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**Public Works Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 16th meeting
held in Conference Room A of Legislative Council Building
on Wednesday, 18 June 2008, at 8:30 am**

Members present:

Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP (Chairman)
Hon Alan LEONG Kah-kit, SC (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon CHAN Yuen-han, SBS, JP
Hon Bernard CHAN, GBS, JP
Hon CHAN Kam-lam, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LEE Wing-tat
Hon LI Kwok-ying, MH, JP
Hon Daniel LAM Wai-keung, SBS, JP
Dr Hon KWOK Ka-ki
Hon CHEUNG Hok-ming, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon TAM Heung-man

Members absent:

Hon James TO Kun-sun
Hon SIN Chung-kai, SBS, JP
Hon Albert CHAN Wai-yip

Public officers attending:

Mr Joe C C WONG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr MAK Chai-kwong, JP	Permanent Secretary for Development (Works)
Ms Anissa WONG, JP	Permanent Secretary for the Environment
Mr Raymond YOUNG, JP	Permanent Secretary for Development (Planning and Lands)
Miss Sandra LAM	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mrs Carrie YAU, JP	Permanent Secretary for Home Affairs
Ms Esther LEUNG, JP	Deputy Secretary for Home Affairs (West Kowloon Cultural District)
Mr Howard LAM Tak-ming	Chief Treasury Accountant (West Kowloon Cultural District), Home Affairs Bureau
Mr KWOK Kwok-chuen, BBS, JP	Government Economist, Economic Analysis and Business Facilitation Unit, Financial Secretary's Office
Dr Jonathan BEARD	Managing Director, GHK (Hong Kong) Ltd
Ms Fiona WATERS	Director, GHK (Hong Kong) Ltd
Ms Kim TSANG	Senior Consultant, GHK (Hong Kong) Ltd

Clerk in attendance:

Ms Rosalind MA	Senior Council Secretary (1) ⁸
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Staff in attendance:

Mrs Constance LI	Assistant Secretary General 1
Mr Noel SUNG	Senior Council Secretary (1) ⁴
Ms Angel SHEK	Council Secretary (1) ²
Ms Alice CHEUNG	Senior Legislative Assistant (1) ¹
Mr Frankie WOO	Legislative Assistant (1) ²

PWSC(2008-09)31 21QJ An upfront endowment to the West Kowloon Cultural District Authority for developing the West Kowloon Cultural District

The Chairman advised that the Subcommittee on West Kowloon Cultural District (WKCD) Development had discussed the proposal. Mr Alan LEONG, Chairman of the WKCD Subcommittee, reported that the Subcommittee had examined the sustainability of the financial arrangements and reliability of the assumptions used in the financial assessment. Members of the Subcommittee had expressed concerns about the estimated construction costs, the scale and mode of operation of M+, the need for contingency measures under a "worst case" scenario, the appropriateness of a one-off upfront endowment, future monitoring by the Legislative Council (LegCo) and the public, and the need to provide LegCo with reports on the progress of the WKCD project on a regular basis.

One-off upfront endowment

2. Mrs Selina CHOW expressed support for the Administration's proposal. She was of the view that as 91.8% of the proposed upfront endowment would be required for Phase I of the WCKD project, it would not be meaningful to adopt an instalment funding approach. To enhance the transparency and accountability of the future West Kowloon Cultural District Authority (WKCDA) in its operation and management of funds, the Administration had acceded to the requests of Members of the Liberal Party to provide for various monitoring mechanisms in the WKCDA Bill.

3. Ms Emily LAU expressed concern about the transparency in the use of the one-off upfront endowment by the future WKCDA. The Permanent Secretary for Home Affairs (PS, HAB) explained that the present proposal sought an upfront endowment for the WKCD project which would not be funded on an individual capital works project basis. To ensure accountability of the use of the endowment, the Administration was prepared to put in place arrangements for WKCDA to report periodically to LegCo on the use of funds.

4. Miss CHOY So-yuk asked whether the \$21.6 billion upfront endowment was sufficient and whether the Administration would need to inject additional funds if the endowment fund turned out to be insufficient.

5. Mr LEE Wing-tat considered that if WKCDA envisaged that further injection from the Government would be forthcoming when it ran into financial difficulty, it would not use its funds prudently. If funds were insufficient, consideration should be given to downsizing M+, and postponing the implementation of Phase II of the WKCD project until there were sufficient funds generated from the rental income of the retail/dinning/entertainment (RDE) facilities. He expressed concern about the financial viability of the proposal and requested the Administration to provide information on whether an

interim review of the financial arrangements would be conducted after completion of Phase I development of the WKCD project around 2014-2015, and when such a review would be conducted and the outcome reported to LegCo.

