

立法會
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Panel on Home Affairs and Panel on Development

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

**Minutes of meeting
held on Wednesday, 27 June 2012, at 8:30 am
in Conference Room 2A of the Legislative Council Complex**

Members present : Hon IP Kwok-him, GBS, JP (Chairman)
Hon LEE Wing-tat (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon WONG Yung-kan, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon CHAN Hak-kan
Dr Hon Priscilla LEUNG Mei-fun, JP
Hon CHEUNG Kwok-che
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon Tanya CHAN

Members absent : Hon Abraham SHEK Lai-him, SBS, JP
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Hon WONG Sing-chi

Public Officers attending : Agenda items I to III

Home Affairs Bureau

Mrs Avia LAI
Deputy Secretary for Home Affairs (3)

Mr WAN Man-leung
Project Manager (Home Affairs Bureau)

Ms Elizabeth TAI
Principal Assistant Secretary for Home Affairs
(West Kowloon Cultural District)

West Kowloon Cultural District Authority

Mr Michael Lynch
Chief Executive Officer

Dr CHAN Man-wai
Executive Director, Project Delivery

Dr Eva LAM
Executive Director, Finance

Mr Louis YU
Executive Director, Performing Arts

Clerk in attendance : Mr Thomas WONG
Principal Council Secretary (SC)(2)

Staff in attendance : Ms Alice LEUNG
Chief Council Secretary (2)1

Mr Ian CHOW
Council Secretary (2)1

Miss Emma CHEUNG
Legislative Assistant (SC)(2)

Action

I. Development of cultural software in preparation for the commissioning of the first batch of facilities

[LC Paper Nos. CB(2)2369/11-12(01) and (02)]

The Joint Subcommittee deliberated (index of proceedings at **Annex**).

2. Members were briefed by the Administration and the West Kowloon Cultural District Authority ("WKCDA") on the progress of development of cultural software in preparation for the commissioning of the first batch of performing arts ("PA") facilities to be commissioned in 2015-2016 in the West Kowloon Cultural District ("WKCD"). Noting that the Xiqu Centre was the only PA facility scheduled for completion in 2015-2016, members raised concern about the attractiveness of WKCD to the public and whether the events held in the Freespace could draw large audiences.

3. WKCDA responded that -

- (a) WKCDA endeavoured to raise the public's awareness of WKCD, bring people to the site and gradually make it a habit for them to go there to enjoy different arts and cultural activities;
- (b) the Xiqu Centre, located at the eastern entrance of WKCD, was one of the WKCD's iconic buildings in WKCD and would serve to preserve and promote the valuable traditional Chinese art form in Hong Kong. WKCDA had organized the West Kowloon Bamboo Theatre event at the site of the Xiqu Centre around Lunar New Year 2012. This event presented a combination of traditional Cantonese opera performances, contemporary visual art installations and film shows in collaboration with the Chinese Artists Association of Hong Kong and various renowned visual artists, and attracted around 12 000 participants in seven days (18 to 24 January 2012). In the light of positive response, WKCDA planned to make the Bamboo Theatre an annual festival featuring Cantonese Opera and other art forms, and establish strategic partnership with local arts communities;
- (c) aside from providing public space for arts education activities delivered by arts organizations, Freespace would also provide a venue for music and other events; and
- (d) WKCDA had obtained Short Term Tenancies from the Lands

Action

Department to accommodate temporary structures at the WKCD site for organizing a range of arts and cultural activities to build audiences. WKCDA would organize a balanced mix of events, including performances, music festivals, carnivals and exhibitions, to suit different needs of the community.

4. On members' enquiry about whether WKCDA would work in collaboration with schools and universities to promote students' interest in arts and enhance their ability to appreciate different arts performances, WKCDA advised that WKCDA had maintained liaison and discussion with the Education Bureau and universities on the organization of events to bring WKCD to the community. The Administration also pointed out that the Leisure and Cultural Services Department ("LCSD"), the Hong Kong Arts Development Council ("HKADC"), Hong Kong Academy for Performing Arts and nine major PA groups had been playing a key role in building audience in the community and promoting arts education in Hong Kong. In 2011, some 40 000 activities/programmes on arts education and broadening audience base had been held. These activities/programmes included PA and visual arts activities, guided tours specially designed for students and workshops.

