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Paper for the Panel on Home Affairs and Panel on Development

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

Purpose

This paper reports on the deliberations of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project ("the Joint Subcommittee") formed under the Panel on Home Affairs and the Panel on Development.

Background

2. The West Kowloon Cultural District ("WKCD") project aims at developing the 40-hectare WKCD into an integrated arts and cultural district to meet the long-term infrastructural and development needs of the arts and cultural sector in Hong Kong. The WKCD project is implemented by the West Kowloon Cultural District Authority ("WKCDA") established under the West Kowloon Cultural District Authority Ordinance (Cap. 601) ("the WKCDA Ordinance"), which was enacted on 3 July 2008. On 4 July 2008, the Finance Committee ("FC") approved the provision of a one-off upfront endowment of \$21.6 billion (in 2008 Net Present Value) to WKCDA to implement the WKCD project.

The Joint Subcommittee

3. As the issues relating to the WKCD project straddle the policy areas of arts and culture as well as planning and development, which are within the respective purviews of the Panel on Home Affairs and the Panel on Development, a joint meeting of the two Panels was held on 14 November 2008. At the meeting, members considered two proposals for monitoring the WKCD project, viz. the appointment of a subcommittee under the House Committee ("HC") and of a joint subcommittee under the two Panels. After deliberation and voting, members went for the proposal of appointing a subcommittee under HC. The proposal was voted down at the HC meeting on 28 November 2008. On 4 December 2008, the two Panels endorsed the alternative proposal for the appointment of the Joint Subcommittee. The terms of reference and membership of the Joint Subcommittee are set out in **Appendices I and II** respectively.

4. The Joint Subcommittee has focused its work on the following areas –

- (a) institutional and procedural arrangements for WKCD, such as the appointment of its Chief Executive Officer ("CEO") and other senior staff and committees, arrangements for enhancing the transparency of its meetings, and public access to information on its operation;
- (b) public engagement ("PE") arrangements and formulation of the Development Plan ("DP") for WKCD;
- (c) planning and construction of the core arts and cultural facilities ("CACF") and other associated facilities;
- (d) financial arrangements for the WKCD project; and
- (e) development of cultural software.

5. Pursuant to House Rule 26(c), HC's approval was obtained on 20 November 2009, 22 October 2010 and 21 October 2011 for the Joint Subcommittee to continue its work in the 2009-2010, 2010-2011 and 2011-2012 sessions respectively.

6. Under the chairmanship of Hon IP Kwok-him, the Joint Subcommittee held a total of 19 meetings. The Joint Subcommittee received views from deputations at three of these meetings and written submissions from the public. A list of the organizations/individuals which have given views to the Joint Subcommittee is in **Appendix III**.

Deliberations of the Joint Subcommittee

Governance of WKCDA

7. Under section 6 of the WKCDA Ordinance, CEO is an ex-officio member of the WKCDA Board. According to WKCDA's organization structure, CEO reports to the Board and is responsible for providing leadership to initiate, lead and manage all initiatives and projects to develop WKCD. On 24 March 2010, Mr Graham Sheffield was appointed by WKCDA as its CEO and officially assumed duty on 12 August 2010. However, on 15 December 2010, Mr Sheffield tendered resignation on health reasons and WKCDA announced his resignation on 7 January 2011.

8. The Joint Subcommittee expressed concern that following Mr Angus CHENG who was appointed as Executive Director (Project Delivery) of WKCDA on 3 June 2009 but tendered his resignation for personal reasons on 16 June 2009, Mr Sheffield was the second senior executive of WKCDA to resign shortly after assuming duty. Noting from the press release of the British Council ("BC") issued on 24 February 2011 that it had appointed Mr Sheffield as its new Director of Arts and he would join BC in May 2011, members raised grave concern about Mr Sheffield's resignation on health reasons and his new appointment by BC. Some members felt cheated and considered that there might be deceptive elements in Mr Sheffield's grounds for resignation and his doctor's medical advice. In addition, many questions concerning the arrangements for his resignation have been raised, including why the six-month employment restriction after resignation as specified in Mr Sheffield's employment contract with WKCDA was not applicable outside Hong Kong, and why Mr Sheffield had been exempted from giving three months' written notice to WKCDA before his departure. There was concern that significant differences of views or internal conflicts between Mr Sheffield and the WKCDA Board might be the reason for Mr Sheffield's resignation, and WKCDA might be unable to demonstrate its commitment to the cultural vision of WKCD and therefore, to convince Mr Sheffield that his aspiration could be realized.

Members are generally of the view that the six-month employment restriction on senior executives including CEO after their resignation from WKCDA should be tightened and extended to employments outside Hong Kong, although WKCDA may exercise its discretion to relax the restriction on a case-by-case basis.

