

Subcommittee on West Kowloon Cultural District Development

Comparison between the recommendations in the Phase I and Phase II Study Reports of the Subcommittee and the recommendations of the Consultative Committee¹

Subcommittee's Recommendations	Recommendations of the Consultative Committee (CC) and relevant observations of the Legislative Council Secretariat
Phase I Study Report	
<p data-bbox="280 499 1070 531"><i>(A) Abandon the single-package development approach</i></p> <p data-bbox="280 571 1070 815">The Administration should abandon the single-package approach which lacks public support and critically examine the feasibility of other development strategies, such as multi-package, incremental implementation, and other arrangements that will encourage competition and mobilization of resources and expertise from the private sector.</p>	<p data-bbox="1070 499 1955 778">CC recommends that a statutory body, WKCD Authority, should be established by enactment of legislation, to develop and manage the core arts and cultural facilities (CACF) as well as the retail, dining and entertainment (RDE) facilities which should be integrated with the CACF; the WKCD Authority will not be involved in the disposal of the residential, hotel and office sites. These sites will be disposed of by the Government under the normal land sale mechanism.</p> <p data-bbox="1070 786 1955 818"><i>(7.2.20)²</i></p> <p data-bbox="1070 866 1955 1074">CC recommends to develop the arts performing facilities recommended by the Performing Arts and Tourism Advisory Group (PATAG) in two phases, with 12 venues developed during Phase 1 (around 5-6 years from project commencement period) and another 3 venues developed during Phase 2 (dependent on demand after facilities in Phase 1 have come into operation).</p> <p data-bbox="1070 1082 1955 1114"><i>(7.2.3)</i></p> <p data-bbox="1070 1153 1955 1249">On museum facilities, CC recommends to develop M+ in two phases at a 70%/30% ratio, with an on site GFA at 43 365 sq. m. for Phase 1 and 18 585 sq. m. for Phase 2.</p> <p data-bbox="1070 1257 1955 1289"><i>(7.2.9)</i></p>

¹ The full name is Consultative Committee on the Core Arts and Cultural Facilities of the West Kowloon Cultural District.

² Unless otherwise specified, the bracketed numbers in italics in this comparison table refer to the numbers of the relevant paragraphs of the Recommendation Report of the Consultative Committee.

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<p><i>(B) Conduct extensive consultation with the public and relevant sectors on the mode of development and implementation strategy</i></p> <ul style="list-style-type: none"> - 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 should ensure that the mode of development and implementation strategy have wide public support. 	<p>CC considers that the considerable efforts of PATAG and Museum Advisory Group (MAG) in seeking public views on the proposed facilities have effectively built a general consensus within the arts and cultural community on the CACF. Nonetheless, the good and thorough work of the Advisory Groups would not obviate the need for further public consultation or engagement. An early engagement of the public would be beneficial to securing public endorsement of the recommended financing method and subsequent plan-making process of the Town Planning Board. In addition, an opportunity could be taken to sound out the public on the proposed framework of the WKCD Authority. CC therefore recommends that a public engagement exercise should be conducted by the Government, based on its recommendations, before the Government decides on the way forward. <i>(8.1.1 to 8.1.3)</i></p> <p>The Administration launched a three-month Public Engagement exercise on 12 September 2007. In addition to inviting written views during the period, the Administration will hold three public forums and roving exhibitions.</p>
<p><i>(C) Ensure transparency and accountability in the decision-making process</i></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 implementation strategies. 	<p>At the request of the Subcommittee, the Administration has briefed the Subcommittee from time to time on the progress of the work of CC and its Advisory Groups.</p> <p>In the course of work of CC, the agendas and most of the papers for the meetings of the CC and the AGs had been made available on the Government's website on WKCD for public access. Upon the release of CC's recommendation report, the Administration has also released other related reports to the public.</p> <p>CC recommends that the future WKCD Authority should be subject to the public accountability measures as well as checks and balances normally applicable to public bodies established by statute to safeguard public interests. <i>(Executive summary 4.33)</i></p>

