project. It was a very important turning point. The Chairman of our Subcommittee has already made a report. I am not going to talk about this in detail.

Why do I think the process is so important? I have learnt a lot from it. Many members of the public criticized us for spending time on an overseas visit. We owe our success to the five Members — three of them are now in the Chamber — two of them who have just spoken mentioned our visit to Bilbao. It

is really worthwhile to mention Bilbao. This city, situated in the northern part of Spain, is a city of heavy industry. The economic condition of the city used to be very bad. Why is it able to rise from a trough and become a renowned city in the world? It is all because of the driving force of culture and a very special architecture. Currently there are a lot of innovative architectures in various cities of the world, and we have to thank these architectures for making these cities well-known in the world.

In fact, the most important thing is not only the architecture. A decade ago, Mrs Selina Chow and I were the panel judges of a committee. We invited architects all over the world to provide input on the WKCD project. We received more than 170 submissions, among which 80 came from Hong Kong architects or planners. All these submissions provided good ideas. I hope that the West Kowloon Cultural District Authority (WKCD) will not throw away these submissions. A review of the submissions would indeed be very useful.

President, a building is just a shell. Anything without a soul will not be successful. After our visit to Bilbao, we have come to realize that the most important thing is how the cultural sector looks at the whole project. Thus, after we returned from Bilbao, we organized the cultural sector to express their views. They provided many ideas that reviewed afresh the entire WKCD project, and finally came up with the concept of M+. As for other views, various parties had put forward their ideas, their needs as well as their expectations. Therefore, I hope we can adopt a forward-looking attitude in this regard, which will help us in many areas of work.

Dr Raymond HO has just ..... He is an engineer who does not understand architectural designs. He often talks about "design and build". President, as he is an engineer, he only considers the part of construction but does not understand innovation starts from design. Why is it necessary to invite so many views? He often discusses this question with me. I think the most important point is that we hope the Administration will readily accept good advice and provide more opportunities for architects and planners to provide more input and put forward their ideas in respect of planning, so that the public will have more

choices. It is only through competitions of architectural design and planning that we can receive so many innovative ideas. This is the first point I wish to tell him.

Many people do not understand what M+ actually is. President, as a matter of fact, this is a very significant change. In the Report mentioned just now, we have not been able to specify, or the Government has not been able to specify what kind of a cultural museum M+ actually is. President, I do not wish to describe Hong Kong as a first-class city in the world. In fact, we wish that people will be able to see the local cultural characteristics of Hong Kong in M+. This is of utmost importance. Why has it to be M+? It is because we wish to display the local cultural characteristics of Hong Kong. Irrespective of architecture, fashion, graphic design or ink painting, it is useless to follow the trends of the world. Why have we relaunched the project in the first place? Previously we thought we might draw on the art experiences of the world. But art is not like that at all. We cannot draw on the art of other places to become a world-class city or a first-class city. We need to develop local art by ourselves. Therefore, in respect of education, M+ is very important as it will give impetus to our entire culture. This is also the case for Bilbao. Its experience illustrates that having a good museum does not mean that there will not be continuous development of local culture. There will be continuous development of local culture.

Finally, I have a great expectation. Just now CHOY So-yuk was correct in pointing out that the construction cost has all along been on the rise. These facilities will be developed in phases. After the completion of the first phase, we can have time to review the project. We can inject funds into the project if there are such needs and if we wish to do better. It is not the case that every item is guaranteed to be completed with the appropriation of \$21.6 billion. There will be on going developments in every process. That is why I have expectation in this regard. I only wish to thank the Government for one thing, and that is, it has referred our proposals relating to surveying and landscape planning to WKCDA for consideration.

Finally, I hope that WKCDA will not act in a way as what we said last night. I hope it will readily accept good advice in its selection of talents. Thank you, President.

**MS EMILY LAU** (in Cantonese): President, I speak in support of Mr Alan LEONG's motion. I would like to thank the Subcommittee under the leadership of Mr Alan LEONG for the many efforts that they have made. I would also like to thank the Secretariat for its excellent support, and the prompt reply given by various Secretaries of the authorities in this regard.

Prof Patrick LAU said just now that this issue is a long story to tell. I wonder if the President remembers during the era of Chris PATTEN, some organisers had tried to bring the large-scale musical Aida to town but failed to find a performing venue. There were queries about how such an outrageous thing could happen in Hong Kong. This made everyone think of that stretch of land and ask for this development. The idea started to grow from then onwards, and even tourism, and so on, were mentioned. It happened in the era of Chris PATTEN. It is already 2008 now, and we are still discussing it. I wonder whether we still have to discuss it in 2018 and whether a conclusion can be drawn then.

Prof LAU also said that this was the result of our co-operation. I agree with this. At the outset the Government had wanted a single-tender arrangement. All of us objected to that and decided not to go ahead with it. But as Mr Alan LEONG said, more than two years had been wasted. Unfortunately, there was no such co-operation in respect of the Cyberport, so this property development project has been preserved and has remained an "eyesore" which has failed to promote high technology development at all. President, although we said that we did not support the single-tender arrangement, now we have to approve a one-off upfront endowment, which is not supported in our Report. President, you know very well that there are many items in the project. Apart from this M+ museum, there are large-scale performing venues, the Great Theatres, medium-sized theatres, concert halls, blackbox theatres, and many others. Now the Government has indicated that it will ask the Legislative Council to approve a one-off upfront endowment of \$21.6 billion on 4 July. It has been clearly stated in our Report that we had

asked the Financial Services and the Treasury Bureau which replied that this practice was unusual and unprecedented. It said that the West Kowloon Cultural District Authority (WKCD) would operate on a self-financing basis. Furthermore, the public accountability of the WKCD will be different from that of other government organizations. I personally do not agree with this practice. I am of the view that fund application for the construction expenses of each item should be made separately to the Legislative Council. Why should it ask for the endowment? President, its explanation was that this would avoid any future intervention, as well as a lack of funds in the event of economic downturn in the future. I said that they will certainly be reprimanded if they still go ahead with such grand projects in times of economic downturn. The Government should keep close tabs on the pulse of society. If the society is supportive of these projects, why would we refuse to approve the funds? Besides, the Government has stated that the majority of the buildings will be completed in six or seven years' time. It should not have this concern unless it is pessimistic about the economic prospect and believes that the economy will collapse in the span of six or seven years. Thus, I do not agree to this practice. Once the appropriation of funds is made, it will be impossible to have any transparency and monitoring.

Last Saturday, I attended a public forum on WKCD at the Mongkok pedestrian precinct. The speakers and the public expressed their objection to it. President, the speakers might not have followed the development of the project as closely as we do, but they are of the view that there is a complete lack of transparency. They even said that the Legislative Council was outrageous. They said, "How much did Clara CHONG have to repay? Was it \$140,000 of public funds? This had already kicked up a storm in public opinion and created a stir in society. Now it is about \$21.6 billion, and nobody has even said a word." They said that we in the Legislative Council were outrageous. They scolded us severely and forbade us to approve this sum of \$21.6 billion. President, what role had I taken on at that moment? I had become a member of the "royalist party". Of course, I did not entirely defend the Government. But I told the public that I had participated in the discussions for a very long time. I told them we had held many public hearings which were attended by a lot of people with a majority of them showing support for it. I said that the cultural sector was very supportive of it, just as what Prof LAU mentioned just now. Because members of the public attending the public forum on that day said,

"Culture, so what? Can it be conjured from money?" There is some truth in this. Surely it doesn't mean that once we provide \$21.6 billion, culture will come out with a "bang". I said that as our venues were insufficient, we had to build venues so that they could give play to and develop their potentials. That was how I explained to them since they had so many complaints. Sometimes it can be like that. Not many people are aware that we are working hard on it. Why are they not aware of it? President, it is because the media do not make it a headline. It is simple and easy to talk about an insurance premium of some \$100,000. And the amount is just over \$100,000. So everyone reports on this. But \$21.6 billion is a complicated issue. Besides, the Report is such a thick book with so much written in it. Who will read it? So, sometimes there is a lurking crisis. It is all right when nobody knows about it, but when the public comes to know about it, they will make a lot of complaints.

The question is, if what we are working on is something good, all of us will defend it; but if it lacks transparency and accountability ..... I do not have time to speak the establishment of WKCD, and will have to leave it to next week's debate. This is to facilitate our monitoring of it. Does it have inherent defects? Moreover, many people do not know anything about this M+ museum during our meeting. As Chairman Alan LEONG may recall, even members do not know what it is. We do not know what it is all about and yet, we have to cast a vote now. As for the subcommittee appointed by the Government, Mr Victor LO, Member of the Executive Council, said that we would make a name for ourselves in 10 to 15 years. According to him, once we make a name for ourselves, we will become a famous brand. Then others will be willing to lend art exhibits to us, because we have only \$1 billion and with this, what kind of exhibits will we be able to purchase for exhibiting in the museum? Some people say that it is not even enough to purchase a painting. With regard to an annual provision of \$20 million, President, when M+ museum is completed in the future, its gross floor area will account for 50% of all existing government museums. How many museums do we have now? And how many visitors visit these museums? Presently the patronage is low in many museums. What are we going to do if we have an additional 50% of museum area but only manage to attract very few visitors?

Our financial specialists also forecast that M+ will represent the majority of the operating deficit of the entire WKCD project in the future. In 50 years' time, M+ alone will constitute 89% of the deficit of WKCD. Moreover, property developers also object to this arrangement on the grounds that the

Government is using the money of the dining sector to subsidize its operation. Mr Alan LEONG has also pointed this out, and we agree to it. But he said that the area of our cultural district is larger than that of the Elements Mall. If similar buildings will be constructed in the area in the future ..... he said that we are not afraid of competition — I would never speak for property developers, but I have to be fair — he said that we are not afraid of competition, but as subsidies are provided, will there be a level playing field? So they are against the arrangement. However, those who represent them are supportive of the arrangement. Thus, all these problems have fully surfaced. However, the Secretary is unable to give us satisfactory answers. There is inadequate monitoring, inadequate transparency as well as inadequate accountability and yet, the appropriation of funds requested is unprecedented. We will have to decide on the unprecedented funding application on 4 July. Furthermore, we will have to pass this Bill next week. I am supportive of the proposals put forward by Mr Alan LEONG just now. He asked the Government to provide thorough answers to the issues raised by him. We will have to see whether we can grasp some facts and reasons from the answers for our defence, so that we do not have to be threatened by verbal abuses and bodily harm every time we are on the streets. Although government officials do not go to the streets, we have to do so all the time. I really do not know what to do if we are frequently chased by members of the public and accused: "WKCD? Do you have a death wish?"

I so submit.

**MS MARGARET NG** (in Cantonese): President, Mr Alan LEONG has just made some very optimistic remarks. I would like to add some sobriety and rationality to his optimistic speech because the issue may not be so simple.

President, to be brief, why was this Council so much offended by the West Kowloon Cultural District (WKCD) project at the initial stage? I would like to remind Members briefly that it was because the Government proposed the Public Private Partnership approach. In other words, the Government would cede a piece of land to a property developer who is the successful bidder. The developer would then start property development on the land and at the same time include some elements of culture as a bonus gift. The proceeds from selling land or flats would hence create a cultural district. In this process, if

you asked for the best or first-class art exhibition centre in the world, the developer would buy it for you. However, the public and those artists who have been working so hard for years in Hong Kong would not be able to play any role at all during the whole process. The so-called consultation with them would just be a nominal gesture for they are just a vase for decoration in the consultation exercise.

This Council saw many problems with this approach, so we asked that the project should start all over again. We were certain that it should start all over again. At that time a Subcommittee was formed by this Council. Some members of the Subcommittee paid a visit to Bilbao. When Prof Patrick LAU mentioned the visit just now, it seemed to have given him many good memories. I was fortunate to have the opportunity to visit the place with them. I saw Prof Patrick LAU give full play to his professionalism. He took photos of whatever he thought was worthwhile without asking whether taking photos was allowed. I was really impressed.

What was the major proposal that we subsequently made in the final conclusion of Phase I of our study? We considered it necessary to establish the West Kowloon Cultural District Authority (WKCD). Why do we have to establish it? The objective is to foster a culture based on public engagement and interaction, with a view to giving full play to the spirit of the civic society. Of course, this civic society includes many of our professional sectors, including experts in planning, architecture, culture, arts, performing arts and museums, and also collectors. This will allow us to develop WKCD through WKCD with involvement from the community and the public as well as participation of the Government. Development is not just confined to this piece of land in West Kowloon, for it can be used to give impetus to the revitalization of our cultural development. This is our concept.

Thus, our concept of WKCD is an organization that will engage the public which includes all sectors of society — the business sector, the professional sector, the cultural sector as well as groups formed by members of the general public. This is the kind of WKCD that we wish to have. We wish to create a culture of public engagement and interaction to give full play to the spirit of the civic society, with a view to taking forward the cultural and arts

development of Hong Kong, so that Hong Kong will genuinely become a world-class international metropolis, a metropolis with real style and characteristics.

This will not be an easy task and work will have to be carried out in several stages. I would initially divide it into four stages: first, the composition of WKCDA; second, financing; third, promoting culture; fourth, connectivity. It is important to do well in each stage if we wish to achieve our objective. On the composition of WKCDA, for instance, we must have leaders of society. In other words, we need leadership, and leaders to be responsible for it. These people have to be selfless and just, capable, knowledgeable and experienced, supportive of charitable causes, and enthusiastic in promoting culture. We will have to see how these appointees are selected. If the selection of appointees goes backward by reappointing government officials, or adopting the approach of the appointment of Deputy Directors of Bureau, Directors of Bureau or Political Assistants, then we may not be able to achieve the objective.

The second part is financing. It is true that cultural life and cultural vibrancy can rely neither on government funding nor box-office revenue from the public. There must be funding from those who have abilities to donate and support the cultural industry. When will they be willing to make donations to M+? They will do so only when they have confidence in the competence and dedication of the leaders who are responsible for the management of WKCD. We will not be able to achieve the objective without these elements.

Thirdly, a mechanism is needed when concerted efforts are involved in taking forward this task. It is necessary to put in place a mechanism in WKCDA to facilitate interaction. This is also the reason why we have all along strongly recommended an institutionalized consultative organization.

The fourth part is connectivity. Consultation — orderly and systematic consultation must be conducted. The consultation exercise should be taken forward by WKCDA from Kowloon to the waterfront, so that our harbour will be brought into full play. All these have to depend on success of the first step. However, we have grave doubts about whether the first step of WKCDA can

achieve the desired result. For instance, we do not have M+ now. It is impossible for us to write everything in the provisions. Culture is not like this. Cultural development requires leadership. Where is our leadership today? If it is like the mode of governance of the SAR Government that holds onto power without devolving it, and gives benefits to its supporters only, we would have serious problems.

Finally, there must be monitoring. Originally such an organization with public engagement like WKCD should have in place internal checks and balances already — I am using the famous lines spoken by the Chief Executive yesterday. But if it has become an organization controlled by the Government, it is then necessary for the Legislative Council to exercise monitoring. And this is the system we wish to put in place.

Thank you, President.

**MISS CHAN YUEN-HAN** (in Cantonese): Madam President, when I read the Phase III Study Report of the West Kowloon Cultural District (WKCD), I began to understand the hard work put in by Pauline, the Assistant Secretary General beside you, who has all along been giving us support in this task. I am really grateful to staff members of the Legislative Council Secretariat. Frankly speaking, without the support of the entire Secretariat behind us, we Members of this Council will encounter a lot of difficulties at times.

Moreover, I was impressed by their performance when we encountered difficulties. There are three advisory groups under this WKCD project. When the Financial Matters Advisory Group submitted a statement of accounts for our perusal, even if we had mobilized everyone and had devoted all our efforts, we were still unable to examine all the information. At that time someone proposed commissioning consultants to do the job. Madam President, when I heard that commissioning consultants would cost over \$600,000 which is very expensive, I asked two colleagues for their opinions. They were also of the view that it was costly. So I talked to Pauline about this. I have to express my appreciation to colleagues of the Secretariat for providing us with a lot of information, so that we can make wise decisions. Finally we commissioned an

organization under the University of Hong Kong to examine the entire statement of accounts and the contents of the WKCD project, and this has played a key role in our deliberations. Thus, I am grateful to the support provided by the Secretariat to our Subcommittee.

Madam President, many members of the Subcommittee have served on the Subcommittee much longer than I have. I have joined the Subcommittee for just over a year. I like this project very much. The initial proposal of the Government was a design which was like a glass jar covering a toad. I objected to it at that time. Frankly speaking, I thought at the time that if a single-tender approach was adopted, wouldn't it mean that we must follow this design? Of course, different people have different perspectives of art. Everyone has a different angle for arts appreciation. However, when this area of work reached a certain stage, I felt that I had to join the Subcommittee and work with members of this Subcommittee. The process has also given me a chance to benefit greatly from learning more about the development of WKCD.

Madam President, Hong Kong people are very much concerned about the development of WKCD. We had held many public hearings in which many people continuously put forward their proposals to the Secretary. They frequently exchanged views with us. When changes were proposed by the Government or when there was progress, they would express their views. When the Government put forward a proposal, they would put forward some other views. I thank these community groups for giving support to the Subcommittee. I am concerned about the WKCD project not only because I would like to have an iconic architecture in Hong Kong which is the result of concepts and inputs from the community. I am most concerned about whether this project will create more employment opportunities besides improving the quality of life of more people in society. These employment opportunities may emerge during the construction stage. As there is a group of people who are devoted to the cultural and arts development in Hong Kong, I am also concerned about whether this project will help them open up new horizons for their interests.

Madam President, it will be good news to members of the cultural and arts sector when great importance is attached to the sector in a place. Although there are still a lot of criticisms against the construction of the Disneyland, many

talented people in relevant fields have been employed by the theme park, and the place has given them a venue to give full play to their potentials. If the future WKCD will provide them with more venues, it will certainly enrich the lives of these people. In making these introductory remarks, what I wish to say is that Members have shown much concern about whether this stretch of land measuring 40 hectares can provide opportunities for all parties to further develop Hong Kong? Frankly speaking, I think that this should not be decided behind closed doors. Instead, we should accept more views from the community. For instance, I am concerned about whether artists can have their own sphere in which they can develop their talents and create a world of their own. However, when the Government has provided the place, does it actually have an overall cultural and arts policy? The answer is in the negative. For instance, Tai Hom Village was the movie processing centre for Hong Kong movies which used to be completed in just seven days during the 1950's and 1960's. The neighbouring building has been redeveloped as Plaza Hollywood now. Will the Government make use of this land to provide a place for the movie sector to realize their creativity and dreams? Similar projects have been found in many other places. As a matter of fact, the Government can take the opportunity of the WKCD development to reconsolidate its cultural and arts policy. We think there is a necessity to do so. If there is such a policy, we need not have so many arguments at the meetings of the Subcommittee. Arguing can be hard work at times.

Madam President, I am also concerned about the development of this new landmark which, I assume, will become a thriving area. As explained by relevant parties at meetings of the Subcommittee, it will be a thriving area because the popular station which promises continuous people flow will be situated there. There will be flyovers in the neighbouring area that lead to this location. Madam President, on the assumption that this is going to be a thriving area, can this WKCD with huge people flow help the neighbouring old districts prosper as well in the process? This involves the revitalization of the old districts, an issue about which I have all along been concerned. Therefore, I have proposed some amendments in respect of planning, that is, the model planning of the Government. Madam President, I am talking about some of the issues about which the Subcommittee has argued with the Government.

Madam President, I am not talking about legislation. I hope that the Government will be able to receive the message that a landmark development project will attract people flow and will naturally increase employment opportunities. The question is how this landmark can connect with old districts such as Jordan and Tai Kok Tsui. We must not allow it to become a replica of Olympian City, a mall that resembles a dead city. The Administration knows about this. I have mentioned this from the outset. I am also concerned about another issue. How can we promote usage of this stretch of land by many people, so that it will be able to connect with neighbouring districts? I have also proposed other amendments in other aspects. Madam President, when I talk about this, it is only natural to think of the funding of \$21.6 billion. We have some difficulties here. Frankly speaking, on one hand, the Government has already used a certain amount of our money in respect of Phase I. The remaining is not much. What are we going to do? Are we going to divide up the fund? We are also worried that when applying for the development of Phase II, the Government is going to ask for approval of funds again. At the moment the Government is making a lot of promises, saying that it will not go backward, and that the worst scenario is to raise money by way of capital formation. All these are issues that need to be considered in details.