5. Members were informed that M+ had received a donation of 1 463 Chinese contemporary artworks, conservatively valued at HK\$1.3 billion, by Dr Uli Sigg, the world's leading collector of Chinese contemporary art. Under a part gift/ part purchase agreement, M+ acquired a further 47 works from Dr Sigg's collection. WKCDA and M+ would strive to build relationship with the local arts community and build the capacity of the local visual arts community in particular. In this respect, M+ had collaborated with HKADC for the first time in presenting the works of Mr LEE Kit, a Hong Kong artist, at the 55th International Art Exhibition of the Venice Biennale.

6. On members' concern about the shortage of PA venues (i.e. black box theatres) in Hong Kong to meet the needs of local small and medium sized arts groups and the commissioning date for the black box theatres in WKCD, WKCDA responded that the timetable of the black box theatres had to allow for the progress of the Express Rail Link ("XRL") project as the black box theatres were positioned at the central part of WKCD. WKCDA had constant communication and discussion with the MTR Corporation regarding the progress of XRL project. WKCDA hoped that spaces on the temporary sites could provide performance venues for small and medium sized PA groups prior to the commissioning of the black box theatres in WKCD.

Action

II. Progress update on design competitions

[LC Paper Nos. CB(2)2369/11-12(03) and (04)]

7. Members noted the progress on the design competitions for the implementation of the WKCD project as detailed in the information paper provided by WKCDA. Members pointed out the importance of conducting the competitions in a fair and open manner and avoiding conflict of interest.

8. On members' enquiries, WKCDA advised that the winning designs of the design competitions would be adopted for implementation. WKCDA had engaged a Procurement Strategy Consultant ("Consultant") to analyze, select and recommend a procurement strategy for delivery of the Core Arts and Cultural Facilities ("CACF"), Other Arts and Cultural Facilities and Retail, Dining and Entertainment ("RDE") facilities to be provided in WKCD. Having considered the recommendations made by the Consultant, WKCDA had selected the Xiqu Centre as the first CACF for design competition and the competition would serve as a useful reference for subsequent competitions. WKCDA was still considering alternative funding sources for the development of three venues with commercial contents (namely, the Mega Performance Venue, Exhibition Centre and Musical Theatre). Subject to alternative funding options, WKCDA had yet to decide whether design competitions would be conducted for these CACF.

9. Members were concerned about the consistency of the winning designs with the City Park conceptual plan ("CP") designed by Foster+Partners ("F+P"). WKCDA assured members that all the facilities in WKCD would be built within the context of the Development Plan ("DP") of WKCD and the urban design guidelines under the F+P scheme. The main purpose of DP was to lay out WKCD area and set apart the land for various arts and cultural facilities; for other land uses such as commercial, hotel, retail and public open spaces; and for internal infrastructural projects. DP, which was formulated on the basis of F+P's CP, took into account the development parameters that had been set out in the relevant draft Outline Zoning Plan ("OZP"). Hence, while each individual facility could preserve its distinctiveness, consistency of all facilities in WKCD could be maintained.

10. As regards the statutory planning process, WKCDA informed members that WKCDA had submitted DP to the Town Planning Board ("TPB") for consideration in December 2011. TPB announced the publication of the draft WKCD DP on 30 March 2012, and the public was invited to make representation to this DP before 30 May 2012. WKCDA was currently making responses to the public representations and would submit its responses to TPB

Action

by end June 2012. Another hearing by TPB would follow. WKCDA envisaged that the statutory planning would be completed by end 2012. Design competitions for other WKCD venues were in progress simultaneously to save time.