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<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> <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 involving the public and LegCo. 	<p>The Financial Matters Advisory Group (FMAG) was tasked to examine the financial implications of the CACF recommended by the other two Advisory Groups. One guiding principle for its work is to explore public private partnership (PPP) in taking forward the WKCD project with a view to bring in market creativity and vibrancy.</p> <p>The Financial Advisor appointed by the Government to assist FMAG has explored possible private sector involvement scenarios and has constructed a public sector comparator as a reference case.</p> <p>The report of FMAG and the final report of the Financial Advisor have been made public following the release of the recommendation report of CC</p>
<p><i>(E) Undertake studies to affirm the needs and technical requirements for each of the core facilities to be provided in WKCD</i></p> <ul style="list-style-type: none"> - There is a need to conduct feasibility studies on the specific cultural facilities to be provided. The objectives of these feasibility studies are not only to establish the need or otherwise for the specific cultural facilities but also to assess the recurrent resources required for the provision and operation of such facilities. 	<p>PATAG has arrived at the list of recommended performance venues after detailed discussions taking into account public views, in particular the views of the arts and cultural sector, objective statistics and expert opinions. <i>(Para. 6 of the minutes of the Subcommittee meeting on 4 October 2006)</i></p> <p>In arriving at its recommendations, MAG has considered: (i) views received from the public and local / overseas experts through public consultations, sharing sessions and overseas study visit; (ii) the current provision of museums in Hong Kong; (iii) the existing cultural policy; and (iv) the vision of the Culture and Heritage Commission on WKCD. <i>(Chapter 1 of MAG's report)</i></p> <p>FMAG has conducted a financial viability study on the CACF recommended by the other two Advisory Groups and has analyzed possible measures to bridge the funding gap after seeking further steer and guidance from CC.</p>

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	According to CC's recommendations, further planning on the CACF should be taken up by the WKCD Authority.
<p>(F) <i>Set up an overseeing authority for the development of WKCD</i></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 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 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 	<p>CC recommends that a WKCD Authority should be set up primarily to implement the CACF in the WKCD development on the basis of the detailed work undertaken by the CC and its three Advisory Groups. The Authority should work within explicit parameters set based on the recommendations from the CC and its three Advisory Groups, and the outcome of public consultations and engagement conducted by the Government.</p> <p>The proposed functions and duties of the WKCD Authority include masterplanning the development of the WKCD area, planning and executing the use of land vested with it for specified purposes, developing, operating, maintaining and managing the arts and cultural facilities and transport and relevant communal facilities through various means, such as Design and Build contracts, partnership agreements with private or non-Government sectors, overseeing the finances of WKCD to ensure its financial sustainability over the project period, and conducting public consultations on important matters such as masterplanning. (<i>Executive summary 4.32</i>)</p>

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<p>software.</p> <ul style="list-style-type: none"> - 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. 	
Phase II Study Report	
<p>(A) <i>Adopt an integrated and coordinated approach in the planning of West Kowloon Reclamation (WKR)</i></p> <ul style="list-style-type: none"> - 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. - The Administration 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 of WKCD exemplary of good governance and a structured and systematic public engagement process. - 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 Culture and Heritage Commission Report. 	<p>Having considered the views of PATAG and MAG on cultural software, CC is of the view that the strategy for developing cultural software should cover a number of different areas, including -</p> <ul style="list-style-type: none"> (a) an appropriate funding and assessment system for major professional performing arts groups; (b) enhancing support for nurturing budding and young artists; (c) promoting and enhancing the capacity of local arts and cultural community; (d) review of operational modes of existing Government-run performing venues and museums to bring them into line with international practices; (e) creating and maintaining community-based alternative art space for artists' creations; (f) enhancing manpower training in arts and culture; (g) augmenting arts education and audience building to foster greater awareness, understanding and appreciation of arts and culture; (h) continued support for preservation, promotion and development of Cantonese opera; (i) enhancing cultural exchange and co-operation as well as global networking; (j) formulation of a structured and cohesive strategy for the development and promotion of cultural and creative industries in Hong Kong; and

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	<p>(k) improving the strategy for the development of cultural tourism in Hong Kong.</p> <p>While recognizing the need to accord equal (if not higher) priority to the above software development measures alongside hardware development in WKCD, CC holds the view that devising initiatives and measures for the long-term growth and development of culture and the arts fall outside the terms of reference of the Consultative Committee. They should be developed by the Government in consultation with the local arts community and other concerned parties outside the WKCD project. <i>(Executive Summary 4.36 and 4.37)</i></p>
<p><i>(B) Further refine the mode of development by separating the cultural and non-cultural components on WKR</i></p> <ul style="list-style-type: none"> - the Administration should consider separating the cultural and non-cultural components of 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 strategically implementing a long-term sustainable arts and cultural vision for Hong Kong. - the decision on 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 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. 	<p>CC recommends that the WKCD Authority should be responsible for developing and managing the CACF as well as the RDE facilities which should be integrated with the CACF; the WKCD Authority will not be involved in the disposal of the residential, hotel and office sites. These sites will be disposed of by the Government under the normal land sale mechanism.</p> <p>The WKCD Authority should also be responsible for the open space, automated people mover and car parks; the remaining transport and commercial facilities and engineering works to be undertaken by the Government through separate funding under the Public Works Programme. <i>(7.2.20)</i></p> <p>The capital costs should be financed through an upfront endowment (about \$19 billion) appropriated by the Legislative Council roughly equivalent to the estimated land revenue from the residential, hotel and office part of the commercial sites within the WKCD; and vest the RDE part of the commercial sites with the WKCD Authority to provide a steady source of recurrent income through rental proceeds to meet the operating deficits of the CACF. <i>(7.2.23)</i></p>

