

For Information on
27 February 2009

LegCo Panel on Home Affairs and Panel on Development

**Joint Subcommittee to Monitor the Implementation of the
West Kowloon Cultural District Project**

**Response to the Recommendations in the Phase III Study Report of
the Former Subcommittee on West Kowloon Cultural District
Development,
Public Engagement Exercise for the
West Kowloon Cultural District Project, and
Mechanism for Timely Monitoring of the Financial Position of the
West Kowloon Cultural District Authority**

PURPOSE

This paper aims to respond to the recommendations in the Phase III Study Report of the former Subcommittee on West Kowloon Cultural District Development, and brief Members on the public engagement (PE) exercise for the West Kowloon Cultural District (WKCD) project and the mechanism for timely monitoring of the financial position of the West Kowloon Cultural District Authority (WKCDA).

**RESPONSE TO THE RECOMMENDATIONS IN PHASE III
STUDY REPORT OF THE FORMER SUBCOMMITTEE ON
WEST KOWLOON CULTURAL DISTRICT DEVELOPMENT**

2. The Government's response to the recommendations in the Phase III Study Report of the former Subcommittee on West Kowloon Cultural District Development is at **Annex I**.

PUBLIC ENGAGEMENT EXERCISE FOR THE WEST KOWLOON CULTURAL DISTRICT PROJECT

3. The main purpose of the Development Plan (DP) for the WKCD is to lay out the WKCD area and set apart the land for various core arts and cultural facilities (CACF), other uses (such as commercial, hotel, retail and public open space) as well as for internal infrastructure projects. The WKCDA is in the process of appointing consultants to carry out the preparatory work in preparing the DP. The WKCDA acknowledges the importance of enhancing the transparency and obtaining support from the community in preparing the DP. Well-structured and systematic PE exercise in preparing the DP will therefore be organized. The PE exercise will be carried out in a transparent and open manner with a view to engaging the public closely and allowing extensive community discussion.

4. The PE exercise in preparing the DP will be broadly divided into 3 stages. During Stage 1, the community's aspirations and expectations on the WKCD as a whole and the design and user requirements of the arts and cultural facilities are to be identified through the PE exercise which is tentatively scheduled for mid 2009. The target of the PE exercise at Stage 1 will include stakeholders in the arts and cultural sector as well as members of the public.

5. In Stage 2, three Conceptual Plan Options for the WKCD will be formulated by three different Consultants to be commissioned by the WKCDA. The WKCDA will conduct a PE exercise to seek public views on these Conceptual Plan Options, which is tentatively scheduled to be conducted in late 2009. One out of the three Conceptual Plan Options will then be selected and the concerned Conceptual Plan Consultant would be required to undertake any modifications to the selected Conceptual Plan taking into account the public comments received. The modified Conceptual Plan will be submitted to the WKCDA for consideration and approval.

6. In Stage 3, the selected Conceptual Plan, with any modifications, will be developed into a detailed DP by the Project Consultant to be commissioned by the WKCDA. The Project Consultant will also

conduct technical feasibility studies including engineering, traffic and environmental impact assessments. The WKCDA will conduct a PE exercise to seek public views on the detailed DP, which is tentatively scheduled to be conducted in the last quarter of 2010. Taking into account the public views, the DP will be finalized for submission to the Town Planning Board for consideration, tentatively scheduled for early 2011.

7. The WKCDA will organize various activities appropriate for the stakeholders and the public at each stage of the PE, such as workshops, group discussions, exhibitions etc. While the WKCDA will provide ample opportunities for public engagement, it will strive to complete the preparation process of the DP by 2010 so that the construction works could commence as soon as possible for early completion of the facilities in the WKCD and create employment opportunities.

8. To ensure that views of the public and members from different sectors would be collected, a Consultation Panel has been formed under section 20 of the West Kowloon Cultural District Authority Ordinance (the Ordinance) to gather public views on matters relevant to the functions of the WKCDA. The WKCDA appointed 21 Consultation Panel members on 16 February 2009. The Consultation Panel is to work out detailed plans for the PE exercises, review regularly the progress, and gather and collate the views of the public and the stakeholders in a transparent and fair manner. The foremost task of the Consultation Panel is to assist the WKCDA on the PE exercise and consultation in preparing the DP. The members of the Consultation Panel come from different sectors of the community. The press release on the appointment of the Consultation Panel members is attached at **Annex II**.

