

立法會
Legislative Council

Paper No. WKCD-335
(These minutes have been
seen by the Administration)

Ref : CB1/HS/2/04

**Subcommittee on
West Kowloon Cultural District Development**

**Minutes of twenty-fourth meeting held on
Tuesday, 21 February 2006, at 2:30 pm
in the Chamber of the Legislative Council Building**

- Members present** : Hon Alan LEONG Kah-kit, SC (Chairman)
Hon James TO Kun-sun (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Dr Hon LUI Ming-wah, SBS, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon CHAN Yuen-han, JP
Hon CHAN Kam-lam, SBS, JP
Hon SIN Chung-kai, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk, JP
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Hon Audrey EU Yuet-mee, SC, JP
Hon LEE Wing-tat
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
Hon CHIM Pui-chung
Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG
- Members attending** : Hon LAU Kong-wah, JP
Hon TAM Yiu-chung, GBS, JP

- Members absent** : Hon LAU Wong-fat, GBM, GBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon CHEUNG Hok-ming, SBS, JP
- Public officers attending** : Mr Rafael HUI, GBS, JP
Chief Secretary for Administration
- Mr Michael SUEN, GBS, JP
Secretary for Housing, Planning and Lands
- Dr Patrick HO, JP
Secretary for Home Affairs
- Mrs Rita LAU, JP
Permanent Secretary for Housing, Planning and
Lands (Planning and Lands)
- Miss AU King-chi, JP
Deputy Secretary for Housing, Planning and Lands
(Planning and Lands)
- Mr Vincent FUNG
Principal Assistant Secretary for Home Affairs
- Clerk in attendance** : Ms Anita SIT
Chief Council Secretary (1)4
- Staff in attendance** : Ms Pauline NG
Assistant Secretary General 1
- Ms Bernice WONG
Assistant Legal Adviser 1
- Mr Anthony CHU
Council Secretary (1)2
- Ms Christina SHIU
Legislative Assistant (1)7
-

I Meeting with the Administration

- (Paper No. WKCD-241 -- List of issues which require response from the Administration for addressing the concerns and questions raised at the meetings on 3 and 10 February 2006
- Paper No. WKCD-238 -- Letter dated 14 February 2006 to the Chief Executive
- Paper No. WKCD-239 -- Letter dated 14 February 2006 to the Chief Secretary for Administration
- Paper No. WKCD-240 -- Letter dated 14 February 2006 to Members of the Executive Council (one sample letter to the Financial Secretary with a distribution list attached)
- Paper No. WKCD-223 -- Letter dated 6 January 2006 from the Administration attaching its press release in response to the Subcommittee's Report on Phase II Study
- Paper No. WKCD-232 -- Letter dated 4 February 2006 from the Chairman of the Subcommittee to the Chief Secretary for Administration conveying views of Subcommittee members on the Administration's refusal to attend the meeting on 3 February 2006
- Paper No. WKCD-234 -- Reply dated 8 February 2006 from the Chief Secretary for Administration to the Chairman's letter dated 4 February 2006
- Paper No. WKCD-235 -- Press release of the Administration on the speech made by the Secretary for Housing, Planning and Lands at the motion debate on the Reports of the Subcommittee on West Kowloon Cultural District Development at the Council meeting on 8 February 2006)

The Chairman advised members that this meeting was held to meet with the Chief Secretary for Administration (CS) and other representatives of the Administration to discuss the way forward for the development of the West Kowloon Cultural District (WKCD). He recapitulated the questions raised by members of the Subcommittee at the previous two meetings on 3 and 10 February 2006. He welcomed CS and other Government officials attending the

meeting.

2. CS made a statement on the Administration's latest decision on the way forward for the development of WKCD.

(Post-meeting note: The draft Chinese version of the statement was tabled at the meeting and the confirmed version was circulated to members vide LC Paper No. CB(1)970/05-06 on 22 February 2006.)