All in all, the Report of the Subcommittee is the result of efforts made by many people, including members of the community, colleagues, the Secretariat, and the relevant advisors who have been giving us support. All of them have made much contribution. Thus, I hope that the Government will attach great importance to the overall future development of WKCD, as well as the views and proposals put forward by us in the Report. There is a necessity for the Government to do so. Moreover, I hope that in the next round, the Government will ..... (*The buzzer sounded*) ..... Madam President, I so submit.

**MR JAMES TO** (in Cantonese): President, the work of the Subcommittee has been reported in the three phases of the Study Report. Now we have come to Phase III, the final phase. Over the past few years, there have been twists and turns in the development of the project. Had it not been the enthusiastic participation and submission of views by the public, worse scenarios would have taken place. Thus, we owe a lot to the proactive participation of the entire civic

society over the past couple of years. Members of the public have been willing to devote their efforts to rectify some obvious errors which they strongly oppose and consider objectionable. I think this is very important and we should applaud the actions of Hong Kong people.

President, today we have already come to Phase III of the development project. In the motion debate a few years ago, I had proposed an amendment and urged for the establishment of a statutory body responsible for handling this project. This proposal will very likely be passed next week. Nevertheless, many problems will need to be rectified. We hope that improvements will be made. I wish to make a few main points about which I am still very worried.

President, first of all, I wish to talk about the so-called "M+" which constitutes the largest part of the project. What actually is this? Frankly speaking, it is a vague concept. Mr Abraham SHEK is very humorous. When he attended meetings of the Subcommittee, the Council, or the Public Works Subcommittee, he indicated several times that he actually does not know what it is. However, this may be good for us. The Government is ready to spend \$20 billion on constructing it in the hope that it will lead to a breakthrough, so that Hong Kong will become not only a financial centre, but also an international art centre in the future. The risk is therefore worth taking.

Frankly speaking, I had asked the Government what the worst scenario of this entire project would be. Will it be a bottomless abyss or will a baseline be drawn? Will there be rules to go by when the worst scenario takes place? It is all right if I am told that the worst scenario is to pay \$30 billion and so, \$21.6 billion may not be sufficient. Then, fine, let us make a decision on \$30 billion. It is up to us to decide whether we are willing to take the risk or not. It would then be time for us, as Members of the Legislative Council, to make a decision on whether to take the risk on behalf of the public, as it is the wish of Hong Kong to carry out this massive development project. And the Secretary has just said that this would be a massive and even world-class project.

Frankly speaking, surely the people of Hong Kong wish to make a name for ourselves in the world. But the question is whether the project will reach

the world-class standard. If problems emerge after the completion ..... There was the water leakage problem in the second phase development of the Chek Lap Kok Airport. I do not know what caused the problem. The second phase development of Chek Lap Kok Airport is completed only recently. It can be called a world-class airport but surprisingly it is a world-class airport with a water leakage problem. It will be disastrous if M+ of the WKCD has the same problem after its completion.

It is imaginable that it would be a disgrace if this really happens. We will not be able to make a name. Instead, we will be the laughing-stock of others for failing in this project. We have to remember that, just like what Ms Emily LAU has just said, such a massive structure can be an "eyesore", and if nobody is willing to display their exhibits here, it will not become a world-class venue. It can lead to serious consequences if there are not sufficient exhibits and if others are not willing to exchange exhibits with us. We just do not know what we, including younger Members of this Council like me, will see by that time, because some colleagues may not be here while some may even have passed away.

Anyway, I have proposed a challenge recently. I told the Secretary, "Let us do it this way. We can say that we will display art exhibits in accordance with the contemporary perspective or certain perspectives of Hong Kong. As we have our own unique culture in Hong Kong, we cannot allow exhibits from foreign or world renowned museums to take up all our space here." He replied, "No. We have over 60 000 art exhibits which are placed in our storage. They have not been displayed before. We have limited space and we often have to display many exhibits. However, these 60 000 exhibits are valuable exhibits." So I proposed to him, "Let us do it this way. In the next few months, we will devote all our efforts to organize a joint exhibition at the several major museums. All these 60 000 exhibits will be displayed together with some innovative exhibits as well as those borrowed from or exchanged with others. This will be a "mock up" exhibition; in other words, it is a sample, a model, or a template, presenting a brand new picture to the excitement of the public so that they will know what to expect from the future M+. We can tell them that they can expect more, because the future exhibitions will be a hundred times better, as the present 60 000 exhibits are not world-class exhibits. With the completion of M+, we will have world-class exhibits." I do hope that we can do this.

I hope that we can put up a simulated exhibition hall. Though the exhibits may not be as outstanding as those in the future, at least this will allow the public to have a more substantive and concrete contact with the future exhibition centre. I hope that after viewing this model, members of the public will tell me, "James TO, as a Member of the Legislative Council, you should cast a vote in favour of the project expeditiously. Don't ask so many questions, and don't worry too much. We wish to spend these several tens of billion dollars to construct such a wonderful building. We want it without further delay." I hope that this will be the result. Therefore, I think it will be best if the Government can show this to the public. Unfortunately, the Government considers it impossible to do so on the grounds that there is too little time for preparation, and so on. As this is the case, not even a simple sample is unavailable.

Secondly, I would like to thank our advisory consultants who have submitted detailed reports to the Legislative Council. Although the explanation offered by the Government has indeed allayed our concern about part of the financial arrangement (about 20%), in reality, we are still worried about the overestimation of income and underestimation of expenditure. We are still cautiously concerned about these issues.

Finally, I think "design and build" is a very, very basic question. I know that Dr Raymond HO has just spoken in favour of this mode. I strongly oppose it. It is obviously not feasible. This is particularly so if the concept of M+ is adopted and implemented by the "design and build" development mode, because this will cause a lot of arguments among the construction companies, designers and us in the future. I believe ultimately this will not provide us with the best design.

I hope that a worldwide and open design competition can be organized for building this world renowned museum — at least in respect of its external appearance. For the moment I will not talk about whether there will be sufficient exhibits inside. Mr Victor LO (the Chairman of the Museums Advisory Group) had said that in 10 years' time, we would be able to make a name for ourselves as a famous venue and then, we can begin to exchange exhibits with other museums. With respect to attracting local collectors, I am

worried that this will become an exhibition venue for those who have close affinity with the Government to display their exhibits for free with a view to helping them become famous.

**MR RONNY TONG** (in Cantonese): President, I think many people consider that among the four barristers of the Civic Party, I am the one who is the most uncultured. So I told the leader of our Party this morning that I might not deliver a speech today. Our leader looked at me without a smile and said, "It is all right if you do not speak." However, President, you know that I do not admit defeat, so I still pressed the button.

President, what actually is culture? It seems to be rather ironical when a person who does not know anything about culture talks about culture. Nevertheless, I have some views of my own. Many people may argue about the definition of culture. However, I think many people will agree that culture is closely related to the local art, historical background and the lifestyle of that place. If you ask me what kind of culture Hong Kong has, and if you are asking about the art of Hong Kong, I will say that it is the knitting of bamboo crickets, dragons and horses. I wonder if the President has seen them on the streets before. Many of them used to be available for sale in the streets of Tsim Sha Tsui. There were also small puppets made of sugar flour. I wonder if Members can still remember them. The younger generation probably does not know about these. All these could no longer be found when they were born. But these are the art of Hong Kong.

What is the historical background of Hong Kong? As we all know, it was a colony. Reminiscing about the colonial culture seems to be politically incorrect. So what is the lifestyle of Hong Kong? As far as I know, it is "stocking-silk milk tea" — it should be "silk-stocking milk tea"! That is why I said that I was uncultured, so don't blame me for that. Apart from "silk-stocking milk tea", what else? There is, for instance, my favourite "beef offals noodle". Taking to the streets on 1 July is also the culture of Hong Kong people. If all these are parts of our culture, then why do we still have to spend \$21.6 billion on buying culture? What kind of culture can we buy with \$21.6 billion?

I believe we can use \$21.6 billion to buy a beautiful cultural mask. But will this cultural mask be one that belongs to other people and other countries? Or exactly what kind of a cultural mask will it be? I do not believe that many people in Hong Kong will line up to buy tickets of a few hundred dollars or even a few thousand dollars each for an Italian opera that they do not understand at all. If that is the case, what is the function of this amount of \$21.6 billion? If we really have to buy culture, who is going to buy it for us?

The Government has said that this is not important as the West Kowloon Cultural District Authority (WKCDA) will have an established system whereby its members will be appointed by the Chief Executive and this can certainly recruit many people. Frankly speaking, judging from the culture of the so-called "affinity differences" of the Government, I really think that the Government does not have a good taste in culture. Even if it can recruit some merchandisers, I do not think these merchandisers will buy beautiful culture for Hong Kong people.

President, speaking of culture, I am of the view that it cannot be purchased or faked. Even if you are wearing an Armani suit, you may not necessarily look good if it does not suit you. Instead, to genuinely promote local culture, I think it is necessary to respect the views of Hong Kong people on culture. Mr Alan LEONG of the Civic Party has, on behalf of the Civic Party, put forward to the Government some constructive proposals, particularly on how to establish WKCDA and how to involve more participation of the community. This is to ensure that this sum of \$21.6 billion will be spent on something with real value instead of being spent on buying from other places the kind of culture that we do not need. I believe this is a very important message. I hope that the Government will respect the views of the Civic Party.

Thank you.

**MRS SELINA CHOW** (in Cantonese): President, right from the beginning, the objective of the WKCD project is to examine how to develop the only remaining stretch of 41 hectares of land in the city centre of Hong Kong for our next few

generations — I do not know how many generations — and build it into an integrated arts, cultural and entertainment district where Hong Kong people can be exposed to genuine world-class and quality cultural and arts experience.

Not only is this initiative unprecedented, it has also a grand objective and far-reaching effects. As Hong Kong is a city where land resources are very precious, it is unavoidable that all parties have high expectation of this cultural district and numerous demands in respect of land use. It is also expected that the project will give rise to many controversies.

The challenge of this project is how to maintain an appropriate balance among various wishes and aspirations of the professional arts groups, users, members of the public and visitors. The key to achieve this objective is a good design in the first place. However, it is difficult to define the word "good". Of course, different people have different judgments. Just now Mr James TO said that the objective could be achieved by organizing a worldwide competition. As a matter of fact, such a competition cannot provide any guarantee. Let us take a look at some famous designs. Take the Sydney Opera House as an example. It has been commissioned for years and yet, its design is still under a lot of criticisms.

All in all, I think a facility that can establish a global reputation and is universally recognized in Hong Kong as fulfilling the aspirations of the public is considered as good. I believe the success of this hinges on the professionals who are responsible for developing WKCD. They have to fully comprehend and understand the views and aspirations of the community in the process. In other words, there must be sustained and close co-operation as well as mutual respect and understanding among the professional groups, the end-users and the public. However, there is one important point. We must understand that the project relies on the creation, planning and execution by professionals before it can be implemented. No matter how smart the laymen are, they cannot replace the professionals.

In the course of discussion of the Subcommittee, some members asked the Government why concept plans had not been put forward for public consultation. I think those colleagues who raised this question do not understand the current plan of the Government. The Administration plans to hand over the planning work to the future West Kowloon Cultural District Authority (WKCDA) to be established later, so that the same organization will be responsible for planning

and development as well as future operation of WKCD. This will have greater consistency and ensure that the hardware of the project will be designed and built to meet the needs of the software and future operation, which will in turn be conducive to maximizing and sustaining the dynamics of WKCD.

Members may recall the chaos and confusion at the time when the Chek Lap Kok Airport was commissioned. One of the major causes was that a group of people was responsible for the planning and construction of the new airport while another group of people was responsible for its practical operation after it was commissioned. The tragic fiasco which is still fresh in the memory of Members was the result of poor co-ordination between the two groups. In fact, we should draw lessons from this. It has been proven that fragmented participation will only bring many unpredictable variables and risks to large-scale development projects. In terms of its development, planning and integrated functions, the WKCD project can be compared to the Chek Lap Kok Airport back then. Thus, we must learn from experience.

Furthermore, if the Government is responsible for planning, while the future WKCD is responsible for the overall operation, there may be some differences in their practices and views. That is why I hope that more views of the public can be incorporated into the WKCD project.

Lastly, I would like to talk about M+. Members know that the main feature of this innovative concept is visual culture, with a flexible and open-ended exhibition platform. It is precisely because there is no fixed framework and theme that it is vastly different from traditional museums. This also poses an enormous challenge to the operator in terms of management. Given the substantial expenses of M+, with the estimation that it would constitute 80% of the operating deficit of the entire WKCD, coupled with the long-term development of both Phases I and II, the controversies and disputes that it has aroused are understandable. The consultant experts commissioned by the Subcommittee also advocate the handing over of the management of M+ to an international operator on the grounds of saving cost. I strongly oppose this proposal.

First of all, since M+ is an innovative and revolutionary design, we cannot draw any reference from overseas experiences. If we compare the cost of a locally created and managed M+ and that of subcontracting M+ to famous labels of overseas countries, it is like comparing the price of renting a house to

that of buying a house. Let me draw an analogy with television programmes as I had worked in a television station. Self-produced programmes are totally different from programmes acquired from foreign countries in terms of cost, value and rights of ownership. Thus, I think their comparison is rash and misleading.

President, the vision of the entire WKCD project is to upgrade the cultural and arts status of Hong Kong to world-class standard. Since we are determined to develop creative industries, M+ provides a valuable chance for us to display the history and achievement of arts and culture of Hong Kong on one hand, and provides exhibition space for visual art of international standard to local and foreign exhibits on the other hand. We should have confidence in ourselves and we should have the determination to do it. We have to understand that an adventurous spirit is needed in any innovative and unique ventures. There is no 100% guarantee (*The buzzer sounded*) .....

Thank you, President.

**MR ALBERT CHAN** (in Cantonese): President, the Government had adopted a single-tender arrangement when it proposed the WKCD project many years ago. At that time I had already pointed out clearly to the Government — I remember I told Donald TSANG, who was not the Chief Executive yet, that if we had to give our support to the WKCD project, basically there were two conditions the Government must consider carefully: first, a statutory organization must be made responsible for the management; second, the WKCD project must be separated from the property development project and it must have an independent source of financing. However, the Government turned a deaf ear to my views at that time.

It is only after so many twists and turns for nearly 10 years that the Government has reactivated the project as if waking up from a dream. As a matter of fact, the development of this project has reflected the methods of the Government in handling many policy issues over the years. We can see that in recent years, many principal officers have wished to make grand achievements and a lot of accomplishments. However, their attempts have always resulted in scandals one after another. Mr James TO has already mentioned the problem of

water leakage in the airport. There were also many problems at the opening of the Disneyland, including the complaints that our mainland compatriots were being discriminated against, and their climbing over the fences to force entry into the theme park. There was the continuous suspension of the cable car system at Ngong Ping 360 and a cable car carriage had even fallen to the mountain. Flooding had been caused by frequent works. Even the Chinese sturgeon, a national treasure of China, were bitten to death by other fish after their arrival in Hong Kong. These were intended to be happy events, but in the end they had become disasters and scandals. In respect of the WKCD project, I am very afraid that it may also become another super international scandal.

There are two very important issues regarding the WKCD project; one is software, and the other is hardware. The hardware refers to the construction of the entire WKCD. What will the future building look like? I think many people are concerned about the final outcome of the construction works. The Government has adopted the approach of an open design competition for the Central Government Complex, the result of which has given rise to comparatively less criticism. We will have to wait and see whether the problem of construction cost and other problems such as water leakage, cracks, or even corruption or transfer of benefits will surface after its completion.

With respect to software, I am most worried that the entire cultural centre will only display foreign exhibits in the future. In this way, while funding is provided by Hong Kong people, WKCD will become a place dedicated for displaying foreign cultures. Some people believed that if our museum has a good reputation and sufficient funding and sponsorship by consortia, we will be able to borrow exhibits from foreign museums, in which case Hong Kong people need not travel to Spain, London or Paris, or even Beijing. We need only to pay costly fees to invite foreign singers and philharmonic orchestras to come to Hong Kong to perform in our concert halls.

If this is the case, it will only mean the absolute failure of our cultural facilities and cultural policy. In spending tens of billions of dollars on constructing and providing support to WKCD, the most important thing that the Government is most expected to do is to provide a chance for Hong Kong to foster local cultural and arts talents. During the initial introduction of the project, I had proposed to the Government that training schools with hostels

should be built in WKCD so that Hong Kong students will be able to live there and experience the cultural ambience. They can get up in the morning to practise musical instruments at the waterfront. I do not know whether this can be achieved in the end.

I personally think there is a great possibility for WKCD to become a white elephant. I have drawn an analogy between the pyramid and WKCD before. Pharaohs built the pyramids in the hope that people would not dig in their graves after they died so that they could rest in peace or their names would be revered by posterity. After spending tens of billions of dollars on WKCD, Hong Kong people may find that WKCD has become a cultural pyramid in the end, so that when certain principal officers see the building in the future, they may claim that it was their decision to construct the building at the time, as if it is an epitaph inscribed on their tombstone. To prevent this from happening, the entire concept of governance has to be changed.

Over the past three to five years, there is a serious problem in the governance of the Hong Kong Government, and that is, the practice of affinity differences, which results in the exclusion of many talents and good opinions. It will be very dangerous if the Government treats people differently according to their affinity with the Government in the sphere of culture. When people with close affinity to the Government are appointed to the governing team, the cultural viewpoint of this group of people will be adopted. Meanwhile, benefits are also transferred to this group of people. In view of this, I have earlier criticized that many "cultural lackeys" have emerged since the Government decided to launch the WKCD project. As many consortia have provided substantial sponsorships to support the activities of cultural and arts groups at that time, these groups expressed views particularly in favour of certain consortia when they made representation to the Legislative Council.

With respect to this cultural project, the Administration should give impetus to the people of Hong Kong on two fronts: first, to foster talents with political calibre; second, to enhance the cultural ambience and to achieve this, we must accept all kinds of different views and encourage creativity. We must

not limit our role to flattery and praises; nor should we perform "model plays" with a standard theme only. I believe the Secretary is familiar with "model plays", but I hope that these cultural centres will not show "model plays" only in the future. Since "model play" is part of culture, I have no objection to its performance once in a while, but I absolutely object to "model plays" aiming only to heap praises and eulogies.

**MR LEE WING-TAT** (in Cantonese): President, I had put forward my views regarding the construction, architecture, financing and organization of the WKCD for a number of times at meetings of the Subcommittee and the Bills Committee. Today I will use the following six minutes to talk about WKCD in the context of cultural software in Hong Kong. While I had put questions on this issue to the Education Bureau and the Leisure and Cultural Services Department (LCSD) at meetings of the Subcommittee for a couple of times, this topic has not been mentioned by too many people before.

I hope that the Secretary will spare some time to discuss this with members of the cultural sector. Although the Education Bureau is not under the charge of the Secretary, frankly speaking, the issues handled by the Education Bureau ..... let me check, right, the Education Bureau is not under your charge, as I was afraid I had made a mistake. The Education Bureau is not under the charge of the Secretary. But if you discuss the issue of cultural education with colleagues of the Education Bureau, you can see that their practices are, in fact, the general administrative practices; "administrative" is a moderate expression and a more strong-worded expression is "bureaucratic".

The question that I put to the Education Bureau is this: I told them that according to my observation, many young people in Hong Kong are willing to spend \$200 to \$300 on a pair of sneakers, or \$300 to \$400 on a ticket of a famous singer's concert. They can even spend hours queuing up for an autograph. But if you ask them to spend \$20 on a ticket for an exhibition of Chinese paintings or Western paintings, their general reaction is shaking their heads. How did the Bureau reply? They said, "Mr LEE, you are wrong. We have

devised a cultural appreciation index in recent years." I have no idea how this index is devised. But they said that all along there had been a growth of the index. Obviously this index is very different from my experience.

