

**Consultative Committee on the  
Core Arts and Cultural Facilities of the  
West Kowloon Cultural District**

**Financial Matters Advisory Group  
Progress Report**

**Purpose**

This paper reports on the progress of work of the Financial Matters Advisory Group (FMAG).

**Appointment of Financial Advisor**

2. To support the work of the FMAG, the Government appointed GHK (Hong Kong) Ltd. as the Financial Advisor (FA) on 1 August 2006. The FA has been tasked to conduct the following studies relating to the work of the FMAG -

- (a) A qualitative analysis on public private partnership (PPP) arrangements in Hong Kong and overseas in order to identify PPP arrangements

that may be suitable for developing different facilities in the West Kowloon Cultural District (WKCD);

- (b) A public sector comparator (PSC) on the core arts and cultural facilities (CACF) as recommended by the Performing Arts and Tourism Advisory Group (PATAG) and the Museums Advisory Group (MAG); and
- (c) Assessment of the financial implications and financial viability of developing and sustaining the operation of the recommended CACF, as well as measures to eliminate or reduce any funding gap identified.

The FA is currently working on task (a) above. Preliminary work on tasks (b) and (c) have started, pending receipt of PATAG's and MAG's recommendations on the CACF to be included in the WKCD.

### **Work of FMAG**

3. Given the sequential nature of the work among the three Advisory Groups, the FMAG's work has to dovetail with those of the PATAG and MAG. To facilitate FMAG's work, PATAG's report to the Consultative Committee (CC) will also

be forwarded to FMAG for the purpose of assessing the financial implications, subject to discussion on the PATAG Report at the CC meeting on 7 September 2006. The FMAG will hold further meetings in the coming months to consider the findings and recommendations of the FA, with a view to making a report to the CC on the financial implications of developing and operating the recommended CACF.

**Secretariat, Financial Matters Advisory Group**  
**September 2006**