The proposed core arts and cultural facilities (CACF) in WKCD

3. While welcoming the Administration's decision to discontinue the Invitation for Proposals (IFP) process, Mr Albert HO commented that the need for the CACF should have been confirmed well before the launch of the IFP in September 2003. He was perplexed to find that the Administration had found it necessary to re-examine the need for the CACF with a view to confirming the facilities to be included in the WKCD. Mr James TO shared Mr Albert HO's view. He queried whether the Administration was trying to delay the decision on how to take forward WKCD so as to allow time for it to work out an alternative development strategy which would enable the transfer of benefits to big business corporations.

4. CS said that Mr James TO's presumption on the Administration's motive behind the proposed course of actions for the WKCD was entirely unacceptable. He stressed that the subject had gone through very careful and thorough consideration within the Administration. There were also extensive consultations with the relevant sectors on the CACF under the IFP. The Administration had no doubt on the need for and the scope of the CACF under the IFP, in particular the arts performance venues. However, in view of the concerns of the public and some LegCo Members, the Administration considered it appropriate, and that the Government had a responsibility, to re-examine and re-confirm if appropriate the need for and scope of the CACF and their financial implications. The CACF to be recommended by the Consultative Committee would serve as the basis for the Government's formulation of a new development approach for the WKCD. By that time the Government would also have more information to consider when to establish an independent statutory body to take over the development of WKCD. The establishment of the statutory body would be a subject of public consultation. The LegCo would be able to play a significant role in the development of the WKCD, in particular through the scrutiny and enactment of the legislation for the establishment of the statutory body.

Mode of development for WKCD

5. Noting that the Administration still preferred to develop the WKCD under a Public-Private Partnership (PPP) mode, Mr LEE Wing-tat, Mr Albert HO and Ms Margaret NG referred to the Subcommittee's recommendations in its Phase II Report on the separation of the cultural and non-cultural components on

the West Kowloon Reclamation (WKR) and the immediate establishment of a statutory body to oversee the construction of the hardware and development of software in WKCD. They urged the Administration to adopt an open mind and seriously consider the mode of development as suggested by the Subcommittee.

6. Mr LEE Wing-tat suggested the establishment of a dedicated fund to finance the development and long term operation of the WKCD with the approval of the Finance Committee. Proceeds from the sale of land in WKR could be injected into the fund. The fund should be managed by the statutory body to generate income to support the operation of the WKCD.

7. Mr Albert HO commented that the Administration should not presume that real estate developers were more capable than the Government and the future statutory body to take charge of the development of the WKCD. An independent statutory body should be set up as soon as possible to spearhead the WKCD project. The statutory body should be involved in finalizing the scope of the CACF and in deciding the development and financing mode for WKCD. He echoed Mr LEE Wing-tat's suggestion that development and operation of the WKCD could be undertaken by the statutory body with continued funding support provided through the establishment of a dedicated fund. He also asked the Administration to consider progressive implementation of the development of WKCD to allow flexibility and to take into account the needs of the community which might change over time.

8. CS said that selling the commercial and residential plots in WKCD and using the proceeds to build the arts and cultural facilities could be one of the possible financing options to develop WKCD. At present, the Administration was inclined to adopt a PPP approach for developing the WKCD mainly because of the nature of arts and culture. He stressed that the success of the WKCD hinged on whether the development project would be sufficiently funded to operate on a self-financing and sustainable basis. The PPP approach would enable the sustainable operation of the WKCD by sharing financial risks with the private sector; enlarging the scope for market creativity and innovation through a financially self-standing, non-Government operation mode as desired by many practitioners in the arts and cultural sector; providing reliable streams of income to support the long term planning of arts and cultural programmes by saving their need to compete for recurrent public funding with other policy areas of higher social priorities; and limiting any intervention by the Government and the legislature in cultural matters for a more liberal and open society, and greater diversity in arts and culture including minority arts.

9. Mr LEE Wing-tat said that he concurred with CS on the funding considerations for WKCD but opined that special funding arrangements, such as the establishment of a dedicated fund for WKCD, that were subject to the approval of LegCo could cater for the long term funding requirement of WKCD. For illustration, he pointed out that in the past, LegCo had approved special funding arrangements for the establishment and operation of the Airport

Authority and the Kowloon-Canton Railway Corporation.

