

## Subcommittee on West Kowloon Cultural District Development

### Questions to deputations

#### Concerns in the Phase 1 Report:

1. To what extent do you consider that the Administration's new proposal has addressed the concerns of the Subcommittee in respect of the following:

(a) That the Administration should have well defined cultural policy objectives before determining what WKCD could do to promote the development of arts and culture in Hong Kong

The new proposals add nothing to the public's expressed wish that the Administration should have well defined cultural policy objectives and a coherent cultural policy in spite of the Government's acceptance that the public consultation pointed out the need for further public discussion on these issues.

The Administration merely states that it believes "our existing cultural policy has provided a sufficiently sound basis for the development of WKCD" and restates the policy as being "to create an environment which is conducive to the freedom of expression and artistic creation, and which encourages participation in such activities" – which seems to translate into "build it and they will come and what is more will they will suddenly find a thirst for cultural and creative activities which they have never had much interest in before".

The Cultural and Heritage Commission (so important it has since been disbanded) prepared a Policy Recommendation Report which is "the blueprint of Hong Kong's cultural policy and which has given its support to the WKCD project". Very few people appear to have ever had the chance to review this Report.

The Administration claims that WKCD, with integrated planning and management, will be a hub for local and international creative talent and that through it, new resources and venues will be provided for the arts and cultural sector for its healthy development. As most people in the creative industries are well aware, it is not the hardware – the venues, etc. – that initially are the most important factors in developing a creative culture although of course they have their place. Hong Kong's educational system needs to be broadened and the emphasis on commerce and business softened before a really creative community with an ingrained interest in art, music, drama, dance can develop. Creative hubs initially grow organically, they are not built – being organised into an isolated "hub" is not a sure fire way to encourage arts and culture in a community as a whole. WKCD is unlikely to be affordable for many in the arts world from a residential perspective and it is far from Central and even Tsim Sha Tsui where most of our other facilities are located.

(b) That the Administration has responsibility, in partnership with the private sector, in particular the arts community, to assess and determine the arts and cultural facilities in WKCD with a view to creating a lively and vigorous environment conducive to the build up of audience and development of creativity

To the best of our knowledge, many in the arts and culture sector feel they have been ignored in the consultation process and have not had sufficient input into what should and should not be included in the WKCD in order to help to create a lively and vigorous cultural environment in Hong Kong as a whole - the WKCD will rely for its audience on the whole of Hong Kong not just a few interested followers in West Kowloon itself.

(c) That there should be greater competition in the development approach and that the single-package or any development approach which fails to protect the public interest in the disposal of precious land resources should be abolished

The new proposal goes some way to addressing public concerns in this respect although the “hybrid” nature of the proposal could lead to unlooked for difficulties. The devil will be in the detail.

(d) That the Government should obtain sufficient information on the technical and financial viability of the project so as to strengthen its bargaining position in the negotiations with the proponents

Prior to entering into any negotiations, the Government should assure itself that its proposals are financially feasible and should be aware of the real costs and revenues associated with its proposals. However, we still consider the basic model flawed in that cultural facilities should not be held hostage to the needs and requirements of property developers.

(e) That the Government should conduct studies to affirm the needs and technical requirements for each of the core facilities to be provided in WKCD

There appears to be considerable scepticism in both the arts community and the community at large as to the real demand for 3 new theatres, a performance venue, 75,000sqm of museum space etc. As mentioned above, without a tradition of paying to see plays, concerts, art exhibitions, etc on a large scale, regular and ongoing basis, the public can be forgiven for thinking these requirements excessive and there does not appear to be any research to support such underlying demand. Tourists, while coming to Hong Kong for some special events, are not a significant source of audience and with other cities also developing cultural and entertainment facilities (e.g. Singapore, Shanghai, Beijing) it will be difficult for Hong Kong now to develop itself as a major international venue.

(f) That there should be a structured consultation mechanism to systematically gauge the public views on the hardware contents of WKCD and how WKCD could promote the software development in Hong Kong

This would be helpful, if only to give some credibility to the Administration's plans.