9. According to WKCDA, the whole arrangements endorsed by the WKCDA Board on 7 January 2011 for accepting Mr Sheffield's resignation on compassionate grounds were based on the information available to WKCDA at the time, i.e. the medical advice produced by Mr Sheffield's doctor and the observations on Mr Sheffield's health condition from his colleagues at WKCDA. Certain information about his appointment by BC, such as his meeting with a recruitment firm on 4 January 2011, was unavailable to WKCDA until end-February and early March 2011. WKCDA stressed that there was definitely no collusion between the WKCDA Board and Mr Sheffield concerning his resignation. WKCDA had struck a balance among protecting its interest, talent acquisition and enforceability of contract terms. According to the opinion of independent counsel, the employment restriction imposed by WKCDA, and the injunction sought in relation to it if necessary, would be more enforceable in Hong Kong than in overseas jurisdictions. Extending the restriction globally might undermine the attractiveness of WKCDA's senior posts to overseas talents.

10. Some members expressed worry that Mr Sheffield's departure might adversely affect the development of arts and cultural programmes to which Mr Sheffield attached importance. The Administration assured members that Mr Sheffield's departure would not have any substantial impact on the arts and cultural programme development in WKCD.

11. The Joint Subcommittee noted WKCDA's announcement of the appointment of Mr Michael Lynch as the new CEO of WKCDA on 27 May 2011. Mr Lynch assumed duty on 25 July 2011. On 26 August 2011, the Joint Subcommittee met with Mr Lynch, who assured members that he was prepared to devote a long period of time in Hong Kong to the realization of the WKCD project.

12. Members noted with concern that since WKCDA came into operation in October 2008 and up to early January 2011, 15 staff had resigned, amounting to about 25% of its establishment. As a high personnel turnover rate would undermine the staff's morale, members called on the Chairman of WKCDA Board to be mindful of the problem.

PE exercise for the WKCD project

13. The Joint Subcommittee notes that by virtue of section 21(1) of the WKCD Ordinance, WKCD is responsible for preparing the DP, the main purpose of which is to lay out the WKCD area and set apart the land for various arts and cultural facilities, other uses such as commercial, hotel, retail and public open spaces, and internal infrastructural projects. To obtain support from the community in its preparation of DP, the WKCD Board conducted a three-stage PE exercise.

14. Stage 1 PE exercise lasted from 8 October 2009 to 7 January 2010. It gauged the community's aspiration for and expectations on the planning of WKCD as a whole and the stakeholders' views on the arts and cultural facilities in WKCD. In this connection, WKCD appointed in July 2009 three consultants, viz. Foster+Partners ("F+P"), Rocco Design Architects Limited ("RDA") and Office for Metropolitan Architecture ("OMA"), to prepare Conceptual Plan Options ("CPOs"), which showed the layout of the arts and cultural facilities as well as the land uses in WKCD.

15. Stage 2 PE exercise was conducted from 20 August to 20 November 2010 with the objective to seek the views of the public and stakeholders on the three CPOs, viz. City Park designed by F+P, Cultural Connect: Key to Sustained Vitality designed by RDA, and Project for a New Dimension designed by OMA. WKCD commissioned the Public Policy Research Institute ("PPRI") of the Hong Kong Polytechnic University to conduct a questionnaire survey to collect views on, among others, the three CPOs and the phasing arrangement for the core arts and cultural facilities in WKCD. On 4 March 2011, the WKCD Board announced its selection of City Park as the preferred CPO for WKCD and the foundation for preparing the detailed DP.

16. WKCD unveiled the proposed DP for Stage 3 PE exercise conducted from 30 September to 30 October 2011. An exhibition on the proposed DP and a series of PE activities were organized to enhance public understanding of the proposed DP. The exhibition recorded around 19,000 visitors and WKCD received a total of around 1 000 comments and views from the public and stakeholders. The views collected were collated and analysed by PPRI. On 23 December 2011, WKCD released PPRI's Report on the Analysis of Views for the Stage 3 Public Engagement Exercise for the West Kowloon Cultural District.

17. The Joint Subcommittee closely monitored the various stages of the PE exercise for the WKCD project. Members were concerned about the absence of some important questions in PPRI's questionnaire survey for Stage 2 PE exercise, such as the plot ratio and building height of CPOs, which CPO would be most beneficial to Hong Kong's cultural development, and how WKCD could achieve its cultural vision through its hardware. Members noted that the whole Stage 2 PE exercise was steered by WKCDA, in collaboration with the Consultation Panel established under section 20(1) of the WKCDA Ordinance and the Administration. PPRI was involved in the questionnaire design and independent analysis.

18. Members raised concern about the usefulness and importance of the outcomes of Stage 3 PE exercise if the proposed DP might only be fine-tuned and could not be substantially altered where necessary. The Administration assured members that it and WKCDA would take into account the outcomes of Stage 3 PE exercise in the finalization of DP. In preparing the DP, the Administration and WKCDA had all along attached importance to and closely monitored the feedbacks from the public and stakeholders and media reports.