10. Mr James TIEN expressed support for the Administration's decision to discontinue the IFP process given that the three Screened-in Proponents had not made any firm and clear commitment that they would continue to pursue the WKCD under the IFP framework. He reiterated that the Liberal Party (LP) was opposed to single-package development approach but had no strong views on whether the development of WKCD should be financed by adopting the PPP approach or by using the proceeds from land sale. As the public's sentiments were for the WKCD project to be implemented the soonest possible, LP urged the Administration to take forward the project expeditiously. Noting that the Administration would adhere to the basic concept of providing a balanced mix of various arts, cultural, entertainment, commercial and residential facilities in WKCD and would continue to explore PPP for the development of WKCD, he enquired how the land in WKCD for commercial and residential purposes would be disposed of and the details of the PPP mode that the Administration was contemplating.

11. Mr CHAN Kam-lam expressed support for the Administration's decision to discontinue the IFP process. He concurred with CS that the public at large supported the idea of developing WKR into an integrated arts, cultural and entertainment district and would like to see its early implementation. He considered that the Administration should be mindful of the controversies and conflicts surrounding the PPP approach and it would be preferable to resolve these controversies and conflicts at the early planning stage, rather than leaving the problems to the future statutory body. He therefore asked whether in the coming months, the Administration would also consult the public on matters relating to the adoption of the PPP approach for the development of WKCD.

12. CS said that the Advisory Group tasked to consider the financial implications of the CACF would explore various options for funding the construction and operation of the CACF, including the conventional funding approach for Government's capital works projects. To facilitate an in-depth study, the Advisory Group would probably need to engage a financial consultant to assist it in analyzing and comparing different financing options, including the construction of a Public Sector Comparator to facilitate the Government to consider whether and if so how to adopt the PPP approach in the WKCD development. The Consultative Committee and the three Advisory Groups would conduct their work in a highly transparent manner and seek public views in the process. Based on their findings, the Administration would first sort out the basic elements of WKCD. Thereafter, the Administration would proceed with the consultation on and legislation for the establishment of an independent statutory body to take over the development of the WKCD from the Government at a suitable juncture.

13. Mr James TO questioned whether the Administration had ever made a comprehensive comparison between the PPP approach and the normal funding

approach for public works for the development of WKCD. CS said that the Administration had carried out some relevant studies in the past and had provided information on these studies to the Subcommittee. However, it had been the Administration's view that the construction of a Public Sector Comparator for the WKCD project was not required since the project would be financially free-standing under the IFP framework.

14. Ir Dr Raymond HO said the majority of the professionals had no strong views against the use of the PPP approach and the single-package development approach for the development of WKCD but had expressed concerns on the transparency of the process. They were also of the view that the project should be implemented as soon as possible. While the PPP approach could take different forms, PPP projects could be undertaken with high transparency and in close consultation with the local legislatures at different stages as revealed by successful overseas experiences. As the Administration also had plans to adopt the PPP approach to pursue other infrastructure projects under planning, he urged the Administration to review the procedures for undertaking PPP projects in Hong Kong. Ir Dr HO agreed that the continued availability of funding for the sustainable operation of arts and cultural facilities in WKCD was important, and he considered that a possible arrangement was to make a lump sum grant to provide the seed money for the purpose.

15. Dr LUI Ming-wah pointed out that there had been a lot of controversies surrounding the WKCD project since the launch of the IFP process. In particular, the single-package development approach had caused conflicts among property developers and a rift in opinion between the public and the Government, as the development approach was perceived by many as a means to transfer benefits to large business corporations. He therefore welcomed the Administration's decision not to further pursue the project under the IFP framework. He suggested that to avoid running into the risks associated with awarding the development rights of WKCD to a single developer, the Government might consider forming a company to take forward the project. Investment in the company should be open to all developers and the company might be a listed company.

16. CS said that at this stage, the first and foremost task of the Administration was to re-examine with a view to re-confirming if appropriate the need for the CACF in the WKCD. The Administration was of the view that before proceeding to the next stage, it was important to achieve certain consensus on the scope of the CACF. The Administration did not see the need to involve developers at this stage. In determining the future development mode for the WKCD project, the main consideration was to ensure the sustainable development and operation of the WKCD. CS also clarified that since the introduction of the modified approach under the IFP in October last year, the Administration had not had any plan to invite private developers to operate the arts and cultural facilities in the WKCD.