MECHANISM FOR TIMELY MONITORING OF THE FINANCIAL POSITION OF THE WEST KOWLOON CULTURAL DISTRICT AUTHORITY

9. In response to the recommendations of the Legislative Council (LegCo), the Administration had included in the Ordinance a number of provisions for monitoring closely the WKCDA's financial position and

the use of public funds by the WKCDA. Sections 22 and 23 of the Ordinance stipulate that the WKCDA shall manage its finances (including resources) with due care and diligence, and invest, in a financially prudent manner, the funds available for investment in such classes or descriptions of investment as the Financial Secretary may specify in writing. Section 30 of the Ordinance provides that the Director of Audit may conduct an examination into the economy, efficiency and effectiveness with which the WKCDA has expended its resources in performing its functions. Section 34 and 35 of the Ordinance also provide that the WKCDA shall, in respect of each financial year, prepare an annual report of the WKCDA for that financial year, and the Financial Secretary shall cause the report received to be laid on the table of the LegCo. The annual report must include the statement of accounts of the financial year containing a profit and loss account, a cash flow statement and a balance sheet, and an audit report on the financial statements prepared by auditors. The Government has also requested the WKCDA to include in its annual report the construction progress and actual expenditure in relation to various CACF for that financial year, details of the income and expenditure on the operation of individual CACF for that financial year, remuneration information of the senior WKCDA staff, and a comparison of the income and expenditure account for that financial year with the one for the previous financial year.

10. In addition, the Government has requested the WKCDA to conduct a mid-term review after the completion of the CACF in Phase I or not later than 2014-15, on the progress of the Phase I facilities as well as its plan for developing the Phase II facilities. The review should cover:

- (1) the overall progress of the development of the Phase I facilities, including completed and unfinished facilities (if any);
- (2) the capital costs of developing the Phase I facilities;
- (3) the overall financial position and operating results of the WKCD project, including the audited income and expenditure accounts; and
- (4) the initial forecast and planning for, as well as initial financial estimates of the Phase II facilities.

The WKCDA has to report on the results of this review to the LegCo or any relevant committee of the LegCo.

11. With the above measures, we consider that the financial position of the WKCDA will be monitored in a stringent and effective manner and the WKCDA will be accountable to the public for the use of public resources.

**The Home Affairs Bureau
February 2009**

**Joint Subcommittee to Monitor the Implementation of the
West Kowloon Cultural District Project**

**Summary of views and suggestions made in the
Phase III Study Report of the Subcommittee on
West Kowloon Cultural District Development
for future monitoring of the project**

	Administration's response
(1) Town planning and integration with neighbouring districts	
<u>Development parameters and development mix</u>	
(a) Core Arts and Cultural Facilities (CACF) should be built as iconic institutions to serve as the symbolic and anchor buildings in the West Kowloon Cultural District (WKCD) and should integrate with the Residential/Dining/Entertainment (RDE) facilities in the WKCD project to create synergy and attract people flow.	According to the Recommendation Report (the CC Report) of the Consultative Committee on the Core Arts and Cultural Facilities of the West Kowloon Cultural District (the CC), the CC proposed that 15 performing arts venues of different sizes serving different art forms, a new and forward-looking cultural institution with museum functions (temporarily called “M+”) which focuses on 20 th - 21 st century visual culture, an exhibition centre and piazza areas should be provided in the West Kowloon Cultural District (WKCD). Of the abovementioned facilities, the Concert Hall and Chamber Music Hall should be co-located in a free standing structure with iconic architecture; the Xiqu Centre and M+ should be free-standing with iconic architecture; the Great Theatre and Mega Performance Venue should also be free standing. The Core Arts and Cultural Facilities (CACF) should be suitably clustered together with the Residential/Dining/Entertainment

	<p>(RDE) facilities so as to create people flow and synergy. The West Kowloon Culture District Authority (WKCD) will take into account the recommendations of the CC Report in preparing the Development Plan (DP) for the WKCD. These recommendations will also be included in the study brief to ensure that the consultants taking part in the preparation of the DP could fully understand the recommendations.</p>
<p>(b) The Town Planning Board (TPB) should give careful consideration to and properly address objections raised by a few parties on the imposition of the building height restrictions which may have an adverse impact on creative building designs and hinder the formulation of an optimal Development Plan at the subsequent stage of planning.</p>	<p>At its meeting in April 2008, the Town Planning Board (TPB) specified, in accordance with the Town Planning Ordinance and after careful deliberation, the development parameters (including building height restrictions) of the WKCD on the Draft South West Kowloon Outline Zoning Plan (OZP). There were opinions that the height restrictions were inflexible and would affect the architectural design of the arts and cultural facilities. At the open hearing on 31 October 2008, the TPB agreed to give greater flexibility to the height restrictions of the arts and cultural facilities in the WKCD on the OZP by allowing application to the TPB for consideration of relaxation of building height restrictions for free-standing arts and cultural facilities. These amendments were gazetted on 19 December 2008 for public inspection. The WKCD will prepare the DP in accordance with the latest development parameters specified on the OZP.</p>
<p>(c) Areas at the immediate harbourfront should be designated for public enjoyment with lots of amenities and greening, and areas of public open space should not be too dispersed and should be conveniently accessible to the public including the wheelchair-bound.</p>	<p>The WKCD will take into account the suggestions relating to the public open space, amenities and greening in preparing the DP.</p>

