

**Motion Passed by the  
Legislative Council Panel on Planning, Lands  
and Works on 27 April 2004**

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**Background**

The Legislative Council Panel on Planning, Lands and Works passed the following motion in respect of the subject of “West Kowloon Cultural District” at its meeting held on 27 April 2004 —

“就政府所提出西九龍文娛藝術區的土地及財務安排，本事務委員會表示反對。”

(English translation)

“That this Panel opposes the land and financial arrangements proposed by the Administration for the West Kowloon Cultural District.”

**Administration’s Response**

2. The West Kowloon Cultural District (WKCD) is conceived as an integrated development of arts, cultural, entertainment and commercial facilities, designed, built and operated by the private sector. Through an Invitation for Proposals, the Government is inviting the submission of proposals from the private sector for the planning, design, financing and construction of the West Kowloon Cultural District as an integrated development of world class arts, cultural, entertainment and commercial facilities and the subsequent operation, maintenance and management of those facilities.

3. In Hong Kong, major arts and cultural facilities used to be provided by the Government. However, in order to promote Hong Kong’s position as a modern cultural metropolis, it is our stated objective to introduce private sector participation in the rendering of cultural

services in WKCD. In August 2003, the Government published a document called “Serving the Community by Using the Private Sector”, which made it clear that we would be utilizing the private sector more in delivering and improving government services. We believe that these facilities can and should be run with greater commercial expertise than the Government is able to provide.

4. The private sector has the resources to develop the proposed cultural district in accordance with the adopted concept plan. However, international experience has indicated that the development and operation of some arts and cultural facilities may not be profit-making, hence, integration with a certain amount of commercial development is necessary to enhance financial viability and attract the participation of the private sector.

5. The desire of the Government to involve the private sector for innovative ideas to finance and operate new arts and cultural facilities, the need for the whole development to be designed and executed on a financially self-sustaining basis and the planning advantages of an integrated development all point to a need to approach the development as a single package. Such a development concept is not new and has already been applied successfully in Hong Kong. For example, the Hong Kong Convention and Exhibition Centre and the adjacent hotel, commercial and residential facilities were developed using a conceptually similar single package approach.

6. On the financial arrangements, the IFP for the WKCD project does not envisage public funding of works within the scheme area. The intention is that all works within the scheme area and the operation of the core arts and cultural facilities in the first 30 years should be funded by the successful proponent. The IFP requires that proponents should include in their financial proposals details on the form and projected amount of payment, e.g. land premium, to Government. Any such payment by the successful proponent will be accounted for as general revenue.

7. As to the land arrangements, if we follow the traditional way of dividing the project into smaller packages and inviting tenders, it

would first require the Government to draw up its own master layout plan for the district based on uncertain assumptions of what would be commercially viable in an integrated development. Conducting multiple tender exercises would present the Government with the extremely difficult task of drawing up multiple sets of complex interlocking land leases. The arts and cultural facilities would have to be distributed among the different packages, and the Government would have to design the canopy and the automated people mover without knowing how they would interface with the design of buildings in the district. Also, substantial additional resources would have to be allocated to project management and, in due course, venue operation, at the expense of other priorities. As the Government would find it very difficult to fund the construction of the arts and cultural facilities given the huge budget deficit, Hong Kong people will lose the opportunity to enjoy state-of-the-art arts and cultural facilities in the near future.

8. We therefore remain of the view that the current approach of inviting development proposals for a single development package of the West Kowloon Cultural District is the optimal way forward and in the wider public interests of Hong Kong. We will continue to update Members on progress of the project.

Housing, Planning and Lands Bureau  
May 2004