6. PS, HAB responded that the financial assessment for the WKCD project was based on sound and prudent assumptions, and sufficient risk premiums had been included to provide for contingencies. The estimated amount of endowment fund of \$21.6 billion was considered appropriate and there was no basis for seeking an alternative amount. Only in extreme and unforeseeable circumstances such as a catastrophic natural disaster, might the project estimate need to be reviewed. PS, HAB assured members that WKCDA would have to manage the funds in a prudent manner. If the community considered that WKCDA should conduct a review in 2014-2015 on completion of Phase I or if there were insufficient funds for continuation of Phase II of the project, she believed that it would be reasonable for WKCDA to review its financial position with a view to deciding whether to alter the timing for the implementation of certain parts of Phase II of the project.

7. Mr Alan LEONG said that the approach of providing a one-off upfront endowment for the WKCD development was unprecedented. He pointed out that LegCo had the constitutional duty to properly monitor the disposal of public funds. Noting from the Administration's paper that it would put in place arrangements for reporting periodically to LegCo on the use of the upfront endowment, Mr LEONG considered such undertaking insufficient. He pointed out that Members belonging to the Civic Party (CP Members) would only support the funding proposal if the Administration would put in place measures to hold WKCDA accountable to the public, by providing six-monthly reports to LegCo on the use of funds by WKCDA, such as:

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- (a) staff establishment of the WKCDA;
- (b) estimates and actual expenditure for staff remuneration and other personnel-related expenses;
- (c) estimates and actual expenditure for outsourcing services;
- (d) detailed plans on the delivery of various construction projects for the development of WKCD;
- (e) estimates and actual expenditure for each construction project with breakdown by expenditure items;
- (f) progress in the delivery of the construction projects and reasons for any delays;
- (g) business plans for the Core Arts and Cultural Facilities;

- (h) business plans for the RDE facilities at the commercial sites in WKCD; and
- (i) other information requested by LegCo and its relevant committees.

8. PS, HAB advised that there were provisions under the WKCDA Bill, stipulating requirements for WKCDA to provide to LegCo a copy of its statements of accounts and reports on its activities on an annual basis. Moreover, there were statutory requirements in the WKCDA Bill for the Chairman and Chief Executive Officer of WKCDA to attend meetings of LegCo or its committees as requested to answer questions raised by Members. The Administration had also taken on board the views of members of the relevant Bills Committee to specify in the legislation a wider range of the information to be provided in the Annual Reports for submission to the Financial Secretary who would cause them to be tabled in LegCo. She noted Mr Alan LEONG's request for regular reports to the LegCo by WKCDA but pointed out that it might not be appropriate for WKCDA, being an independent statutory public body established to develop and operate the WKCD, to be subject to almost micro-management by LegCo.

9. Miss CHAN Yuen-han considered that submission of WKCDA's report to the LegCo on an annual basis would not be adequate to enable LegCo to monitor the activities and use of funds by WKCDA in a timely manner.

10. Mrs Selina CHOW considered that the detailed information requested by Mr Alan LEONG would mean voluminous documents provided to LegCo and Members might not have the time and expertise to vet all these documents. It would also amount to micro-management of the WKCD development by LegCo. Mrs CHOW was of the view that WKCDA should be responsible for execution of the various management and operational tasks, while LegCo should only perform the monitoring role.

11. Prof Patrick LAU said that the WKCD Subcommittee had discussed in detail the financial arrangement for the WKCD development. While he agreed that the LegCo should not be involved in micro-management of WKCDA, he considered that the Administration should respond positively to the WKCD Subcommittee's request for provision of adequate and timely information to LegCo on the use of funds by WKCDA, to enable monitoring by LegCo.

12. While sharing the view that LegCo should not micro-manage, Mr LEE Wing-tat considered that the lack of public monitoring and views could result in mis-management of public bodies. He called on the Administration to give an undertaking that there would be a proper oversight mechanism whereby WKCDA would be requested to provide regular reports to LegCo.

13. PS, HAB assured members that the WKCDA would provide annual statements of accounts and reports on its work and activities for tabling at LegCo. LegCo Members could also seek information on the WKCD project through

raising questions at Council meetings. As regards the financial management of the WKCD, it would be subject to examination and oversight by an Audit Committee to be established under the WKCD Bill.

