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RESPONSE TO CONSULTATION ON WEST KOWLOON DEVELOPMENT

1. The 30SGroup is a self-funded young professionals forum not affiliated with any organization or individuals. We submit this response as a group of people who care deeply about how Hong Kong as our community and China as our country would grow and develop. More information about us can be found on our website at www.30SGroup.org.
2. We believe in and wish to encourage rational discussion. In accordance with this, we have tried to understand the main aspects of West Kowloon Cultural District (WKCD) project and proposals. We have attended the exhibition of the three screened-in proponents as well as organized workshops with the help of the Hong Kong Institute of Architects and members from the cultural sector including Mr. Leung Man-tao. In order to make a proper assessment, we have also gone beyond the boundaries of the current consultation exercise and have studied the plans by proponents whom the Administration has screened out.

Not Choosing Any Amongst the Three Official Options

3. This submission does not present an easy-to-categorize “yes” or “no” response to the consultation exercise. If, as the Government claims, the WKCD would determine Hong Kong’s cultural future as well as define our civic identity, the community should not be asked to make a rushed choice of one among three not-fully-explained options. The questionnaire was also too restrictive and not able to envelope the richness of the people’s views on the project.
4. In this submission, therefore, we have set out our concerns – and the reasons for our concerns – in detail. We offer these views as a constructive critique on the WKCD proposals.

Process Lacks Transparency

5. Transparency issues have plagued the WKCD project from the very beginning. The Invitation for Proposals (IFP) stated various technical requirements, such as the construction of a massive canopy and certain museums and performance venues. Yet it is far from clear how the Government had arrived at this set of parameters that would define WKCD as a “cultural hub”.
6. One underlying rationale of the Government’s WKCD project is to have the private sector finance the construction and operate the facilities. In the words of Mr. Donald Tsang, then-Chief Secretary for Administration, the chosen operator would be required “to meet the construction cost of WKCD, and to develop and run the whole WKCD on a self-financing basis to achieve the

target of maximizing land use and ensuring the appropriate utilization of land resources.”¹ The Government, however, would not make public the financing arrangements of each proposal. The absence of information that is pivotal to the rationale and success of the project renders the consultation flawed.

7. The Government claims to have conducted a long process of consultation on the development of the WKCD since 2002.² But it was only because of public outcry that the Government extended the exhibition/consultation period from six to 15 weeks. Furthermore, the fact that there have been consultations does not mean the Government has fulfilled its duty of public consultation.
8. It is not clear how the Government has taken into account and would measure the views of those consulted, including stakeholders, experts, and the public. There is also no mechanism in place for those views to be duly channeled into the decision-making process of the project’s Assessment Panel. Indeed, by the Government’s own standards, the consultations still have a long way to go if they were to demonstrate that the Government is “sincere and genuine” and is “committed to listening to different views”.³
9. An overall vision of cultural development should be articulated before pushing ahead with the project. There should be a clear rationale for development of particular kinds and number of cultural venues and programs. Why a canopy? Why three theatres? Why four museums? Why an ink museum? Why “world class” for everything – or anything? How many people care about “putting Hong Kong on the world’s arts and culture map” and at what costs?
10. Sustainability considerations should also be fed into the policy-making as well as the public discussion processes. What are the current usage figures? What are the projections? If relevant studies have been conducted, the Government should release the data and explain the logic of its proposed vision for public consultation.

¹ “Changes to Cultural District Proposals Expected: CS”, 24 November 2004, Government Information Services, <http://www3.news.gov.hk/ISD/ebulletin/en/category/infrastructureandlogistic>.

² Oral reply by the Chief Secretary for Administration, Mr. Donald Tsang, in the Legislative Council meeting on 24 November 2004, “We held six consultation forums in 2002 to seek the views of the cultural sector about the WKCD project. After the invitation for proposals was announced in 2003, we also met people from the cultural sector many times to discuss the contents of the project and listen to their views. From end 2003 to early 2004, Home Affairs Bureau (HAB) had held one large-scale brainstorming session and eight sub-committee meetings. WKCD Development Project Co-ordination Office has also met leading professional bodies in Hong Kong to gauge their views. At the same time, government representatives also attended forums organised by other groups, including one organised by the Democratic Party on 21 December last year. The Administration had briefed Honourable Councillors on the progress of the project on a number of occasions. On the other hand, we received valuable views from the Cultural and Heritage Commission and Hong Kong Arts Development Council (HKADC) at different stages.”