17. Mrs Selina CHOW remarked that the WKCD project was very important to Hong Kong as the project would provide not only the long awaited world-class arts and cultural facilities, but would realize the vision of a world-class integrated arts, cultural and entertainment district, thereby boosting the Hong Kong's tourism and the overall economy. As the project had been on the drawing board for a long time, she urged the Administration to take forward the WKCD project to the next stage expeditiously. She shared the concern of some arts and cultural groups about the restrictions imposed on them if they were to secure funding support on a yearly basis from the Government, and she considered that the funding arrangement was not conducive to their long-term planning and the nurturing/training of talents for the sector. Citing a similar project in Singapore, she opined that operating arts and cultural facilities in partnership with the private sector had the advantage of tapping private resources and expertise and overcoming the rigidity inherent in the Government bureaucracy. She commented that if the adoption of a PPP mode was found justified after careful study, the Administration should not refrain from adopting the PPP mode for fear of criticisms of transfer of benefits to the business sector.

18. Referring to the successful example of the Guggenheim Museum in Bilbao in adopting a PPP mode and the arts accountability system for the operation of the Museum, Ms Margaret NG pointed out that there were many possible forms of PPP and the Subcommittee was not against the adoption of the PPP approach in principle. She sought details of the Administration's preferred mode of PPP for WKCD.

19. CS said that the Administration did not have a pre-conceived mode of PPP for the development and/or future operation of WKCD. The PPP approach might be used at the early development stage or only for the operation of the facilities in WKCD. The main consideration was to enable sustainable long term operation of the cultural district and to allow the greatest possible room for creativity. The Government had no wish to prescribe a rigid framework for arts and cultural development.

20. Mr LEUNG Kwok-hung commented that the Administration had made a planning blunder for WKCD and thus should apologize to the public. He considered that the proper approach for the WKCD project was to sell the commercial and residential sites in WKCD and use the proceeds to build the arts and cultural facilities therein. He also commented that the Administration's proposed course of actions could not address the public's concerns, as members of the Consultative Committee and the Advisory Groups would be appointed by the Chief Executive and the Administration still insisted on using the PPP approach to bypass the monitoring of LegCo. He was also concerned that the future statutory body would be made to act according to the Administration's set plans and would enjoy little autonomy.

21. Dr KWOK Ka-ki said that all along, the Administration had held the view that WKCD was unique and the conventional mode of development was not

suitable for the development of WKCD. He considered that the Administration should critically review this position and should not presume that developers were the most capable of planning and developing WKCD. As business entities, developers would focus on maximizing the profits from the project rather than the long term development of arts and culture in the community. To put the development of WKCD under proper steer, the Administration should expedite the work on the establishment of the statutory body, which should be independent and well represented from the relevant sectors of the community, including the arts and cultural sector. He therefore asked whether the statutory body would be established before the planning for the CACF and the development mode were finalized.

22. CS stressed that there was no question of the Administration adopting the PPP approach in order to bypass LegCo. It was the Administration's intention to expedite the WKCD project given clear public aspirations for early implementation of the WKCD project. The Administration reckoned the importance of the role of the statutory body and had no wish to delay the establishment of the body. In fact, the work at the next stage would focus on that.

The Consultative Committee and the Advisory Groups

23. Mr James TIEN enquired whether the real estate sector would be represented in the Advisory Groups and the Consultative Committee and remarked that this would affect the public's perception of whether WKCD was in essence a property development project.

24. Mr Abraham SHEK commented that the fact that the Government had to terminate the IFP process due to the lack of interest of the screened-in Proponents to pursue the project under the modified approach of the IFP process was evidence that the WKCD project did not involve any transfer of benefits to real estate developers. He considered that the WKCD project was a project of all Hong Kong people and he could not agree that any particular sector should be excluded from the planning and implementation of the WKCD.

25. Mr James TO said that since the Administration still preferred to continue to develop the WKCD under a PPP mode, he asked whether real estate developers would be consulted on the future development mode for WKCD and if so, how such consultation would be conducted.

