Subcommittee on West Kowloon Cultural District Development

Recommendations of the Phase I and Phase II Study Reports, the Administration's Response in June 2006¹, relevant comments/recommendations² of the Consultative Committee and Advisory Groups and relevant observations of the Legislative Council Secretariat

Subcommittee's Recommendations	The Administration's Response in June 2006	Relevant comments/recommendations of the Consultative Committee and Advisory Groups and
		relevant observations of the Legislative Council Secretariat
Phase I Study Report		
(A) Abandon the	The Government announced on	The Performing Arts and Tourism Advisory Group
single–package development	21 February 2006 that it would no	(PATAG) has recommended to develop the arts performing
approach	longer pursue the Invitation for	facilities in two phases. Phase I includes a Xiqu Centre, a
	Proposals process. At this stage,	Concert Hall, a Chamber Music Hall, a Great Theatre I, two
The Administration should	the Government maintains an open	Medium-sized Theatres, four Black Box Threatres, a Mega
abandon the single-package	mind on the development and	Performance Venue and Piazza Areas. Phase II includes a
approach which lacks public	funding approaches for the West	Great Theatre II and two Medium-sized Theatres.
support and critically examine	Kowloon Cultural District	(Para. 7.4 of PATAG's report)
the feasibility of other	(WKCD).	
development strategies, such as		The Museums Advisory Group (MAG) has recommended to
multi-package, incremental		develop the Museum Plus (M+) in multiple phases, with a
implementation, and other		gross floor area of 81 000m ² provided in the first phase and
arrangements that will encourage		44 000m ² provided in the subsequent phases.
competition and mobilization of		(Para. 2.42 of MAG's report)

The relevant paper is Paper No. WKCD-308

The relevant papers are Paper Nos. WKCD-332, 358, 359 and 361

Subcommittee's Recommendations	The Administration's Response in June 2006	Relevant comments/recommendations of the Consultative Committee and Advisory Groups and relevant observations of the Legislative Council Secretariat
resources and expertise from the private sector.		The financial matters of the WKCD project are being studied by the Financial Matters Advisory Group (FMAG), which plans to submit its report to the Consultative Committee on the Core Arts and Cultural Facilities (CACF) of the WKCD (CC) by end December 2006 or January 2007. (Paper No. WKCD-362)
(B) Conduct extensive consultation with the public and relevant sectors on the mode of development and implementation strategy - the Administration should arrange further publicity of the content of the Culture and Heritage Commission Report and Government's position regarding the Culture and Heritage Commission's recommendations. - the Administration	The Government would continue to publicize its existing arts and cultural policy which is in line with the recommendations of the Culture and Heritage Commission Report. The Legislative Council (LegCo) Panel on Home Affairs discussed arts and cultural policy at its meeting on 7 April 2006. Secretary for Home Affairs has raised public awareness on our arts and cultural policy through public speeches and articles. The Committees established to follow up on the policy recommendations of the Culture and Heritage Commission in respect of performing arts,	PATAG and MAG have conducted public forums and focus group meetings to gauge public views on matters under their respective terms of reference. The public views are presented in their reports. (Chapter 2, Annexes 5 and 6 of PATAG's report, and Chapters 1(b) and 5(b), Annex 6 of MAG's report) PATAG and MAG have formulated their recommendations with due regard to Hong Kong's existing cultural policy. (Para. 1.8 and 1.9 and Annex 3 of PATAG's report and Para. 1.15 and Annex 11 of the MAG's report.)

Subcommittee's Recommendations	The Administration's Response in June 2006	Relevant comments/recommendations of the Consultative Committee and Advisory Groups and relevant observations of the Legislative Council Secretariat
mode of development and implementation strategy have wide public support. The Subcommittee sees merits in introducing novelty and innovation in the management of cultural facilities through private participation, but the Government should make sure it has a clear vision of what it wants to achieve and should set performance targets accordingly.	working diligently in full consultation with the stakeholders. The Committee on Performing Arts presented its first report to Government on 16 June 2006. The Home Affairs Bureau (HAB) will actively take forward their recommendations. As regards WKCD, the Government has set up a Consultative Committee on the CACF of the WKCD in April 2006 to re-examine, and re-confirm if appropriate, the CACF for the WKCD. Based on the recommendations of the CC, the Government will then consider the development (e.g. the master layout plan of the WKCD and design of the CACF) and funding approaches for the project. At this stage, the Government has an open mind on the development and funding approaches for the WKCD. The CC and the Advisory Groups (AGs) under it have been conducting focus group discussions and public	