³ *The Government’s Views on the Purposes of Consultation*, 1997, excerpted from “Public Opinion”, by the Director of Administration, Government Secretariat, General Circular No. 3/97, 31 January 1997, “... It goes without saying that consultation exercises should be carried out as thoroughly as possible. But it is of equal importance that the government should be seen to be sincere and genuine in conducting consultation. To maintain the public’s confidence that the government is committed to listening to different views, bureaus and departments should establish the practice that the public be informed of the results of consultation exercises. In cases where the opinion of certain sectors of the community cannot be fully adopted, a clear explanation should be given of the reasons for this ...”

11. The bundling of commercial real estate with cultural components obfuscates key aspects of the WKCD project. The two should be decoupled. If society as a whole finds cultural activities worth having, and such activities could not be operated profitably, subsidies should be made – transparently. Part of the proceeds from West Kowloon land sale could be earmarked for this purpose. As the project now stands, its opaque financial arrangements would always arouse public concerns about fairness and potential illegitimate benefits to the chosen few.

No Obvious Benefit from Single-Developer Approach

12. The Government has chosen and insisted on a single-developer approach from the very beginning of the project. One of its justifications is that “splitting the contract could cause problems in aligning the design, construction and schedule of the infrastructure, for example, the canopy and the automated people mover.” But any large project, even if developed and managed under a single developer, is often divided into separate pieces for contractors to bid on.
13. There is no single developer or contractor with sufficient scale to take on the whole WKCD project. Involving multiple parties would also lower the risks. If any one contractor fails or falls behind, there is competition right around the corner waiting to fill the void.
14. There would always be coordination issues, regardless of whether it is a single developer or multiple developers. To allege that architects and construction teams could not align or connect utilities and buildings is gross disrespect for their professionalism.
15. Simple economics says that in bidding, the larger the number of bidders, the more competition and, therefore, the more value to be obtained. The single-developer approach reduces the number of players with sufficient resources to bid on the project. Less value would be realized for the public.
16. There are other unconvincing arguments against split tendering such as higher costs, delays or even higher risk of litigation. To push such arguments to their logical extension, all land auctions would have to be “bundled” so that a single developer is responsible for a whole district (or even Hong Kong as a whole). We are far from persuaded that the single-developer approach is good for the WKCD project or for the community.

People Matter, Not Hardware

17. Culture takes people – people who have the interest and capacity to create and appreciate it. Hong Kong may boast one of the highest concentrations of young piano players in the world, because of parents’ desire to “equip” their children. But the training does not necessarily lead to long-term appreciation of music. From secondary school onwards, most parents would have their children focus on academics rather than cultural interest. It is questionable

whether Hong Kong has any substantial “demand” for culture justifying the WKCD project at this point in time.

18. A small local market coupled with high living costs make it very difficult for artists to make ends meet while pursuing their artistic work. To develop culture or cultural industries in Hong Kong, we must first develop a taste for cultural products. This requires long-term efforts by educators, the mass media, and individual members of society. Having a cultural district does not address the issues at all. It is merely building a massive marketplace with neither supply nor demand for the goods.
19. Most artists do not care very much about fancy galleries or exhibition facilities. Locally, as in many other cities around the world, abandoned factory buildings have become havens for artists where they enjoy low rent and the freedom to congregate and exchange ideas. Fo Tan, for example, now boasts a group of active artists; same for “798 District” in Beijing. For every opera house or concert hall, there are countless other, less glamorous performance venues in London, New York or Prague.
20. The Government believes that the WKCD project would “enrich our cultural life by attracting internationally acclaimed performances and exhibitions.” It seems to imply that facilities draw performances and exhibitions. But this is like saying Manchester United or Real Madrid toured Hong Kong because of the lure of the Hong Kong Stadium – which is implausible to say the least. On the other hand, the much-maligned HarbourFest, held at a temporary structure at the Tamar Site, was able to attract some world-renowned performers. This shows, again, that facilities are not the deciding factor.