(g) That there should be a statutory body to oversee the planning and implementation of the project as well as the management of the arts and cultural facilities based on agreed objectives and through active participation of the art community

The Administration proposes the establishment of an independent statutory body for WKCD but there will be a need to ensure that its powers and responsibilities, as well as its calibre of its membership, meet the community's expectations.

**Development Mode:**

2. To what extent do you think that public interests will be protected when the successful proponent, under the new proposal, will still be responsible for developing two thirds of the WKCD site, which includes all the core arts and cultural facilities, canopy and other communal facilities, and the development right of 50% of the residential/commercial gross floor areas (GFA)

The WKCD should be developed within an agreed Development Framework (Master Plan is too rigid), particularly in respect to the CACF and any other communal facilities, so that the interests of the public can be protected in respect of delivery of these projects. Much will depend on the powers of the statutory body to be appointed to oversee the development as a whole and whether these are adequate to ensure the public interest will be fully protected, no matter how many or how few developers are involved with its implementation.

**Statutory Body:**

3. It is proposed that a new statutory body would be established to take over the functions of the Administration at a suitable juncture to oversee the WKCD under the IFP framework. What, in your view, should be the "suitable juncture"?

In our view the "suitable juncture" is as soon as practicable.

Do you think the statutory body should, as proposed by the Subcommittee in its first report, be established early to take over Government's responsibility in overseeing the planning, design, development and operation of WKCD, including drawing up the master layout plan and negotiating with the screened-in proponents?

Yes, the body should be in place as soon as it has been decided that the project will proceed.

4. Do you think the statutory body would be able to address public aspirations if it does not have the power to determine what should be included in the CACF and to ensure that other developments on WKCD would be compatible in making West Kowloon an arts and cultural district to enliven the city's cultural life and nurture creative talents?

The statutory body should be able to address these issues and will have little public credibility if its powers are limited in these areas.

If not, what responsibilities and powers should it have in the overall project development and management, and the subsequent management of the CACF?

The statutory body should have comprehensive powers to ensure the successful and acceptable development of WKCD but should work and coordinate with such institutions as the Town Planning Board, the Harbour Enhancement Committee and the various arts and culture organisations who will contribute to and be part of the CACF in the future.

5. How far should the statutory body be accountable to the Government for the accomplishment of its objectives?

The statutory body should be accountable to Government in so far as project delivery within an agreed timeframe and to agreed quality standards are concerned but should in most respects be free to act independently.

What should be the relationship between the statutory body and the successful proponent and other developers?

The statutory body should have ultimate control of the coordination of the various elements of the project with the successful proponent and other developers acting as its agents and being responsible, financially and legally, for, respectively, delivery of the CACF and communal facilities and 50% of the commercial/residential development and their agreed development packages.

Do you think the statutory body should have the power to give directives to and monitor the successful proponent to ensure the development of WKCD could be modified where necessary?

Yes, otherwise it lacks credibility and purpose.

How should any conflict between the successful proponent and the statutory body be resolved?

There should be specific dispute resolution provisions within any development agreement with the successful proponent and the Development Framework should be agreed prior to any such agreement being signed.

In your view, which of the two – the successful proponent or the statutory body – should assume the role of coordinating the WKCD project?

The statutory body should assume formal responsibility of the coordination role with the successful proponent acting as its delivery agent – a private developer should not have powers over a statutory body but neither should their legal and financial responsibility for delivery be reduced.

6. What should be the consultative setup of the new statutory body?

The consultative set up should be similar to that implemented by the Council for Sustainable Development and the Harbour Enhancement Committee.

On what matters should the consultative setup conduct consultation?

The consultative setup should consult with the public on the CACF content, the independent statutory body, the scope and activities of the Trust Fund and the canopy, once finite implementation and management costs are known.

7. Do you think the new statutory body should have a role in deciding the development rights of the portions to be carved out to developers other than the successful proponent?

Yes, in that it should have an advisory role but the final decision should be left with the existing relevant bodies i.e. Planning Department, Town Planning Board, etc.

8. Do you think the successful proponent should be represented in the governing body of the statutory body?

From a coordination perspective this could be helpful but such representation should be of a minority nature.

Do you consider it important for the governing body to have an independent secretariat?

Yes, although this should be limited in size and cost efficient.