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	consultation forums with a view to collating views from the arts and cultural sector and other concerned groups. Over 200 participants had attended four public forums held between 29 May and 2 June.	
 (C) Ensure transparency and accountability in the decision-making process the Executive Council should play an active role in deciding whether it should give its policy backing to the mode of development and implementation strategy. the Legislature should play an active role in scrutinizing Government's policies and implementation strategies. 	submissions to and sought approval from the Executive Council in the development of the WKCD. It has also briefed LegCo at each key stage of the project, and has undertaken to continue to do so as we move forward. The CC aims to complete its consultations and submit its recommendations to the Chief Executive in about six months' time. The Government has undertaken	At the request of this Subcommittee, the Administration briefed this Subcommittee on 23 June and 4 October 2006 on the progress of the work of the CC and the AGs. The agendas and most of the papers for the meetings of the CC and the AGs are available on the Government's website on WKCD for public access. However, the information prepared by the financial advisor appointed by the Government to support the work of FMAG has not been released to the public. At the Subcommittee meeting on 21 February 2006, the Chief Secretary for Administration stated that the findings and recommendations of the CC would be made public. At the Subcommittee meeting on 6 April 2006, the Permanent Secretary for Housing, Planning and Lands (Planning and Lands) stated the Administration would consult the public before making the final decisions on the CACF to be provided at WKCD and the funding approaches to be adopted.

Subcommittee's Recommendations	The Administration's Response in June 2006	Relevant comments/recommendations of the Consultative Committee and Advisory Groups and relevant observations of the Legislative Council
		As to whether there would be another round of public consultation after CC has completed its report, at the Subcommittee meeting on 4 October 2006, the Deputy Secretary for Home Affairs stated that CC would present its recommendations to the Chief Executive, including the need or otherwise for any further consultation.
 (D) Re-examine the extent of private partnership for WKCD based on objective value-for-money analysis and financial viability studies the Administration should re-assess the financial implications at various stages of development. there is an urgent need for the Government to establish objective criteria to determine whether PPP should be applied to a project and the appropriate mode of 	The Government will continue to explore public private partnership (PPP) in taking forward the WKCD with a view to bringing in market creativity and vibrancy, facilitating diversity in arts and culture, and ensuring sustainable operation of the Cultural District. With the assistance of an external financial advisor, the Government will survey various forms of PPPs taking into account local and international experience that may be suitable for the WKCD as a whole, individual arts and cultural facilities, or certain operational functions thereof. The financial viability of different options would be assessed and a Public Sector	FMAG is in the progress of preparing a Public Sector Comparator of developing and sustaining the operation of the proposed arts and cultural facilities in WKCD. Details of the Public Sector Comparator estimates and analyses have not been released to the public. (Paper No. WKCD - 358) FMAG has discussed the preliminary costs/revenues estimate of the CACF under private sector involvement scenarios. Details of the costs and revenues estimate have not been released to the public. (Paper No. WKCD- 359)
application. This should be established through a	Comparator would be constructed to facilitate the Government's	

Subcommittee's	The Administration's Response	Relevant comments/recommendations of the
Recommendations	in June 2006	Consultative Committee and Advisory Groups and
		relevant observations of the Legislative Council
		Secretariat
consultation exercise	consideration of the development	
involving the public and	approach. The Government would	
LegCo.	also take account of the views of	
	the CC in this regard.	
(E) Undertake studies to affirm	The Government has previously	PATAG has arrived at the list of recommended performance
the needs and technical	undertaken a number of studies on	venues after detailed discussions taking into account public
requirements for each of the	the development of the WKCD 3 .	views, in particular the views of the arts and cultural sector,
core facilities to be provided		objective statistics and expert opinions.
in WKCD	At this stage, the key issue is to	(Para. 6 of the minutes of the Subcommittee meeting on
	re-examine the need for and major	4 October 2006)
- There is a need to	*	
conduct feasibility	, , , , , , , , , , , , , , , , , , , ,	In arriving at its recommendations, MAG has considered: (i)
studies on the specific	T T T T T T T T T T T T T T T T T T T	views received from the public and local / overseas experts
cultural facilities to be	studies on the technical and	through public consultations, sharing sessions and overseas
provided. The	operational requirements for the	study visit; (ii) the current provision of museums in Hong
objectives of these	CACF as and when necessary.	Kong; (iii) the existing cultural policy; and (iv) the vision of
feasibility studies are not		the Culture and Heritage Commission on WKCD.
only to establish the	With the assistance of an external	(Chapter 1 of MAG's report)
need or otherwise for the	financial advisor, the Government	
specific cultural	would conduct a financial viability	PATAG has recommended to adopt the approach of
facilities but also to	study on the CACF and their	according a higher priority to facilities' technical
assess the recurrent	specifications, having regard to the	requirements over building and architectural concerns, such
resources required for	views and recommendations of the	as through tendering for the technical requirements in