26. Ir Dr Raymond HO opined that the three Advisory Groups could be placed under a provisional body responsible for coordinating the planning for the WKCD. This would pave the way for the establishment of the statutory body for taking over the WKCD project.

27. Mr CHAN Kam-lam considered that the Administration should consult the public as well as LegCo extensively on how the WKCD should be taken forward and the consultations should be undertaken as early as possible. He asked whether LegCo Members would be appointed to the Consultative Committee and the Advisory Groups.

28. Miss CHAN Yuen-han and Miss CHOY So-yuk expressed support for the Administration's decision to discontinue the IFP process. They enquired about the relationship between the Consultative Committee and the future statutory body and sought details on how the three Advisory Groups would incorporate public views in their studies. Ms Margaret NG was of the view that the consultation process should be extensive and well structured.

29. CS said that as the Consultative Committee and three Advisory Groups would be tasked to re-examine the need and specifications for the CACF, their members would mainly come from the arts, cultural and entertainment sectors as well as the tourism industry. Their membership would be acceptable to the relevant sectors and the general public. He would not preclude that LegCo Members would be appointed to the Committee. He reiterated that at this stage, the first and foremost task was to re-examine and re-confirm if appropriate the need for the CACF and their financial implications. The Advisory Group tasked to consider the latter aspect would examine the various options for funding the construction and operation of the CACF. The consultations to be conducted by the three Advisory Groups would be open and transparent. It was expected that the lists of membership would be finalized and announced as soon as possible.

30. As regards the relationship between the Consultative Committee and the future statutory body, CS said that there was no link between the Consultative Committee and the statutory body, as the Committee was only tasked to re-examine and re-confirm if appropriate the need for and the financial implications of the CACF. The planning of the WKCD and design of the CACF were beyond the remit of the Consultative Committee. Work in these areas could be taken over by the proposed statutory body for the WKCD, but this would be a matter for consideration in the next stage of work.

31. Ms Emily LAU enquired how the Consultative Committee would interact with LegCo. She also sought details on the membership for the Committee and the Advisory Groups and asked whether the relevant sectors could nominate their representatives to sit on the Committee and the Advisory Groups. Mr CHIM Pui-chung asked to whom the Consultative Committee and the Advisory Groups would report and the role of LegCo in the process of their

work.

32. CS reiterated that with specific issues to examine, the membership of the Consultative Committee and the three Advisory Groups would have broad representation from the relevant sectors. Their work process would be transparent and open. The Consultative Committee might interact and communicate with LegCo if and when there was such a need. The Administration would make public the findings and recommendations of the Consultative Committee. At the next stage, the Administration would discuss with LegCo Members on the functions, powers and operating mode of the statutory body, the establishment of which would require enactment of legislation.

Arts and cultural policy

33. In response to Mrs Selina CHOW's enquiry on the role of the Government as a facilitator in arts and cultural development, the Secretary for Home Affairs (SHA) replied that there had been criticisms on the Government's role in funding arts and cultural activities. As public resources were involved, the Government must adhere to the principles of prudent financial management. Under the resource allocation mechanism of the Government, funding for arts and cultural development and activities had been considered in the context of the overall needs of the community. There had not been the opportunity to introduce an arts accountability system. The Committee on Performing Arts would publish a report on proposed changes in the areas of funding mechanisms, programme presentations and venue support after the completion of a public consultation. The Administration would consider the report and the implementation timeframe for the final recommendations.

34. Miss CHAN Yuen-han sought elaboration on the Government's policy for the arts and cultural development in Hong Kong. Mr Abraham SHEK commented that it was imperative for the Government to spell out its cultural policy in specific terms with a clear vision and direction and explain how the hardware and software developments in WKCD could help realize the policy objectives. Ms Margaret NG shared Mr SHEK's view and opined that formulation of an appropriate cultural policy was the foremost task to set a direction for the WKCD project.

35. In response, CS said that the Government had its cultural policy and the development of WKCD did not require a new policy. While there could be ongoing discussions on Government's cultural policy, it would not be concordant with public aspirations to withhold the WKCD project pending conclusions from the discussions.