14. Referring to some members' concern that the funding approach of implementing the WKCD project through a one-off upfront endowment was unprecedented, the Chairman said that a similar approach had been adopted for the implementation of the West Rail project, which was taken forward by the Kowloon Canton Railway Corporation with public funding of some \$29 billion. He sought the Administration's view on whether the funding approach for the West Rail project was similar to that for the WKCD project. PS, HAB responded that as far as she understood, this might be the first upfront endowment for an arts and cultural development project, but there might be similar funding arrangements for other types of infrastructure projects outside the area of arts and culture.

15. Mr Alan LEONG did not agree that the funding arrangement for the West Rail project was similar to the arrangement under the current proposal. He pointed out that funding for the West Rail project was for specific infrastructure projects, while the endowment for WKCD would be to cater for a variety of individual projects for which the design and scale were not yet known. Given the substantial amount involved, it was important to ensure accountability of the WKCD and prudent management of the upfront endowment. While he had no intention that LegCo should adopt a micro-management approach in monitoring the work of WKCD, the Administration should address the concern of CP Members that the community could not rely solely on the Chief Executive Officer and board members of WKCD to properly manage WKCD. He stressed that LegCo had a constitutional duty to ensure proper use of public resources. His request for more detailed information from WKCD was only to facilitate LegCo to exercise its function in monitoring the work and spending of WKCD. He said that the WKCD Subcommittee was concerned about the sustainability of the financial arrangements as forecast by the Administration.

16. PS, HAB explained that as far as she knew, there were precedents of providing a one-off upfront endowment for large scale infrastructure projects, but the WKCD project would be the first project involving arts and cultural facilities which would be funded by a one-off upfront endowment. Under the current proposal, WKCD would be required to manage its funds and investments in a prudent manner, and adequate measures would be put in place to monitor its work. She pointed out that the Administration had taken on board a number of Mr LEONG's views during the scrutiny of the WKCD Bill and had proposed Committee Stage amendments to the Bill to incorporate members' views and suggestions to enhance the transparency and accountability of the future WKCD.

17. Ms Emily LAU noted with concern that the funding approach for the West Rail project was considered similar to that of the WKCD project. She referred to the Administration's earlier response to the WKCD Subcommittee

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that the implementation of the project through a one-off upfront endowment to a public statutory body was unprecedented. Ms LAU therefore requested the Administration to confirm whether there were in fact past cases where a similar funding approach had been adopted for implementation of infrastructure/capital works projects of this kind. The Administration should also provide details of such cases, and explain how the funding approach for the WKCD project compared with that for other major infrastructure projects such as railway projects.

18. Mr LEE Wing-tat stated that while Members belonging to the Democratic Party (DP) supported the WKCD project in principle, they considered that the Administration should give an undertaking that the WKCD should conduct a review of its financial position upon completion of Phase I of the project. He said that pending the Administration's response, DP Members could not give support to the funding proposal at this stage.

Financial assessments on the construction costs for the WKCD project

19. Dr KWOK Ka-ki commented that it seemed to him that the WKCD project was taken forward as an experiment funded by the public purse. He had doubts about the basis of the Administration's financial assessment, in particular, the 2% inflation rate adopted for the financial analysis was unrealistic, as the current inflation rate was much higher than 2%. Dr KWOK considered it inappropriate for adopting a 50-year period average inflation rate in the financial assessment. Ms Emily LAU shared Dr KWOK's concern.

20. PS, HAB advised that a detailed explanation on the various assumptions adopted for the financial assessment was given in the Annex to the Administration's paper. The Government Economist explained that an annual inflation rate of 2% was a reasonable assumption for a 50-year financial projection, as the WKCD project would span over 50 years. Since the implementation of the Linked Exchange Rate system in 1983, the average inflation rate for the past 20 years or so was 4.1%, and the corresponding figure for the United States was 3.1%. The average inflation rate for the next 50 years was expected to be lower. He pointed out that taking into account the volatility and cyclical fluctuation of construction costs over the past 25 years, the Financial Adviser (FA) commissioned by the Government considered it prudent to adopt an average escalation rate of construction costs which was in line with inflation rate, rather than adopting a high short-term growth rate. The FA's estimated construction costs had already included a considerable amount of indirect costs and risk premium to accommodate increase in costs due to various factors.