<p>(d) Areas reserved for the development of Phase II arts and cultural facilities should be used as public open space in the interim and their design should be conducive to attracting people flow to the CACF and RDE facilities.</p>	<p>The WKCDA will take into account the suggestions relating to the public open space including the areas reserved for Phase II development of the arts and cultural facilities in preparing the DP.</p>
<p><u>Public engagement in masterplanning</u></p>	
<p>The West Kowloon Cultural District Authority (WKCDA) should engage the public extensively in the drawing-up of the Development Plan for WKCD in a structured and systematic manner. Special attention should be given to the use of effective presentation methods to enable the public to visualize the spatial relationships of various land uses and facilities in relation to different development parameters and development mixes.</p>	<p>The WKCDA acknowledges the importance of enhancing transparency and obtaining support from the community in preparing the DP. Well-structured and systematic public engagement (PE) exercises in preparing the DP will therefore be organized. The PE exercises will be broadly divided into 3 stages and carried out in a transparent and open manner with a view to engaging the public closely and allowing extensive community discussion. For details of the PE exercises, please refer to paragraphs 3–8 of the main text of the paper.</p>
<p><u>Professional support for WKCDA in masterplanning</u></p>	
<p>The Planning Department (PD) should continue to play a role in assisting WKCDA in formulating the Development Plan and act as a link between WKCDA and the Administration in laying down suitable conditions for land sale and leases for the residential, office and hotel sites in WKCD.</p>	<p>One of the priority tasks of the WKCDA is to prepare a comprehensive DP for the WKCD. The Government has seconded a team of professional staff in town planning, architecture and engineering to the WKCDA to assist the preparation of the DP. In addition, the WKCDA is in the process of employing relevant professional staff to support the preparation of the DP. The Home Affairs Bureau (HAB) will continue to coordinate with relevant Government departments in relation to the WKCD to ensure that the WKCD project and other major infrastructural projects in the vicinity</p>

	are well coordinated.
<u>Connectivity and revitalization of old districts</u>	
The planning of WKCD should aim at achieving integration with the neighbouring areas in the social, cultural and economic dimensions. Adequate facilities should be provided to ensure good physical connectivity. WKCDA should garner views from the public in drawing up the Development Plan and provide substantive recommendations to the Administration on the revitalization of the old districts in West Kowloon in light of the development of WKCD.	In preparing the DP for the WKCD, the WKCDA will liaise closely with the relevant Government departments to ensure that the connectivity between the WKCD and neighbouring areas are well coordinated. In addition, the WKCDA will widely consult the public (including the District Councils) in preparing the DP to ensure that the WKCD will integrate and connect with the neighbouring areas.
(2) Core arts and cultural facilities	
<u>Performance venues</u>	
(a) More detailed studies should be conducted on the seating capacity and locations of the proposed performance venues and on whether special features or designs should be provided for the facilities to cater for special groups of audiences, e.g. children or the elderly.	The DP preparation process will be conducted in a transparent, open and inclusive manner. In identifying the design and functional requirements of the arts and cultural facilities at Stage 1 of the PE exercise, the WKCDA will engage different sectors to gauge their views to ensure that the facilities and scale of the performance venues can meet their needs.
(b) International design competitions should be launched to obtain the best designs for the iconic facilities. Construction for these facilities should be pursued under separate design and construction contracts.	As regards architectural design, the WKCDA was of the view that apart from the three iconic buildings (i.e. M+, the Xiqu Centre, and the Concert Hall/Chamber Music Hall) recommended in the CC Report, if considered feasible, the design of other facilities and piazza areas in the WKCD may also go through a competitive process so as to obtain suitable designs for these facilities. This

	<p>approach would not only provide more choices for the WKCDA, it would also allow more local and overseas architects to take part in the WKCD development. The WKCDA will examine what is the most appropriate approach in awarding the design and construction contracts.</p>
<p>(c) The timing for implementing the theatres in Phase II Development should be triggered by the proven demand for those in Phase I.</p>	<p>Phase I CACF, including 12 performing arts venues, a museum (Phase I) and an exhibition centre are scheduled for completion by 2014-2015. The WKCDA will decide on the Phase II development taking into account the demand for Phase I facilities after they have come into operation.</p>
<p>(d) The convertibility of the mega performance venue into a smaller venue should be carefully considered, in particular if it would result in revenue reduction and under-utilization of seating space.</p>	<p>In identifying the design and functional requirements of the arts and cultural facilities at Stage 1 of the PE exercise, the WKCDA will engage different sectors to gauge their views (in particular the arts and cultural sector) to ensure that the facilities and scale of the performance venues can meet their needs.</p>
<p>(e) There should be optimum use of space earmarked for facilities in Phase II Development so as to build up the pedestrian flow for the entire WKCD area.</p>	<p>The WKCDA will decide on the Phase II development taking into account the demand for Phase I facilities after they have come into operation. The WKCDA will make optimum use of the public space reserved for Phase II development for attracting people flow.</p>
<p>(f) There should be a hiring policy for the use of the Piazza Areas so that public enjoyment of open space/green space would not be compromised.</p>	<p>The WKCDA will take into account the suggestions relating to public open space /green space in preparing the DP. The WKCDA will make proper arrangements for the use of the piazza areas.</p>