36. SHA said that Hong Kong had formulated its arts and cultural policy since 1960s and the policy evolved over time as a result of the interactions among different sectors in the community. The spirit and principles underlying

the policy had not changed. In essence, the Government was to create an environment which was conducive to the freedom of expression and artistic creation and which encouraged public participation in such activities. The implementation mode and measures, such as the funding arrangements and management of facilities, were reviewed from time to time and modifications had been made in the light of changes in the social and economic environment. For example, the funding and management functions had been discharged by the former Municipal Councils some years ago and now these functions were taken charge of by LCSD. The Culture and Heritage Commission had also made recommendations on the policies as well as funding priorities on arts and culture. The vision for WKCD was to develop the WKR into a world-class integrated arts, cultural and entertainment district for Hong Kong. The Government's role in arts and culture was to create an environment conducive to the freedom of expression and artistic creation and public participation in such activities. The Government saw its role as a catalyst, promoting and encouraging the development of arts and cultural through funding support and venue provision.

37. Miss CHAN Yuen-han, Mr Abraham SHEK and Dr KWOK Ka-ki commented that the arts and cultural policy as explained by SHA lacked substance and fell short of responding to public aspirations. They requested the Administration to elaborate on the arts and cultural policy and how the arts and cultural facilities in WKCD could match this policy.

Arts accountability system

38. In response to Ms Margaret NG's enquiry on the Government's stance on the implementation of an arts accountability system in Hong Kong, CS said that SHA would elaborate the details of the arts accountability system being contemplated by the Administration at a future suitable forum. The primary consideration was that arts and cultural groups should be given as much room as possible for development and should not be subject to unnecessary interference. While there might need to put in place some objective indicators for the necessary oversight, the Administration did not favour the idea of laying down a rigid framework for arts and culture development.

39. Ms Margaret NG said that the Subcommittee had examined issues relating to the application of an arts accountability system to the operation of the WKCD, and requested the Administration to refer to the relevant findings and recommendations set out in paragraphs 4.16 and 6.26 of the Subcommittee's Phase II Report and paragraph 4.26 of the Compendium of Public Views Submitted to the Subcommittee.

Review on the use of West Kowloon Reclamation area

40. Mr Abraham SHEK said that the Administration should take into account market expectations in developing the West Kowloon Reclamation (WKR) area. It might take the present opportunity to re-examine how the WKR area should be

utilized for the optimum benefits of Hong Kong. Mr Albert CHENG asked whether the Administration would take a fresh look at the idea of locating some of the CACF along the waterfront of Victoria Harbour instead of just focusing on the WKR. Mr CHIM Pui-chung also suggested that the Administration should review the premise of developing the WKR area into a world-class integrated arts, cultural and entertainment district.

41. In response, CS said that it remained the intention of the Government to designate the WKR for the development of a cultural district and to locate the CACF within the area. To this end, the Town Planning Board had already prepared a draft Outline Zoning Plan and laid down certain development parameters for the purpose of developing WKR into an integrated arts, cultural and entertainment district.

42. Dr KWOK Ka-ki recapitulated that the original planning intention for WKR was to provide a regional park with only a small portion of the land allocated for commercial and residential developments. He urged the Administration to re-examine the justification for developing an arts and cultural district together with substantial commercial and residential developments in the area.

Planning parameters under the IFP that would be retained or dropped

43. Dr KWOK Ka-ki asked the Administration to confirm its latest position on the provision of the Canopy previously prescribed as a mandatory requirement under the IFP. Mr Patrick LAU also asked whether the requirement for provision of the Canopy in WKCD had been abandoned.

44. CS said that provision of the Canopy was one of mandatory requirements under the IFP. As the IFP process would not be pursued further, the Canopy was no longer a mandatory requirement in the WKCD.

45. Mr Patrick LAU relayed the request of his constituency for early implementation of the WKCD project. He supported the setting up of the Consultative Committee and urged the Administration to exercise prudence to ensure broad representation of the relevant sectors in the Committee and the Advisory Groups. He opined that the work to formulate the master plan for the WKCD should continue to be based on the existing planning parameters, such as the plot ratio and the ratio between the floor areas of the cultural and non-cultural components. If more preparatory work could be done at this stage, the WKCD project could proceed expeditiously in September 2006 after the Consultative Committee submitted its findings. He also enquired about the feasibility of making use of the proposals of the screened-in Proponents for future planning of WKCD.

