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13 December 2004

The Hon Donald TSANG, GBM, JP
The Chief Secretary for Administration
Government Secretariat
Central Government Offices
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West Kowloon Cultural District project

At the meeting of the House Committee on 10 December 2004, Members discussed the proposal put forward by Hon James TIEN, Hon LEE Wing-tat and Hon LAU Kong-wah to request the Government to make public, within one month, the financial arrangements of the screened-in consortia for the West Kowloon Cultural District (WKCD) project. The House Committee unanimously supported the proposal.

Members consider that during the consultation period, the public should be provided with all essential information about the WKCD project, including the financial information contained in the screened-in proposals; otherwise the consultation will not be meaningful. The public has the right to know what the financial arrangements for the project are before the successful proponent is selected. Some Members have, in particular, pointed out that the proposed single package approach in the delivery of the project has caused much public concern and controversy. The Government should disclose the financial information contained in the screened-in proposals to enable the public to judge whether the single package approach should be adopted.

At the meeting of the Panel on Planning, Lands and Works on 30 November 2004 and in your letter dated 6 December 2004 to Members, you explained that disclosure of the financial arrangements would weaken the Government's bargaining power and undermine public interest. Members do not agree. Members consider that disclosure of the financial arrangements will enhance the transparency and acceptability of the WKCD project, and strengthen the bargaining power of the Government as a result.

Members understand that under normal circumstances, the financial information for a development project is commercially sensitive. However, the WKCD project should not be treated as an ordinary development project. The WKCD project is unprecedented in terms of the substantial interests involved and far-reaching impact on the cultural development of Hong Kong. The successful proponent of the project will be given a land grant of the site which is worth billions of dollars. The successful proponent will be required to operate, maintain and manage the core art and cultural activities for a period of 30 years. Members urge the Government to adopt a totally new mentality and approach in handling this project, in order to achieve the highest standards of openness, transparency and fairness.

On behalf of the House Committee, I am writing to request the Government to make public, within one month, the financial information contained in the screened-in proposals for the WKCD project.

Members look forward to your favourable reply.

(Miriam LAU)
Chairman
Legislative Council House Committee