<u>Planning and development of M+</u>	
<p>(a) Bearing in mind that M+ would amount to a substantial increase by 52% of the total space provision of all the existing public museums in Hong Kong, its total capital costs will amount to \$4.749 billion, and 78% of the operating deficit of WKCD will come from M+, consideration should be given to whether the implementation of M+ could be deferred until sufficient experience has been built up or be further phased to allow for a more progressive implementation timeframe.</p>	
<p>(b) The Administration should explain to the general public in an easily comprehensible manner what M+ is meant to be, before starting to design and build the M+ infrastructure.</p>	
<p>(c) The Administration should make the optimum use of the interim M+ in North Point, not just as a training ground for future staff of M+ but as a temporary exhibition centre for public viewing and for testing out the M+ concept in a smaller scale.</p>	<p>M+ will be developed prudently in two phases to tie in with the overall development of the WKCD. In identifying the design and functional requirements of the arts and cultural facilities (including M+) at Stage 1 of the PE exercise, the WKCDA will engage different sectors to gauge their views (in particular the concerned museum organisations) to ensure that the facilities and scale of the M+ can meet their needs. To effectively embark on the design and construction of M+, a Museum Committee has been established under the Board of the WKCDA to start preparatory work. The Museum Committee has considered to use a site at Oil Street in North Point for setting up the Interim M+. After conducting a site inspection, the Museum Committee found that the size of the original building at the site too small. If a new building was to be built for setting up the Interim M+, it would be necessary to demolish an existing building next to it. It would also be necessary to deal with the land contamination issue. Taking into account the cost and time needed, the Museum Committee considered that the site was not suitable for setting up the Interim M+. The Museum Committee would continue to explore other locations and agreed that the Interim M+ should organize activities in different areas of Hong Kong to promote the concept of M+ to the public.</p>

<p>(d) The Administration should ensure full co-operation between M+ and the existing museums under the management of the Leisure and Cultural Services Department (LCSD) by promoting staff integration, such as staff attachment programmes, and putting in place contractual arrangements over the borrowing of collections from existing museums.</p>	<p>M+ is more than a museum or a building space. It is a new type of cultural institution with its mission to focus on 20th – 21st century visual culture, broadly defined, from a Hong Kong perspective, the perspective of now, and with a global vision. The Government will work closely with the WKCDA and establish links in various aspects. The museum facilities in the WKCD will provide abundant employment opportunities for local talents, including current curatorial staff.</p>
<p>(e) The Administration should encourage current local curatorial staff to take on the new challenges in M+, instead of relying entirely on curators from overseas as they may not understand the "Hong Kong perspective" as much as local curators.</p>	
<p>(f) WKCDA should conduct more extensive consultation with the museum community before proceeding to establish the management board of M+ and recruiting the M+ staff.</p>	<p>The WKCDA will engage the arts and cultural sector to gauge their views (in particular the concerned museum organizations) on the planning and development of the museum facilities in the WKCD to ensure that facilities and operation of the museum can meet their needs.</p>
<p>(g) WKCDA should not adopt Design-and-Build mode of development for constructing M+ and should conduct a design competition if the iconic effect of M+ is crucial to the attraction of quality collections in future.</p>	<p>As regards architectural design, the CC Report recommended that the architecture of M+ should be iconic. The WKCDA agrees that a competitive process should be gone through to select the suitable design for this iconic building. It will also examine what is the most appropriate approach for developing M+.</p>
<p>(h) To enhance M+'s position as the major museum icon in Asia, M+ should also work closely with museums in the Mainland as well as those in the Asian region to facilitate exhibition of important collections from these places.</p>	<p>The Museum Committee will establish links and network with museums in Asia and other parts of the world to explore future cooperation opportunities.</p>
<p><u>Synchronising of project works</u></p>	
<p>(a) Given the Administration's plan to implement, in terms of capital costs, some 92% of the core facilities within a six to seven year period, extra care should</p>	<p>Apart from the CACF, the WKCD will also include other ancillary facilities, RDE facilities and</p>

<p>be exercised in programming, in particular, the Phase I Development. Where appropriate, it should consider further phasing of the facilities to be built in Phase I.</p>	<p>communal/transport facilities. In preparing the DP, the WKCDA will consider the disposition of the various facilities in the WKCD, their interface with each other and the construction timetable with the aim of developing a well-planned and integrated cultural district.</p>
<p>(b) WKCDA should be certain of what needs to be put in WKCD and how the individual components are configured in relation to one another. WKCDA should have access to enough experienced professionals for management of consultancy and works contracts, and the Administration should be forthcoming in rendering assistance in this regard.</p>	<p>One of the priority tasks of the WKCDA is to prepare a DP for the WKCD. The Government has seconded a team of professional staff in town planning, architecture and engineering to the WKCDA to assist the preparation of the DP. In addition, the WKCDA is in the process of employing the relevant professional staff to support the preparation of the DP. HAB will continue to coordinate with relevant Government departments in relation to the WKCD to ensure that the WKCD project and other major infrastructural projects in the vicinity are well coordinated.</p>
<p>(3) Financial arrangements</p>	
<p><u>Financial assessment and management</u></p>	
<p>(a) The Subcommittee is concerned about WKCDA's capability in managing the upfront endowment of \$21.6 billion and the extent of control which can be exercised by LegCo and the Administration over WKCDA in this regard.</p>	<p>In response to the recommendations of the Legislative Council (LegCo), the Administration had included in the West Kowloon Cultural District Authority Ordinance (the Ordinance) a number of provisions for monitoring closely the WKCDA's financial position and the use of public funds by the WKCDA. The Government has requested the WKCDA to include in its annual report the construction progress and actual expenditure in relation to various CACF for that financial year, details of the</p>