Of course, I agree — I am going to a drama performed by CHIM Sui-man tonight — that over the past few years, individual members of the cultural sector have gained public recognition through their own efforts and they have been able to accomplish certain achievements under this so-called market mechanism. However, the Secretary should remember that the major cultural groups in Hong Kong, whether it be philharmonic orchestra, drama troupe or the Chung Ying Theatre, still need to be heavily subsidized by the Hong Kong Government. Under the current circumstances, major cultural groups (perhaps not all of them) are still unable to survive or partially survive by ticket revenue from the general public. The Secretary should take this into account.

I am very worried that when we have established these facilities, we will have to face the problem of whether we will be able to produce sufficient quality cultural programmes for so many venues. This is most worrying to us. So, what will happen if these venues are available? As the Secretary knows, what is the most frequently organized programme in town halls at present? President, it is not cultural programme. The most frequently organized programme in all town halls on Hong Kong — including those in Tsuen Wan and Shatin, not just the one on Hong Kong Island — is graduation ceremony. Secretary, frankly speaking, is a town hall constructed for the purpose of holding graduation ceremonies of schools? The answer is certainly no.

What I mean is that do we have sufficient cultural activities at various levels? Do these programmes have sufficient attraction to audiences at different levels and with different interests who will take the initiative to go to these programmes? In fact, I cannot see that we will be able to have the software after the construction of the buildings and the completion of the hardware in WKCD. I am not as optimistic as certain friends at the moment. This is the

first view that I wish to express. President, I do not have any conclusion. But I hope that the Secretary will not make light of this issue. Otherwise, we will repeat the current practices of the LCSD in handling cultural facilities.

Secondly, since I have more chances of meeting friends who are concerned about cultural activities over the past year, I have found that many people who take part in cultural work (irrespective of whether they work on a full-time or part-time basis) and those who are engaged in various drama troupes or galleries have felt quite disheartened. They think that the room for their development in Hong Kong is getting smaller and smaller. We have also met many people who are ready to go to the Mainland for their career development. Many well-known members of the cultural sector have also revealed that they are now spending half of their time in the Mainland (Beijing and Shanghai). And they even have plans to leave Hong Kong altogether.

Has this reflected the full picture? Of course, I dare not draw a conclusion on this. However, they seem to have made a few points of criticisms. First, they have been consulted by the Bureau and the Secretary. The consultation exercises were carried out once in a while, by the former Secretary Dr Patrick HO or the present Secretary Mr TSANG, or the so-called veterans of the LCSD. However, no improvement whatsoever has been made after these consultation exercises. That is why they say that they sometimes feel very disheartened because they have been putting forward their views year after year. For instance, members of the cultural sector have raised the point that they need a permanent venue for organizing drama and art performance many times before. The issue has been discussed for 10 years — I know that the Government plans to conduct a review on this during this summer holiday. But they feel that members of the cultural sector are very much respected in Shanghai and Beijing whereas in Hong Kong, the progress made is slower than the pace of a snail on an issue that they have raised for 10 years. This is why they prefer to pursue career development in Beijing and Shanghai.

While we may be equipped with the hardware, these curators, creative talents of the cultural sector, and administrative and managing personnel involved in creative and cultural work will not emerge in a large number in a short time. These talents are not readily available all the time, unless the

Secretary thinks that after the completion of WKCD, a large number of these talents can be recruited from foreign countries. But these people may not necessarily have the experience in management. I believe these people may also feel somewhat disheartened.

The third point is about software. I hope the Secretary will note that there is not a cultural milieu in Hong Kong. Sometimes I will read the entertainment pages when I read newspapers — I need to entertain myself sometimes — I read that many wealthy people sometimes go to opera or painting exhibitions. I think that the so-called culture in Hong Kong has been regarded by the wealthy people and the celebrities as another high-end activity equivalent to attending balls and parties. I think this is really the case in Hong Kong. People may think that putting on glamorous evening gowns or suits and attending operas or concerts performed by famous artists are equal to being culturally sophisticated. Of course, this is not a bad thing. But if the general atmosphere in the Government or society considers cultural activities as activities equivalent to attending balls and parties where they can show off clothes of famous labels and girlfriends for the cameras of tabloid reporters, it will be impossible to upgrade the cultural standard of Hong Kong.

I cannot draw any conclusions. However, Secretary, if all the three problems that I mentioned will emerge when Phase I is completed in five years' time, even if we are equipped with the hardware, we may not be equipped with sufficient software.

Thank you, President.

**MS AUDREY EU** (in Cantonese): President, on behalf of the Civic Party, I am pleased to speak in support of the Report of the Subcommittee on West Kowloon Cultural District Development. I wish to particularly thank the Assistant Secretary General Ms Pauline NG for leading the Secretariat in the preparation of this Report for us. President, from the single-tender arrangement to the canopy and the relaunching of the whole project, the West Kowloon Cultural District (WKCD) project has indeed gone through all kinds of hardships and difficulties. As the saying goes, the faces and things around us have changed a lot in the course of a decade. Not only have the principal officials responsible

for the WKCD project changed for a few times, the civic society has also undergone rapid development. As pointed out by Mr Ronny TONG just now, if we have to develop WKCD, we must respect the views of Hong Kong people on culture. This perspective is extremely accurate. Therefore, on behalf of the Civic Party, I wish to specially talk about how "public engagement" can be put into practice in WKCD.

First of all, I would like to point out that the concept of "public engagement" is different from that of "public consultation". At least there is a vast difference between the two in the extent of participation. With respect to "public consultation", members of the public are passive consultees. With regard to "public engagement", members of the public are active participants, because we can say that members of the public own the WKCD project, which is also the main decisive factor of the success of the WKCD project.

Although the Government has carried out a number of consultation exercises on the WKCD project, simple and brief consultation is unable to reflect the aspirations of the public. As pointed out by Ms Emily LAU in her speech, she can hear opposing voices from the public because members of the public do not know what is happening and do not perceive this as consultation. All they have heard is that \$21.6 billion will be used to construct a huge M+ which may be operating at a loss anytime. This is how they feel. So, President, Ms Emily LAU was right in saying that we would be under great pressure even if we were willing to support the WKCD project. If the Government is unable to ensure adequate public participation, that is, the process of public engagement frequently mentioned by Alan LEONG, it is impossible for us to support the Government's proposals regarding the appropriation of funds or the Bill. According to the Government's proposal, we must introduce development parameters for WKCD, and set the maximum plot ratio at 1.81 (that is, with a gross floor area of about 7.8 million sq ft). Residential developments are allowed in WKCD, but they must be capped at no more than 20% of the gross floor area. In addition, public open space of not less than 23 hectares, including 3 hectares of piazza areas and a waterfront promenade of not less than 20 meters in width along the harbourfront will be provided so that the public has close access to the Victoria Harbour. All in all, in respect of these development parameters, the public thinks that they are much improved than before. Besides, this will avoid producing closely-packed wall buildings. So they

welcome the progress made in this regard. However, what are the specific details of the plan for WKCD? Where will the 23 hectares of open space be located? Will open space be managed by private companies in this project, just as what happens in the case of the Times Square? Members of the public still do not know the answers to these questions. All these questions can be answered only in the next stage.

The Civic Party has all along urged the Government to draw up concept plans. Such concept plans will enable the public to visualize the spatial relationships of various land uses and facilities. The expeditious commencement of the consultation and public engagement processes can enable the views of the public to serve as a basis for drafting the development plan. Just like the case of the Kai Tak Development, the provision of concept plans will not obstruct the statutory planning process; on the contrary, the earlier the implementation the easier they will be accepted by the public, and members of the public will wish that WKCD can be completed expeditiously. However, to the disappointment of many people, the Government insists on the establishment of the West Kowloon Cultural District Authority (WKCDA) before the formulation of the concept plans.

According to the existing plan of the Government, WKCD is the last stretch of land on the harbourfront where 12 theatres of various sizes will be available, each with a seating capacity ranging from 250 to 2 200. They will be complemented by a mega performance venue with a seating capacity of 15 000 and a concert hall. The public will certainly have many views on their designs and configurations. In this connection, the Civic Party urges the Government to expeditiously allow public engagement so that public views on the issue can be solicited.

Looking at the figures alone, it is easy to associate the project with the West End of London or the Broadway of New York. However, irrespective of New York or London, the focus of the audience is still the performances instead of the performing venues. In view of this, apart from enhancing public engagement in the development plan, the Government should also enhance public engagement in arts programmes. An example is M+ as mentioned by Members or the national museum as frequently mentioned by Ms Margaret NG, as this is a very controversial project. As there is a possibility that it will

contribute to a substantial deficit financially, it is indeed necessary to allow participation from stakeholders at an early stage so that they will know that public funds are deployed in a proper manner. It is important to assess whether the project is still value for money even if we have decided to invest in it or will even suffer a loss.

The Civic Party has proposed that the Government should set up a Consultative Committee on the Core Arts and Cultural Facilities of the West Kowloon Cultural District (Consultative Committee) in the long run, so as to provide a discussion platform for stakeholders such as arts and cultural groups as well as the public. The Consultative Committee should consist of deputations and individuals, the Chairman and Vice-Chairman of WKCDA, and members and Vice-Chairman of the Board. A public meeting should be held on a regular basis (for instance, once every three months). The decisions of the Consultative Committee should not be binding on WKCDA, but it must be put on written record if views of the Consultative Committee are not adopted by the WKCDA.

These proposals are certainly a breakthrough and are totally inconsistent with the Government's style. Nevertheless, the Civic Party believes that as the civic society has gradually matured, Hong Kong people wish not only to live in Hong Kong, but also become part of society and citizens with commitment who have the rights to participate and make some decisions. Only in this way can they genuinely support and own WKCD, making WKCD a part of the Hong Kong culture.

President, with these remarks, I support today's motion.

**MRS ANSON CHAN** (in Cantonese): Madam President, the discussion of the development of WKCD project began in 1996. From the subsequent West Kowloon Reclamation Concept Plan Competition in 2001, the Invitation for Proposals for the development of West Kowloon Cultural District in 2003, the public consultation on the single-package development approach to the West Kowloon Cultural District Authority Bill (the Bill), the whole process has spanned more than 10 years. I believe all parties with aspirations for promoting

culture and arts in Hong Kong, as well as Members of the Legislative Council, wish that the project can be launched expeditiously, so that new impetus can be injected to the cultural and arts development of Hong Kong.

From the controversies of the initial single-package development approach and the canopy design to the Government's current proposal of providing a one-off upfront endowment and the establishment of the West Kowloon Cultural District Authority (WKCDA), we can see the great efforts devoted by the Administration, Members of the Legislative Council, various cultural and arts groups as well as community groups. In this connection, I would like to take this opportunity today to thank them for their hard work. I have to extend my special thanks to members of the Subcommittee on West Kowloon Cultural District Development. They have made a lot of contributions to the WKCD project, and their hard work has been fruitful. Meanwhile, during the entire discussion process, we can also see that the Government has been making improvements. From giving up the single-package development approach to the Bill, the Government has conducted many consultation exercises and listened to and drawn reference from views of various Members of the Legislative Council. And during the Second Reading of the Bill next Wednesday, the Administration will also introduce amendments to the Bill in areas of concern to Members.

However, I must point out that to develop culture and arts, the Government should formulate a set of comprehensive, integrated and long-term policy for the promotion of culture and arts. To instil the concept of culture and arts in the minds of the general public and foster their interests in this area, it is necessary to start from education and adopt a bottom-up approach. Nowadays, many parents actively take steps to explore the potentials of their children by, for instance, encouraging them to play various musical instruments, and take up lessons of drawing and dancing. On the other hand, many young people love to hear popular music, but they lack knowledge of and interest in classical music. Cultural and artistic interests have to be nurtured gradually through a subtle process. It is impossible to arouse their interest within a short time. Meanwhile, the construction of various arts and cultural facilities does not necessarily result in willingness of the public to participate.

The Government has sought approval from the Legislative Council for an appropriation of \$21.6 billion from the outset. This is definitely not a small amount. Many Members, including myself, are worried that once the funding is approved, it will be difficult for the Legislative Council to monitor the operation and financial status of WKCDA, as well as to ensure the sustained development of the entire project and the proper deployment of public funds. To address the concerns of Members, it is necessary for the Government to provide a mechanism through which reports on progress made, cost and expenditure, including information on staff establishment, emolument and estimated costs of works projects can be submitted to the Legislative Council on a regular basis.

Given that culture and arts are parts of our life, public engagement is therefore most important. All the ancillary facilities to be constructed are for the general public and society. In view of this, in the development of culture and arts, the Government should proactively encourage public engagement. In the implementation of the cultural and arts policy, the Government must adopt a bottom-up approach, with a view to understanding views of the public, so that the general public, cultural and arts groups, and community groups will be able to jointly participate in the process of policy formulation. This will also ensure a high degree of transparency and public accountability in the operation and decision-making of the future WKCDA.

Regarding the composition of WKCDA, I agree to the proposal of Mr Alan LEONG that the Government should draw up a set of open and objective criteria for appointment of the WKCDA Board, so that various sectors of the civic society and all stakeholders will be able to participate actively. The controversy relating to Deputy Directors of Bureau has illustrated to us that an appointment system with no transparency, no monitoring, no openness or fairness is absolutely not acceptable to the public. I hope that the Government can learn a lesson and will not repeat the same mistake this time around.

To develop Hong Kong into an "Asian cultural centre" and "a cultural gateway to the Pearl River Delta", the Government must genuinely attach great importance to arts and culture, develop a long-term and macroscopic vision, set clear objectives, and draw up supporting cultural and arts policy initiatives which are practical as well as comprehensive. All these must also be complemented

by the involvement and participation of the general public and community groups. It is only when the Government is equipped with both hardware and software that it can successfully lead Hong Kong to enter the stage of international culture.

Madam President, I so submit.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MR ABRAHAM SHEK:** Madam President, representing the real estate and the construction sector, I obviously must support the West Kowloon Cultural Development (WKCD) project not only because of the potential it brings for job creation in the construction sector and the collateral economic benefits, but also because the public's aspirations for culture and arts would be accommodated. To consolidate our status as Asia's World City, there is a need to strive for something beyond mere economic excellence. The WKCD will serve this need which we have long ago forgotten: another landmark for this purpose — the Hong Kong Cultural Centre — was built in 1989, after all.

Some setbacks were suffered by the Subcommittee on the WKCD. The project was announced in September 1998, halted in February 2006, and re-started again from scratch in May 2007. We simply cannot allow our perspiration to be wasted once again without achieving anything concrete. Fortunately, during the course of discussions, a spirit of co-operation between the legislature and the Administration was apparent, with the Government's termination of the IFP process in 2006 due to strong criticism of the single-package development approach being a case in point. The Subcommittee performed its role in altering the Government's decision; the willingness of the Government to accept changes was also appreciated. Although the WKCD will be under the charge of the West Kowloon Cultural Development Authority (WKCDA) upon the passage of the WKCDA Bill, this co-operation should continue to effectively monitor the work of the WKCDA.

Madam President, the WKCD is rare both in terms of scale and investment. The 20 year-old Hong Kong Cultural Centre will be eclipsed by the WKCD. To give the go-ahead to such an enormous project requires much courage by the decision makers. A comprehensive development plan, detailed calculations of the projected profit and loss, and impact assessments on the nearby areas are some of the important things which the public should know. In this connection, I strongly urge the Administration to provide, in addition to the \$21.6 billion upfront endowment, information of the land premium of the WKCD site, including the 119 000 sq m of the retail/dining/entertainment (RDE) facilities. This information should be disclosed as it is a public asset and in other words, part of public money. It is not a tall order to assure the public's right to know regarding how public money is to be used. In the meantime, the Administration should undertake that it will do everything it can to prevent the RDE facilities from competing directly with the private sector. It is incumbent upon the Government to maintain a level playing field and avoid government interference in the market. This worry is not a baseless conjecture, since the project area of the RDE facilities would be in the vicinity of the Elements Mall, and even bigger than the Elements Mall, and would comprise an even larger area. If the RDE facilities are not planned properly, it will lead to vicious competition between the public and the private sector, a double-loss scenario which we cannot afford.

My second concern is the increasing construction cost which may hamper the development process. The price of steel has doubled since last year; the price of construction materials, such as concrete bricks, has also increased by a considerable amount. As public works projects are different from private ones in that the Government will adjust construction costs according to changes in market prices, the surging material costs will probably increase the project price, which would in turn place an extra financial burden on our Government, as the up-front endowment would probably be used up faster than expected.

The third thing I am concerned about is the composition of the WKCDA Board. Regarding this, the Subcommittee agrees that the relevant sectors, such as the arts and cultural sectors and the building sector, must be represented at board meetings. The WKCD is a large scale construction project consisting of 15 performing arts venues of various types and sizes, which will require expertise and experience in procurement, constructability, method and

construction management. Therefore, I strongly urge the Administration, when selecting the appointees, to include representatives from the construction industry and should include representation from organizations such as the Hong Kong Construction Association and the Real Estate Developers Association of Hong Kong (REDA).

My fourth point is M+. M+ will be the heart of the WKCD. We need a seminal, innovative concept to be the spirit of M+. We should magnify the unique spirit of Hong Kong to maximize the value of M+ so that it will be distinguished from museums in the rest of the world. We should avoid a mere imitation of foreign museums so as not to put ourselves in a disadvantage, given our lack of a long history. To this end, the Government should assure opportunities for public participation in the project, and clarify in detail the concept of M+ to the public in due course.

I have said much about M+ but I know little about M+. I think M+, as I have said many times, is a concept worth supporting and it is a project which is going to cost the Government a substantial amount of money. We must play it right and play it well to make Hong Kong an art centre in the world.

Finally, Madam President, I would like to thank the Secretariat for a job which has been one of the hardest to do and, as usual, they have done it in a first-class manner. Thank you.

**MR CHIM PUI-CHUNG** (in Cantonese): President, during the discussion of the land value of the West Kowloon Cultural District (WKCD), I had mentioned that the value of the site at that time should be as high as HK\$300 billion. However, with the continuous rise of land values and property prices, I dare say that, the land price of that site will definitely be as high as HK\$ 1,000 billion according to a formal valuation. The Government may conduct another valuation and made different conclusions. We understand that there is indeed a lack of resources in Hong Kong. Under such circumstance, the site is another kind of wealth belonging to the public. I have all along been reminding the Government of this.

Today I have no intention to put forward any proposals in my speech. My purpose and objective is to put on record my observations that bear witness to history. I hope that the Government will understand my viewpoint. Given that this is the wealth and property that belongs to the public, the Government must be very careful in handling the issue. If the response of the Government is: "We will surely handle this carefully", then we may as well pass the relevant Bill.

The second point is the local situation in Hong Kong. I have no objection against any art or any person who likes art development. However, we must understand that Hong Kong has a history of a little more than 160 years only. Frankly speaking, many of us have migrated from the Mainland to Hong Kong since the 1950s. Do all of us have artistic talent? How well can we appreciate arts and antiques? We can ask ourselves and others, and we will know the answer. When compared to other countries in the world, especially China with a history of several thousand years, we are basically lagging far behind. When compared to many ancient countries in Europe, such as France and Italy, we are again way behind. So why do we not optimize our strengths and merits and make wise decisions? In this connection, I believe the Government knows how things now stand.

Many emperors in the ancient times were ambitious and eager to make great achievements. They believed they themselves were epochal. We know that when a family or a person becomes wealthy, they or he will start collecting antiques and ancient paintings. Right now the Government probably thinks that it is getting wealthy and can therefore develop a taste in art. However, I believe the wealth disparity between the rich and the poor in Hong Kong is still unresolved, and it is more important for the Government to look after the well-being of the lower and middle classes than to boast of its wealth. I hope that the Chief Executive and his ruling team understand this. Yesterday the Chief Executive particularly mentioned that we should make every effort to improve people's livelihood. Of course, art can be said to be another issue of people's livelihood.