21. The Chairman commented that as material and construction costs were on the rise, it would be prudent for the Administration to consult the construction sector for working out a more realistic estimate for the construction projects.

Rental income from retail/dining/entertainment facilities

22. Ms Emily LAU expressed concern that the future operation of the RDE facilities at WKCD might pose unfair competition on existing private RDE facilities in the vicinity, as the former was indirectly subsidized with Government's investment in the land and capital costs. She asked the Administration to provide a written response in this regard. Ms LAU noted that the estimated annual rental income of the RDE facilities would be \$8.4 billion for the project period up to 2059. She requested the Administration to advise in writing whether any rental income in excess of this estimated amount would be ploughed back to the general revenue or allocated to the WKCD for meeting the operation and development costs of WKCD.

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23. Mr Abraham SHEK expressed support for the Administration's funding proposal because the WKCD project would facilitate Hong Kong's cultural and economic development. Nevertheless, he did not agree to the Administration's proposal of using the rental income from the RDE facilities to subsidize operating deficits of the arts and cultural facilities in the future operation of the WKCD. In his view, the RDE facilities in the WKCD would have comparative advantage with Government subsidies on land and capital costs, and therefore give rise to unfair competition with other private RDE facilities in the vicinity. Mr SHEK considered that public funding for the WKCD project would not be limited to the upfront endowment of \$21.6 billion, but also include the land premium of the 119 000 square metres of land provided for the RDE facilities in WKCD. Mr SHEK requested the Administration to provide supplementary information on the estimated premium for the relevant part of the land. Dr KWOK Ka-ki expressed support for Mr SHEK's request.

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24. PS, HAB responded that the Administration had released to the public, back in September 2007, the idea of using rental income of the RDE facilities in WKCD to subsidize the operating deficits of the arts and cultural facilities. According to the Administration's present planning, the development and operation of these RDE facilities were not entirely the same as the operation of large scale shopping malls in the vicinity. The facilities would however be spread throughout the WKCD to integrate with arts and cultural facilities; so as to create synergy and bring about increase in people flow to keep the district in vibrancy at all times. The rental level for the RDE facilities would be pitched at market rates so that the rental income would be sufficient to cover the operating deficits of the arts and cultural facilities in WKCD. Therefore, they would unlikely be competing for the same target customers as the existing RDE facilities in the vicinity. PS, HAB pointed out that it would not be possible for the Administration to come up with an estimated premium for the land for RDE facilities at this stage, as the location, layout and design for the facilities in WKCD had yet to be decided. She agreed to provide the estimated premium for the relevant part of the land for RDE facilities as far as practicable.

Master planning and design of the WKCD project

25. Prof Patrick LAU noted that the WKCDA would be responsible for preparing a development plan for the whole WKCD site for submission to the Town Planning Board (TPB) for consideration. The statutory provisions of the Town Planning Ordinance (TPO) (Cap. 131) concerning draft plans would apply if the development plan was considered suitable for publication by TPB. Prof LAU stressed that apart from adhering to the statutory procedures under the TPO, the Administration should ensure that suitable arrangements be made by the WKCDA for the planning of the WKCD site to put this prominent site with prime waterfront location to the best use. He suggested that the Administration should consider conducting design competitions for the various facilities as well as the overall layout of these facilities at the site. Prof LAU was of the view that the Administration/the WKCDA should adopt suitable procurement approach so that the design and construction of the project would be taken forward separately.

26. Ms Emily LAU shared Prof LAU's view that the design and planning of the WKCD project should be taken forward by holding open competition(s). She also expressed concern about the procurement approach and enquired whether the Administration had considered the pros and cons of different procurement approaches for the development of WKCD. Mr LEE Wing-tat was of the view that a design competition should be conducted for individual facilities in WKCD as far as possible. He was concerned that if the project would be taken forward through the design and build approach, the quality of individual projects might be compromised because of cost considerations. Miss CHAN Yuen-han also expressed concern about the propriety of adopting the design and build approach for the WKCD project.

27. The Deputy Secretary for Home Affairs (West Kowloon Cultural District) advised that design competitions would be held for three iconic structures in WKCD and M+ would be one of them. PS, HAB said that while the Administration's preliminary assessment suggested that the design and build approach would be desirable for taking forward the WKCD project, it would be for the WKCDA to decide the procurement approach and arrangements, such as holding design competitions for projects other than the three iconic ones. She further explained that in conducting the financial assessment of the WKCD project, the Administration had to estimate the total cost for the project based on the assumption of a certain procurement approach. The design and build approach was commonly adopted for venues similar to those proposed in WKCD. As sufficient risk premium had been included in the financial estimates, WKCDA could decide to award separate contracts for the design and construction of individual facilities.