19. Concern was also raised about the extent to which the desirable features of the three CPOs could be merged into the DP as they each had distinct characteristics. There was a view that the DP should combine the best desirable features of the three CPOs, so as to open up a new horizon for Hong Kong's cultural development. The Administration clarified to the Joint Subcommittee that instead of combining the three CPOs, the preferred CPO might incorporate the desirable features of other CPOs under the principle that the integrity of the design of the preferred CPO would not be compromised.

DP for the WKCD project

20. The Joint Subcommittee was briefed on the proposed DP at its meeting on 29 November 2011. The Joint Subcommittee noted the proposed DP comprising the following key features -

- (a) 17 core arts and cultural facilities in **Appendix IV**;
- (b) a Great Park with open-air performance venues;
- (c) the Avenue connecting the entrances to the core arts and cultural venues in WKCD; and

- (d) three civic squares serving as hives of activity and central meeting points.

21. WKCDA assured members that it had taken note of the public preferences on individual features of the other two CPOs as reflected in Stage 2 PE exercise and had incorporated those technically feasible and financially viable features into the DP with due regard to the integrity of the preferred CPO. The DP submitted to the Town Planning Board ("TPB") would not contain the detailed architectural drawings for individual landmark facilities and their construction timetables but would set apart the land for such facilities to be developed at least in Phase 1 of the WKCD project.

22. The Joint Subcommittee notes the submission of the DP by WKCDA to TPB for consideration on 30 December 2011. The Joint Subcommittee further notes that after consideration of the DP by TPB on 9 March 2012, the draft WKCD DP (No. S/K20/WKCD/1) was gazetted under the Town Planning Ordinance ("TPO") (Cap. 131) on 30 March 2012 for public inspection. Once the Chief Executive in Council approves the draft DP under the provisions of TPO, WKCDA will proceed with the construction stage of WKCD.

Accessibility and connectivity

23. The Joint Subcommittee has expressed grave concern about the accessibility to the WKCD site. Members generally consider that to enhance the connectivity of pedestrian access to WKCD, the development of its park areas should be integrated with the waterfront planning of the Victoria Harbour. Noting that part of the underground space of WKCD is currently occupied by the works of the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link and as the vehicle traffic will mainly be below the ground level of the WKCD site, members are also concerned about whether WKCD will have sufficient underground space for underground traffic.

24. The Joint Subcommittee notes that WKCDA has been discussing with relevant government departments, such as the Transport Department and Environmental Protection Department, and the Harbourfront Commission on how to improve the external connections with the WKCD site. WKCDA has undertaken to ensure an effective integration of the harbourfront planning (including transport) with WKCD, as this is crucial to realize the preferred CPO and will bring long-term benefits to WKCD

and improve the public life. WKCDA has also undertaken to make available efficient vehicular and pedestrian links within WKCD and between WKCD and its neighbouring areas, such as at-grade pedestrian zones, footbridges and pedestrian subways. In addition, to provide a green environment in WKCD, WKCDA will encourage visitors to use public transport to visit WKCD. It is expected that some 2 000 car parking spaces will be available in WKCD. WKCDA is considering the feasibility of sharing the parking facilities with users in the nearby residential and commercial areas. WKCDA has also assured members that it will attach importance to the underground air quality of WKCD and encourage the use of electric and eco-friendly cars.

Phasing of facilities

25. The Joint Subcommittee notes that in selecting facilities for Phase 1 of WKCD, WKCDA had taken into consideration the public's wish for organic growth, aspirations expressed by arts and cultural stakeholders during the PE exercises, sites availability and financial implications. As proposed by WKCDA, the arts and cultural facilities of Phase 1 of the WKCD development include the Arts Pavilion, Xiqu Centre (Phase I), Free Space, Centre for Contemporary Performance (covering Blackboxes), M+ (Phase I), Lyric Theatre, Medium Theatre I, Music Centre, Mega Performance Venue, Exhibition Centre and Musical Theatre. These facilities are targeted to be commissioned in stages between 2015 and 2020. The proposed facilities in different phases in the WKCD development are in **Appendix V**.

26. Members have considered that the facilities to be built in Phase 1 of WKCD, such as Arts Pavilion, the park and blackboxes, will not be distinct from those currently available outside WKCD, while some costly landmark facilities, such as M+ and Great Theatre, will not be completed until after 2017. Concern has been raised about whether this phasing arrangement is related to WKCDA's financial consideration and whether Phase 1 of WKCD from 2012 to 2017 will be attractive enough to audience. The Administration has stressed that the Administration and WKCDA have all along maintained communication with arts groups irrespective of their size and scale. WKCDA has taken into consideration their views and aspirations in deciding the phasing of the arts and cultural facilities in WKCD.