President, regarding the third issue, when the Government is seeking approval of funds, it will repeatedly urge and put pressure on the Legislative Council. But once the funds are approved, it will shirk its responsibility and blame the Legislative Council for all the problems. The outcome of the Disneyland project — at present the outcome has not yet materialized, but we

can see that Members of the Legislative Council will probably be put under pressure again in the future. Such being the case, I can only remind the Government of this. I wish to emphasize again that I am not absolutely against the Government. But I wish to remind Members again that when we scrutinize and approve the relevant project, we have to give it more in-depth consideration. We must not allow the Government to say that since the project has been approved by us, we have to be responsible for any future problems. I am sure that the Government will not be pleased with my words. Nevertheless, we have to be more careful in handling everything. What happened in the case of Disneyland must not happen again. This is the expectation of the public as well as my own personal views. I understand that as I have only one vote, my influence is limited. However, Members must consider all aspects of the issue.

President, there is the fourth issue. I understand that this project does not necessarily cover the development of arts only. However, I also understand that if Hong Kong is to develop arts seriously, there are districts such as East Kowloon or other districts where we can ..... as long as we wish to develop arts, we can play our role and devote our efforts for this cause in any district and at any time. In my opinion, such a nice, big and integral piece of land is difficult to come by in Hong Kong ..... We have to understand that basically Hong Kong is a very unique city. The Government should make good use of this stretch of land. As we can see, it is because Europe and many cities or countries have halted development projects due to heritage conservation that Hong Kong can seize the opportunity to build many skyscrapers and hence achieve rapid development. If we adopt the same measure as taken by other cities such as Paris and London, when will we be able to rank among the top? When other people have an advantage, they will always have it; if we do not have it and has to catch up, that would not be easy indeed.

President, regarding the fifth issue, I have always believed that there is a force at the back of the WKCD project which seems to be specially tailored made for certain people. It is these people who have special influence on the Government and keen interest in arts that urge the Government to pursue this project. In fact, there is nothing wrong with what I have just said. However, this is, after all, not at the top of the wish list of Hong Kong people. What they most wish to see is that the Government will make good use of the assets of Hong

Kong people, as well as its powers and rights to meet various aspirations of the general public and sense the urgency of the people. Of course, I understand that many members of the arts sector have great expectation of this project. I do not wish to throw a wet blanket on the project, but personally I have reservations about it.

**DR YEUNG SUM** (in Cantonese): Madam President, I am very glad to speak in support of the "Report of the Subcommittee on West Kowloon Cultural District Development" and hope that the Bill can be endorsed by the Legislative Council as soon as possible.

While Mr CHIM has just mentioned that he hopes the Government can sense the urgency of the people, I believe that it is not only the expectation of the arts sector in Hong Kong to promote cultural development, because apart from the arts sector, the general public also hopes that Hong Kong's culture can be further developed.

Hong Kong is in fact a meeting point of the Eastern and Western cultures. Our history has provided very favourable conditions for a blend of the Eastern and Western traditional arts. In this regard, I believe that this can help promote cultural development in our country as well as the whole world. Therefore, I consider that neither Hong Kong's development in this regard nor the importance of culture should be overlooked.

Hong Kong has all along given people the impression of a cultural desert and a feeling that it has emphasized too much on economic development in the horizontal and vertical dimensions of culture. However, I believe that with a certain level of economic development, members of the public have attached more and more importance to quality of living or humanistic values in recent years. From the importance that we have attached to heritage preservation, environmental protection, harbour protection, ridgelines, wall buildings, and even our concern about cultural development recently, all have indicated there is a chance for Hong Kong's cultural development to proceed to another stage.

Madam President, as far as cultural development is concerned, we are in fact seriously inadequate in terms of both software and hardware. I have a relative named WONG Wing-yuk. When he was young, he spent most of his

time in Hong Kong and his first painting exhibition was also held at the University of Hong Kong. After 4 June, he had lived in Hong Kong for a long period of time and has moved to the Mainland for settlement now.

He has been telling me that Hong Kong is severely in lack of venues, making it very difficult for him to hold painting exhibitions here. Sometimes, it seems to him that Macao has done better than us. He finds that in respect of co-operation between Macao and the Mainland, venues in Macao, or even cultural exhibitions jointly held by Macao and international organizations, Macao is more enterprising than Hong Kong. He considers that the SAR Government may be affected by traditional practices or bureaucracy, or perhaps it has put too much emphasis on economic development, and he has an impression that Macao seems to have done better than us in this regard. I hope with the passage of this bill on the WKCD project, Hong Kong can further enhance the provision of hardware and further the development in this respect.

As for software, Madam President, our school education puts much emphasis on further studies and mainly focuses on the development of university education. Therefore, what we have done in this area is all along inadequate. However, I notice that schools have made substantial improvements in recent years in terms of cultural education and physical education. I do hope that the Government can try its best to complement the efforts made by the Legislative Council in this regard and establish the West Kowloon Cultural District Authority (WKCDA) as soon as possible after the passage of this Bill.

I am really very glad to see that the Government can restart this project all over again and that the Government has accepted the proposal put forward by Members of the Legislative Council of setting up the WKCDA. Madam President, I do have certain expectations of this WKCDA and hope that it can really enhance public participation and allow various parties' participation through open procedures.

Of course, Mr Abraham SHEK is very concerned about this issue because he is a representative of the real estate sector. The arts sector also expects that there is representation from the arts sector within the WKCDA. I hope that it will allow full participation by the so-called stakeholders in various sectors through an open procedure. As for public engagement, the authority should report regularly and be accountable to the public. I do not wish to see that

although the WKCDA has been established, the fundamental power of control is still in the hands of the Government and some interest groups. I hope the Secretary can clearly listen to my suggestions.

Secondly, the provision of a one-off endowment fund. I think such kind of funding is necessary operationally. Moreover, I hope the Secretary can undertake to report to the Legislative Council on a regular basis. As the funding has been approved, no matter who will be sitting in the Chamber of the Legislative Council in future, they will diligently play the role of gatekeeper for the public. This is my sincere wish. However, I also hope the Secretary can make a promise on behalf of the Government to submit reports to the Legislative Council regularly. I hope that the Legislative Council can effectively play the gatekeeping role for the public in this regard by firstly, ensuring that this financial plan will not become a black hole which requires continuous equity injection by the Government, and secondly, ensuring that the money will be used properly.

On the other hand, as for the supporting software, I do hope the Government can take further steps to complement cultural education in primary and secondary schools through the Education Bureau and members of the community. As for student admission by universities, Madam President, I hope they will not put too much emphasis on academic results. If the students have excellent performance in the cultural, sports and arts aspects, universities should absorb these talents as far as possible, and further encourage students to develop towards this direction. Moreover, we should organize more international exchange activities. What I wish to stress particularly is that many small-scale arts groups have all along been complaining about the shortage of performing venues, and so, I would like the Secretary to pay attention to this problem.

Moreover, perhaps due to the economic background, the disadvantaged groups or people living in the remote districts have fewer chances to have access to culture and arts. I hope this WKCD project can bring culture and arts into people's life in these new districts in future to enable people from different walks of life to enjoy quality culture, with a view to enhancing Hong Kong's

humanistic spirit, so that apart from being an economic city, Hong Kong can also be a civil society with a democratic and open political system and an enhanced humanistic spirit.

Thank you, Madam President.

**DR KWOK KA-KI** (in Cantonese): Madam President, I believe that today is the last chance for the Legislative Council to discuss the WKCD project. Turning the clock back a few years, Members may recall that our Subcommittee was in fact established in January 2005. Why was this Subcommittee formed at the very beginning? It is mainly due to, as Members may recall, the "one single tender" approach. The 40-hectare reclaimed land in the WKCD at that time was originally planned for the construction of a waterfront promenade. But then, the SAR Government suddenly advised that a cultural district would be developed without extensive discussion in society. In fact, I was very surprised, but the background at that time was very special. The background was that we had just experienced the Hunghom Peninsula incident and the real estate project incident of Residence Bel-Air — I have forgotten it. I can only remember that the site of this residential development should in fact be used for the development of the Cyberport and also the so-called Chinese Medicine Port. The truth was that the Government had made tremendous efforts to identify some projects which could be proceeded by way of "one single tender", and delivered them as gifts under a fine-sounding name. The Government was even worried about uneven allocation, as it was not justified to allocate them to the "crown prince" only, but not to others. This is what we all understand and so, the allocation should be even and adequate as far as possible. The Subcommittee was formed under such background.

From being a colony in the former times to the SAR Government at present, to what extent has Hong Kong attached importance to culture? I believe many friends in the Legislative Council, like Mr Abraham SHEK, are always very concerned about the cultural projects in Hong Kong. In fact, before proposing the WKCD, the Government has all along been criticized by the cultural sector that it has neither provided adequate support for cultural projects nor attached importance to cultural activities. However, with this

project, will the situation be a little bit better? Frankly speaking, up to our discussion at this moment, I still have no such feeling. Even if we have spent \$21.6 billion ..... the amount involved should in fact be more than \$21.6 billion, because as mentioned by some Honourable colleagues at our meeting earlier, it was a very large piece of land which can be used as sites for hotels, offices and catering facilities, and so on. Even by conservative estimation, its value is over \$30 billion to \$40 billion. In other words, the interests involved may be up to \$50 billion to \$60 billion. In fact, there is no problem as we still find it quite all right to spend \$50 billion to \$60 billion on culture. The problem only arises from the mode of development. The situation is similar to what we have seen from many landmark projects when we visited the Pearl River Delta. Tremendous efforts have to be made for the construction of those landmarks and all is done for showing-off only. It is because looking back, everyone will understand that in this project, many buildings and landmarks have to be built, and there was even the presumptuous proposal of building a canopy. In fact, culture, on the contrary, is placed in a position which is not so important. This is why I do not feel that culture will be taken forward. Besides, this project can in no way convince me that the level of participation and quality of Hong Kong's culture can be enhanced.

There are two areas that I would like to talk about in particular. One is the M+ and the other is that for the audience or arts performers of the next generation, whether they be participants or talents, what has been done by the Government and the whole society is not much. The Secretary for Home Affairs is here for our meeting today. I will not talk about planning for the time being, and it is meaningless to talk about money, as these are not within his purview. However, how do the cultural districts around the world come into being? They all have the soil for culture in the first place, enabling people to develop a cultural vision which is passed down from one generation to the other and encouraging their participation in cultural activities, and then they grow gradually from small-scale development to become fully fledged. Covent Garden, Broadway and many performing venues in London are examples. These places do not have a grand theatre or many theatres, but performers have emerged naturally. However, we now resemble the Mainland more and more

as the Mainland also thinks in this way — there will be culture after developing a grand theatre and it will naturally become a cultural city after many landmarks are built. However, this is just dreaming, dreaming an impossible dream.

As for the M+, is it that a world-class museum can be developed through this arrangement? After hearing this, I really think that sometimes it may not be a good thing to have too big a dream. Moreover, the \$20 billion involved — over \$10 billion of cost together with an operational loss of \$10 billion — is all taxpayers' money, hard-earned money of taxpayers. In fact, we do not mind. We now have a lot of museum venues which can also be transformed into the M+ mode anytime. Hong Kong has never been very dedicated to developing cultural museums but now, it says that this all will happen in the M+? At present, many youngsters may aspire to a career in the performing arts industry. Yes, we can train them up, just that we have not provided them with any training in the past. But is the construction of the M+ a possible solution to these problems? Firstly, it is said that Hong Kong will become a cultural city once it has a cultural district. We of course do not want to mess it up, and in fact, we would never wish to see this. It is because money definitely has to be spent, which will amount to almost \$50 billion to \$60 billion. Therefore, we all want to do it well.

In the Bills Committee, many colleagues have also suggested a lot of ways, including how to perfect the WKCDA, how to achieve the objectives and identify sufficient talents, and how to develop the WKCD in a better way through the policy, but the Government seems to have listened to just a few opinions. The situation is just similar to that in the past. This has always been the case in past consultation exercises. The Government will just listen to what is pleasing to its ear and ignore what is not. The Subcommittee of the Legislative Council has in fact spent a lot of time and efforts, including commissioning professionals from the academic sector to scrutinize the financial plan.

It is most ridiculous that even when these financial estimates cannot even pass the scientific and academic assessment, many Honourable colleagues surprisingly ..... I expect that it will also be agreed by a majority of votes in the Finance Committee today. Today, I very much hope that we can make this cultural district a success. But the Government's practices and arrangements up

till now just give me a bad feeling that the WKCD will become another "white elephant". Such situation will make people in Hong Kong feel very regrettable. I hope the Government can make use of every possible means to prove that my prediction is wrong. I so submit. Thank you, Madam President.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**DR FERNANDO CHEUNG** (in Cantonese): First of all, I am very grateful to the Subcommittee on West Kowloon Cultural District Development (the Subcommittee), chaired by Mr Alan LEONG, for submitting its Report on Phase III Study. The Report, which is well-phrased and coherent, has explained the future development of the West Kowloon Cultural District (WKCD), the specific problems with the administrative and financial arrangements and the right way forward in a very detailed and concrete way. The WKCD, being such a large-scale arts facility occupying a total area of 720 000 sq ft, is quite rare in the world (we cannot say that there are many facilities of this kind).

Mr CHIM Pui-chung has mentioned earlier that the site has a value of \$1,000 billion, which is very astonishing. On this site, 60% of the building area will be used for cultural and arts facilities and the remaining 40% for residential flats, hotels and offices. It seems that more than half will be used for cultural purposes. Considering the development that has all along been pursued in Hong Kong, this seems to be just incredible. I do not know whether it is a miracle or not. It is really surprising that on this large piece of lucrative land valued at \$1,000 billion, more than half of the area will be used for cultural development purpose. Hong Kong, being a so-called international metropolis which is business-oriented, economy-led and finance-dominated, this is a breakthrough. How such a breakthrough will be achieved and how the cultural and arts development in Hong Kong can be promoted through the hardware are the direction of future development that we very much wish to know more today. What prerequisites do we have to enable Hong Kong to develop really towards this direction?

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

Firstly, I believe that there must be full participation from various sectors in the whole process of management and planning, as well as a bottom-up development plan. However, Deputy President, as Dr KWOK Ka-ki has just mentioned, we can see that the whole process is in fact not like this, and it is "one single tender" instead. The whole project has basically adopted the CyberPort and the Disneyland as blueprints. It is only due to the uneven division of booty among the stakeholders that the project has to be pulled down and restarted all over again.

How does the SAR Government led by Mr Donald TSANG put the WKCD into the portrait of this international financial centre in Asia? At that time, I thought the only thing that could be done was to provide elites or the rich and powerful people with a place for leisure and entertainment, and for them to express their so-called high culture, that is, participating in high-class cultural activities in glamorous clothing. As such, when they get rich, there will be a place for entertainment, a place for them to show off their upper-class graces, and at the same time, this place can also be appropriately kept in their back gardens for the sake of their convenience. Such an arrangement is very suitable for Hong Kong as an international financial centre or international metropolis.

Deputy President, I am so worried about this phenomenon. Although we see that the Subcommittee has made great efforts and raised a lot of concrete proposals, I am really unsure as to whether the underlying intention is like what I have imagined. I do not know upon completion of the WKCD, how many poor people will have a chance to go there, how many grass-roots can appreciate the performances, and how many people with disabilities can assess the venues directly — maybe the facilities at that time are barrier-free. Deputy President, as you may know, we are now discussing the updating of the Design Manual (Barrier-free Access) 1997, that is, the 1997 version. Hopefully, the whole scrutiny process can be completed this year and the new version can be endorsed by the Legislative Council in this term and put into effect as soon as possible. The WKCD will of course be in compliance with the law and everywhere will be barrier-free on the surface. But in reality, how many disabled people can go there? Apart from access to the venue, there is also the promotion of arts among the disabled, and it is necessary to allow those disabled artists to

participate as well as give full play to their arts talents through these hardware. Moreover, how many residents living in remote areas such as Tin Shui Wai, Tung Chung and the North District in the New Territories will have a chance to use the facilities of the WKCD?

Deputy President, I hope the long-term planning and vision of the SAR Government will go beyond what I have just mentioned and can really make arts popular in future and bring benefits to all the people. As for the so-called cultural software we mentioned today, it is really "saddening". When we discussed disability arts with the Government last time, it was outrageous that the first sentence said by the Government was "We could only consider disability arts from a welfare perspective". Deputy President, although we will have facilities of the 21st century, I am afraid our Government's mentality is still stuck in the last century.

I so submit. Thank you, Deputy President.

**DEPUTY PRESIDENT** (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

**SECRETARY FOR HOME AFFAIRS** (in Cantonese): Deputy President, I thank Honourable Members for giving their speeches, especially Mr Alan LEONG, Chairman of the Subcommittee on West Kowloon Cultural District Development (the Subcommittee) for speaking on the work done in the past and today's motion. All have put forth valuable opinions on promoting the development plan of the West Kowloon Cultural District.

The Report of the Subcommittee on Phase III Study mainly focuses on four aspects, namely, planning of the West Kowloon Cultural District (WKCD), core arts and cultural facilities, financial arrangements and the establishment of the West Kowloon Cultural District Authority (WKCDA). Honourable Members have also focused on these areas in their speeches today.

As for the design and planning of the WKCD, two stages are mainly involved. The first stage is to amend the draft South West Kowloon Outline Zoning Plan (OZP) and the Town Planning Board (TPB) has endorsed the incorporation of the development parameters into the draft OZP in April this year. The second stage is to prepare a Development Plan for the cultural district according to development parameters of the OZP, which will proceed only after the establishment of the WKCDA. The WKCDA will be responsible for preparing a Development Plan and determining the layout of various facilities in the WKCD. The Development Plan will have to be examined and approved by the TPB, and gazetted in accordance with the law for public comments.

The future WKCDA must listen to public views and make every effort to strengthen the ties between the cultural district and the nearby old districts to attract people flow and revitalize the community, with a view to developing the WKCD into a cultural district which can be enjoyed by people from all walks of life. The Government's planning, works and relevant departments will provide full support to the WKCDA in preparing the Development Plan to achieve this objective.

As for the M+ of the core cultural facilities, Honourable Members have also put forward their views. As mentioned by Dr Raymond HO, the vision of the M+ to become a world-class cultural facility is an important component of the whole development of the cultural district. Prof Patrick LAU said that the M+ is an interaction platform for promoting creation, learning and education. Indeed, the M+ should make use of the space in an innovative and novel manner and arrange for exhibitions with distinguished contents. It is an innovation, and a long-term commitment for the development of culture, arts and creative education.

The M+ should of course make reference to the most valuable experience in the world and forge co-operation at an international level as well. But as mentioned by Mr Ronny TONG and Mr Albert CHAN, we do not simply buy or borrow some cultural exhibits from overseas. If the M+ is to be operated by international operators in the form of franchise, such that its operation and strategic development is fully controlled by foreign institutions, this is not what

the local arts sector and the public would like to see, nor can this make any contribution to the vision of cultural development in Hong Kong. I fully agree to Mrs Selina CHOW's views on this point.

The expertise in museum management and exhibition planning is crucial for the success of museums. In this regard, we will conduct thorough discussion with the cultural and arts sector and various tertiary institutions on how to provide more professionals in this field.

Both Mr LEE Wing-tat and Dr YEUNG Sum have talked about the broader issue of cultural and arts education. Although the Education Bureau is outside my purview, the Home Affairs Bureau, in fact, also has involvements in cultural and arts education. We should indeed promote cultural and arts education in a more proactive manner. And, there will not be the case of not having enough audience upon completion of the venue, over which Mr LEE has raised concern, as the development of the cultural district is promoted with the objective of upgrading the cultural literacy of Hong Kong people.

Members have queried whether the one-off upfront endowment for the WKCD is sufficient. The financial assessment of the WKDC has passed through a professional and prudent process. In formulating various detailed assumptions, the financial adviser has consulted the relevant governmental departments, and the assumptions have been scrutinized by the Financial Matters Advisory Group (FMAG). It took more than one year to complete the whole process. The FMAG suggested providing a one-off upfront endowment of \$21.6 billion to finance the capital cost and using the rental proceeds generated from the retail, dining and entertainment (RDE) facilities in the WKCD to meet the operating deficits of the arts and cultural facilities.

This one-off upfront endowment is different from the funding for general public works. Rather, it represents the Hong Kong society's commitment to the WKCD development. The WKCD is a long-term development project which is still in a very initial stage. The master development plan has not yet been made, not to mention the detailed design and building specifications of individual facilities. After extensive consultations, we realize that the community recognizes the need for Hong Kong to increase resources for culture and arts and develop a sizable cultural district. It is now time for the Government and the

Legislative Council to decisively allocate 40 hectares of land and a funding of \$21.6 billion to the WKCD, so as to grasp the opportunities and make a timely commitment for developing a permanent cultural district.