III. Financial arrangements for the West Kowloon Cultural District Project

[LC Paper Nos. CB(2)2369/11-12(05) and (06)]

11. Members noted the current financial situation and arrangements for the WKCD project as detailed in the information paper provided by WKCDA.

12. Members were advised that -

- (a) in 2008, LegCo approved a one-off upfront endowment of \$21.6 billion for WKCDA to implement the project. WKCDA had been managing its finance prudently and was mindful of the investment objectives to meet project cash flow requirements, to preserve capital, to maintain a diversified portfolio investment risk and maturity profile, and to optimize investment yield. The current financial position of WKCDA was healthy and it had over \$23 billion; and
- (b) the three selected Conceptual Plan Consultants had undertaken their own financial assessments based on their proposed CPs. Their estimated capital cost ranged from \$28 billion to \$29.6 billion, and taking into account the projected RDE income, their projected surplus on total project Net Present Value ranged from \$2.9 billion to \$8 billion.

13. Members expressed concern about the adequacy of the funding for the project and the alternative funding options. WKCDA advised that WKCDA would continue to exercise due care and diligence in handling its finances. The exercise of artistic control would be WKCDA's paramount consideration when WKCDA looked into the issue of funding options. The Mega Performance Venue, Exhibition Centre and Musical Theatre were subject to alternative funding options. The Mega Performance Venue would be the biggest indoor seated facility (with 15 000 seats) in Hong Kong designed for local and overseas concerts and large-scale entertainment events. Musical Theatre would have 2 000 seats for staging musicals, popular commercial productions and large-scale performances. Taking into account the nature of programmes to be

Action

presented in the Mega Performance Venue, Exhibition Centre and Musical Theatre, it was considered that they could be built with alternative financing options without compromising the artistic control of WKCDA.

14. Mr Alan LEONG pointed out that the Subcommittee on West Kwoloon Cultural District Development formed in the Third Legislative Council ("LegCo") had considered a Build-Operate-Transfer mode inappropriate for the WKCD project as it would be difficult for the operators to preserve the artistic and cultural characteristics of the facilities. WKCDA should report to LegCo when WKCDA had made decisions on the options that would be adopted. He also raised concern about whether WKCDA would increase its revenue by setting up more RDE or hotel/office/residential facilities.

15. WKCDA responded that the key development parameters of WKCD including plot ratio, cap on residential GFA, provision of open space and building height control had been laid down in the OZP. DP had been formulated in accordance with these development parameters. WKCD site, as a whole, was subject to a maximum plot ratio of 1.81, provision of not less than 23 hectares of public open space, residential development of not more than 20% of total plot ratio, as well as building height restrictions of 50, 70 and 100 metres above Principal Datum under three sub-zones.

IV. Any other business

Report of the Joint Subcommittee

16. Members were generally of the view that as WKCD project was still in progress and would be in full swing in the next several years, a dedicated subcommittee should be formed in the Fifth LegCo to continue to monitor the implementation work of the project.

17. Members noted that a report on the work of the Joint Subcommittee in the Forth LegCo would be made to the Panel on Development and the Panel on Home Affairs. The draft report of the Joint Subcommittee would be circulated for members' consideration and endorsement.

Clerk

(Post-meeting note: The draft report was issued to members for endorsement vide LC Paper No. CB(2)2588/11-12 on 13 July 2012.)

Action

Admin/
WKCDA

18. As regards the List of follow-up actions prepared by the LegCo Secretariat for the meeting held in April 2012, the Chairman advised that the issues of concerns on the List should have been largely discussed at this meeting and previous meetings. He suggested the Administration/WKCDA to go through the List and provide further information on those issues if necessary.