What are your views on the criteria for selecting appointees to the governing body?

The criteria need to be pre-agreed and published so that the public understands the process – transparency will be essential given the community's criticism of the project to date. Appointees will need to come from a mix of backgrounds including relevant Government bureau, various aspects of art and culture, finance, academia, property development, project management, arts and events promotion, tourism, etc. There should be a balance between the groups represented with no particular public or private faction dominating.

### **Trust Fund:**

9. Do you think \$30 billion is sufficient for covering the operating costs for CACF, other communal facilities and the statutory body?

Without seeing any figures, it is difficult to comment on the whether \$30 billion is sufficient and much will depend upon the investment strategy adopted, and the interest rate environment going forward. The Administration should make public the estimates upon which it has based this figure so that there can be informed public debate on the matter.

10. Which authority or body should have ownership of the trust fund?

The statutory body or a specialist trust body should have ultimate ownership of the trust fund.

Should it be managed by the Government, the statutory body or the successful proponent?

A special trust committee established under the statutory body and including representatives of the successful proponent, the Government, the statutory body and qualified financial and investment professionals should administer and manage the fund.

11. Do you think there should be plans to reserve any of the income generated from the commercial activities, such as leasing of shops, in WKCD and allow such income to be ploughed back into the trust fund?

The revenues from the development were supposed, in the initial model, to pay for the development and ongoing management and maintenance of the CACF and other communal facilities. The requirement for an upfront trust fund to cover the net operating expenditure of the CACF and other communal facilities such as the canopy, the people mover and open space, if such a fund has been estimated correctly, should negate the need to dedicate future revenues from the commercial activities for such purposes. The screened in proponents should not be restricted in their ability to make some profit from the WKCD project, otherwise the project will not proceed.

Should the trust fund also support the development of arts groups and enhancement of the cultural software?

This depends on the level of funds required for the primary purpose of operating, managing and maintaining the CACF and other communal facilities. Should surplus funds be available, their use to support development of arts groups and enhancement of cultural software could be beneficial but these funds could also be found elsewhere, both within the community and from Government.

12. Whether the trust fund should be subject to auditing?

The trust fund should be audited and should be administered in a very open and transparent manner.

What mechanism should be put in place to ensure the trust fund will be used in a cost-effective manner?

The successful proponent should be under an obligation to meet any shortfall should the fund not be used in a cost effective manner and should make regular reports on spending to the statutory body and the specialist trust fund committee.

### **Planning and Implementation:**

13. Whether the timing and details of the residential and commercial land to be carved out for open bidding should be shown in the Master Layout Plan of the WKCD?

The sites to be carved out should be shown in the agreed development framework but the timing may be left flexible to meet market conditions.

14. Whether Government and the statutory body should have input on the part of the residential and commercial GFA to be carved out?

Absolutely, the successful proponent cannot be left to take this decision alone.

15. Given the facilities in the WKCD will be developed over a long period of time, whether Government should have the power to modify the facilities to be constructed or the themes of the facilities to cater for the change in circumstances?

The statutory body monitoring and managing the development should have the responsibility to go back to Government, together with the successful proponent, to discuss any modifications which may be desirable as the project progresses and circumstances change.

If yes, by what ways?

Any changes should be fully debated and the subject of public engagement and consultation.

16. What role the Town Planning Board should play in the development of WKCD and in particular in the new proposal recently announced by the Administration?

The Town Planning Board should approve the final Development Framework and any material future changes thereto.

### **Canopy:**

17. What factors should be taken into account by Government in deciding whether the canopy should be built?

The practicality of the canopy should be considered now that the project is to be developed in several stages and by several different developers. The construction cost and future maintenance costs should be considered and the "value" assessed – will it become a tourist attraction or merely a roof?

### **Public Consultation:**

18. Should the Administration conduct structured public consultation on the new proposal before making a decision on the way WKCD should be taken forward?

In order to make good on the Chief Executives expressed intention to take into account community views on all aspects of policy, yes, there should be a structured consultation on the new proposals.

If yes, how would the public consultation be conducted?

Again, the process developed by the Council for Sustainable Development and the Harbourfront Enhancement Committee would be most appropriate.

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