	<p>income and expenditure on the operation of individual CACF for that financial year, remuneration information of the senior WKCDA staff, and a comparison of the income and expenditure account for that financial year with the one for the previous financial year. In addition, the Government has also requested the WKCDA to conduct a mid-term review after the completion of the CACF in Phase I or not later than 2014-15, on the progress of the Phase I facilities as well as its plan for developing the Phase II facilities. For details of “Mechanism for timely monitoring of the financial position of the WKCDA”, please refer to paragraphs 9-10 of the main text of the paper.</p>
<p>(b) The Subcommittee is concerned about the Administration’s assumptions on the low inflation rate (i.e. 2%, as compared with the year-on-year underlying inflation rate in Hong Kong of 5.1% in early 2008) in making its financial assessment.</p>	<p>When estimating the capital cost of the WKCD facilities, apart from inflation, the financial adviser previously commissioned by the Government had also given consideration in a prudent manner in respect of the on-costs and the risk premium so as to provide sufficient leeway to accommodate cost increases due to various factors. Construction costs of the CACF included a risk premium of 23% to 29% to guard against price hike due to the risks. The risk premium is conventionally set at 10% to 15%. Taking into account the volatility and cyclical fluctuation of construction costs over the years, the financial adviser considered it more prudent to adopt an average escalation rate of construction costs which was in line with inflation rate, rather than adopting a high short-term growth rate.</p>
<p>(c) The Administration should consider revising its financial proposal based on the "worst case" scenario.</p>	
<p><u>WKCDA staffing levels</u></p>	

<p>(a) WKCDA should ensure clear delineation of responsibilities in the future organizational structure and full justifications for the staffing requirement of WKCDA, and the transparency and public accountability on the remuneration package to enable LegCo and the public to monitor the deployment of resources.</p>	<p>To ensure that the organisational structure of the WKCDA is fit for the purpose, the WKCDA has commissioned a consultancy study so as to determine the organisational structure, manpower needs, remuneration level and qualifications of the key staff of the WKCDA, including the Chief Executive Officer (CEO). Taking into account the recommendations of the consultancy study, the WKCDA will decide on the selection criteria and remuneration level for the appointment of the CEO and other key staff. The WKCDA will follow the practices of other public bodies where the remuneration of senior staff is made known to the public to enhance transparency.</p>
<p>(b) WKCDA should provide LegCo with regular reports including detailed information on the staff establishment, and the estimated and actual expenditure on outsourcing activities.</p>	<p>Sections 34 and 35 of the Ordinance provide that the WKCDA shall, in respect of each financial year, prepare an annual report of the WKCDA for that financial year, and the Financial Secretary shall cause the report received to be laid on the table of the LegCo. The annual report must include the statement of accounts of the financial year containing a profit and loss account, a cash flow statement and a balance sheet, and an audit report on the financial statements prepared by auditors. The Government has requested the WKCDA to include in its annual report the construction progress and actual expenditure in relation to various CACF for that financial year, details of the income and expenditure on the operation of individual CACF for that financial year, remuneration information of the senior WKCDA staff, and a comparison of the income and expenditure account for that financial year with the one for the previous financial year.</p>

<p><u>Major renovation and reconstruction of aged buildings after 50 years</u></p>	
<p>WKCDA should give consideration to setting aside funding for its long-term repair and maintenance programme so that public funding would not be required for major renovations or re-constructions after 50 years.</p>	<p>In the financial analysis conducted by the financial adviser previously commissioned by the Government, provisions had already been made for periodic major overhaul and annual maintenance within the 50-year period. All facilities will be in good condition and fully functional beyond 50 years, requiring no immediate demolition or reconstruction beyond that period.</p>
<p>(4) WKCDA</p>	
<p><u>Mission and objective</u></p>	
<p>WKCDA should not be merely a body corporate for developing, managing and operating the hardware cultural venues, the RDE facilities and other communal facilities in WKCD. It should capitalize the opportunities offered by the WKCD project to catalyse the realization of a long-term arts and cultural vision for Hong Kong.</p>	<p>The functions of the WKCDA are to plan, design, construct, operate, manage and maintain the arts and cultural facilities, related facilities or ancillary facilities in the WKCD. It also helps facilitate the long-term development of the arts and culture in Hong Kong. Its main objectives are to facilitate the long-term development of Hong Kong as an international arts and cultural metropolis; to encourage freedom of artistic creativity; to nurture local arts talents and arts groups; to promote arts education; and to facilitate the development of cultural and creative industries.</p>
<p><u>Public accountability and operational transparency</u></p>	
<p>(a) There should be accountability, transparency and good governance in WKCDA's operation. These cardinal principles must be built into the mode</p>	<p>Both the Government and the WKCDA understand that the public expects accountability, transparency and good</p>