19. There being no other business, the meeting ended at 10:33 am.

Council Business Division 2
Legislative Council Secretariat
25 September 2012

**Proceedings of the meeting of
the Joint Subcommittee to Monitor the Implementation of
the West Kowloon Cultural District Project
on Wednesday, 27 June 2012, at 8:30 am
in Conference Room 2A of the Legislative Council Complex**

Time Marker	Speaker(s)	Subject(s)	Action required
000340 - 000457	Chairman	Opening remarks	
000458 - 001021	Chairman Admin WKCDA	<p><u>Item I - Development of cultural software in preparation for the commissioning of the first batch of facilities in the West Kowloon Cultural District ("WKCD")</u></p> <p>Briefing by the Administration and the West Kowloon Cultural District Authority ("WKCDA") on the development of cultural software in preparation for the commissioning of the first batch of facilities in WKCD [LC Paper No. CB(2)2369/11-12(01)].</p>	
001022 - 001649	Chairman Miss Tanya CHAN WKCDA	<p>Miss Tanya CHAN's concerns about whether the events held in the Freespace could draw large audiences, given that the Xiqu Centre was the only performing arts ("PA") facility in Phase 1 WKCD development scheduled for completion in 2015-2016, and the shortage of small and medium sized PA venues (e.g. black box theatres) in Hong Kong.</p> <p>On Miss CHAN's concern about the long time lag for event organizers to receive the box office income from the Urban Ticketing System ("Urbtix"), WKCDA's response that given that Urbix acted as a ticketing agent for events presented by hirers of the Leisure and Cultural Services Department ("LCSD")'s venues, WKCDA would relay her concern to LCSD and Urbtix through the Home Affairs Bureau ("HAB").</p>	
001650 - 002253	Prof Patrick LAU WKCDA Chairman	On Prof Patrick LAU's concern about the accessibility to WKCD, WKCDA's advice that at present, the waterfront promenade in WKCD was under the control of LCSD and it was expected that WKCDA would take over the control of the site some time in July 2012. Convenient public transport links would be provided and clear directional signs to and from the WKCD site would be installed.	

Time Marker	Speaker(s)	Subject(s)	Action required
		<p>Subject to the completion of the statutory planning process, construction work for the Park was scheduled for commencement in 2013. WKCDA's further advice that a tree nursery to prepare for the future Park was planned to be commissioned in the middle of 2013.</p> <p>The Chairman's suggestion that WKCDA could consider providing shuttle bus services to facilitate visitors' access to WKCD.</p>	
002254 - 002735	Mr CHAN Kam-lam WKCDA Chairman	<p>Mr CHAN Kam-lam's view that martial arts was also one of the Chinese art forms and his enquiry about whether WKCDA would consider organizing performance/education programmes involving martial arts in WKCD to attract audiences.</p> <p>WKCDA's response that the Authority had been discussing with martial arts organizations including dragon and lion dance groups and drum groups about the organization of potential programmes in the West Kowloon Bamboo Theatre event. Martial arts performances could be delivered as side shows at the Bamboo Theatre as well as other performances by major local arts organizations, such as the Chinese Orchestra and the Hong Kong Philharmonic Orchestra. WKCDA valued community involvement and the martial arts community would be welcomed to participate in WKCD's programmes.</p>	
002736 - 003611	Mr Alan LEONG Admin Chairman WKCDA	<p>Mr Alan LEONG's advice that the Academy of Visual Arts ("AVA") of the Hong Kong Baptist University ("HKBU") had to move out from its current campus in the historic Royal Air Force Officers' Mess and Police Detective School near the old Kai Tak Airport to the university's main campus in Kowloon Tong because the Government Property Agency had increased the monthly rent from HK\$50,000 to the market value of HK\$300,000 from August 2012. His enquiry about whether WKCDA would consider rendering assistance to AVA students so that AVA could remain at its present site.</p> <p>The Administration's response that it was HKBU's plan to set up AVA temporarily at Kai</p>	

