

Subcommittee on West Kowloon Cultural District Development

The Administration's Response to Members' Requests Relating to the West Kowloon Cultural District Development

Background

The Subcommittee Secretariat has requested the Administration to –

- (a) provide a response in writing to a list of questions raised by Members on the statement made by the Chief Secretary for Administration on 21 February 2006; and
- (b) provide a paper on the latest developments and updated position of the West Kowloon Cultural District (WKCD) Development.

This paper seeks to respond to these requests.

Latest position

2. The Chief Secretary for Administration announced the Government's position on the WKCD at the last meeting of this Subcommittee held on 21 February 2006. The Government's position on the WKCD remains unchanged. We are finalizing the structure of the new Consultative Committee and making arrangements for its establishment. We shall make an announcement shortly.

3. In response to the questions raised by Members, we shall elaborate on various aspects of the Government's position in the ensuing paragraphs.

Arts and cultural policy

(ref. question 8)

4. Our existing policy on the development of arts and culture in Hong Kong is to create an environment which is conducive to freedom of expression and artistic creation, and which encourages public participation in arts and cultural activities. Our policy comprises four key elements -

- (a) we respect freedom of expression and creativity;
- (b) we provide opportunities for the public to participate in arts and culture;
- (c) we encourage pluralism and diversity; and
- (d) we give various kinds of support to build up a healthy environment for arts and culture.

5. Our 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, which were put forward by the Culture and Heritage Commission (CHC) in its Policy Recommendation Report to the Government in April 2003. These six principles are namely People-oriented, Pluralism, Freedom of Expression and Protection of Intellectual Property, Holistic Approach, Partnership and Community-driven. The CHC's Policy Recommendation Report covers a wide range of issues, looking into the cultural position of Hong Kong, education in culture and the arts, cultural facilities, review on resource deployment and institutional framework, and cultural vision of the future. It puts forward over 100 recommendations on overall policies and strategies of implementation. The Government is following up on most of them by phases.

Objective for the WKCD

(ref. question 8)

6. Government's objective for the WKCD is to develop a world-class arts and cultural district comprising local, traditional as well as international elements, enrich arts and cultural life for the people in Hong Kong and neighbouring areas, create job opportunities, benefit the tourism industry, and make Hong Kong an international cultural metropolis. This is effectively a major initiative to implement our existing policy on arts and culture. This is also in line with the CHC'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 CHC has given its clear support to the WKCD development, and considered this project an unprecedented opportunity to develop arts and culture in Hong Kong.

Underlying principles for the WKCD

(ref. questions 11 & 12)

7. We shall adhere to the following basic principles in formulating the way forward for the WKCD –

- (a) Our objective of developing a world-class integrated arts, culture and entertainment district to meet public aspirations remains unchanged. The majority of the public supports the idea of developing a Cultural District and would like to see its early implementation. There will be a balanced mix of various arts, cultural, entertainment, commercial and residential facilities. Tourism elements will be injected into the District to attract people's flow and ensure vibrancy of the District.
- (b) We will continue to designate the project area on the West Kowloon Reclamation for the development of a Cultural District. 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 Cultural District must be well coordinated with a unified style. Only by then would the WKCD meet public aspirations and become a new landmark for Hong Kong.
- (c) We should make the best use of past efforts for the WKCD. We shall take fully into account the public views and information collected. The proposed Core Arts and Cultural Facilities (CACF) will lay an important foundation for our next steps. The Government will conduct further studies on this foundation with a view to taking forward the WKCD.
- (d) 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 the sustainable operation of the Cultural District.
- (e) We will continue to uphold the principles of “partnership”, “community driven” and “people-oriented” in developing the

WKCD.

8. On the basis of the above concepts, we will formulate the way forward for the WKCD after considering the recommendations of the Consultative Committee (re paragraph 10). The recommendations may result in changes to the proposed CACF, which will in turn impact on the masterplan as well as the development parameters for the cultural district.

9. Our objective of developing the WKCD into a world-class integrated arts, culture and entertainment district to meet public aspirations remains unchanged. We have no intention to consider locating the CACF along the waterfront of Victoria Harbour.

Development and funding approaches for the WKCD

(ref. questions 1 to 3, 7)

10. Our priority task at the moment is to re-examine with a view to re-confirming as appropriate the need for the CACF in the WKCD. To achieve this, we are setting up a Consultative Committee with wide representation from the arts, cultural, entertainment and tourism sectors to advise the Government on this subject, taking into account the financial implications arising from the development and sustainable operation of these facilities. Based on the recommendations of the Consultative Committee, 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.