46. CS said his understanding from the preliminary legal advice was that the proposals of the screened-in Proponents could only be made use of with the prior

consent of the Proponent concerned. The design and the formulation of the master plan for WKCD would be work in the next stage after the Consultative Committee had re-examined and re-confirmed if appropriate the CACF in the WKCD.

47. In response to Mr James TO's enquiry on the status of the planning notes in the draft OZP for WKR, the Secretary for Housing, Planning and Lands said that the Town Planning Board had designated WKR in the relevant draft OZP as "Other Specified Uses" annotated "Arts, Cultural, Commercial and Entertainment Uses". This planning designation was not dependent on the continuation or otherwise of the IFP process.

48. Mr LEE Wing-tat requested the Administration to list out the elements in the IFP that would be upheld and those that would be dropped or reviewed in the new development for WKCD.

Other issues

49. Mr CHIM Pui-chung enquired whether the termination of the IFP process would give rise to any legal problems and would deal a blow to the credibility of the Government.

50. CS said that the IFP process was not a tender procedure, but an invitation to the private sector for development proposals for WKCD. According to the legal advice sought, the Administration would not incur any legal liability to the screened-in Proponents due to the decision to discontinue the IFP process. He stressed that the Administration would no longer pursue the IFP process because there was a significant gap between public demands and market reality; it was not due to any inherent problems of the IFP process.

51. Referring to the letter dated 8 February 2006 from CS to the Subcommittee Chairman (WKCD-234), Ms Emily LAU asked when the Administration would give a comprehensive and substantive public elucidation on the issues of the powers and functions of the Legislature and the Executive respectively under the Basic Law. In response, CS said that the Administration had given a written reply to the question on a similar issue raised by Mr LEUNG Yiu-chung at the Council meeting on 15 February 2006 and he understood that oral questions on the subject would be raised at forthcoming Council meetings. The Administration did not have anything to add at this meeting.

52. The Chairman said that the Subcommittee would need to convene a further meeting to discuss the way forward for its work and matters arising from this meeting. He also informed members that the Secretariat was preparing a paper on some land disposal cases in response to a member's request at the meeting on 3 February 2006. Members agreed to convene a further meeting as suggested by the Chairman.

53. The Chairman instructed the Clerk to consolidate the questions of members raised at the meeting that might not have been fully answered by the Administration. He asked members to inform the Secretariat if they had further questions on the statement made by CS at this meeting. The Secretariat would then forward the questions for the Administration's response.

(Post-meeting note: A draft list of questions that were raised by members at the meeting and required substantive response by the Administration was circulated to members vide LC Paper No. CB(1)988/05-06 on 27 February 2006. A finalized list was sent to the Administration on 3 March 2006. The Administration provided its response to the list of questions on 31 March 2006. The next meeting of the Subcommittee was held on 6 April 2006.)

54. An index of proceedings of the meeting is at the **Appendix**.

II Any other business

55. The meeting ended at 4:50 pm.

Council Business Division 1
Legislative Council Secretariat
25 September 2006

**Proceedings of the twenty-fourth meeting of the
Subcommittee on West Kowloon Cultural District Development
on Tuesday, 21 February 2006, at 2:30 pm
in the Chamber of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000000 – 000442	Chairman	Opening remarks	
000443 – 002157	Administration	Statement by the Chief Secretary for Administration	
002158 – 002825	Mr LEE Wing-tat Administration	- Mode of development - Financing arrangement	
002826 – 003458	Mr James TIEN Administration	- Liberal Party (LP)'s position on the decision to discontinue the IFP process - Whether real estate sector would be represented in the Consultative Committee and the Advisory Groups - Mode of development	
003459 – 004125	Mr Albert HO Administration	- Establishment of the statutory body - Mode of development and financing arrangement - Incremental development of WKCD	
004126 - 004900	Dr KWOK Ka-ki Administration	- The Administration's response to the motion debate at the Legislative Council in January 2005 on removing the Canopy as a mandatory requirement - An independent statutory body with broad presentation should be set up early to take up the development of WKCD	
004901 – 005456	Miss CHAN Yuen-han Administration	- Public consultations conducted by the three Advisory Groups - Transition from the Consultative Committee to the statutory body - Hong Kong's arts and cultural policy and how WKCD could help realize the policy objectives	