Time Marker	Speaker(s)	Subject(s)	Action required
		<p>Tak and move back to the campus in Kowloon Tong when the new Communication and Visual Arts Building had been completed. HKBU noted the views of AVA students and was discussing with the students over the usage of the Kai Tak campus.</p> <p>Mr LEONG's enquiry about the collection and acquisition policy of M+.</p>	
003612 - 004142	<p>Ir Dr Raymond HO Chairman WKCDA</p>	<p>On Ir Dr Raymond HO's view about organization of musical and street arts events at Freespace to help promote outdoor performances, WKCD's response that Freespace would provide public space for arts education activities and performance venues for outdoor music and other events.</p>	
004143 - 004735	<p>Ms Emily LAU WKCDA Admin Chairman</p>	<p>WKCDA's and the Administration's responses to Ms Emily LAU's concerns about the governance of and funding support for local arts groups, and whether WKCDA would collaborate with local schools and universities in enhancing students' interest in arts and their ability to appreciate different arts performances.</p>	
004736 - 005220	<p>Chairman Miss Tanya CHAN WKCDA</p>	<p>Miss Tanya CHAN' view that programming was important in attracting audiences to WKCD and reiteration of her concern about the inadequacy of performing venues for small and medium sized PA groups. Her urge for the early commissioning of black box theatres in WKCD.</p> <p>WKCDA's response that -</p> <p>(a) the timetable of black box theatres had to allow for the progress of the Express Rail Link ("XRL") project. WKCDA hoped that spaces on the temporary sites could provide performance venues for small performance arts groups prior to the commissioning of the black box theatres; and</p> <p>(b) it was too early to consider the issue of how WKCDA would run the performing arts venues in WKCD. WKCDA was in discussion with arts organizations of</p>	

Time Marker	Speaker(s)	Subject(s)	Action required
		different sizes on how to maximize use of space in WKCD and the venues managed by LCSD.	
005221 - 005420	Mr CHAN Kam-lam Chairman Miss Tanya CHAN Admin	In response to Mr CHAN Kam-lam's and Miss Tanya CHAN's views on martial arts, the Administration's advice that martial arts were a part of traditional Chinese culture. Whether it was related to culture aspect, consideration should be given to the nature of the activity concerned.	
005421 - 005909	Chairman Admin WKCDA	<u>Item II – Progress update on design competitions</u> Briefing by the Administration and WKCDA on the progress update on design competitions [LC Paper No. CB(2)2369/11-12(03)].	
005910 - 010522	Chairman Ms Emily LAU WKCDA	Ms Emily LAU's views that - (a) architectural design competitions should be launched for iconic facilities to obtain the best designs; and (b) the design competitions should be conducted in a fair and open manner and declaration of interest was a very important issue in the conduct of competitions.	
010523 - 011347	Miss Tanya CHAN WKCDA Chairman	On Miss Tanya CHAN's enquiry, WKCDA's response that WKCDA would shortlist four to six design teams for consideration and endorsement by the Development Committee and the Board of WKCDA. The shortlisted design teams would be invited to produce and submit schematic designs, models, etc. of their concepts and would be compensated with a fee of \$1 million for preparation and upon satisfactory completion of the submission. Miss Tanya CHAN's concerns about the consistency of the winning designs with the City Park Conceptual Plan ("CP") designed by Foster+Partners ("F+P") and the inadequacy of performance venues for the small and medium sized PA groups. Her request for the early commissioning of black box theatres.	

Time Marker	Speaker(s)	Subject(s)	Action required
011348 - 011608	Ms Emily LAU Chairman WKCD	<p>Ms Emily LAU's urge for WKCD to expedite the process of architectural design competitions for the early implementation of facilities in WKCD. Her views that the architectural design competitions should have the participation of local architects and WKCD should regularly update the Legislative Council ("LegCo") and the relevant sectors on the progress of the design competitions and the related construction works.</p> <p>WKCD's response that local architects were welcome to participate in the architectural design competitions.</p>	
011609 - 012116	Mr Alan LEONG WKCD	WKCD's response to Mr Alan LEONG's enquiry about the progress of the statutory planning process.	
012117 - 012146	Chairman	The Chairman's urge for WKCD to ensure the consistency of the six core arts and cultural facilities selected for design competitions with F+P's City Park CP and other facilities in WKCD.	
012147 - 012912	Chairman Admin WKCD	<p><u>Item III – Financial arrangements for the WKCD project</u></p> <p>Briefing by the Administration and WKCD on financial arrangements for the WKCD project [LC Paper No. CB(2)2369/11-12(05)].</p>	
012913 - 013430	Chairman Miss Tanya CHAN WKCD	<p>On Miss Tanya CHAN's concern about the projected income of the Retail, Dining and Entertainment ("RDE") facilities in WKCD, WKCD's response that the estimated capital cost provided by the three CP Consultants ranged from \$28 billion to \$29.6 billion, and taking into account the projected RDE income, their projected surplus on total project Net Present Value ranged from \$2.9 billion to \$8 billion. The wide range of estimated capital cost by the three well-established CP Consultants indicated that it was difficult to estimate the cost before the approval of DP and the finalization of the design of the arts and cultural facilities. WKCD recognized that the eventual cost level and RDE revenue would be subject to change and that the cost trend needed to be closely monitored due to the volatility of construction activities in the coming years.</p>	