The WKCDA should of course do what its strength allows. It should be provided with stable funding and financial flexibility in order to plan and develop the facilities and events of the cultural district in an integrated manner, so as to meet the objective of the WKCD development. In response to Members' concerns, the use of financial resources by the WKCDA will certainly be strictly monitored. Its annual reports, statements of accounts and audit reports must all be tabled to the Legislative Council. The Chairman and the Chief Executive of the WKCDA should also attend the Legislative Council meetings and answer questions at the request of the Legislative Council. The Legislative Council will continue to play the role as a gatekeeper.

As for revenues generated by the RDE facilities, when assessing the rental proceeds from these facilities, the Government's financial adviser has taken into account the clustering effect of these facilities with the arts and cultural facilities, and will not just copy the mode of operation of other big shopping arcades.

The composition of the WKCDA is crucial. There will be five or more members with arts and cultural backgrounds in the Board. They should have a good reputation in Hong Kong, the Mainland or other places. There are also appointment criteria for other non-public officer members. They must have specific professional knowledge or experience which the Chief Executive thinks fit for them to be appointed as Board members.

Deputy President, I would like to reiterate that public participation is crucial in promoting cultural development. The WKCDA to be established should have sufficient representation and leadership, and also interaction with the public. I have to thank members of the Subcommittee for introducing proactively to us the experiences of Bilbao in Spain. Having considered members' views and making reference to other consultation options, the Board will establish a consultative committee as a permanent mechanism for collecting public views. We must of course respect diversified views from the public, and

we must also fully respect the independence of arts creators and designers as well, so that a proper balance can be maintained. The meetings of the consultative committee to be set up by the Board will be open to the public.

Deputy President, the WKCD project is an important strategic investment for promoting cultural and arts development as well as the long-term development of Hong Kong, and it is also a timely and valuable investment which will bring about substantial tangible and intangible benefits. Not only can it add value to our economy and create employment opportunities. It can also promote investment and development of cultural and creative industries and nurture creative talents, which will help enhancing the economic integration with the Pearl River Delta and strengthening Hong Kong's status as a metropolis. I hope that on the premise of meeting the public aspirations, we can work in concert to implement this WKCD project as soon as possible.

Deputy President, I so submit.

**DEPUTY PRESIDENT** (in Cantonese): Mr Alan LEONG, you may now reply and you have one minute seven seconds. This debate will come to a close after Mr Alan LEONG has replied.

**MR ALAN LEONG** (in Cantonese): Deputy President, I believe that after listening to the views expressed by 19 Members today, the Secretary should understand that we have in fact a sincere goodwill, hoping that we can handle this WKCD project with a wait-and-see attitude of listening to what the Government says first and observing future developments.

Deputy President, the Administration still have two more chances — one is the Second and Third Readings next Wednesday, and the other is when seeking funding approval from the Finance Committee next Friday — to respond to this goodwill of Members. I do hope that the Secretary can focus on sustainable development and full accountability, and after obtaining this funding of \$21.6 billion, he can make more concessions in respect of continuous monitoring by this Council and the appointment system, thereby enabling us to perform our gate-keeping and monitoring role more effectively, so that the WKCD project can be implemented as soon as possible.

(THE PRESIDENT resumed the Chair)

Thank you, President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Alan LEONG be passed. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

**PRESIDENT** (in Cantonese): Second motion: Enhancing co-operation between Hong Kong and Macao.

I now call upon Mr Jasper TSANG to speak and move his motion.

## **ENHANCING CO-OPERATION BETWEEN HONG KONG AND MACAO**

**MR JASPER TSANG** (in Cantonese): President, I move that the motion on "Enhancing co-operation between Hong Kong and Macao", as printed on the Agenda, be passed.

President, I first visited Macao when "Fo Shan", "Tai Loi" and "Tak Sing" Ferries were in operation. We went on board in Sheung Wan at night with a lot of people seeing us off. The scene was quite similar to that in the

movie "Titanic". Of course, I am not talking about the scene of its sinking, but that of people bidding farewell on the shore. When the ferry was about to set sail, there was even an announcement saying that the ferry is about to set sail and asking those who are on board to bid farewell to disembark. The ferry launched at midnight and berthed in Macao at four o'clock the next morning. We could sleep on the ferry until the dawn came and have a morning tea after getting off the ferry, and the subsequent activities were my privacy. This was what happened several decades ago.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

Nowadays, the scene of people going to Macao is quite different from that in the past. Ferries are now very small and the travelling time is very short. Take the Turbo Cat jetfoils as an example. They operate round-the-clock and it takes only an hour to arrive at Macao. During rush hours, they even run at five-minute intervals.

However, Deputy President, despite advanced technology and convenient transportation nowadays, it still takes a few hours for some Macao residents to come to Hong Kong. Why? I have come across a complaint in a discussion forum on the Internet about a Macao permanent resident visiting Hong Kong who found upon arrival in Hong Kong that he had lost the "declaration form" which should be obtained on his departure from Macao.

The control point in Hong Kong does not provide this form and he was not allowed to enter Hong Kong. As such, he had to return to Macao like a "human ball". There were even designated persons to receive him and he could only come back to Hong Kong after filling in the form in Macao. He pointed out that it took more than five hours for him to settle the whole matter and he was angry and had a lot of grievances. When he spent over \$100 buying another ferry ticket to Hong Kong again, he complained to the people around him. The one sitting next to him told him there was no need to be annoyed as he had the same experience before.

So, it turns out that the experience of that person is not an individual incident. As a matter of fact, if Macao residents have to come to Hong Kong, the procedures are not the same as those for Hong Kong residents going to

Macao. Hong Kong residents can enter Macao simply with their Hong Kong Identity Card. They can enter Macao by just filling in an arrival card at the control point in Macao, and they can even fill in the card while queuing up. Hong Kong residents can stay in Macao for one year from their arrival day. However, it is not the same for Macao residents coming to Hong Kong. They have to obtain a declaration form on departure as Hong Kong does not provide this form for them. If a visitor has obtained and filled in the form but lost it subsequently, or he has forgotten to obtain the form, he will be in great trouble. He has to return to Macao and go through the formalities all over again. As for such a situation, they said that they even do not know the reasons. Hong Kong people can stay in Macao for such a long time, whilst Macao residents can only stay in Hong Kong for two weeks at the maximum. If they want to extend their stay, they have to take the trouble of returning to Macao to file an application.

Deputy President, I have also heard about a lot of such complaints, as many of my friends are Macao residents. But I do not know why no one finds anything wrong with this. Perhaps the Governments of the two places do not find anything wrong about this either.

Deputy President, after Mr WANG Yang, a Member of the Political Bureau of the Communist Party of China Central Committee, took up the post as Secretary of the Guangdong Provincial Committee, he has been in charge of the affairs in Guangdong Province since the end of last year. The first thing that he has done is to stress the enhancement of co-operation among Guangdong, Hong Kong and Macao. He has also launched a study with the theme "Enhancing co-operation among Guangdong, Hong Kong and Macao" under his supervision in Guangdong Province, which is the most extensive and comprehensive study of the largest scale in the history of Guangdong. One of the most remarkable proposals raised by Mr WANG Yang is the establishment of a Guangdong-Hong Kong-Macao special co-operative region. Hong Kong and Macao are special administrative regions, and it is proposed that a Guangdong-Hong Kong-Macao special co-operative region be established. What are the features of this special co-operative region? The objective is to enhance CEPA, that is, on the basis of enhancing CEPA, a special co-operative region should be established to remove all administrative and institutional barriers among Guangdong, Hong Kong and Macao, so that there will be free and smooth flows of passengers, capitals and information among the three places.

In discussing this issue, some mainland government officials, representatives of business groups and academics have raised some viewpoints, which give me a strong feeling that from the high-level leaders to the general public in Guangdong Province, they all realize that in face of the challenges brought about by globalization, there is a pressing need to enhance the regional co-operation and improve the overall competitiveness, in particular, to bring into play the competitive edges of the Hong Kong and Macao Special Administrative Regions under "one country, two systems". In their view, this is what must be done. They think that if they do not enhance regional co-operation, they will be put in an advantageous position. When discussing this issue, they treat Hong Kong and Macao as one single entity. What they are talking about is how Guangdong Province can co-operate with Hong Kong and Macao. They have already treated Hong Kong and Macao as one single entity.

What do we think? In fact, the relationship between Hong Kong and Macao is really very close. Although ferries run at 15-minute intervals as mentioned earlier, there are always a lot of passengers. The exchanges between Hong Kong and Macao are very frequent.

Deputy President, I have looked up information on colleagues of the Legislative Council in this term and found that at least five incumbent Members were born in Macao, including Mr Abraham SHEK who is in the Chamber now. Dr Fernando CHEUNG, who is sitting in front of me, was also born in Macao. I do not know whether "Fernando" is a Portuguese name or not. In other words, among the Legislative Council Members of this term, at least five were born in Macao. We also know that Mrs TSANG POU Siu-mei, the wife of the Chief Executive, was also born in Macao. Her native place is Macao.

In fact, these two places have a very close relationship. Many Hong Kong people work in Macao whilst many Macao people come to Hong Kong. If we say that when Hong Kong and Macao is to co-operate with Guangdong Province, there are still barriers due to different systems and the "one country, two systems", and we still have to find out the most viable and beneficial way to do so through actual implementation of the regulations concerned, and if this is the case, since the difference in systems between Hong Kong and Macao is much smaller, and whether before or after reunification, exchanges between people of

the two places are very frequent, then why are there a high-level Hong Kong/Guangdong Co-operation Joint Conference and Macao/Guangdong Co-operation Joint Conference, but not a Hong Kong/Macao Co-operation Joint Conference?

In the past, we might consider that there was no such need. Many people in Hong Kong looked down upon Macao, thinking that it was so small and its international network lagged behind that in Hong Kong and so, our international status was much higher. We were in fact looking down upon them and so, we might consider that it did not matter whether there was co-operation or not. Well, in recent years, Macao's economy has been booming. Their hotels and convention and exhibition facilities are much better than those in Hong Kong. We immediately consider that Macao has snatched business from Hong Kong as well as the convention and exhibition business. How should Hong Kong cope with such situation?

Deputy President, I know the Liberal Party has all along considered it necessary to build a casino in Hong Kong in order to recover businesses in tourism and also convention and exhibition services. But why can we not treat Hong Kong and Macao as a single institution? Why can we not consider the two places altogether? In any case, it takes only an hour to ply between the two places at present and upon completion of the new bridge in future, the journey will even take just tens of minutes. So, why can we not study both places together to combine the advantages of Hong Kong and Macao and pool our resources together, so as to enhance our overall competitiveness and bring into play our attraction to the whole world and in the region? Why can we not enhance co-operation between Hong Kong and Macao first, and then further enhance co-operation with Guangdong Province, Greater Pearl River Delta (PRD) Region and Pan-PRD Region? Why are Hong Kong people who work in Macao and Macao people who study in Hong Kong regarded as foreigners? The exchange of labour between the two places is even regarded as involving policies on importation of labour, and the formalities are very complicated. If an institution in Macao wishes to employ Hong Kong people, the application for labour cards is a very complicated matter which has to be examined and approved by a number of departments.

Similarly, as for education, I have discussed with Mr CHEUNG Man-kwong the reduction of classes in Hong Kong and decreasing school-age

children population in Hong Kong before the meeting. It is a very complicated thing for Macao people to come to study in Hong Kong, as they will be regarded as foreigners. Why should we treat them in this way? Of course, we understand that Hong Kong and Macao are two independent special administrative regions. We are not suggesting that the two places should be merged administratively. However, in respect of many economic and social developments, if we take a broad, comprehensive perspective of co-operation, rather than just concentrating on our own business and administration all the time, or even figuring out ways to compete with each other, I believe both sides will be benefited.

Therefore, Deputy President, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) has compiled a study report entitled "Moving towards an integration of Hong Kong and Macao" (邁向港澳共同體) earlier. This study report does not provide many concrete, much-acclaimed proposals, as we consider that we are only at a start-up stage. Instead of making some proposals on co-operation, we compiled the report with the objective of stimulating the SAR Government and people from various sectors in Hong Kong to come up with new ideas on how to regard Macao as Hong Kong's partner, with a view to establishing a co-operative relationship and striving to give full play to our competitive edges.

In today's debate, I hope that apart from the preliminary views raised by colleagues from the DAB, I can also listen to the valuable views expressed by other colleagues. The DAB will, at the seminar tomorrow, invite friends from different sectors to explore ways jointly to enhance co-operation between Hong Kong and Macao.

With these remarks, I beg to move.

**Mr Jasper TSANG moved the following motion: (Translation)**

"That, in view of Macao's close proximity to Hong Kong and its remarkable development in recent years, there is much room for co-operation between the two places to achieve synergy through complementing and reinforcing each other, this Council urges the Government to enhance the co-operation between Hong Kong and Macao

on all fronts, set up a permanent and high-level co-operation mechanism, and formulate overall plans and policy measures, so as to promote joint development of Hong Kong and Macao."

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Jasper TSANG be passed.

**DEPUTY PRESIDENT** (in Cantonese): Mr CHEUNG Man-kwong will move an amendment to this motion. The motion and the amendment will now be debated together in a joint debate.

I now call upon Mr CHEUNG Man-kwong to speak and move his amendment to the motion.

**MR CHEUNG MAN-KWONG** (in Cantonese): Deputy President, I move that Mr Jasper TSANG's motion be amended.

Deputy President, both Hong Kong and Macao were colonies in the past and reunified with China in 1997 and 1999 respectively. Although Hong Kong and Macao have substantial differences in the political, economic and social development aspects, the two places have one thing in common: both places implement "one country, two systems" and are Special Administrative Regions of China. The success or failure of "one country, two systems" in the two places will also have a bearing on the unification and reunification of Taiwan.

Since its reunification a decade ago, Hong Kong has experienced ups and downs and difficulties in its economic development. Recently, there is a powerful rebound, and as we have focused our development on four major economic pillars including financial services, tourism, logistics and professional services, there is now a huge surplus in the treasury. Macao is developed by stimulating tourism through the gambling industry. With the introduction of competition between the international and traditional gambling industries in

recent years, Macao has attracted Hong Kong people to go there for entertainment and sightseeing, bringing about economic prosperity and a thriving construction industry.

Hong Kong and Macao are geographically close to each other. Even though our direction of economic development is different, the historical and political developments in Hong Kong and Macao, and the close ties between people in Hong Kong and Macao due to ethnic and geographical factors have established an interdependent relationship between the two places. We co-operate rather than compete with each other. We complement each other rather than having conflicts with each other. Mutual benefits will also bring about a win-win situation. This is an established tacit understanding and opportunity between the two places which must be cherished, such that Hong Kong and Macao can become two dazzling pearls of China. The Democratic Party therefore fully agrees to Mr Jasper TSANG's motion, which urges the Government to enhance the co-operation between Hong Kong and Macao on all fronts, set up a permanent and high-level co-operation mechanism, and formulate overall plans and policy measures, so as to promote joint development of Hong Kong and Macao. We are all the more interested in reading their report.

However, the Governments of Hong Kong and Macao should also address the two main concerns of their people, including the freedom of lawful border-crossing between and human rights of the two places, as well as the anti-corruption and judicial co-operation between the two places. Due to the close proximity between Hong Kong and Macao, residents of the two places have travelled between the two places frequently and have all along been doing so freely. However, after its reunification, Macao has started to conduct unreasonable, arbitrary and unnecessary political vetting against dissidents in Hong Kong on their entry into Macao, and has deprived individual dissidents of their human rights to visit Macao. Among these cases, we notice that Macao has particularly pinpointed these political groups in Hong Kong: the League of Social Democrats (LSD) and the April Fifth Action Group.

Although the list of Hong Kong people being denied of entry to Macao is much shorter than that kept by China, this is still a very unhealthy move. In 2004, Macao denied Mr LEUNG Kwok-hung's entry in order to prevent him from petitioning President HU Jintao at the ceremony of the fifth anniversary of

Macao's reunification. On 14 May 2007, Macao even denied the entry of seven members of the LSD and the April Fifth Action Group who were going to support those Macao residents who had been arrested in the procession on 1 May. Moreover, members of the LSD including Andrew TO Kwan-hang, CHAN Cheong and Michael MAK Kwok-fung had also been refused entry to Macao by the Macao Government in accordance with the regulations of the Internal Security Law.

Among them, the "weirdest" is Michael MAK's case. He went to Macao for an exchange activity with the Hong Kong College of Mental Health Nursing, of which he was the Vice President. He was just prepared to attend an academic exchange activity with the Hospital Centre of C.S.J. and the Richmond Fellowship there. There was proof to support the academic exchange and the names of people with whom he would meet were provided clearly. But why would he contravene Macao's Internal Security Law and was hence refused entry to Macao? Andrew TO and CHAN Cheong were even more innocent, who were not allowed to enter Macao even for sightseeing purposes. Obviously, the Macao Government has kept a black list of Hong Kong people.

However, the black list becomes longer and longer. Recently, the Macao Government even denied the entry of CHAN Hau-man, a student of the University of Hong Kong (HKU), also on the grounds of the Internal Security Law. As we all know, CHAN Hau-man has taken part in demonstrations in Hong Kong and held dissenting views on the Chinese Government's handling of the issue of Tibet. But all these protests have not contravened Hong Kong's laws, not to mention Macao's laws. However, when CHAN Hau-man wanted to visit Australia via Macao for sightseeing, Macao had denied her entry and requested her immediate departure. According to Regulation 17 of the Internal Security Law, non-local residents who are regarded as unwelcomed or to be posing threats to the stability of the internal security, the Macao Police can deny their entry.

The Democratic Party objects to the independence of Tibet and advocates settlement of the Tibet disputes through peaceful dialogues between the Central Government and Dalai Lama, with a view to achieving a complete reconciliation between the Chinese and Tibetan people. While the Democratic Party does not agree to CHAN Hau-man's views on the Tibet issue, we have to safeguard her freedom to express her political views, a human right as enshrined in the Basic

Laws of Hong Kong and Macao. CHAN Hau-man, of course, is not a terrorist, nor does she have any criminal records. It is really hard to imagine how she can pose threats to the stability of Macao's internal security. CHAN Hau-man went to Macao only for transit to Australia, with no intention or connection to stay in Macao for taking part in any activities. CHAN Hau-man has visited Macao twice in the past. Her last visit was in December 2007 and there were not any problems or disputes in the past.

Therefore, the only reason for the Macao Government denying CHAN Hau-man's entry is that she is regarded as unwelcomed, and the only reason for her being considered unwelcomed might be that she has a different stance on the Tibet issue from the Central Government. However, in doing so, the Macao Government will only put "one country, two systems" to shame, and the freedom of speech enshrined in the Macao Basic Law will just become empty talk. People will query why the Macao Government cannot even accommodate a female student of Hong Kong. It does not compare even with the HKU, as the HKU has shown magnanimity and allowed CHAN Hau-man the greatest freedom. After all, the HKU is a place which brought up Dr SUN Yat-sen, Father of Modern China. As a matter of fact, there is also a Dr Sun Yat-sen museum in Macao.

The second area of co-operation cherished by Hong Kong people is the strengthening of anti-corruption and judicial co-operation between the two places. As we all know, in the scandalous corruption case after Macao's reunification, the crimes committed by AO Man-long, former Secretary for Transport and Public Works of Macao, were first discovered by Hong Kong's Independent Commission Against Corruption (ICAC) in its investigation into money laundering. Finally, AO Man-long was jailed for 27 years, and exchange of intelligence between the two places, including the sharing of intelligence provided by Hong Kong's ICAC, was involved in this case.

The AO Man-long case indicates that with prosperous economic development in Hong Kong and Macao, corruption and bribery offences will inevitably be on the rise. Apart from exchanging intelligence, if the Commission Against Corruption of Macao requests Hong Kong's ICAC to provide records of banks in Hong Kong, it should file an application to the court in Macao for obtaining evidence from Hong Kong. Hong Kong's ICAC also has to apply for a warrant from the court to officially collect information and

evidence relating to the bank accounts concerned from the bank. Therefore, anti-corruption and judicial co-operation complements each other, which is also vitally important to the fight against corruption in the two places.