11. At this stage, the Government has an open mind on the funding arrangement for the CACF and other communal facilities and services in the WKCD. We shall make reference to different approaches adopted by the Government for development projects in the past. Some examples, which are not exhaustive, are as briefly indicated below. We would like to emphasise that these are merely examples and should not be taken as the Government's preferred or not preferred approaches. One approach is the conventional one where the design, construction, maintenance and operation of the facilities are provided by public funding. Another approach is an arrangement under which land is allocated to a statutory body set up for the project, with such body responsible for the construction and operation of the facilities involved. The body may also be responsible for the design of the facilities. The income from the property development and/or other commercial activities will be used to fund the construction and/or ongoing operation and maintenance of the

facilities. Another option is a combination of the two approaches mentioned above, i.e. the design and construction of the facilities are met by public funding, while the operation and maintenance of the facilities will be funded by proceeds from the development of the land granted to the statutory body and recurrent income from other commercial activities.

12. We also maintain an open mind on whether the project should be developed in phases, having regard to our vision for developing a world class integrated arts and cultural district.

Public-private partnership

(ref. questions 5 & 6)

13. We are inclined to adopt a PPP approach for developing the WKCD. This would –

- (a) foster the principle of “partnership” between the Government, the private sector and the arts and cultural community in the development of culture and the arts through the WKCD project. This would be in line with the Government’s cultural policy that the Government should perform the role of a facilitator, providing a favourable environment for the development of culture and the arts; and
- (b) ensure the sustainable operation of the WKCD by –
 - (i) sharing financial risks with the private sector;
 - (ii) 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;
 - (iii) 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
 - (iv) 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.

14. We however do not plan to invite private developers to develop the arts and cultural facilities in the WKCD. This function could be vested in the statutory body to be established for the WKCD in future. The private sector could provide a funding source, both on a capital and recurrent basis, for the statutory body to develop and operate these facilities under a PPP approach.

15. Going forward, we shall 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. We shall look forward to hearing comments from the Consultative Committee in this regard. Views of the Legislative Council (LegCo) will certainly be taken into account on the development approach for the project. Similar to other PPP projects, we shall ensure that the development process is highly transparent. We believe that the LegCo will be able to play a significant role in the development of the project, in particular through the scrutiny and enactment of the enabling legislation for establishing a statutory body for the WKCD in due course.

Management of arts and cultural facilities

(ref. question 9)

16. During the last large scale public consultation on the WKCD, we note that some artists would like to have a closer partnership with the arts and cultural venues, and would wish to see some changes to the mode of operation in Government-run arts and cultural venues so as to enhance flexibility and be more responsive to the market situation.

17. We are 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 artists. We wish to provide more choices for artists as well as the public, tap innovation and creativity from the private sector and inject different management expertise into the arts and cultural venues in a flexible way. This is in line with the principle of fostering diversity and pluralism underlying our cultural policy. The arts and cultural facilities in the WKCD will not be managed or operated using the existing model for the arts and cultural facilities run by the Government. It is our intention to vest the management and operation functions in the statutory body to be established for the WKCD.

18. Meanwhile, the Committee on Performing Arts (CPA), one of the three committees formed to follow up the recommendations put forward by the CHC, strives to improve the current software environment in the performing arts sector. In late 2005, CPA has issued a consultation paper which, inter alia, recommends the introduction of a venue partnership scheme for improving the collaboration between the venue management and the artists. The consultation ended in January 2006 and the Committee is considering the views received. It is expected that the CPA will submit its final recommendations to the Secretary for Home Affairs in the first half of 2006.

19. To enhance flexibility and further assist the small and medium performing arts groups, the Leisure and Cultural Services Department (LCSD), with the endorsement of the CPA, is working on a new scheme to allow LCSD cultural presentations to be held in non-Government-run venues.

20. LCSD and relevant committees under the Home Affairs Bureau will continue to explore ways to enliven the vibrancy and flexibility of Government-run arts and cultural venues.

The Consultative Committee and its Advisory Groups

(ref. questions 4 & 10)

21. As mentioned in paragraph 10, the Consultative Committee will re-examine, with a view to re-confirming as appropriate, the need for the CACF for the WKCD as defined in the Invitation for Proposals, in particular the performance venues and museums, to meet the aspirations and needs of the local arts and cultural community and attract overseas visitors. The Consultative Committee shall have regard to the existing arts and cultural facilities as well as the need to promote new partnerships under the existing cultural policy.

22. The Consultative Committee will be supported by three Advisory Groups (namely Performing Arts and Tourism Advisory Group, Museums Advisory Group and Financial Matters Advisory Group). Both the Consultative Committee and Advisory Groups will be appointed by the Chief Executive.

23. Members of the Consultative Committee and Advisory Groups will have a wide representation from the arts, cultural, entertainment and

tourism sectors. We shall endeavor to ensure the transparency of the Consultative Committee. One option being considered is to organize public hearings to collect public views and contributions.

24. After the Government has considered the recommendations of the Consultative Committee on the need for the CACF in the WKCD, we will be in a position to disclose to the public relevant information on the financial implications of these CACF. By that time, we would also have more information to consider when to establish an independent statutory body to take over the development of the WKCD from the Government. The establishment of the statutory body would be a subject of public consultation, including its roles and functions, and the suitable juncture at which the statutory body would take over Government's functions for the WKCD.

Housing, Planning and Lands Bureau
Home Affairs Bureau
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