Time Marker	Speaker(s)	Subject(s)	Action required
013431 - 014213	Ms Emily LAU WKCDA	<p>Ms Emily LAU's views that -</p> <p>(a) WKCDA should manage its finance prudently and make known to the public the alternative financing options and the mode of private sector involvement for the venues; and</p> <p>(b) the Administration and WKCDA should report to LegCo if there was insufficient funding for the WKCD project to cope with the construction cost escalation or due to other unforeseen situations.</p>	
014214 - 014847	Mr Alan LEONG WKCDA	<p>Mr Alan LEONG's concern about the alternative financing options that WKCDA would adopt for the Mega Performance Venue and Musical Theatre. He pointed out that the Subcommittee on West Kowloon Cultural District Development formed in the Third LegCo had considered a Build-Operate-Transfer mode inappropriate for the WKCD project as it would be difficult for the operators to preserve the artistic and cultural characteristics of the facilities.</p> <p>WKCDA's response that -</p> <p>(a) having regard to the vision/artistic characteristics of different performance venues, it was considered appropriate to have different modes of operation. It was envisaged that the Theatres predominantly for staging long-run musicals might be able to operate on a self-financing basis. The artistic integrity of WKCD would not be compromised; and</p> <p>(b) the key development parameters of WKCD including plot ratio, cap on residential GFA, provision of open space and building height control had been laid down in the OZP. DP was formulated in accordance with these development parameters.</p>	

Time Marker	Speaker(s)	Subject(s)	Action required
014848 - 015421	Chairman Miss Tanya CHAN WKCDA	<p>On Miss Tanya CHAN's enquiry about WKCDA's view on the proposed establishment of the Cultural Bureau ("CB") and its expectation of the working relationship with the proposed CB, WKCDA's response that WKCDA had been working effectively with HAB and it was expected that WKCDA would maintain the same good working relationship with the proposed CB.</p> <p>Miss Tanya CHAN's call on the Administration and WKCDA to work out a contingency plan if the timetable for the implementation of the black box theatres was affected by an unexpected delay in the works of XRL project.</p>	
015422 - 015920	Ms Emily LAU WKCDA	<p>On Ms Emily LAU's enquiry about whether WKCDA would consult the public on the naming of the Park of WKCD, WKCDA's advice that it was working on the issue and would revert to the Joint Subcommittee if there was any new development on the issue.</p>	
015921 - 020255	Chairman Miss Tanya CHAN Ms Emily LAU	<p><u>Item IV – Any Other Business</u></p> <p>The Chairman's conclusion of the discussion of the meeting.</p> <p>Submission of the Joint Subcommittee report to the Panel on Development and the Panel on Home Affairs.</p> <p>At Miss Tanya CHAN's request, the Chairman suggested the Administration/WKCDA to go through the List of follow-up actions and provide further information on those issues if necessary.</p> <p>Ms Emily LAU's view that the Joint Subcommittee report should fully reflect members' views and concerns over the WKCD project for the reference of the Fifth LegCo.</p>	<p>Admin/ WKCDA to take note (para. 18 of the minutes)</p>