28. The Chairman said that there were merits on holding open competition(s) for project design but pointed out that the design and build approach was a commonly adopted approach which had proved to be successful in project delivery in the past. He was of the view that WKCDA should be allowed flexibility to decide the procurement approach at a later stage.

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Ms Emily LAU remained concerned that the Administration might not have given sufficient consideration to different procurement approaches in the financial assessment. She requested the Administration to provide information on the consideration given to the various procurement options, such as the design and build, and the option of holding design competition(s) before awarding separate contracts for design and construction.

29. Mr CHAN Kam-lam expressed support for the Administration's funding proposal in view of the community's aspiration for speedy implementation of the WKCD project. He shared the views expressed by the Hong Kong Dance Company in its written submission to the Public Works Subcommittee, especially those concerning the financial assessment, design and operation of facilities in WKCD, operation of WKCDA and public monitoring of its work. Mr CHAN opined that detailed arrangements for the design and operation of facilities in WKCD should be under the purview of the future WKCDA which would be established by legislation, and its decisions should not be pre-empted by the Administration.

30. Miss CHAN Yuen-han pointed out that as the WKCD site was located on the West Kowloon Reclamation area, which was quite a distance from the existing residential/commercial developments and public transport facilities, it would be necessary to provide good connectivity between WKCD and its neighbouring areas. Miss CHAN suggested that adequate footbridge network should be provided to connect the WKCD site to other developed areas in its neighbourhood to facilitate pedestrian access. PS, HAB responded that WKCDA would have the incentive to provide good connectivity between WKCD and its neighbouring areas in order to attract visitors to WKCD to maintain its vibrancy. The Administration would relay Miss CHAN's views on the need for good connectivity for WKCDA's consideration. Responding to Miss CHAN's enquiry, PS, HAB advised that land acquisition within the WKCD site would not be required under the WKCD project. For developing the M+, WKCDA might need to acquire land in other parts of Hong Kong to construct off-site conservation laboratory and storage facilities.

Collections and costs for M+

31. Dr KWOK Ka-ki opined that the \$1 billion earmarked for acquiring collections of museum facilities in WKCD was far from adequate. World-renowned museums required a long time to build up their reputation and collections. He was worried that M+ would turn out to be "a white elephant" and considered the WKCD project was being taken forward in the wrong direction. Dr KWOK wondered whether and which public officers would be accountable to the public if this costly project would end up in failure. He would regret it if the Administration's funding proposal was approved by LegCo before the various important issues were resolved.

32. PS, HAB disagreed that the WKCD project was taken forward in the wrong direction. She pointed out that the WKCDA Bill had provided sufficient

safeguards to ensure public accountability. It should be noted that currently, the major museums managed by the Leisure and Cultural Services Department had in place a very rich collection on visual culture which amounted to more than 60 000 items of exhibits. There should be ample room for M+ to make use of these collections in store. The initial capital of \$1 billion assumed by the FA would help to build up collections commensurate with the status of M+ upon its opening in 2015. The question of whether this amount of initial capital would be sufficient for acquiring collections for M+ would be a matter of judgment. PS, HAB advised that WKCD would enrich the collections of M+ in an on-going manner with its own financial resources and other sources of funds available.

33. Prof Patrick LAU considered that the Administration should illustrate the ideas/concepts for M+ so that the LegCo and the public would have a clear idea of the proposed facilities and collections on visual culture to be provided in M+. Mr Abraham SHEK expressed support for the current concept for M+ which was itself an innovation. Mr SHEK appreciated the ideas of developing M+ with curatorial concepts different from those of traditional museums so that it could be developed with a standard comparable to other world-class institutions on visual culture around the world.

34. PS, HAB responded that the concepts and approaches for M+ had been deliberated in great depth by members of the WKCD Subcommittee. She advised that the M+ proposal together with its vision and concept was recommended by the Museums Advisory Group under the Consultative Committee on Core Arts and Cultural Facilities in WKCD. Enclosure 13 to the Administration's paper on the funding proposal had provided the Administration's response to questions raised by the Subcommittee in relation to M+.