<p>of operation of the statutory body.</p>	<p>mode of governance in the WKCDA's operation. The Board of the WKCDA has endorsed at its first meeting the Standing Orders of the WKCDA and code of conduct for the Board members, which include the procedures of declaration of interests and guidelines for accepting gifts. All Board members and WKCDA staff must follow relevant regulations and rules. Tender and procurement procedures have also been laid down, which will be reviewed from time to time by the Board to ensure the strictness of the regulations.</p>
<p>(b) WKCDA should be held accountable to LegCo and the public for its decisions and disposal of public resources. WKCDA should provide periodic reports to LegCo on the programme and estimates for the construction of CACF facilities, its business plans for CACF and RDE facilities, audited statements of accounts, and an account of the delivery of or delays in implementation of individual facilities.</p>	<p>Sections 34 and 35 of the Ordinance provide that the WKCDA shall, in respect of each financial year, prepare an annual report of the WKCDA for that financial year, and the Financial Secretary shall cause the report received to be laid on the table of the LegCo. The annual report must include the statement of accounts of the financial year containing a profit and loss account, a cash flow statement and a balance sheet, and an audit report on the financial statements prepared by auditors. The Government has requested the WKCDA to include in its annual report the construction progress and actual expenditure in relation to various CACF for that financial year, details of the income and expenditure on the operation of individual CACF for that financial year, remuneration information of the senior WKCDA staff, and a comparison of the income and expenditure account for that financial year with the one for the previous financial year.</p>
<p><u>Appointment mechanism</u></p>	

<p>The mechanism for constituting WKCDA should be transparent, fair and objective. There should be a balanced composition of the Authority.</p>	<p>Section 6 of the Ordinance provides that the Board is the governing and executive body of the WKCDA and is to consist of the Chairman, 3 members who are public officers, and not less than 8 and not more than 15 other members who are not public officers. In accordance with the Ordinance, the Chief Executive appointed in October 2008 the Board members of the WKCDA, including members who have extensive knowledge of, or wide experience in, or exposure to, arts and cultural activities.</p>
<p><u>Public access to WKCDA meetings and papers</u></p>	
<p>The Authority's proceedings should be highly transparent to enable the public to know and understand its decision-making process. There should be adequate public access to the information on the Authority's plans and activities.</p>	<p>The Board has agreed that sessions of the Board meetings of the WKCDA which do not involve sensitive and commercial information will be open to the public. Relevant meeting documents, agendas and minutes of meetings which do not involve sensitive and commercial information will also be available for public access. The WKCDA is making arrangements for the proceedings of the Board meetings which do not involve sensitive and commercial information to be broadcast via the website of the WKCDA. It is anticipated that this measure will be implemented in the first quarter of 2009.</p>
<p><u>Establishment of statutory consultation panels</u></p>	
<p>The Subcommittee strongly believes that the establishment of statutory consultation panels would enable the Authority to garner views from stakeholders and the general public in a structured manner and on an on-going basis.</p>	<p>Section 20 of the Ordinance provides that the WKCDA shall establish a consultation panel to gather public views on matters relevant to the functions of the WKCDA. On 16 February 2009, the WKCDA appointed 21 Consultation Panel members. The Board has started</p>

	<p>the preparatory work in preparing the DP, including the launching of PE exercises in different stages. The Consultation Panel is to work out a detailed plan for the PE exercises, review regularly the progress, and gather and collate the views of the public and the stakeholders in a transparent and fair manner. The members of the Consultation Panel come from different sectors of the community. The press release on the appointment of the Consultation Panel members is attached at Annex II.</p>
<p><u>Delineation of funding responsibilities between WKCDA and existing government and statutory bodies</u></p>	
<p>The Administration should take a critical look into funding system for the local arts and cultural community and devise measures to ensure effective use of public resources.</p>	<p>The Government will continue to provide funding for the performing arts through the HAB, the Leisure and Culture Services Department and the Hong Kong Art Development Council. The Government will continue to work closely with the relevant statutory bodies to ensure effective use of public resources. The WKCDA will consider and decide on funding issues on its own.</p>
<p>(5) Public engagement</p>	
<p>(a) WKCDA should allow the public to participate right at the beginning, even when the concept or proposal concerned is still at its embryonic stage, and adopt a non-prescriptive, empowering and participatory approach, whereby innovative ideas and alternative views are allowed to be dialectically debated.</p>	<p>Please refer to paragraphs 3-8 of the main text of the paper.</p>