Time marker	Speaker	Subject(s)	Action required
005457 – 010028	Dr LUI Ming-wah Administration	<ul style="list-style-type: none"> - Suggestion of forming a company to take up the development of WKCD - Nature of the WKCD project 	
010029 – 010548	Ir Dr Raymond HO Administration	<ul style="list-style-type: none"> - Position of the engineering sector on mode of development - The PPP approach - Establishment of the statutory body 	
010549 – 011024	Mr CHAN Kam-lam Administration	<ul style="list-style-type: none"> - Controversies about the PPP approach - Public consultation on mode of development - Administration should consult LegCo on the CACF 	
011025 – 011653	Mrs Selina CHOW Administration	<ul style="list-style-type: none"> - WKCD project should be expedited - Funding arrangement for operation of WKCD - The Administration's role to facilitate the arts and culture development - Merits of the PPP approach 	
011654 – 012323	Ms Margaret NG Administration	<ul style="list-style-type: none"> - Arts accountability system and features of the PPP mode under contemplation by the Administration - Consultations undertaken by the Consultative Committee and Advisory Groups - Subcommittee's position on the adoption of PPP for development and/or operation of WKCD 	
012324 – 012836	Miss CHOY So-yuk Administration	<ul style="list-style-type: none"> - Scope of CACF - Relationship between the Consultative Committee and the statutory body 	
012837 – 013600	Mr Abraham SHEK Administration	<ul style="list-style-type: none"> - Exclusion of any sector from participating in the WKCD project was unfair - Hong Kong's arts and cultural policy and how WKCD could help realize the policy objectives - Review on the use of the West Kowloon Reclamation (WKR) 	
013601 - 014059	Mr Patrick LAU	<ul style="list-style-type: none"> - Membership of the Committee 	

Time marker	Speaker	Subject(s)	Action required
	Administration	<ul style="list-style-type: none"> - Whether information provided by the screened-in Proponents could be used as reference for the planning of WKCD - Schedule for planning and design works 	
014100 – 014727	Mr CHIM Pui-chung Administration	<ul style="list-style-type: none"> - Cost incurred on the WKCD project so far - Whether the decision to end the IFP process would affect the Government's credibility and give rise to legal liability on the part of the Government - Any planning mistake and deficiency in the Invitation for Proposals (IFP) process - LegCo's role in the WKCD project - Review on the premise of developing the WKR area into an arts and cultural district 	
014728 – 015309	Ms Emily LAU Administration	<ul style="list-style-type: none"> - Interaction between LegCo and the Consultative Committee - Membership of the Committee - Respective powers and functions of the Legislature and the Executive 	
015310 – 015914	Mr LEUNG Kwok-hung Administration	<ul style="list-style-type: none"> - Mode of financing the construction and operation of WKCD - Autonomy of the statutory body 	
015915 – 020025	Mr Albert CHENG Administration	<ul style="list-style-type: none"> - Review on the premise of developing the WKR area into an arts and cultural district and the location of the CACF 	
020026 – 021005	Mr James TO Administration	<ul style="list-style-type: none"> - Query on the need to re-examine and confirm the CACF - Concern about the transfer of benefits to business corporations - Notes of planning in the draft outline zoning plan for WKR 	

Time marker	Speaker	Subject(s)	Action required
021006 – 021838	Chairman Miss CHAN Yuen-han Mr LEE Wing-tat Ms Margaret NG Dr KWOK Ka-ki	<ul style="list-style-type: none">- Hong Kong's arts and cultural policy- The Administration to list out the IFP's elements that would be upheld and those that would be dropped or reviewed- Subcommittee's deliberation on arts accountability system- Review on the use of WKR	
021839 – 021929	Chairman	The Administration to respond members' queries on the way forward for WKCD project	The Administration to take follow-up action as per paragraph 53 of the minutes