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These include "Study on the Feasibility of a New Performance Venue for Hong Kong" commissioned by the then Hong Kong Tourist Association in 1998; "Cultural Facilities: A Study on their Requirements and the Formulation of New Planning Standards and Guidelines" commissioned by the Planning Department in 1999; "Consultancy Study on the Provision of Regional/District Cultural and Performance Facilities in Hong Kong" commissioned by the Home Affairs Bureau and the Leisure and Cultural Services Department in 2002; "Culture and Heritage Commission Policy Recommendation Report" issued by the Culture and Heritage Commission in 2003; and "Consultancy Study on the Mode of Governance of Hong Kong's Public Museums and the Hong Kong Film Archive" commissioned by the Leisure and Cultural Services Department in 2003.

Subcommittee's Recommendations	The Administration's Response in June 2006	Relevant comments/recommendations of the Consultative Committee and Advisory Groups and relevant observations of the Legislative Council Secretariat
the provision and operation of such facilities.	CC.	advance of the construction tender, in order that the internal technical requirements are thoroughly defined and designed for subsequent incorporation in the architectural design ('building from the inside out' approach). (Para. 4.2 of PATAG's report) FMAG has discussed the preliminary costs/revenues estimate of the CACF under private sector involvement scenarios. (Paper Nos. WKCD-355 and 359)
 (F) Set up an overseeing authority for the development of WKCD the overseeing authority should be given the mission to oversee the development of the project with responsibilities including: (a) identification of the community's software needs; 	The Government is planning to set up an independent statutory body at a suitable juncture to take forward the WKCD. The Government will consult LegCo on its proposals to establish a statutory body to take charge of WKCD, including its roles and functions, and the suitable juncture at which the statutory body would take over Government's functions for the WKCD.	There is no substantive discussion on the setting up of an overseeing authority for the development of WKCD in the papers of the CC and AGs.
(b) assessment of the hardware facilities		

Subcommittee's Recommendations	The Administration's Response in June 2006	Relevant comments/recommendations of the Consultative Committee and Advisory Groups and relevant observations of the Legislative Council Secretariat
and implementation timetable;		
(c) monitoring of the conduct of feasibility and financial viability studies;		
(d) drawing up of the financial requirements and mode of private partnership and terms of participation;		
(e) co-ordination and implementation of the development of the infrastructure, including design, planning and implementation; and		
(f) overall control and monitoring of the management and operation of the core facilities in WKCD		

Subcommittee's Recommendations	The Administration's Response in June 2006	Relevant comments/recommendations of the Consultative Committee and Advisory Groups and relevant observations of the Legislative Council Secretariat
in partnership with the arts community.		
- it remains the Government's responsibility, in partnership with the private sector, to assess the hardware that should be provided to complement the software.		
- the overseeing authority should undertake comprehensive review jointly with the Government to assess the shortfalls in facilities and services and prioritize the development programme in particular those in the WKCD.		

Subcommittee's	The Administration's Response	Relevant comments/recommendations of the
Recommendations	in June 2006	Consultative Committee and Advisory Groups and
		relevant observations of the Legislative Council
		Secretariat

Phase II Study Report

- (A) Adopt an integrated and coordinated approach in the planning of West Kowloon Reclamation (WKR)
 - related policy bureaux should jointly review particulars of WKCD and agree on what are there to be achieved by the project in terms of policy.
 - Administration The should articulate on what the development of WKR should help to achieve in the overall development of Hong Kong; how WKCD is strategically placed to catalyze the realization of a long-term arts and cultural vision for Hong Kong, and what to do to make the design and implementation

The WKCD project is effectively a major initiative to implement our existing policy on arts and culture. This is also in line with the Culture and Heritage Commission's views on Hong Kong's cultural position and vision, i.e. a metropolis in China which is most capable of bridging China and the world. In fact, the Culture and Heritage Commission has given its clear support to the WKCD development, and considered this project unprecedented an opportunity to develop arts and culture in Hong Kong.

The Government's policy on arts and culture is in line with the six overall principles and strategies on promoting the long-term cultural development in Hong Kong put forward by the Culture and Heritage Commission in its Policy Recommendation Report in April 2003. The Government is following up most of the Report's

In drawing up its recommendations, PATAG has taken into account the existing cultural policy and the current performing arts scene, views received from the public and the professionals, and the need for performance venues in WKCD to contribute to achieving artistic excellence, enhancing vibrancy of the arts, and facilitating integrated development.