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	<p>The operating deficits (estimated at \$6.7 billion) would be met by the rental income generated from the RDE facilities (estimated at \$7.5 billion). (7.2.23)</p> <p>The operating deficits include -</p> <ul style="list-style-type: none"> ● operating deficits of the CACF, other arts and cultural facilities, transport and communal facilities, engineering works; and ● operating costs of the WKCD Authority (mainly area management). (6.4.3)
<p>(C) <i>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 (LCSD)</i></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. 	<p>As proposed by both PATAG and MAG, CC recommends that all of the CACF would be managed and operated with new modes of governance with institutional autonomy outside of the government structure. In other words, all the CACF would not be directly managed by LCSD in the same way as the existing public arts and cultural facilities. For performing arts venues, the non-Government venue management bodies should seek to promote artistic excellence through building up the artistic character of each venue by curating and presenting programmes and working in close partnership with performing arts groups, particularly the resident companies. For M+, having considered MAG's proposal, CC has agreed that the operation and management of the Board of Trustees of M+ should be kept at arm's length with the WKCD Authority, but it should not be institutionally separated from the latter. Meanwhile, the principles of curatorial independence, professional excellence, collaboration and accountability to the public should be guaranteed. (7.2.13)</p> <p>CC considers that the non-Government governance modes for</p>

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	<p>performing arts venues and museums in WKCD would have implications on the operational modes of existing LCSD performing venues and museums. CC recommends that the Government takes the opportunity to review these operational modes with a view to seeking improvements and providing on-the-job training opportunities for arts administration and venue management which would be in great demand for the CACF in WKCD in future.</p> <p>(8.2.8)</p>
<p>(D) <i>Establish a statutory body immediately to spearhead WKCD</i></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. 	<p>CC recommends that the Government should proceed to draw up the requisite legislative proposals for the setting up of the WKCD Authority as soon as practicable.</p> <p>(8.1.1.)</p> <p>The proposed functions and duties of the WKCD Authority include masterplanning the development of the WKCD area, planning and executing the use of land vested with it for specified purposes, developing, operating, maintaining and managing the arts and cultural facilities and transport and relevant communal facilities through various means, such as Design and Build contracts, partnership agreements with private or non-Government sectors, overseeing the finances of WKCD to ensure its financial sustainability over the project period, and conducting public consultations on important matters such as masterplanning.</p> <p>(Executive summary 4.32)</p> <p>CC has remarked that as the establishment of the WKCD Authority is subject to the enactment of the enabling legislation, there is a need to consider whether, through administrative means, a provisional body or some form of steering committee should be set up to take forward the early stage of preparatory work at once, such as masterplanning, conducting research and detailed planning studies on individual facilities and recruitment of senior staff of the WKCD Authority. (8.1.8)</p>

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	<p>CC has not made any recommendation on how the WKCD Authority should be constituted, but has mentioned in the report that "Setting up the WKCD Authority with wide representation from different sectors to take forward the WKCD project should be in line with the principles of "Partnership", "Community-driven" and "People-oriented" underlying the Government's existing cultural policy".</p> <p>There is no discussion in CC's recommendation report on how the remuneration package for the senior executives of the WKCD Authority should be determined.</p>
<p><i>(E) Set up consultation panels to conduct structured public consultation</i></p> <ul style="list-style-type: none"> - at least two consultation panels: one for stakeholders and one for the general public. 	<p>CC recommends that the WKCD Authority should consult the public (including LegCo) and the Government on important matters relating to the development of the WKCD; consultative/user panels (if established) should be broadly based and representative of the arts and cultural sector, relevant professional bodies, tourism industry, District Councils, LegCo, etc. as appropriate.</p> <p><i>(8.1.7(d))</i></p>
<p><i>(F) Remove the canopy as a mandatory component of WKCD development</i></p>	<p>CC recommends that the previous development concept under the Invitation for Proposals of segregating the district into three distinct areas (a cultural headland, an entertainment spine and a commercial gateway) should no longer be pursued. The huge canopy would also be dropped. Instead, the CACF should be integrated with the RDE facilities in the WKCD wherever appropriate to create synergy and attract people flow. Space should also be set aside around the CACF for facilities to develop and promote creative industries.</p> <p><i>(7.2.14)</i></p>