We Want No Canopy

21. Culture does not need a new, purpose-built landmark. Neither does tourism. Spending HK\$4-5 billion on a gigantic canopy is not a wise use of funds. A tourist to Hong Kong spends HK\$4,000-5,000 on average during his/her stay. The costs of the canopy would be equivalent to the total spending of 1 million tourists. There are also substantial recurring maintenance costs throughout of the lifetime of the structure. All that just to create a spectacle! While most tourists in Paris go to Eiffel Tower (at least during their first visit), it is a bold assumption to think that they would not have visited Paris but for the giant metal monument.
22. Our view (which we believe to accord with the consensus of the community) is that the canopy is unnecessary. As a corollary, there is a need to reevaluate the proposals that the Government has rejected for failing to comply with this “pre-condition”.
23. The manner which the Government has taken to promote the WKCD project leads people to think that it is as much about some officials’ desire to leave a legacy as it is about culture or public interest. This has severely affected the Government’s credibility and perceived objectivity.

Not an Answer to Tourism

24. Can museums and performance facilities boost tourism? Probably to some extent. The Guggenheim in Bilbao, an often cited success case, welcomes one million visitors a year, about half of which from outside of Spain. That may seem to be a big number until one realizes our very own Hong Kong Museum of History draws in close to 0.8 million visitors annually. Is there still much incremental tourist interest to attract with new museums?
25. Most of our existing museums attract only 0.2-0.4 million visitors annually. Hong Kong Tourism Board surveys have shown that, year after year, the favorite attractions among tourists are the Peak, Repulse Bay, Ocean Park and Stanley. No museum ever came close to making the list. If your customers do not want the product, giving them more does not make it any more appealing.
26. There are plenty of landmarks in Hong Kong already – Victoria Harbour, the Peak, Temple Street, the Big Buddha, walled villages, our beautiful country parks etc. We urge the Government to pay more attention to preserving sites with historical, cultural or natural value. This is important for Hong Kong as a community with a history and an identity.
27. In particular, there is a dire need for a consistent vision in preserving old and developing new sites at the same time. Strict guidelines on plot ratio should be set and enforced to ensure the scale of commercial development will not jeopardize the already endangered Kowloon skyline and put excessive strain on infrastructure. Equally important is to protect the unique Hong Kong skyline, with Victoria Harbour at the front and mountains at the back, from being further destroyed by more unrestricted development of skyscrapers.
28. Even if only for the narrower interest of boosting tourism, much can be done on our sound base of modern cityscape, culture, natural scenery, shopping and dining experience, and new tourism infrastructure such as theme parks and convention/exhibition facilities. We question the incremental gain from and the opportunity costs for the WKCD as proposed in its current form.

Way Forward: Management of the WKCD

29. Successful public-private partnerships (PPPs) entail a redefinition of the role of the government in the context of infrastructure projects, moving away from direct ownership and management to focusing on supervision and regulation. The government retains a significant role and has to guard against private sector excesses. A United Nations agency has commented that, “Government should avoid perceptions of ‘selling out’ to foreign/commercial buyers. The PPP approach thus avoids undermining the essentially ‘public’ character of many infrastructure projects.”
30. The “public” nature of the WKCD project is obvious. The Government must establish an appropriate regulatory framework, whether legal or contractual, for the WKCD project. This should begin with following a credible process of

inviting proposals and involving the community. No landmark is worth the damage the WKCD proposals are causing on the credibility of our government and our rule-based system.

31. The Government should also explain, if the WKCD project is to proceed, how it would play its proper role in monitoring construction and development and, more importantly, in regulating performance after completion of the hardware. This aspect is entirely missing in the current proposals. It is understandable why many do not believe the Government's consultation exercise to be sincere and genuine.

Conclusion

32. In short, we urge the Government to explain its WKCD plans more fully. A "cultural district" is not a piece of hardware akin to an airport, a bridge, or a container terminal. The human aspects are far more extensive and at the core of its success. The information the Government has provided is insufficient for the public willingly to support the commitment of resources, allocation of benefits, and assumption of risks.
33. The 30SGroup believes in and wishes to encourage rational discussion. In accordance with this, we have tried to elaborate on some of the main points in this submission in a series of articles in the Hong Kong Economic Journal. The articles are attached as supplementary materials.

The 30SGroup
30 June 2005

Articles enclosed:

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|---------------|----------------|
| ▪ 中區警署招標急誰所急？ | 《信報》07/02/2005 |
| ▪ 文藝復興 | 《信報》31/01/2005 |
| ▪ 文化地標／地標文化？ | 《信報》07/01/2005 |
| ▪ 誰來看守中區警署？ | 《信報》29/12/2004 |