From our observations in the past incidents, the Hong Kong Government has worked proactively to provide facilitation to anti-corruption and judicial co-operation, but has ignored the freedom of lawful border-crossing between and human rights of the two places. CHAN Hau-man has sought assistance from the Hong Kong Government to ask the Macao Government to give her an explanation and an apology for its denial of her entry. However, she has yet received any response from the Hong Kong Government to her letter seeking the assistance of the Government, not even a letter of reply. What kind of government is it? Perhaps it is because Hong Kong has also denied the entry of Mr Jens GALSCHIOT, an artist, on political grounds before and since it has done the same wrong thing, how can it accuse others for doing this? They are like brothers doing the same thing. So, the Government can only remain silent and say nothing.

Deputy President, with these remarks, I beg to move.

**Mr CHEUNG Man-kwong moved the following amendment: (Translation)**

"To add ", both being Special Administrative Regions of our country," after "Macao's close proximity to Hong Kong"; and to add "safeguard the freedom of lawful border-crossing between and human rights of the two places, strengthen anti-corruption and judicial co-operation between the two places," after "on all fronts, "."

**DEPUTY PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr CHEUNG Man-kwong to Mr Jasper TSANG's motion, be passed.

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): Deputy President, I would like to talk about the basic stance of the SAR Government on the co-operation between Hong Kong and Macao first, and

then I will listen to Honourable Members' speeches in this motion debate today. After that, I will further respond to areas in which Members think that co-operation should be enhanced between the two places.

Like Mr Jasper TSANG, I first visited Macao by taking "Big Boat" with my mother several decades ago. I had a deep impression because the journey set off when the sky was very dark. My mother led me to the rail to take a look at the sea waves. She also gave me a ¢10 coin to throw into the sea, saying that it would bring me good luck in future. My grandfather left Zhongshan and settled in Macao. Therefore, in the 1950s when I was just a few years old, some of my relatives were living in Macao. When we arrived at the pier, the dawn has come. There were places selling crabs in the vicinity. Such picture could hardly be seen in Hong Kong, and it was very interesting. When I was small and staying in my relatives' home, the house still got a mezzanine floor which led to the tiled rooftop where I could see the streets.

The relationship between Hong Kong and Macao has been really very close over the past decades. The SAR Government hopes to enhance co-operation with the Macao SAR Government on all fronts, so as to achieve mutual benefits and a win-win situation. Hong Kong reunified with the Motherland on 1 July 1997, followed by Macao's reunification in December 1999. Both places have practised "one country, two systems" and are as close as brothers.

During the two years of 2006 and 2007, the Hong Kong and Macao SAR Governments had paid 260 and 280 exchange visits to their counterparts respectively. The relationship of these counterparts has been established over the past decades.

In the SAR Government, the Constitutional and Mainland Affairs Bureau has been playing a co-ordinating role. Since 2004, we have established an exchange visit programme with the Macao SAR Government on the policy level. Over the past few years, delegations of the Macao SAR Government have paid five visits to Hong Kong, whilst delegations of Hong Kong have paid three visits to Macao. We notice that the level of communication and co-operation between Hong Kong and Macao can be enhanced. For this purpose, the Financial Secretary led a delegation to Macao in November 2007, and the Chief Executives of Hong Kong and Macao have also agreed to establish a formal communication

channel and enhance co-operation between the two places in principle. The Financial Secretary will visit Macao again shortly, so as to co-ordinate and discuss with Macao's Secretary for Economy and Finance on ways to further establish a mechanism for mutual co-operation.

As stressed by Mr Jasper TSANG and Mr CHEUNG Man-kwong, Hong Kong and Macao are geographically located very close to each other and their systems are relatively similar. The systems of the Hong Kong and Macao Governments are originated from the administrative system of Western governments, which is different from that of the mainland Government. With regard to the co-operative relationship established between Hong Kong and Macao over the past decades, whether in respect of commerce and trade, judicial system or tourism, we have already established extensive channels which can further be enhanced.

Mr Jasper TSANG has particularly mentioned Guangdong Province, Hong Kong and Macao, and I would like to talk about these three places as well. Since Secretary WANG Yang took up office in Guangdong Province, there have really been new developments. In respect of co-operation between Hong Kong and Macao, that between Guangdong and Hong Kong or that between Guangdong and Macao, an excellent framework has been put in place, that is, the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA). The Central Government has entered into this arrangement with Hong Kong and Macao as well. Under the framework of CEPA, we have very good conditions to enhance our relationship with Guangdong Province. For example, Hong Kong's service industry may set up more pilot points in Guangdong Province and upgrade their operation to cover more policy aspects. As for the relationship between Hong Kong and Macao, I can tell Members that we have adopted a pragmatic approach. The joint conference that we held with the Guangdong Government is of a large scale, and we have established a lot of co-ordination groups and special panels in various aspects. But in forging co-operation with Macao, we will first select certain aspects to start off in a practical manner. As for high-level dialogues, the Financial Secretary and Macao's Secretary for Economy and Finance will lead their respective teams. I believe the Financial Secretary will report to us further on this issue after his visit to Macao shortly.

As for immigration matters, there are really frequent exchanges between residents of Hong Kong and Macao. In 2007, there were 8 million passenger

trips made by Hong Kong residents to Macao, an increase of 18% as compared to 2006, whilst 600 000 passenger trips were made by Macao people to Hong Kong, with an increase of 12% as compared to 2006.

In September 2004, in order to further facilitate people to travel between the two places, the Hong Kong and Macao Governments signed a memorandum to "Further Facilitate Macao Residents to visit Hong Kong", under which holders of the Macao Permanent Identity Card, as also mentioned by Mr Jasper TSANG, are allowed to visit Hong Kong simply with a declaration form. This measure has facilitated Macao permanent residents to visit Hong Kong. Regarding the practical difficulties on the formalities mentioned by Mr Jasper TSANG just now, the Immigration Department of Hong Kong and its counterpart have noted the situation and are exploring ways to further facilitate Macao residents to visit Hong Kong. The process has been started already.

Mr CHEUNG Man-kwong has particularly mentioned some cases. Deputy President, I would like to tell Mr CHEUNG Man-kwong through you that our various departments, especially those responsible for immigration and border controls, as well as other departments, have maintained co-operation and conducted exchanges on the international level, with the provincial and municipal governments in the Mainland, as well as with the Macao SAR Government. The immigration departments of these places have held fast to a very important principle in the course of co-operation and exchange, and that is, mutual respect for the autonomy of a place to impose immigration control in accordance with its laws. We respect each other in our exchange on the professional and enforcement fronts and so, there will be no intervention. We deeply believe under the framework of "one country, two systems", both the Macao SAR Government and the Hong Kong SAR Government will act in accordance with law.

I can tell Members that we are very proactive in judicial assistance and co-operation with the Independent Commission Against Corruption (ICAC) on all fronts.

As for judicial assistance, we have put much emphasis on combating international crimes. In 2005, the Hong Kong and Macao SAR Governments signed the Transfer of Sentenced Person Agreement. Since the Agreement has come into effect, 22 Hong Kong residents serving sentences in Macao have been

arranged to return to Hong Kong to serve their sentences. However, we have not received any applications from Macao residents serving sentences in Hong Kong for going back to Macao to serve their sentences.

As for co-operation with the ICAC, we have also made a lot of efforts to promote anti-corruption initiatives. Colleagues of the Macao Commission Against Corruption (CCAC) will visit the Hong Kong ICAC from time to time and attend our anti-corruption courses. The two commissions have certainly forged co-operation in law enforcement. Apart from co-operation with the Macao CCAC, the Hong Kong ICAC and Macao CCAC also have close liaison with the Ministry of Supervision and anti-corruption departments in the Mainland by exchanging experiences and enhancing co-operation in law enforcement. We believe that effective anti-corruption measures are a crucial component for establishing "one country, two systems" in Hong Kong and Macao, as well as the further reforming and opening up of our country.

Deputy President, I would like to draw a brief conclusion first. Over the years, the attitude of the SAR Government is very clear and that is, Hong Kong and Macao are "two brothers", though we have different backgrounds. Hong Kong is an international financial, trading and shipping centre, whilst Macao is mainly engaging in entertainment business and has even upgraded its class recently in the direction of internationalization. In the face of these developments, our attitude is very proactive. As a free port, Hong Kong has all along believed in competition over the past decades after the war. The keener the competition, the more the advancements Hong Kong will make. Around 1997, many businessmen had worried about whether Hong Kong would lag behind Singapore and Shanghai. The fact is that the stronger these cities have become, the more the investment opportunities they will bring about to Hong Kong. Therefore, we can see that Macao has remarkable developments and become more affluent since its reunification. Various trades in Hong Kong can make investments there, and our professionals and even workers can also work there. All these are good things.

Summing up, Deputy President, we agree that Hong Kong and Macao should enhance co-operation and communication with each other, and create new room in different aspects. However, the mechanism of co-operation between

Hong Kong and Macao may be different from that between Guangdong Province and Hong Kong which is very large in scale. I believe this new co-operation mechanism will be suitable for Hong Kong and Macao in this area of work.

Thank you, Deputy President.

**MR TIMOTHY FOK** (in Cantonese): Deputy President, Macao and Hong Kong, which are only separated by a stretch of sea, have common historical and cultural backgrounds. Residents of the two places have frequent exchanges and close relationship. However, owing to the restrictions imposed by their respective colonial governments in the past, the official contacts between the two places were sparse, and political and economic collaboration was lacking. As a result, the two places were like strangers and they pursued developments separately.

With the reunification of Hong Kong and Macao with the Motherland one after another, the political separation in the past has been eliminated, particularly under the co-operation platform provided by the framework of CEPA and "9+1" as well as the National 11th Five-Year Plan, Hong Kong and Macao have taken up crucial roles in the stable development of the Greater China Region. It is necessary to integrate and fully utilize the inherent advantages of the two places, further enhance their co-operation to create synergy, and provide more room for development and explore their powers, so that in the process of prosperous development of our country, the two places can perform their own responsibilities and be rewarded with tangible benefits.

We can all see that Macao has made remarkable economic achievements since its reunification. It has transformed from a small island which relied on Hong Kong's economic output to an international metropolis with GDP per capita exceeding that of Hong Kong. Such achievements cannot be solely attributed to the liberalization of the gambling monopoly. In Macao, people from all walks of life have concentrated more on economy than politics, and although they have divergent views, they seldom have internal conflicts. This is what we have to think in depth and make reference to.

In recent years, without being noticed by Hong Kong, Macao's tourism and exhibition industries have grown remarkably and become a major competitor of Hong Kong. Macao has caught up from behind, and sounded the alarm to Hong Kong's sense of superiority.

Deputy President, Hong Kong believes in the free market mechanism. Full competition is in fact the foundation of Hong Kong's economic vitality. Co-operation between Hong Kong and Macao should be built on this unique relationship featuring both co-operation and competition. Nowadays, Macao has a booming economy, which can bring about a lot of new opportunities to Hong Kong and also unlimited new chances for collaboration and co-operation between the two places.

Of course, under rapid development, it is acceptable to find some shortcomings and defects in the overall economic and social structure of Macao. Hong Kong can provide some reference for Macao to draw on in this regard. In fact, with the construction of the Hong Kong-Zhuhai-Macao Bridge in future, the transportation between Hong Kong and Macao will become more convenient, which will be a new opportunity of enhancing economic co-operation between the two places.

In recent years, the Government has made a lot of efforts in enhancing the economic and trade co-operation with the Mainland, especially the Pearl River Delta. However, we cannot see any proactive actions taken on the economic co-operation with Macao. Apart from the joint development of regional routes by the two places to attract more mainland tourists that the tourism industry has long advocated, the Hong Kong Government should also consider establishing a high-level co-operation mechanism to explore on all fronts the areas in which the strengths of the two places can be combined for joint development, with a view to enhancing our competitiveness in the international market under economic globalization and broadening the areas of development.

It is noteworthy that although Macao has made a late start, it has learned from the international experience. Amidst an economic upturn, Macao has also put in every effort to develop its soft strengths such as culture and sports, and has successfully promoted the conservation work to preserve the world cultural

heritages, which has considerably upgraded its international status and laid a solid foundation for the rapid development of its tourism industry, gaining both reputation and financial benefits at the same time. As for sports development, Macao has even surpassed Hong Kong in hosting the East Asian Games, Asian Indoor Games and Lusophony Games. And in recent years, a number of large-scale cultural and arts performing events can also fully demonstrate Macao's vitality and dynamics. Hong Kong must take this seriously. After all, in the development of a region, apart from focusing on the hard indicators of economic performance, it is also necessary to take into account the soft strengths such as culture and sports, as well as the economic benefits so generated. Thank you.

**MR CHIM PUI-CHUNG** (in Cantonese): Deputy President, our topic today is "Enhancing co-operation between Hong Kong and Macao". Speaking of the issue of Hong Kong and Macao, it is also related to me somehow. About 50 years ago, I was allowed to leave the Mainland, and my first destination was Macao. Later, I sneaked into Hong Kong illegally. Members may know that in the 1950s, although it was illegal to sneak into Hong Kong, it was in fact very common. At that time, I was required to apply for a Hong Kong Identity Card at Tsat Tsz Mui Road on the Hong Kong Island.

Deputy President, Macao actually started its development earlier than Hong Kong and there are a lot of scenic spots in Macao. There are even more cultural heritages under the world's protection in Macao than in Hong Kong, and these heritages are more famous as well. Apart from granting gambling franchise licences, the Macao Government has also authorized the operation of a dog race stadium and the then Chariot Club. After the cessation of the Chariot Club, a racecourse has been operated instead. The fourth project authorized for operation is the Jai Alai stadium. In the 1980s, I was honoured to be able to acquire the Hong Kong Macau Development Company and I had held the ownership of the Jai Alai stadium and was its big shareholder. Therefore, my relationship with Macao is really very close.

Macao was only a very small place at that time. The more famous buildings there included the International Hotel and the Central Building. However, not long since the global developments and under the reform and

opening up policy in China, both Hong Kong and Macao have had rapid developments. In order to enhance co-operation between Hong Kong and Macao, we should put emphasis on a number of aspects. The first is the scenic sports. Our colleagues from the Liberal Party have suggested opening a casino, that is, a place for gambling, in Hong Kong. We know that it is impossible to establish a casino in Hong Kong as great difficulties will be involved. It is because this is not solely a matter of betting or gambling, but making use of gambling to promote other ancillary businesses, including tourism which is directly related, as well as those indirectly-related businesses, such as hotels, exhibition and support facilities suitable for family members of different ages.

As Hong Kong cannot fulfil the requirements in this regard, the SAR Government should look into ways to utilize these advantages of Macao. Although the operation of the gambling business may not be a proud thing to talk about, looking back on history, we can learn from the development of the gambling industry in Macao. Before the 1960s — as for the mode of operation by the HO and FU families, I will not talk about this for the time being — However, after 1960, the gambling industry had gradually moved onto the right track with prosperous developments. Especially in 2002, three gambling licences were granted in Macao, which have now become the so-called primary and secondary licences today, that is, there are now six gambling licences in total. Of course, regarding these six gambling licences, Members of the Legislative Assembly of Macao are now investigating into who has been authorized to grant them, as only three gambling licences have been endorsed so far. Some hotels, though with no gambling licences, can still operate under these six gambling licences. However, this is outside the scope of our discussion.

Although the Hong Kong SAR Government cannot operate gambling activities, it should explore ways to utilize the existing advantages of Macao to complement the strengths of Hong Kong, with a view to promoting the development of the tourism, gambling and exhibition industries. Why? It is because the Chief Executive always emphasizes that the exhibition industry in Hong Kong should never ever be invaded. However, in this regard, I think no court in the world will make a judgment that Hong Kong owns the sole franchise to operate exhibition galleries exclusively. Therefore, it is very important to study ways to complement each other, so as to protect the exhibition industry in

Hong Kong and attract more visitors to Hong Kong and Macao. In order to link up the two places, great efforts should of course be made by various parties. I deeply believe that some travel agents will operate these businesses. But on the other hand, the Government's policies, such as complementary measures on border crossings and other aspects, are also very important.

Moreover, Macao used to be a Portuguese colony. As such, the European Union countries will provide concessions for the manufacturing industry in Macao. Although Hong Kong had once been a British colony, we cannot enjoy any concessions from the European Union. Under such circumstances, the Government should explore with Macao how to utilize this advantage. The third point is that the construction of the Hong Kong-Zhuhai-Macao Bridge will soon commence. I believe the Government will reply that the works is now underway, but it does not mean that the works will be conducted expeditiously. As the stock market is now fluctuating substantially, if the SAR Government can make use of its huge reserves and take the lead to push the project ahead, the development of Hong Kong, Zhuhai and Macao will be more promising. This is what the Hong Kong people would like to see.

Another question is about the documentation for exchange visits. We should adopt a more lenient approach in this regard. Certainly, the Government has already indicated that it would pitch in efforts for co-operation. It is noteworthy that Macao has established a diplomatic reception, but unfortunately, the documentation of Members of the Legislative Council in Hong Kong has not been recognized by the Macao Government. Therefore, I hope the Macao Government can listen to this view as well.

**MR DANIEL LAM** (in Cantonese): Deputy President, the Heung Yee Kuk fully supports Mr Jasper TSANG's motion today to urge the Government to enhance co-operation between Hong Kong and Macao, set up a permanent and high-level co-operation mechanism, and formulate overall plans and policy measures, so as to promote joint development of Hong Kong and Macao.

It was reported in newspapers a few days ago that the Hong Kong-Zhuhai-Macao Bridge (HKZM Bridge) has achieved a breakthrough. The experts of the three places have reached a consensus in the meeting held at Zhuhai that the Bridge has great political and economic significance and should

therefore be built. The final feasibility report of the project will be examined and approved by departments such as the National Development and Reform Commission, and will be submitted to the State Council in August for endorsement. Once the bridge project is approved, the relationship between Hong Kong and Macao will certainly become even closer. As for how to enhance co-operation and relationship between the Governments of the two places, it is in fact inappropriate for us to continue to be "slow-moving" now.

"Hong Kong and Macao are in the same family" is a relationship between the two places recognized by the general public over a period of time in the past. After reunification, such relationship should have further development under the environment of "one country". As we may recall, when Hong Kong was under the British control, the Governors always visited Macao for vacation and for nurturing a spirit of good neighbourhood. However, we do not know whether such activities for promoting the relationship between the two places are still conducted after reunification.

Deputy President, with the commencement of the HKZM Bridge, the relationship between the two places will be further enhanced. If the Governments of the two places do not make timely preparation and planning to enhance their co-operation and promote a cordial relationship, it will not be beneficial to their development and co-operation in future.

Hong Kong has a prosperous economy and is financially strong, but it does not mean that Macao will never catch up with us. Hong Kong should no longer maintain a mentality of superiority over Macao. It should step up efforts to enhance co-operation between the two places. If the relationship between Hong Kong and Macao cannot be handled properly and the two places become "good neighbours on the surface but competitors at heart" as a result, it will bring about harm rather than benefits to the future development of both places.

Deputy President, the societies of Hong Kong and Macao have all along hoped to establish a partnership relationship which enables them to share prosperity together. Hong Kong companies are most welcomed to make investments in Macao. People in Macao love "speculating" on Hong Kong's stocks, but they have not developed their own securities market. If the Hong

Kong Government can make more efforts to grasp the opportunities brought about by the rapid development in Macao and open up channels for co-operation between the two places, it is believed that mutual benefits can be achieved when both places can prosper together.

Hong Kong has an irreplaceable standing in the international arena, whilst Macao also plays a crucial role in the arena of the Portuguese-speaking regions. If the two places can establish a closer partnership relationship, it will not only combine the two places into a stronger power, but also achieve mutual benefits and a win-win situation for Hong Kong and Macao ultimately.

In my opinion, Hong Kong and Macao should explore the setting up of a high-level co-operation mechanism. And apart from this, the Chief Executives of the two places should also establish a mechanism of regular meetings and open up a new forum for high-level co-operation. With these remarks, I support the motion.