(b) An institutionalized mechanism should be established to allow stakeholders and the general public to put forward their views in a structured and systematic manner.	
(6) Cultural policy and software development	
(a) Cultural software development in Hong Kong should measure up to and complement the hardware development in WKCD to achieve the objective of WKCD.	The Government will continue to strengthen the development of the cultural software and work closely with the WKCDA so that the development of Hong Kong's cultural software can suitably coordinate with the WKCD development.
(b) The Administration should review the usage and management of existing performing venues and other cultural facilities under the management of LCSD, taking into account the WKCD project.	The Government has accepted the Culture and Heritage Commission Policy Recommendation Report (CHC Report) and implemented most of the recommendations contained in the CHC Report. The Government agrees that the involvement of the community in the management of public cultural facilities should be strengthened and public views in managing the facilities and services providing should be solicited so as to forge partnership with the community. The Government is also taking steps to allow flexibility in the use of cultural venues for seeking commercial sponsorships. The Government will suitably adjust these measures in light of the arts and cultural facilities in the WKCD.
(7) The Administration's role	
While WKCDA should be autonomous and independent from the Administration, the Administration should provide policy steer in respect of the territory's cultural development which may include the enactment of legislation to regulate public museum services, coordinate the government infrastructure works in WKCD with	The WKCD is a major initiative to implement our existing policy on arts and culture. The functions of the WKCDA are to plan, design, construct, operate, manage and maintain the arts and cultural facilities,

those of WKCDA, plan and build facilities to achieve connectivity between WKCD and its neighbouring areas, undertake the necessary groundwork to prepare for the establishment of WKCDA and lastly, ensure that WKCDA will have adequate access to professional support to discharge its functions.

related facilities or ancillary facilities in the WKCD. The members of the Board of the WKCDA include 3 public officers. The Ordinance has provided for a number of provisions for monitoring the WKCDA's operation in order to protect public interests. The WKCD is a major infrastructure for the benefit of the whole community. The Government will therefore proactively assist and cooperate with the WKCDA to ensure that the WKCDA has adequate professional support to perform its functions. For instance, in preparing the DP, the concerned Government departments will communicate with the WKCDA on the connectivity between the WKCD and the neighbouring areas, including the pedestrian and road system.

Members of consultation panel appointed under West Kowloon Cultural District Authority

The following is issued on behalf of the West Kowloon Cultural District Authority:

The West Kowloon Cultural District Authority today (February 16) announced the appointment of 21 members to its consultation panel. The term of appointment is one year, from March 1, 2009, to February 28, 2010.

The chairman of the board of the authority, Mr Henry Tang, said: “The members of the consultation panel come from a wide spectrum of backgrounds with rich experience and in-depth understanding in different fields such as arts and culture, education, district affairs, social policies, retail, tourism, sustainable development, environmental protection and arts with the disabled. Their expertise and experience in public services will facilitate the authority in carrying out public engagement exercises and tapping views from different sectors of the community. Together with the board, I look forward to earnestly co-operating with the consultation panel members to take forward the West Kowloon Cultural District (WKCD) project.”

“The board has embarked on the preparatory work of the WKCD’s overall development plans, which will include public engagement exercises in three different stages. The primary work of the consultation panel ahead is to plan the specifics of these public engagement exercises in detail, review the progress of their implementation from time to time, and collect and collate the views of the public and stakeholders in a transparent and impartial manner to facilitate the board in devising the development plan proposals,” Mr Tang said.

Professor Stephen Cheung was appointed as chairman of the consultation panel. Mr Tang said: “Professor Cheung is very active in community affairs and has a wealth of experience in social services. He attaches importance to engaging the public in the WKCD project. With an in-depth understanding of this development project, Professor Cheung is the most suitable person to be the chairman of the consultation panel.”

According to Section 20 of the WKCD Authority Ordinance, the authority shall establish a consultation panel to gather public views on matters relevant to the functions of the authority.

There are a total of 21 members on the consultation panel including three board members. They are: Chairman of the Development Committee, Mr Ronald Arculli; Chairman of the Museum Committee, Mr Victor Lo, and Chairman of the Performing Arts Committee, Dr Allan Zeman. The brief profiles of the other 18 consultation panel members are as follows:

Chan Ngok-pang, Ronald

Mr Chan is a current member (elected) of the Southern District Council. He has a keen interest in policy research and public administration. He has been a part-time member of the Central Policy Unit since 2008.

Cheng Chi-ming

Mr Cheng is a visual artist and educator with expertise across various areas of the arts. Mr Cheng has extensive knowledge, experience and network in the creative industry. Mr Cheng is a current member of the Panel of Film Censorship Advisers.

Cheung Yan-leung, Stephen (Chairman)

Professor Cheung is the Chair Professor of Finance of the Department of Economics and Finance of the City University of Hong Kong. He was a member of the Financial Matters Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD from April 2006 to June 2007. Professor Cheung is active in community services. He is a member of the Commission on Strategic Development, Operations Review Committee of the ICAC, Steering Committee on

Review of the Urban Renewal Strategy, and the incumbent Chairman of the Advisory Committee on Enhancing Self-Reliance Through District Partnership Programme.

Ho Hing-kay, Oscar

Mr Ho is a professional consultant of the Department of Cultural & Religious Studies of the Chinese University of Hong Kong. He was a member of the Museums Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD from April 2006 to June 2007. He was formerly the Exhibition Director of the Hong Kong Arts Centre and founding Director of the Museum of Contemporary Art in Shanghai.