(Para. 4 of Paper No. WKCD-332)

PATAG has adopted the following, among others, principles in the positioning of performing arts venues and facilities in a cultural district:

- the performing arts venues and facilities should be suitably clustered together and integrated with the commercial facilities in the WKCD so as to attract people flow both during day and night, thus creating synergy and vibrancy
- there should be emphasis on the concept of a 'central cultural district' when planning and designing the arts and cultural and other related facilities in the WKCD
- the concept of organic growth and sustainable development should be taken into account
- efforts should be made to integrate the arts and cultural

the

surrounding attractions to allow an easy flow of visitors

between different types of activities in WKCD.

(Para. 15 of MAG's report)

Subcommittee's The Administration's Response Relevant comments/recommendations Consultative Committee and Advisory Groups and Recommendations in June 2006 relevant observations of the Legislative Council Secretariat facilities in WKCD with the neigbouring areas for the WKCD exemplary of recommendations by phases. Specifically, we have set up three sake of cultivating a cultural ambience in the district and good governance and a advisory committees its vicinity. structured and public Committee on Performing Arts to (Para. 3.3 (i) – (m) of PATAG's report) systematic advise the Government on how engagement process. best to improve the environment In drawing up its recommendations, MAG has considered: establish a forum that for the development of performing (i) views received from the public and local/overseas experts through public consultations, sharing sessions and arts; the Committee on Museums would allow overseas study visit; (ii) the current provision of museums on how to improve the services stakeholders to put forward their views in a governance in Hong Kong; (iii) the existing cultural policy; and (iv) the and of public museums, and the Committee on vision of the Culture and Heritage Commission on WKCD. structured and Libraries on how to improve the systematic manner. (Chapter 1 of MAG's report) services of public libraries. The Committee on Performing Arts the Administration The M+ recommended by MAG is a new type of cultural institution with a mission to focus on 20th – 21st century should articulate a plan submitted its recommendations to the Government on 16 June 2006, visual culture, broadly defined, from a Hong Kong or strategy to implement perspective and with a global vision. With an open, flexible the recommendations and the other two Committees would and forward-looking attitude, M+ aims to inspire, delight, put forward in the submit their recommendations educate and engage the public, to explore diversity and Culture and Heritage the to Commission Report. foster creativity. Government by the end of 2006. (Para. 14 of Paper No. WKCD-361) The CC and AGs are also re-examining the needs for the MAG has recommended that apart from projecting its own identity, the design of M+ should be fully integrated with CACF in WKCD with a view to the whole WKCD, particularly in terms of interaction with achieving our policy

objectives. Relevant AGs are

providing platforms for various

sectors to express their views

openly.

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	The Government's objective of developing the WKCD into a world-class integrated arts, culture and entertainment district to meet public aspirations remains unchanged. The Government will continue to designate the project area on the West Kowloon Reclamation for the development of the Cultural District comprising local, traditional as well as international elements. To this end, the Town Planning Board has already prepared a draft Outline Zoning Plan and laid down certain development parameters.	
	As an integrated development, the planning of the WKCD must be well co-ordinated with a unified style. Only by then would the WKCD meet public aspirations and become a new landmark for Hong Kong. For planning of the WKCD in the next stage of work, the Town Planning Board will continue to	

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	play an important role in the process.	
(B) Further refine the mode of development by separating the cultural and	Based on the recommendations of the CC, the Government will then consider the development (e.g. the	There is no substantive discussion on the mode of development in PATAG's and MAG's reports.
non-cultural components on WKR	master layout plan of the WKCD and design of the CACF) and funding approaches for the project.	PATAG considers that the performing arts venues and facilities should be suitably clustered together and integrated with the commercial facilities in the WKCD so as to attract
- the Administration should consider separating the cultural		people flow both during the day and night, thus creating synergy and vibrancy. As such, PATAG has recommended that space for retail facilities, catering facilities and other
and non-cultural components of WKR so that real estate	funding arrangement and development approach for the CACF and other communal	tourism facilities should be provided over WKCD. (Chapter 5 of PATAG's report)
developers would only be purchasing and developing land while the statutory body will	facilities and services in the WKCD. The Government will appoint an	The MAG Report has recommended that M + should include a bookstore and other amenities including catering facilities and shops.
oversee the construction of hardwares and	external financial advisor to examine the feasibility of different	(Chapter 2 of MAG's report)
development of softwares in strategically implementing a	PPP arrangements that may be suitable for the WKCD development. The financial	FMAG is in the progress of preparing a PSC of developing and sustaining the operation of the proposed arts and cultural facilities in WKCD.
long-term sustainable arts and cultural vision for Hong Kong.	advisor will construct a PSC and conduct financial viability analysis.	(Paper No. WKCD -358) FMAG has discussed the preliminary costs/revenues
- the decision on the most	unury 515.	estimate of the CACF under private sector involvement scenarios.