**MS AUDREY EU** (in Cantonese): Deputy President, since the liberation of its gambling monopoly, Macao has attracted a lot of our local talents, especially those from the hotel, catering, retail and construction industries. The construction industry in Macao has also been headhunting talents by offering them attractive salaries. Up till now, over 10 000 local construction workers have joined the construction industry in Macao. Recently, the organizer of the Animation and Comic Festival in Macao has also taken an initiative to headhunt workers in Hong Kong. A job fair was held in Tin Shui Wai in the New Territories, which had attracted 500 youngsters in the district to apply for the posts on that day and 100 temporary workers were recruited by the organiser as a result. This can illustrate that the economic relationship as well as co-operation and exchanges between Hong Kong and Macao are really very close.

Honourable Members have raised a series of proposals on co-operation with Macao, and most of the discussion is economy-oriented. However, as for mutual support in respect of the rule of law, Members have just touched on this briefly. In fact, if we just focus on economic developments and ignore the back-up of the rule of law and human rights, it will easily lead to corruption and wealth disparity between the rich and the poor, and the development of Macao will be affected as a result. The legal system is crucial for the promotion of

economic development. Only when there are well-established company law and contract law can we ensure that commercial dealings are conducted fairly and private properties are protected. By the same token, clear and unequivocal immigration legislation can facilitate the flow of talents and enhance economic development at the same time.

In fact, we all know that both Macao and Hong Kong are under the protection of the Basic Law. The Basic Laws of Hong Kong and Macao stipulate that residents should have the freedom to enter or leave the regions. Recently, we have noticed from newspapers that CHAN Hau-man could always be allowed entry to Macao in the past. However, after she displayed the Tibetan Snow Lion Flag in a recent protest, Macao has denied her entry. Such a move or incident has caused doubts among many people about the authorities conducting a political trial on her and restricting her freedom of speech. CHAN Hau-man has been seeking an apology and compensation from the authorities. However, the relevant authorities have refused to give any explanation. When Chief Secretary for Administration Henry TANG came to the Legislative Council, I also put a question to him on this matter. But the Chief Secretary evaded this question, saying that he was not prepared to comment on this individual case. In fact, I would like to remind the Chief Secretary that in Hong Kong, there had been some controversial legal issues in the past, for example, there were cases when the Secretary for Justice did not institute prosecution in some cases. The then Secretary for Justice and the former Secretary for Justice after the reunification had in fact given their explanations to the Legislative Council. The "Sally AW Sian case" is of course one of the examples. Therefore, the Chief Secretary cannot simply say that this is an individual incident and he will not give any comments whenever there is a controversial incident or issue of public concern. The Chief Secretary's refusal to give comments has in fact undermined the protection for Hong Kong and Macao in terms of human rights, rule of law and freedom of speech.

As for immigration incidents, in particular, it is in fact necessary for officials of the SAR to provide adequate protection for Hong Kong people in this regard. The Deputy President just sent someone to tell me to return to the Chamber. I was making a phone call outside as a number of Hong Kong journalists have been detained by the immigration department of Japan at the

airport when they go there for news reporting. I have to contact the Hong Kong Government and Japanese Consulate to see what happened. In fact, similar incidents occur from time to time. Let me repeat one point and that is, there is in fact an absolute need for the officials concerned in Hong Kong to help Hong Kong people. When such situation occurs, they should find out what happened and try their best to resolve the problem. Otherwise, whenever someone with whom the public is more familiar may be refused entry or detained for investigation because of something that he did in the past, there will be concern about whether it is due to political vetting or some of his political behaviours that he is treated in this way? The public is in fact very keen to find out the reasons behind. It is because if these problems are not handled or resolved, many people will query if it has indicated that the words and deeds of the Hong Kong Government just do not tally. On one hand, it says it will safeguard the freedom of speech and the freedom to enter or leave Hong Kong. But on the other hand, if you have done something which the Government dislikes, you should be very careful as you will face a lot of difficulties when entering or leaving Hong Kong. Has Hong Kong degenerated to become such a place?

In fact, these problems will always affect Hong Kong people's core values on human rights, freedom and rule of law. I do hope that in discussing the relationship between Hong Kong and Macao, we should not just put emphasis on economic development. We should also, as mentioned in Mr CHEUNG Man-kwong's amendment, safeguard the freedom of lawful border-crossing between and human rights of the two places, as well as strengthen anti-corruption and judicial co-operation between the two places at the same time. It is because we really need to complement each other in this regard to ensure that economic development can be achieved towards a healthy direction and under healthy conditions, rather than allowing the situation develop in the same way as that in Macao where there are problems such as the gap between the rich and the poor and corruption, as well as possible restrictions on the freedom of border-crossing. Therefore, regarding this issue, I, on one hand, support the stance of the Civic Party and also Mr Jasper TSANG's original motion on economic co-operation with Macao, and on the other hand, I also support Mr CHEUNG Man-kwong's amendment calling for better communication and joint development on the rule of law and human rights. Thank you, Deputy President.

**MISS CHOY SO-YUK** (in Cantonese): Deputy President, Hong Kong and Macao are like two brothers who had been separated, and we have reunified for ten years now. Over the past decade, we cannot say that the two brothers have no contacts or whatsoever with each other. But at least, it gives people a strong feeling that we do not have a strong brotherly bond with each other and our relationship is quite distant.

The problem may be attributed to our "Big Brother" or "Big Hong Kong" mentality. Another reason may be that many people, including government officials, have in fact no feeling of reunion at the bottom of their hearts. They just do not feel that this is a reunion with parents or brothers. Simply enough, from today's newspapers, we notice that Taiwan is not included in China's map. China does not even admit Taiwan, a brother with which we will soon be reunited. Over the past decade, such mentality has all along dealt a certain blow to Hong Kong, not only to our competitiveness but also to our confidence, making us feel a certain sense of failure.

Today's topic does not only aim at building up a deep affection with our younger brother. In fact, there is also a practical need to do so. We may still have the "Big Hong Kong" mentality, thinking that Hong Kong has brought benefits to Macao on various fronts. But I am afraid that the truth is just the opposite. We see that Macao, our younger brother, has shown excellent performance in various aspects during these years. It has not only made every effort to stand on its own feet, but also fully utilized its competitive edges, and even given full play to its characteristic of being "small is beautiful". On the contrary, we are still clinging to the mentality of superiority, thinking that there will be unlimited resources available so long as we maintain the *status quo*. We do pale in comparison with Macao and we have started to feel ashamed of ourselves.

I will explain why I have such feelings from a number of aspects. The first is the development of the convention and exhibition industry. It is understandable that a few years ago Macao made vigorous efforts to develop its gambling and entertainment industry. Many controversies have been aroused in society on whether Hong Kong can develop the gambling industry. Therefore, I am not surprised that the Government has not regarded it as an important topic; nor do I consider that this should give any cause to criticisms. However, the development of the convention and exhibition industry in Macao has really made

it necessary for the Hong Kong Government to conduct a serious review. In my opinion, Hong Kong is a place in Asia with the greatest potentials to develop the convention and exhibition industry. It is not just today or 10 years ago that I made this remark. In fact, I made this point 20 years ago.

Deputy President, I have worked in the convention and exhibition industry and I am among the first-generation practitioners in the convention and exhibition industry in Hong Kong. In the era of the Provisional Legislative Council in 1997, Mr Stephen IP was the first official with whom I met and the first topic was about requesting the Government to develop a convention and exhibition centre of an area of 200 000 sq m. Later, I requested the industry to send many faxes to the then Secretary Stephen IP to voice out our request. However, it is only when we see the giant exhibition venues built in Macao that we realize that we have lost our advantages and must catch up expeditiously. It is already a bit late. But of course, it is not really too late. In my opinion, Macao should concentrate on the development of convention venues whilst Hong Kong should concentrate on that of exhibition venues. Unfortunately, we do not see anything done by the Government so far. If we really want to develop on the exhibition front, an exhibition centre of an area of 400 000 sq m should be constructed as soon as possible.

Another point is about heritage conservation. Deputy President, I had an opportunity to visit Macao with the Panel on Home Affairs last year and witnessed how Macao had worked for the inclusion of the Ruins of St. Paul's, Mount Fortress, A-Ma Temple, Mandarin's House and Lou Kau Mansion into the World Heritage List of the United Nations Educational, Scientific and Cultural Organization. On the contrary, Hong Kong has demolished a number of heritage and monuments one after another. Even though we have proposed to declare local bistro cafes in Hong Kong as an intangible cultural heritage of the United Nations, the Government has not given any response so far.

As for external policies, Macao is more open and proactive on the Taiwan issue. At present, many Taiwanese people have entered the Mainland via Macao. Moreover, there are also flights flying directly to Macao and it will be very easy to fly directly from Macao to other places in future. Hong Kong used

to have absolute advantages in these aspects and was definitely able to achieve more brilliant developments than Macao. However, we have lost these advantages one by one. Therefore, I hope the Government can conduct a review seriously.

**DEPUTY PRESIDENT** (in Cantonese): Your speaking time is up.

**MR JEFFREY LAM** (in Cantonese): Deputy President, first of all, I would like to thank Mr Jasper TSANG for moving this motion. In fact, the Liberal Party also moved a motion on "Enhancing co-operation with Macao in developing the tourism industry" in November last year, which was supported by Honourable colleagues at that time. As for today's original motion on co-operating with Macao on all fronts and upgrading the level of the co-operation mechanism, the Liberal Party is in support of it.

In fact, Hong Kong and Macao have enhanced their co-operation in tourism in recent years. For example, the tourism departments of the two places have jointly launched a cultural heritage tour earlier. Tourists can visit the Hung Shing Temple in Sai Kung, Hong Kong, the Historic Centre of Macao and the Kaiping Diaolou in Guangzhou, and so on, which is a "sample tour" of "one journey with multi-destinations".

(THE PRESIDENT'S DEPUTY, MR FRED LI, took the Chair)

The Liberal Party considers that such kind of tour should be further promoted and can be developed into a diversified theme tour, such as linking up the Ocean Park and the Disneyland in Hong Kong with the Venetian Macao or the Fisherman's Wharf to form a route of theme parks, or ecological or cultural tours can be used as the theme. It is believed that such tours will be appealing to tourists. The two places can also co-operate to provide ferry ticket concessions or coupons to tourists, so as to attract them to spend one or a half more day travelling to the other place for sightseeing or shopping as well.

The growth trend of tourism in Hong Kong has been overtaken by Macao in recent years. During the first four months this year, Macao has recorded a visitor volume of 9.995 million, which is 3.1% more than that of 9.695 million of Hong Kong. This is the first time that Macao has overtaken Hong Kong successfully. However, I think both places are aware that if we can enhance co-operation, a win-win situation will certainly be achieved. As the common saying goes, "unity vanquishes everything". Hong Kong and Macao are primarily brothers. We should enhance co-operation and continue to attract more visitors. The crux of the question only lies in how to "make the pie larger", so that both of us can be benefited.

In October last year, Mr James TIEN met with Mr HO Hau-wah, the Chief Executive of Macao, in his capacity as Chairman of the Hong Kong Tourism Board. Both of them agreed to further enhance "one journey with multi-destinations" and strengthen the liaison between their tourist offices overseas. It is believed that these measures will achieve a positive effect in promoting tourism of the two places.

Nevertheless, the Liberal Party is also very concerned about the issue on the endorsement of mainland tourists, especially as the exit endorsement for visiting Hong Kong and Macao under the Individual Visit Scheme has not yet been merged up till now. As a result, our comrades in the Mainland cannot come to Hong Kong on their way leaving Macao. Tourists will definitely find it inconvenient, and the two places have no way to share the tourists. As there is no such arrangement now, what we can do is to hope that the Governments of the two places can expedite their negotiation with the Central Government, so that this facilitating measure can be implemented as soon as possible.

On the other hand, in order to shorten the waiting time for Hong Kong tourists to enter Macao, we propose that the Macao authority can adopt a self-help immigration clearance system similar to the e-Channel, so as to enhance the clearance capacity at the border.

Deputy President, as for training of talents, the Liberal Party has proposed last year that Guangdong Province, Hong Kong and Macao should collaborate in training middle and senior management professionals for the hotel and tourism sectors. The Government should continue to enhance collaboration among the three places in this direction. And for instance, although competitions in the convention and exhibition services between Hong Kong and Macao have become

much keener recently, the two places can in fact transform competition into a cohesive force, and collaborate with Guangdong Province to create a convention and exhibition platform with the greatest potential in Asia. Moreover, the Hong Kong-Zhuhai-Macao Bridge, which is soon to be commenced, also relies on the close co-operation among the three places, as well as their close co-ordination regarding the quota for and management of cross-boundary vehicles, before the project can be implemented as soon as possible.

Deputy President, the Liberal Party considers that in order to enhance the co-operation mechanism between Hong Kong and Macao, reference can be made to the Hong Kong/Guangdong Co-operation Joint Conference, thereby strengthening the daily liaison between the two places and enabling our co-operation to scale new heights. As such, the Liberal Party supports Mr Jasper TSANG's original motion.

Deputy President, I so submit.

**MR SIN CHUNG-KAI** (in Cantonese): Deputy President, in fact, there is really immense room for co-operation between Hong Kong and Macao. However, I would like to raise a point here which we may overlook easily and that is anti-corruption co-operation.

As we all know, in the corruption case of AO Man-long, one of the Secretaries in Macao, Hong Kong has in fact played an important role. Simply speaking, it is reported that the monetary authorities in Hong Kong found that some bank accounts had something wrong and "money laundering" was suspected. Later, after investigation, this serious corruption case was revealed. I think it has demonstrated the initiatives taken in Hong Kong to prevent "money laundering". However, I also feel a bit worried because the reason for Macao being so successful is in fact due to its development in the gambling industry, and in my opinion, we should explore ways to induce or encourage it to assist Hong Kong in stepping up anti-corruption efforts, or on the part of Hong Kong, what can we do to "teach" — I do not know whether it is appropriate to use this word — Macao to ensure healthy development of its anti-corruption work.

On the high-level co-operation opportunities and mechanism, what can we do in respect of money laundering or anti-corruption work? Yesterday, we had

discussion on the rather unsatisfactory Prevention of Bribery (Amendment) Bill 2007 aiming at including the Chief Executive into the scope of regulation. I believe that through this demonstration by Hong Kong, Macao can also pitch in more efforts. I hope the Secretary can respond to this point later and tell us, within the scope of Mr Jasper TSANG's motion, what high-level co-operation opportunities there will be for more efforts to be made on the anti-corruption work and prevention of "money laundering". Mr James TO should speak on this point but he might have forgotten to mention it yesterday. I hope the Government can pay attention to this. I so submit.

**DEPUTY PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MR CHAN KAM-LAM** (in Cantonese): Deputy President, both Hong Kong and Macao are China's special administrative regions, with close proximity to each other. Over the years after reunification, there are in fact a lot of areas which can be opened up for co-operation between the two places. However, unfortunately, the two places have developed separately. Perhaps, we have a feeling that being separated by the Pearl River Estuary, the two places seem to be very far apart from each other geographically.

However, the relationship between Hong Kong and Macao is very close indeed. Mr Jasper TSANG has also cited an example earlier on. Before reunification — which was not long ago, we still took the "Big Boat" to Macao. The scenes are still vivid in our memories. However, as there have been rapid developments over these two or three decades, the distance between the two places has been greatly shortened because of the advancement of transportation. Now, it just takes an hour to travel from Hong Kong to Macao. If we take a helicopter, we can even arrive there within 15 minutes. We always say that Hong Kong should integrate into the Pearl River Delta (PRD) and play a leading position in the PRD effectively. But as it seems that we are so far away from Macao, this is really not an ideal phenomenon.

In view of this, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) considers that from an egocentric perspective, we can explore ways to make the "pie" larger and extend our economic sphere, which is highly beneficial to the development of Hong Kong. Over the past few years, we have witnessed the rapid developments in Macao. Before our reunification

in 1997, Macao's GDP growth was about MOP 45.7 billion, but now, it has already exceeded MOP 153.6 billion. Of course, we can see that when compared to our GDP, there is still a great difference. However, we can also see that their growth is very rapid, which has increased by nearly three folds. Moreover, the per capita income of Macao, which is US\$36,000 or so, has in fact exceeded that of Hong Kong.

Moreover, we can also note from some figures that the relationship between Hong Kong and Macao was very close in the past. For example, if we look at imports alone, before reunification, most daily necessities in Macao relied on imports from Hong Kong. Even when compared with the Mainland, the total value of goods imported from Hong Kong to Macao was higher than that from the Mainland. In 1991, imports from Hong Kong amounted to \$5.165 billion whilst imports from the Mainland only amounted to \$3.192 billion. However, there were some changes gradually after reunification. In 1999, imports from Hong Kong amounted to \$2.945 billion whilst imports from the Mainland amounted to \$5.8 billion. The Mainland had a growth of 20% but we had recorded a decline. Up till now, we can see that the total value of goods imported from Hong Kong to Macao is \$4.3 billion whilst imports from the Mainland has already reached \$18.3 billion. Over the past ten years or so, imports from the Mainland has increased by six folds but that from Hong Kong has declined.

What we can see is that although Macao has a population of 540 000 and a workforce of 320 000 only, its unemployment rate is just 2.9%, showing that Macao has very prosperous economic development. Even though Macao's economic development in the past had all along relied on the gambling industry, during the past few years, it has in fact made a lot of efforts to develop other sectors, such as the tourism and service industries. This is why its economic growth is much faster during the past few years.

In fact, in view of such developments, we can see that Hong Kong can take on a role to assist this "little brother" to have further economic development. It is because Macao also worries about its economy being too monotonous or relying too much on the gambling industry. If we can offer Macao more assistance, it can give greater play to its role in the western part of PRD whilst we can focus our development on the eastern part of PRD. We will have no conflicts in our roles, while achieving co-ordination and co-operation in some areas.

Moreover, the rising of Macao over the past few years has in fact brought about a lot of business opportunities to Hong Kong. In the process of mutual co-operation, some contradictions or areas which have been overlooked in the past can be brought up again for review. For example, at present, Macao people have to go through inconvenient formalities for visiting Hong Kong. Can we explore ways to simplify these formalities to facilitate more frequent visits? Can we share some of the resources? As for the convention and exhibition industry we have just mentioned, will there be some large-scale events which can allow mutual co-operation? For instance, we can arrange to hold two exhibitions in the two places roughly at the same time, so as to attract more international businessmen to come over here. Some Honourable colleagues have also mentioned that the tourism industry of the two places can be developed jointly to facilitate the integration of PRD. We consider that these are very good ideas.

However, the major problem to be resolved is that we must change our mentality of governance. Our mentality should not be affected by our separation by the Pearl River Estuary.

Thank you, Deputy President.

**MRS SELINA CHOW** (in Cantonese): Deputy President, Mr Jasper TSANG has just said that the Central Government will certainly treat Hong Kong and Macao equally. In fact, we consider that in comparison, the two places are not really very similar in many aspects and we can enhance co-operation. The Liberal Party absolutely agrees to this point. However, I wish to briefly look at whether or not there is immense room for co-operation between Macao and Hong Kong. Being an international metropolis in Asia, Hong Kong has prosperous developments in the industrial and commercial sectors. In which aspects can Macao co-operate with Hong Kong? As a matter of fact, they still remain to be the service and tourism industries, as we have heard that Hong Kong is thinking about developing the gambling industry. What Mr SIN Chung-kai has said is very narrow. Take Las Vegas as an example. It can in fact develop from gambling into a gaming city today which is suitable for both adults and children. Undoubtedly, Macao is now moving towards this direction, and we can even find the same group of investors there. Therefore, Macao will be developing in this way.

Mr CHIM Pui-chung has just said that we in the Liberal Party had proposed to build a casino in Hong Kong. We had already mentioned at that time that, in our opinion, there was immense room for co-operation between Hong Kong and Macao. However, Macao is so specialized in this aspect and it is a city developing towards the direction of Las Vegas. Up to this stage, Macao is far ahead of us and has all along focused on the development of this industry singlemindedly. In fact, it is no longer necessary for Macao to worry about Hong Kong even if it has achieved some development in this regard now. The mentality of Hong Kong is just keeping up with the Joneses. We do have some casinos in the territory and so, it is not necessary for Macao to worry about it.

