

LegCo Subcommittee on West Kowloon Cultural District Development

Recommendations of the Phase I and Phase II Study Reports and Administration's Response

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Phase I Study Report (July 2005)	
<p>(A) <i>Abandon the single-package development approach</i></p> <p>(Para. 5.26)</p>	<ul style="list-style-type: none"> • The Government announced on 21 February 2006 that it would no longer pursue the Invitation for Proposals (IFP) process. At this stage, the Government maintains an open mind on the development and funding approaches for the West Kowloon Cultural District (WKCD).
<p>(B) <i>Conduct extensive consultation with the public and relevant sectors on the mode of development and implementation strategy</i></p> <p>(Paras. 5.27 – 5.28)</p> <ul style="list-style-type: none"> - the Administration should arrange further publicity of the content of the CHC report and Government's position regarding CHC's recommendations. - the Administration should ensure that the mode of development and implementation strategy have wide public support. 	<ul style="list-style-type: none"> • The Government would continue to publicize our existing arts and cultural policy which is in line with the recommendations of the CHC report. The LegCo Home Affairs Panel 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 CHC in respect of performing arts, museums and libraries are working diligently in full consultation with the stakeholders. The Committee on Performing Arts presented its first report to Government on 16 June 2006.

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	<p>The HAB will actively take forward their recommendations.</p> <ul style="list-style-type: none"> • As regards WKCD, the Government has set up a Consultative Committee on the Core Arts and Cultural Facilities (CACF) of the WKCD (CC) 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 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.
<p>(C) <i>Ensure transparency and accountability in the decision-making process</i></p> <p>(Paras. 5.29 – 5.30)</p> <ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> • We have made submissions to and sought approval from the Executive Council in the development of the WKCD. We have also briefed the Legislative Council (LegCo) at every key stage of the project. We would continue to do so as we move forward. • The CC will endeavour to complete its consultations and submit its recommendations to the Chief Executive

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<p>implementation strategies. (para. 5.30)</p>	<p>in about six months’ time.</p> <ul style="list-style-type: none"> • The Government will consult the LegCo at a suitable juncture.
<p><i>(D) Re-examine the extent of private partnership for WKCD based on objective value-for-money analysis and financial viability studies</i></p> <p>(Paras. 5.31 – 5.32)</p> <ul style="list-style-type: none"> - 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 application. This should be established through a consultation exercise including the public and LegCo. 	<ul style="list-style-type: none"> • 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 Comparator would be constructed to facilitate the Government’s consideration of the development approach. We would also take account of the views of the CC in this regard.

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<p>(E) <i>Undertake studies to affirm the needs and technical requirements for each of the core facilities to be provided in WKCD</i></p> <p>(Para. 5.33)</p> <ul style="list-style-type: none"> - There is a need to conduct feasibility studies on the specific cultural facilities to be provided. 	<ul style="list-style-type: none"> • The Government has previously undertaken a number of studies on the development of the WKCD¹. • At this stage, the key issue is to re-examine the need for and major specifications of CACF. The future statutory body for the WKCD may conduct detailed studies on the technical and operational requirements for the CACF as and when necessary. • With the assistance of an external financial advisor, we would conduct a financial viability study on the CACF and their specifications, having regard to the views and recommendations of the CC.
<p>(F) <i>Set up an overseeing authority for the development of WKCD</i></p> <p>(Paras. 5.34 – 5.36)</p> <ul style="list-style-type: none"> - the overseeing authority should be given the mission to oversee the development of the project with responsibilities including: <ul style="list-style-type: none"> (a) identification of the community's software needs; (b) assessment of the hardware facilities and implementation 	<ul style="list-style-type: none"> • We are planning to set up an independent statutory body at a suitable juncture to take forward the WKCD. • We would consult LegCo on our 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.

¹ 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.

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<p>timetable;</p> <p>(c) monitoring of the conduct of feasibility and financial viability studies;</p> <p>(d) drawing up of the financial requirements and mode of private partnership and terms of participation;</p> <p>(e) co-ordination and implementation of the development of the infrastructure, including design, planning and implementation; and</p> <p>(f) overall control and monitoring of the management and operation of the core facilities in WKCD in partnership with the arts community.</p> <p>- the overseeing authority should undertake comprehensive review jointly with the Government to assess the shortfalls in facilities and services and prioritise the development programme in particular those in the WKCD.</p>	
Phase II Study Report (January 2006)	
<p>(A) <i>Adopt an integrated and coordinated approach in the planning of WKR</i></p> <p>(Paras. 6.20 – 6.21)</p> <p>- related policy bureaux should jointly review particulars of WKCD and agree on what are there to be achieved by the</p>	<ul style="list-style-type: none"> • The WKCD project 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