Hui Wah-kit, Michael

Mr Hui Wah-kit, the Chairman of the Hong Kong United Youth Association, is a current member of the Harbour-front Enhancement Committee and the Advisory Committee of the Continuing Education Fund. He was a member of the CEPA Advisory Committee of the Hong Kong Export Credit Insurance Corporation from 2003 to 2004.

Hung Chiu-wah

Mr Hung is the elected District Council member of the Tsim Sha Tsui West Constituency (the constituency covering the Kowloon Station and the WKCD). He is recently elected as the Chairman of Yau Tsim Mong District Council Working Group on WKCD Collaborations.

Ko Po-ling

Ms Ko is the Chairman of the Kowloon Federation of Associations. She has long years of community service in the Kowloon area and is active in liaising with the local business sector, arts and

culture sector and concern groups on the WKCD project. Currently, she is an appointed member of the Yau Tsim Mong District Council and a member of the Women's Association.

Kwan Pak-hoo, Bankee

Mr Kwan was the Chairman of the Hong Kong Retail Management Association from 2004 to 2008. He is a current member of the Consumer Council, the Small and Medium Enterprises Development Fund Vetting Committee and the China Trade Advisory Committee of the Hong Kong Trade Development Council. He was also a part-time member of the Central Policy Unit in 2006 and 2007.

Lam Choi-chu, Ida

Ms Lam is the Chairperson of the Arts with the Disabled Association Hong Kong. She has been involved in the arts with people with disabilities for over 20 years with a view to popularising arts among people with disabilities and promoting the excellence of artists with disabilities. Ms Lam is a current member of the Committee on Performing Arts under the Home Affairs Bureau.

Lee Wing-tat

Mr Lee Wing-tat is an elected Legislative Council (LegCo) member (NT West). He is the incumbent Vice-Chairman of the LegCo Joint Subcommittee to Monitor the Implementation of the WKCD Project under the Panel on Home Affairs and Panel on Development. Mr Lee is a current member of the Commission on Strategic Development and Kwai Tsing District Council. He was a member of the Hong Kong Housing Authority from 1992 to 2000.

Leung Wing-cheung, William

Mr Leung is the Deputy Chairman of the Council of the Hong Kong Academy for Performing Arts and the Chairman of the Board of the Hong Kong Dance Company Limited. He was also a member of the Financial Matters Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD from April 2006 to June 2007. Mr Leung is a current member of the Banking Industry Training Advisory Committee, Estate Agents Authority and Sports Commission.

Man Ying-ling

Dr Man is an Assistant Professor of the Faculty of Languages of the Hong Kong Institute of Education and the Vice-Chairperson of the Committee on Home-School Co-operation. Dr Man has devoted herself to the development of family-school co-operation and the promotion of language and culture education.

Charles Peter Mok

Mr Mok is the Vice Chairman of the Professional Commons, an independent professional think tank which monitors the Government through professional analysis and research. Mr Mok is a current member of the Digital 21 Strategy Advisory Committee, Hospital Authority and Transport Advisory Committee.

Tai Hay-lap

Mr Tai, the Principal of Yan Oi Tong Tin Ka Ping Secondary School, is a well-respected educationalist and has served on a number of boards/committees in the educational field, including the Education Commission, the Committee on the Promotion of Civic Education and the Quality Education Fund Steering Committee. He is a current member of the Council for Sustainable Development and the Council of the Hong Kong Institute of Education.

Tse Wai-chun, Paul

Mr Tse Wai-chun is the LegCo member representing the Tourism Constituency. He is a current member of the LegCo Joint Subcommittee to Monitor the Implementation of the WKCD Project under the Panel on Home Affairs and Panel on Development, and the Tourism Strategy Group. Mr Tse was a member of the Consumer Relations Committee of the Travel Industry Council of Hong Kong from 1994 to 2002.

Tse Wing-ling, John

Dr Tse is an Associate Professor in the Department of Applied Social Studies of the City University of Hong Kong. He was an elected LegCo member from 1995 to 1997. Currently, he is a member of the Fight Crime Committee and Municipal Services Appeals Board. Dr Tse was the Vice-chairman of the Wanchai District Council from 2004 to 2007.

Wong Ying-kay, Ada

Ms Wong is the convenor of the People's Panel on West Kowloon. She was a member of the Museums Advisory Group of the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD from April 2006 to June 2007. Ms Wong is a current member of the Committee on Performing Arts under the Home Affairs Bureau, the Council of the Hong Kong Academy for Performing Arts and the Steering Committee on Review of the Urban Renewal Strategy.

Yau Wing-kwong

Dr Yau, an appointed member of the Tai Po District Council, is experienced in serving boards/committees regarding environmental issues. He is a current member of the Country and Marine Parks Board and the Intangible Cultural Heritage Advisory Committee. He is also a member of the Advisory Council on the Environment and its three subcommittees – Environmental Impact Assessment Subcommittee,

Nature Conservation Subcommittee and Waste Management Subcommittee.

Ends/Monday, February 16, 2009

Issued at HKT 19:19