As for the tourism industry, when I was working in the Tourism Board, I always stressed that we should maintain a very close relationship with Macao in respect of tourism. Why? Macao has things that Hong Kong does not have, and *vice versa*. Tourists will not just visit Macao; they will not do so now but I do not know whether it will be the case in future, as many people who go to Las Vegas will just visit Las Vegas and nowhere else. However, I believe as for long-haul tourists, they will visit Hong Kong first. If we can co-operate with Macao, we can bring the tourists to Macao. As such, these overseas long-haul tourists will stay one more night in Hong Kong as they want to visit Macao. This is in fact an excellent room for co-operation and so, I consider that a lot of development can certainly be made in this regard.

Of course, we are a bit worried about whether the convention and exhibition industry in Hong Kong has adequate competitiveness. It is because as remarked by Mr Jasper TSANG, if Hong Kong and Macao can enhance co-operation on external affairs, both of us will certainly be benefited. But some extent of competition will still exist between us. Therefore, we should be clear about our position and the way forward. After all, I consider that as we have quite a long history and established sources of customers in the convention and exhibition industry, we should strengthen our competitiveness to avoid wastage of resources. However, at the same time, we can also learn a lot from Macao through co-operation. In my opinion, Macao has its characteristics in respect of culture, arts and dining whilst Hong Kong also has its own characteristics. We should maintain our own features. However, we should also learn from Macao as far as possible apart from maintaining our own features. For example, I consider that the Macao Museum is a very good

museum and I have mentioned a long time ago that we should learn from it. Moreover, as for heritage conservation, there is in fact room for us to learn. Therefore, it is worthwhile for us to follow up our co-operation on all fronts.

When considering the amendment proposed by Mr CHEUNG Man-kwong, I found that there should be no problem from its wordings. In particular, I believe that as for anti-corruption work, the two places have in fact forged co-operation to a certain extent. The AO Man-long incident has also demonstrated that such co-operation is effective. As for the judicial aspect, I have to make it clear that we have co-operation with many places, but our judicial system is very different from that of Macao because ours is based on the common law in the United Kingdom, whilst Macao's is based on the continental system and is originated from the judicial system in Portugal. Therefore, apart from promoting co-operation, we should also take into account the many differences in this regard.

We do not agree to the meaning of "safeguarding the freedom of lawful border-crossing between and human rights of the two places" elaborated by Mr CHEUNG Man-kwong earlier. He has just cited and defended a number of people whose entry to Macao had been denied as they were unwelcomed by the Macao Government. However, the Liberal Party considers that every government does have the responsibilities and rights to decide who are allowed to enter and who are not. This is a right which is respected all over the world, as each place has to be accountable to its people and protect their safety. Moreover, there are also many other considerations which we may not fully understand. Therefore, this power belongs to the government. Looking around all the democratic countries, they do have this unchallengeable power. As Mr CHEUNG Man-kwong does not recognize this power of Macao, the so-called co-operation in his amendment is in fact intended to impose his own standard on Macao. Therefore, we cannot support it.

**MR ALBERT CHENG** (in Cantonese): Deputy President, today's topic is "Enhancing co-operation between Hong Kong and Macao". Hong Kong and Macao has an interdependent relationship like the lips and teeth. However, after listening to the speeches given by a number of Members today, I find that they are not talking about co-operation but competition, that is, what Macao has taken away from us. Talents, exhibition centres, and so on, are the examples. This is simply outside the scope of this topic. However, the Deputy President

allows them to talk about this. I also consider that he should let them do so. Just let Members talk about whatever they like. In fact, we might as well amend the topic to "meeting competition from Macao". I believe that it would be more relevant.

(THE PRESIDENT resumed the Chair)

Speaking of relevance to the topic and co-operation, I think the most important point is, as mentioned by Mr Jeffrey LAM just now, that the Hong Kong Tourism Board (HKTB) has a lot of offices overseas. I always criticize that the overseas offices set up by Hong Kong have wasted a lot of our public money because the TDC has overseas offices, and so do the HKTB and the Government. I always query why these offices cannot be merged? That said, there seems to be some progress in this regard, as they start to have the idea of merging these offices in some places.

However, after listening to what Mr Jeffrey LAM has said, I suddenly wonder why the HKTB's overseas offices do not co-operate with Macao, with a view to attracting tourists visiting Hong Kong to go to Macao and *vice versa*. We can enhance co-operation with Macao through our overseas tourist offices or in respect of the promotion budget, and these are ways to build up a co-operative relationship. I believe it will be more constructive for us to promote the Hong Kong-Macao tour overseas. I think we should not be "jealous" of Macao's developments. Macao has now employed many construction workers in Hong Kong as well as many people from the service industry, such as the staff of the Hong Kong Jockey Club (HKJC). I have met the Chief Executive of the HKJC recently and he said that Macao has recruited 40% of its dining staff. Such situation will of course give rise to a shortage of manpower. However, Hong Kong has a lot of talents and we will continue to train talents. If Macao recruits more people from Hong Kong, our unemployment rate can be reduced. This may also be the reason why our unemployment rate has dropped.

As for the immigration aspect, I think the point is that we are all concerned about the freedom of border-crossing and whether we are treated lawfully when visiting other places. If we have to intervene in others' immigration policies, I think we have to intervene in the policy of a lot of places, not only that of Macao. For example, as many of us may know, President, if we visit Vancouver —

everyone will be scared on hearing "Vancouver". A friend of mine said that he would never visit Vancouver again, and if he wants to visit Canada, he will fly to Montreal first and then to Vancouver. I have once witnessed an unprecedented melodrama at its baggage claim hall. An immigration officer approached a Hong Kong visitor with his dog. He first lifted the visitor's sleeve to take a look at his watch and then turned over his collar to check the label. My dear friends, such things can happen. Others did not find this unusual as they have seen it before and it is not surprising at all. If you have to intervene, please talk to the Canadian Government and ask it why they can do such a thing. Vancouver's immigration officers are famous for their abusive behaviours. Another example is the United States. Visitors have to press fingerprints, queue up, take photos, and so on and so forth. Recently, Japan ..... Our Government has of course followed up this matter. At an immigration checkpoint of Japan, an immigration officer had put some cannabis into the luggage of a Hong Kong tourist. If the tourist did not notice it and if he did not take out the cannabis, he might even lose his life when he subsequently travelled to other places such as Singapore or Malaysia.

Therefore, I think as for immigration policies, we must respect the law of the place and should not intervene in the practice of other countries, though we can still express our opinions. As for "money laundering", Mr SIN Chung-kai has just mentioned that the Independent Commission Against Corruption teaches us what to do to prevent corruption by the Chief Executive. My dear friends, is this what we should do? How can we enhance co-operation between Hong Kong and Macao by doing so? I think it is most important for us to focus rightly and we need not be "jealous" of Macao's developments today. The more the developments in Macao, the more the benefits it will bring to us. But the point is that we have to work in line with it.

Therefore, as for the convention and exhibition industry, we should not regard Macao as our competitor. Rather, we should work with it to provide Asia's largest convention and exhibition centre co-located in two places. The Secretary can relay to the relevant authorities that the extension of the convention and exhibition centre must be implemented without delay. It is because the TDC is prepared to construct phase III but the Government is very concerned about objection from the District Council after resumption of the sports venue in Wan Chai. I think such concern is unwarranted. If the Government announces that it has to move the sports venue to other places for expansion of the Convention and Exhibition Centre Phase III, I believe there will not be any

objection from the residents in Wan Chai. The Government should not put too much emphasis on populism or focus too much on public opinions, fearing that it will be criticized by different parties. If it is so scared, the Chief Executive should have bowed and apologized yesterday when he was here, but he had not done so. There must be strong governance in some aspects. I think we must have strong governance in respect of economic development.

As such, regarding this topic of "Enhancing co-operation between Hong Kong and Macao" today, we should not focus on what others have taken away from us. We should consider ways to capitalize on others' advantages, thinking about how we can share the fruits. I believe this is a more appropriate way to achieve the objective of today's topic.

I so submit. Thank you, President.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MRS SOPHIE LEUNG** (in Cantonese): President, I was not prepared to speak originally, but I feel so touched after listening to Mr Albert CHENG's speech. In fact, I was born in Macao but Hong Kong is also my home. Therefore, I have very deep feelings when talking about co-operation between the two places.

Hong Kong has its past developments. Hong Kong has all along given the whole world an impression that it is a place with rapid developments, whilst Macao also has its own pace of development. Of course, we notice that Macao is developing rapidly now but there are also areas which we consider worrying in the process. I will not talk about them in detail here.

Some Honourable colleagues have asked just now whether Hong Kong's developments are lagging behind. It is impossible for us to develop like a rocket every day. We also have to explore the mode of our development. My deepest feeling is that whether we should broaden our horizon and review the situation of development, or adopt the perspective of regional development, rather than always looking at them with envy green eyes, and worrying that we will be overtaken by others. If we have to be so worried, I think we had better end our lives. I think when we see others making improvements, we should

review our progress to see whether we are developing on the right track. As for personal development, today's topic should, in fact, give us even bigger insights. We should not just look at the things in front of us, but should adopt a wider perspective.

I hope today's motion will give a warm feeling to everyone in Hong Kong and Macao when they realize that Members of the Legislative Council and Hong Kong citizens are in fact very concerned about the development in Macao. Thank you, President.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): If not, I now call upon Mr Jasper TSANG to speak on Mr CHEUNG Man-kwong's amendment. The speaking time limit is five minutes.

**MR JASPER TSANG** (in Cantonese): President, I am very grateful to Mr CHEUNG Man-kwong for speaking in support of the motion on "Enhancing co-operation between Hong Kong and Macao" proposed by the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB).

Mr CHEUNG Man-kwong's amendment has proposed to safeguard the human rights of and strengthen anti-corruption and judicial co-operation between the two places. This of course gives no cause for criticism. However, regarding the freedom of lawful border-crossing between the two places, I consider that it is a bit unclear conceptually. We say that there is a freedom of border-crossing in Hong Kong. Article 31 of the Basic Law protects the freedom of Hong Kong residents to enter or leave the Hong Kong Special Administrative Region, whilst the Basic Law of Macao also protects Macao residents' freedom to enter or leave Macao. But what is the freedom of border-crossing between the two places? I have therefore listened very attentively to the explanation given by Mr CHEUNG Man-kwong in his speech.

Indeed, as mentioned by Mrs Selina CHOW, he has spoken a lot about some Hong Kong residents being refused entry into Macao. I think there are some problems in what he has said. The Basic Law protects not only Hong Kong residents' freedom to enter and leave the Hong Kong Special Administrative Region, but also Macao residents' freedom to enter and leave the Macao Special Administrative Region. Article 154 of the Basic Law of the Hong Kong Special Administrative Region also protects the SAR Government's right to apply immigration controls on entry into, stay in and departure from the Region by foreigners (that is, non-Hong Kong residents). Similarly, the Basic Law of Macao also empowers the Government of the Macao Special Administrative Region to apply immigration controls.

Ms Audrey EU said in her speech that she was in support of Mr CHEUNG Man-kwong's amendment and has cited some examples. However, I also think that there is some confusion. We say that the SAR Government has the duty to protect Hong Kong residents' freedom to enter and leave the region under Article 31 of the Basic Law, but it does not mean that the Hong Kong SAR Government or the Legislative Council of the SAR has the power to intervene in the decision of other places as to whether or not they allow entry by some Hong Kong residents. Once Hong Kong residents enter other places and encounter problems there, such as being treated unfairly or involved in other disputes, if the SAR Government has set up offices there — even there are no such offices — it still has the responsibility to assist these Hong Kong people who are outside Hong Kong. For example, if Hong Kong people enter Japan (that is, when they are already in Japan) but have been detained by the Japanese authority, the SAR Government should of course explore ways to assist these people.

By the same token, if Hong Kong residents enter Macao and encounter problems there, and when they seek help from the SAR Government, I also hope that there is a mechanism to enable the SAR Government to offer assistance. However, this is different from intervening in others' immigration controls and arguing that they cannot refuse entry by some people. Therefore, I consider that this so-called freedom of lawful border-crossing between the two places does not exist in practice. We cannot say that there should be such freedom of border-crossing between the two places.

Secretary WANG Yang's proposal of establishing the so-called Guangdong-Hong Kong-Macao special co-operative region and removing all barriers to facilitate exchanges among people of the three places, or the DAB's present proposal of enhancing co-operation between Hong Kong and Macao to facilitate residents of the two places to visit each other, does not mean a complete abolishment of immigration controls of the three places or the existing ones between Hong Kong and Macao. Hong Kong residents who wish to enter Macao or Macao residents who can come to Hong Kong can enjoy the convenience when traveling to Macao for sightseeing or visiting their friends and relatives by holding their identity cards for border-crossings. However, it does not mean that we consider it no longer necessary to implement immigration controls. To avoid misunderstanding by the Macao authorities that the co-operation proposed by this Council is equivalent to abolishing the controls concerned, I think we cannot support Mr CHEUNG Man-kwong's amendment.

Thank you, President.

**SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS** (in Cantonese): Madam President, I am very grateful to Honourable Members who have put forward concrete suggestions on co-operation between Hong Kong and Macao on various fronts today. These views are very helpful to us in promoting co-operation between the two places in future. Next, I would like to make further responses regarding co-operation on the anti-corruption, finance, tourism and culture aspects.

First of all, we have mentioned the work on anti-corruption and money laundering. In combating drug trafficking and money laundering activities, the Hong Kong Police and the drug enforcement department in Macao will hold bilateral meetings at least twice a year. Moreover, since the establishment of the Financial Intelligence Office in Macao in 2006, the Hong Kong Police or the Macao authorities will exchange financial intelligence when there are suspected money laundering activities. We are also studying the signing of an agreement on co-operation arrangement, so that the work in this area can be conducted more systematically in future.

As for co-operation on the finance front, we have implemented the Hong Kong/Macao one-way Hong Kong-dollar joint cheque clearing facility since 2007 and extended our co-operation on the clearing facility to cover US-dollar cheque settlement in the two places in 2008. The Hong Kong Monetary Authority has a good co-operative relationship with the Monetary Authority of Macao (AMCM). As for securities and futures, the AMCM and the Securities and Futures Commission in Hong Kong signed a Memorandum of Understanding in 2000, which enabled the two places to exchange information to the extent permitted by their laws and practices. All these efforts are very helpful to perfecting the financial systems of the two places as well as their co-operation and enforcement on the financial services industry.

Mrs Selina CHOW and a number of Members have mentioned co-operation on tourism. Macao and Hong Kong have their own features and strengths. Over the years, we have both put in efforts to promote honest and quality tourism and develop "multi-destination" itineraries. Since 2007, the Hong Kong Tourism Board (HKTB) and the Macao Government Tourist Office have established a permanent communication mechanism, with a view to achieving synergy as far as possible. Apart from promoting co-operation between Hong Kong and Macao, we have also co-operated with Guangdong Province to establish a common platform overseas for holding exhibitions. We have put in these efforts and will continue to do so in future.

Mr CHAN Kam-lam has particularly mentioned the Hong Kong-Zhuhai-Macao Bridge. Hong Kong, Zhuhai and Macao all have very high expectations of this project. I also consider that with this Bridge, the eastern and western coasts of the Pearl River will no longer pursue their remarkable development separately as what they are doing at present, but will work together for even more remarkable development. We are very grateful to the Legislative Council for its support in approving funding in June for conducting pre-construction works for the Bridge, so that the site investigation and preliminary design of the boundary crossing can proceed.

Some Members have mentioned the arrangements for allowing Macao students to study in Hong Kong. We do encourage mainland and Macao students to study in Hong Kong. In the 2008-2009 academic year, the quota for

non-local students (including those from Macao) to attend University Grants Committee (UGC)-funded programmes has increased from 10% to 20%. In the 2007-2008 academic year, among the 7 300-odd non-local students attending UGC-funded programmes, 80 came from Macao. I dare not say that such figure is particularly high, but we have taken this into account.

Mr Timothy FOK has particularly mentioned co-operation between Hong Kong and Macao on culture and sports. In 2003, Guangdong Province, Hong Kong and Macao signed the "Hong Kong, Guangdong and Macao Sports Exchange and Co-operation Agreement". The three places are now promoting work on various fronts and a number of exchange programmes, such as Guangdong/Hong Kong/Macao International Sporting Goods Fair, Pan-PRD Motor Rally, Guangdong/Hong Kong/Macao Youth Football Exchange Programme and Basketball Competition. The close proximity between Hong Kong and Macao has given us great motivation to promote these programmes.

A number of Members have mentioned the excellent heritage conservation work in Macao. I have also been to the Macao Museum for several times and found that it can display Macao's historical and cultural backgrounds coherently. And it can also demonstrate Macao's city and local features, giving people an impression that Macao resembles a town along the coast of the Mediterranean Sea. In July 2005, Macao successfully applied for inscription of the "Historic Centre of Macao" on the "World Heritage List". This is a very good example. As such, Hong Kong has made more focused efforts on conservation of local heritage in recent years. We have adopted a development cum conservation approach, with a view to preserving our historical cultures and the collective memory of the people in Hong Kong. I believe we can make reference to Macao in this regard.

To conclude, Madam President, as mentioned by Mr Albert CHENG, Hong Kong does not fear competition. Over the years, with our capitals, talents and farsighted enterprises, we can make investments in Macao which is a city with a population of only several hundred thousand people, and also in faraway countries of the five continents in the world. Competition will bring about opportunities. As such, we can forge closer co-operation with Macao on the economic and trade, tourism, culture and anti-corruption aspects.

However, on law enforcement, including immigration matters, the Hong Kong SAR and the Macao SAR must respect each other. Both SARs must act according to their own laws. I agree to the views put forward by Honourable Members that Macao and Hong Kong should make every effort to enhance co-operation. I hope Members can support Mr Jasper TSANG's motion, but I can hardly support Mr CHEUNG Man-kwong's amendment.

Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the amendment moved by Mr CHEUNG Man-kwong to Mr Jasper TSANG's motion be passed. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands

(Members raised their hands)

**PRESIDENT** (in Cantonese): I think the question is not agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment negatived.

**PRESIDENT** (in Cantonese): Mr Jasper TSANG, you may now reply and you have two minutes eleven seconds.

**MR JASPER TSANG** (in Cantonese): President, apart from expressing my gratitude to Mr CHEUNG Man-kwong, I would like to thank the 11 Members for speaking on this motion enthusiastically even after attending this long meeting for the last two and a half days. Moreover, I am also grateful to them all for indicating their support to enhance co-operation between Hong Kong and Macao in their speeches.

Although Mr Albert CHENG said in his speech that he has heard some Honourable Members talk about competition rather than co-operation, saying that others have taken things away from us. But I do not interpret it this way. For instance, although Ms Audrey EU has used the word "headhunt", saying that Macao's developments have taken away a lot of talents from Hong Kong, I would interpret this to mean that Macao has also provided a lot of new employment opportunities for Hong Kong. Miss CHOY So-yuk has mentioned the convention and exhibition industry. In fact, all of us get the point that she is also very concerned about how, in the long run, Hong Kong can expedite the construction of convention and exhibition facilities. At the end, she has also particularly mentioned that Hong Kong and Macao could in fact co-operate with each other by taking up separate roles. She suggested that Macao could organize more convention activities whilst we could construct larger venues to hold more exhibitions. Such idea is also derived from the perspective of co-operation.

Even some Honourable colleagues mentioned that Macao has done better than us in some areas, such as heritage conservation, or Macao has advantages over us in certain aspects, all these comments are made only to put forward one viewpoint and that is, how can we learn from the strengths of others and improve ourselves? This is in fact also one of the aspects of co-operation.

As for the Secretary, I of course, understand that on such an occasion, he can hardly make any commitment to change the Government's existing policies. That said, however, I still hope that the Secretary will not consider what we have currently in place sufficient, or it is unnecessary for us to set up a higher-level and more stable co-operation mechanism. I hope the SAR Government, after listening to the views put forward by more than 10 Members today, can treat co-operation between the two places in more proactive and aggressive manner, rather than just allowing co-operation to be driven by the market in our society passively.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Jasper TSANG be passed. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion passed.

### **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 2 July 2008.

*Adjourned accordingly at half-past One o'clock.*