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<p>project in terms of policy.</p> <ul style="list-style-type: none"> - establish a forum that would allow stakeholders to put forward their views in a structured and systematic manner. - the Administration should articulate a plan or strategy to implement the recommendations put forward in the CHC Report. 	<p>support to the WKCD development, and considered this project an unprecedented opportunity to develop arts and culture in Hong Kong.</p> <ul style="list-style-type: none"> • 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 put forward by the CHC in its Policy Recommendation Report in April 2003. The Government is following up most of the Report's recommendations by phases. Specifically, we have set up three advisory committees—the Committee on Performing Arts to advise the Government on how best to improve the environment for the development of performing arts; the Committee on Museums on how to improve the services and governance of public museums, and the Committee on Libraries on how to improve the services of public libraries. The Committee on Performing Arts submitted its recommendations to the Government on 15 June, and the other two Committees would submit their recommendations to the Government by the end of 2006. • The CC and AGs are also re-examining the needs for the CACF in WKCD with a view to best achieving our policy objectives. Relevant AGs are providing platforms for various sectors to express their views openly. • Our objective of developing the WKCD

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	<p>into a world-class integrated arts, culture and entertainment district to meet public aspirations remains unchanged. We 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.</p> <ul style="list-style-type: none"> • 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 play an important role in the process.
<p>(B) <i>Further refine the mode of development by separating the cultural and non-cultural components on WKR</i></p> <p>(Paras. 6.22 – 6.25)</p> <ul style="list-style-type: none"> - the Administration should consider separating the cultural and non-cultural components on WKR so that real estate developers would only be purchasing and developing land while the statutory body will oversee the construction of hardwares and development of softwares in 	<ul style="list-style-type: none"> • 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 maintains an open mind on the funding arrangement and development approach for the CACF and other communal facilities and services in the WKCD.

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<p>strategically implementing a long-term sustainable arts and cultural vision for Hong Kong.</p> <ul style="list-style-type: none"> - the decision of the most 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. - when PPP is considered, the strategy 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 Public Sector Comparator, and to justify the adoption of a particular mode of PPP. 	<ul style="list-style-type: none"> • The Government will appoint an external financial advisor to examine the feasibility of different PPP arrangements that may be suitable for the WKCD development. The financial advisor will construct a PSC and conduct financial viability analysis.
<p><i>(C) Enter into partnership with the private sector in the management of arts and cultural facilities and review current management style of LCSD</i></p> <p>(Para. 6.26)</p> <ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> • 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. • 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

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	LegCo Home Affairs Panel at its meeting on 27 June 2006.
<p>(D) <i>Establish a statutory body immediately to spearhead WKCD</i></p> <p>(Paras. 6.27 – 6.30)</p> <ul style="list-style-type: none"> - the overseeing authority should be established as soon as possible to steer the way forward for WKCD. - the overseeing authority should have an active role to play in both the planning and implementation stages of WKCD, and not just in the management and maintenance of the hardware facilities after their construction. - the Administration may consider the establishment of a provisional authority to undertake those tasks which need to be dealt with at this stage, as in the case of PAA. - Establish a mechanism to determine remuneration package for senior executives of statutory bodies, and a mechanism for disclosure of the remuneration packages. 	<ul style="list-style-type: none"> • We are planning to set up an independent statutory body at a suitable juncture to take forward the WKCD. • 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. • The Government will consult the LegCo on our proposals regarding the establishment of a statutory body. • We will also consider the need for establishing a provisional body to undertake preliminary work while the enabling legislation is being prepared. • This (remuneration package) is being followed up by the LegCo Panel on Public Services with the Director of Administration.
<p>(E) <i>Set up consultation panels to conduct structured public consultation</i></p> <p>(Para. 6.31)</p> <ul style="list-style-type: none"> - at least two consultation panels: one for stakeholders and one for the general 	<ul style="list-style-type: none"> • The Government has set up a Consultative Committee on the CACF for the WKCD (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

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public.	<p>individuals who possess expertise and knowledge in the arts and cultural fields.</p> <ul style="list-style-type: none"> • Apart from deliberations at the CC and AGs, focus group discussions and public forums are also organized to collect opinions from the general public.
<p><i>(F) Remove the canopy as a mandatory component of WKCD development</i></p> <p>(Paras. 6.32 – 6.33)</p>	<ul style="list-style-type: none"> • Following the discontinuation of the IFP process, the canopy is no longer a mandatory element in the WKCD development.

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