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26 July 2017

Our Ref : SF(20) to HABCS CR 7/1/27

By email

Ms Sharon CHUNG
Clerk to the Joint Subcommittee to Monitor the Implementation of the
West Kowloon Cultural District Project
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong

Dear Ms Chung,

**Consultancy study reports related to the development of
the Mega Performance Venue (“MPV”) and
the Exhibition Centre (“EC”) in
the West Kowloon Cultural District (“WKCD”)**

Thank you for your letter dated 1 June 2017 conveying to us the views of Members of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project (“Joint Subcommittee”) on the arrangement for perusing the abovementioned consultancy study reports submitted by the West Kowloon Cultural District Authority (“WKCDA”).

The follow-up action of the Joint Subcommittee meeting on 29 May 2017 also included the request to the Government and WKCDA for reviewing the arrangement for pursuing the abovementioned reports. WKCDA has prepared a follow-up information paper to respond to Members’ views accordingly which was submitted to you on 25 July 2017.

As mentioned in the paper prepared by WKCDA, considering that the redacted content contains certain commercially sensitive and third party information, the disclosure of such information and the business parameters adopted in the reports prior to tendering will severely undermine WKCDA's commercial bargaining power and interest in relation to future developments in WKCD including the tendering of the Exhibition Hub Development Area ("EHDA") package by way of public-private partnership (which involves the tenderer proposing an income sharing ratio with WKCDA). After careful reconsideration of the matter, WKCDA maintains the view that only redacted copies of the reports could be provided to Members at this stage in order to safeguard its interests. As income from the EHDA development package to be shared by WKCDA will be deployed for the development and operation of arts and cultural facilities in WKCD, any action that may compromise WKCDA's position in future tendering exercise will have the negative effect of reducing the amount of financial resources available for the development and operation of arts and cultural facilities in WKCD thereby undermining the public interest.

Indeed, the major findings of the consultancy studies and the basis for the WKCDA Board's decision in relation to the review of the MPV/EC development have already been included in the paper (LC Paper No. CB(2)544/16-17(01)) submitted by the Government and WKCDA to the House Committee of the Legislative Council in early January 2017.

In the light of the foregoing, the Government accepts and respects WKCDA's decision but would ensure that WKCDA will brief Members on the proposed development parameters for the EHDA when the details are available.

Yours sincerely,



(York IP)

for Secretary for Home Affairs

cc. Chief Executive Officer, West Kowloon Cultural District Authority