Subcommittee's Recommendations	The Administration's Response in June 2006	Relevant comments/recommendations of the Consultative Committee and Advisory Groups and relevant observations of the Legislative Council Secretariat
appropriate approach for developing the cultural facilities in WKCD should be left to the statutory body, and it is important that a pragmatic approach be adopted.		(Paper No. WKCD-359)
- when PPP is considered, the statutory body should first have carried out detailed financial viability studies, including but not limited to the development of a business case and the construction of a PSC, and to justify the adoption of a particular mode of PPP.		
(C) Enter into partnership with the private sector in the management of arts and cultural facilities and review current management style of the Leisure and Cultural Services Department	The Government is inclined to adopt a PPP approach to develop and operate the arts and cultural facilities in the WKCD under the management of an independent statutory body to positively address the concerns raised by the	One of the guiding principles adopted by PATAG in making its recommendations is that the performing arts venues should adopt non-government modes of management and operation so as to encourage more community participation and engaging creative talents, artists, professionals and business people from outside the Government in the development of WKCD venues.

Subcommittee's Recommendations	The Administration's Response in June 2006	Relevant comments/recommendations of the Consultative Committee and Advisory Groups and relevant observations of the Legislative Council Secretariat
(LCSD)	artists.	(Para. 3.3(g) of PATAG's report)
 the general discontent towards LCSD's management approach should be further looked into. the Administration should consider introducing an appropriate mode of partnership with the private sector in the management of cultural facilities in both new and existing facilities. 	In late 2005, the Committee on Performing Arts issued a consultation paper which, inter alia, recommended a series of improvement measures on the funding of performing groups, cultural presentations and management of performance venues. The consultation ended in January 2006 and the Committee has submitted its recommendations to the Government on 16 June 2006. HAB will present the Administration's response to the Committee's recommendation to the LegCo Panel on Home Affairs at its meeting on 27 June 2006.	PATAG envisages that with the facilities in place in the WKCD, the Government will be in a better position to review the existing performing arts facilities under LCSD. (Para. 6.9 of PATAG's report) MAG has recommended that (i) the ownership of the collections should be held in a public trust and supervised by a Board of Trustees, and that the governance of M+ should preferably take the form of a statutory body with an independent Board of Trustees. (Para. 2.37 and 2.38 of MAG's report) (ii) the Exhibition Centre should aim to run on a self-financing basis with its management overseen by an independent body. (Para. 3.6 of MAG's report) MAG has pointed out in its report that the Committee on Museums is conducting reviews on a series of issues related to existing museums, including the mode of governance of public museums and the relationship between M+ and the existing museums. (Chapter 5 of MAG's report)

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ive discussion on the establishment of a
KCD in the papers of the CC and AGs.
tee meeting on 23 June 2006, the
d that it would not preclude the setting
al authority for WKCD before the
y body for WKCD was established, but
able for this matter yet.

Subcommittee's Recommendations	The Administration's Response in June 2006	Relevant comments/recommendations of the Consultative Committee and Advisory Groups and relevant observations of the Legislative Council Secretariat
- Establish a mechanism to determine remuneration package for senior executives of statutory bodies, and a mechanism for disclosure of the remuneration packages.	Director of Administration.	
 (E) Set up consultation panels to conduct structured public consultation - at least two consultation panels: one for stakeholders and one for the general public. 	The Government has set up a CC in April 2006 which is supported by three AGs. All the members of the CC and AGs were appointed ad personam by the Chief Executive. The CC and AGs comprise individuals who possess expertise and knowledge in the arts and cultural fields. Apart from deliberations at the CC and AGs, focus group discussions and public forums are also organized to collect opinions from the general public.	PATAG and MAG have conducted public forums and focus group meetings to gauge public views on matters under their respective terms of reference. The public views are presented in the two Reports. (Chapter 2, Annexes 5 and 6 of PATAG's report. Chapters 1(b) and 5(b), Annexes 6, 8 and 9 of MAG's report) There is no recommendation on the future consultation arrangements in PATAG's and MAG's reports.

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	Following the discontinuation of the Invitation for Proposals process, the canopy is no longer a mandatory element in the WKCD development.	There is no discussion on this matter in the papers of the CC and AGs.

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