Public consultation

35. Dr KWOK Ka-ki queried whether the public consultation on the WKCD project conducted by the Administration was sufficient, solid and up to standard. He expressed dissatisfaction with the quality of the public engagement exercise undertaken by the Administration, and pointed out that the Administration had not made known to the public that a substantial endowment of \$21.6 billion would be required for the WKCD project during the consultation.

36. PS, HAB responded that the recommendations on the core arts and cultural facilities as well as the financial arrangements for the WKCD development were drawn up by the Consultative Committee on Core Arts and Cultural Facilities following 15 months' extensive consultations and intensive deliberations. This was followed by a public engagement exercise from September to December 2007 which was carried out extensively, both in terms of the number of people and variety of sectors involved. Members of the public were encouraged to express their views by taking part in the public forums and sectoral briefing sessions, joining the on-line discussion forums, completing the wish cards available on-line or at the roving exhibitions. They could also send in

their written submissions. The public views received were generally supportive of the recommendations and early implementation of the project. She pointed out that full details of the upfront endowment of \$19 billion expressed in 2006 NPV (subsequently updated to \$21.6 billion in 2008 NPV) had been provided to the public ever since the commencement of the public engagement exercise.

37. Dr KWOK Ka-ki remained concerned about the conduct of the public consultation. He questioned whether the public was consulted on adequate details of the proposal or simply a general concept of a world-class arts and cultural development. Dr KWOK also queried how the Administration had arrived at the view that the public generally supported the recommendations for the WKCD development and doubted the number of organizations and/or individuals expressing their support for the proposal. PS, HAB responded that the public did express some concern about the upfront endowment, particularly the amount and coverage. However, on closer examination, there was considerable convergence of views in support of the proposed financing approach.

38. Mrs Selina CHOW pointed out that different stakeholders and various sectors of the community had participated actively in the public engagement exercise to give valuable and constructive views to the Administration for drawing up the proposal. She opined that Dr KWOK Ka-ki's query on the public views collected during the consultation was unfair to those who made substantial contributions to the development of WKCD by participating actively at the consultative forums and giving views on the project in the past months.

39. Prof Patrick LAU and Mr Abraham SHEK were of the view that the Administration had responded positively to the views of LegCo and the public, notably its decision of abandoning the single-package approach. Mr SHEK pointed out that construction and real estates sectors looked forward to expeditious implementation of the WKCD project.

40. Miss CHAN Yuen-han considered that adequate consultation was required in preparing the development plan for WKCD. She suggested that public engagement work should be done in stages before and throughout the planning and development of WKCD. She enquired whether and how the Administration could ensure that the WKCD would honour the Administration's undertaking for adequate public consultation given that the WKCD was an independent public statutory body. PS, HAB responded that the requirements for public consultation were clearly specified in the relevant clauses of the WKCD Bill, to ensure that the WKCD project would be taken forward with sufficient public consultation.

Employment opportunities for local workers

41. Noting that employment opportunities for the construction industry would be created during the construction of the facilities for WKCD, Miss CHAN Yuen-han was concerned about the extent to which local workers

could benefit from these opportunities. She was worried that the contractor might try to reduce the number of local workers to save costs. She asked the Administration to specify in the contract that priority should be given to employing local workers in the construction works for WKCD, as in the case for the Tamar development. PS, HAB noted Miss CHAN's view and agreed to relay this to WKCD for consideration.

42. The Chairman put the item to vote. Ms Emily LAU requested a division. Of the members present, fourteen members voted for the item, one member voted against and seven members abstained. The individual results were as follows:

For:

Mrs Selina CHOW
Mr Bernard CHAN
Dr Philip WONG
Mr Jasper TSANG
Mr Howard YOUNG
Mr LAU Wong-fat
Ms Miriam LAU
(14 members)

Miss CHOY So-yuk
Mr Timothy FOK
Mr Abraham SHEK
Mr LI Kwok-ying
Mr Daniel LAM
Mr CHEUNG Hok-ming
Prof Patrick LAU

Against:

Dr KWOK Ka-ki
(1 member)

Abstain

Mr Fred LI
Miss CHAN Yuen-han
Ms Emily LAU
Miss TAM Heung-man
(7 members)

Mr Andrew CHENG
Mr LEE Wing-tat
Mr Alan LEONG

43. The item was endorsed by the Subcommittee. Ms Emily LAU requested that this item be voted on separately at the relevant Finance Committee meeting.

44. The meeting ended at 10:54 am.