27. There is a view that the promotion of literary activities will enhance the cultural literacy of the community, which will in turn help develop a wider audience base for WKCD. A cluster of facilities for

literary and publishing activities in WKCD will better create a synergy effect on the promotion of the arts and culture. The Joint Subcommittee notes that, subject to the requirements of the literary community, a site will be reserved for literary activities. WKCD is also considering using a number of other venues for specific literary activities rather than isolating them in just one literary space.

Architectural design competitions

28. The Joint Subcommittee has called on WKCD to fulfill its undertaking to hold architectural design competitions for individual landmark facilities in WKCD and provide sufficient time for local and overseas designers to prepare their submissions for the design competitions. WKCD has advised that such competitions will be held in tandem with the statutory planning process relating to TPB's consideration of the DP. WKCD has assured members that it is confident that first-rate submissions will be received from local and international designers. The Joint Subcommittee notes that WKCD has selected the Xiqu Centre as the first CACF for design competition. Request for Expression of Interest ("EOI") was issued in March 2012 and the EOI shortlist is expected to be announced in the summer of 2012. The lessons learnt will serve as a reference for subsequent competitions. WKCD has planned to launch a request for EOI for M+ design competition in the third quarter of 2012, and aims at appointing the winning design team in the second/third quarter of 2013 for completion of the M+ (Phase I) project by 2017.

Progress of M+

29. M+ is one of the most important arts and cultural facilities in WKCD. According to WKCD, the mission of M+ is to focus on the 20th and 21st century visual culture from a Hong Kong perspective and with a global vision. With an open, flexible and forward-looking attitude, M+ aims to inspire, delight, educate and engage the public, to explore diversity and foster creativity. The Joint Subcommittee notes that M+ (Phase I) will be opened in late 2017 with more than 40,000 square meters floor area, of which 20,000 square meters will be exhibition space. WKCD has proposed that M+ (Phase II) will be completed beyond 2020.

30. Members have expressed concern about the progress of M+. They call on WKCD to launch the design competitions for M+ and other landmark facilities in WKCD as soon as possible. WKCD

should also organize more activities to introduce the concept and vision of M+ to the public before it is opened. Concern has been raised about whether the art works of certain artists will be prohibited at M+ owing to political considerations. Members generally consider that M+ should enjoy and preserve freedom of expression. As M+ will be developed as a museum of its time and place, it should preserve the independence of artists and encourage them to express their ideas about Hong Kong frankly. WKCDA has assured members that the whole basis for the future success of M+ is Hong Kong's freedom of expression. There will be no interference with the contents of exhibitions at M+ and other public museums in Hong Kong.

31. WKCDA has undertaken to organize a range of activities on the WKCD site to enhance public understanding of what M+ would be in the next few years. The Joint Subcommittee notes that during the Lunar New Year 2012, M+ launched its first pre-opening programme, viz. M+ Bamboo Theatre Exhibition and M+ Bamboo Cinema, in relation to the Cantonese opera performances staged in the West Kowloon Bamboo Theatre as detailed in paragraph 42 below. From 14 May to 10 June 2012, WKCDA also conducted Mobile M+: Yau Ma Tei at six different sites in Yau Ma Tei. It was the first in a series of major pop-up "nomadic" exhibitions curated by M+ and marked the beginning of M+'s venture into programming to engage the public before completion of M+ (Phase I).

Co-operation between WKCDA and the arts community

32. The Joint Subcommittee has attached importance to the communication and co-operation among the Administration, WKCDA and the arts community in the WKCD development. Members are concerned about whether WKCDA has put in place a regular mechanism to gauge the views of the local arts community and its mode of communication with them, particularly whether focus group meetings and consultation sessions with the arts and cultural groups have been held. Concern is also raised as to whether WKCDA has been responsive to the views and needs of the local arts community. In addition, as the local arts groups attending the Joint Subcommittee's meeting on 16 May 2011 indicated that they did not consider WKCDA as their partner, members have expressed concern about how WKCDA can convince local arts groups that it is their partner, so that both sides will share a common vision to take forward the WKCD project together.

33. Members have suggested that the Administration and WKCDA should consider conducting a survey to gauge the views of local arts groups on their relationship with WKCDA, and formulating measures to enhance WKCDA's partnership with the arts community, with a view to promoting the vision of WKCD. In the view of WKCDA, local arts groups have not treated WKCDA as their partner may be because WKCDA has not indicated to them the detailed phasing arrangements for WKCD and the impact of the project on their operation and WKCDA's relationship with the Leisure and Cultural Services Department ("LCSD"). CEO of WKCDA has strived to establish direct contact and engage in on-going discussions with local arts groups to understand their concerns, with a view to developing a long-term relationship. The Administration has assured members that it will continue to maintain close collaboration with the arts community and treat the arts community as a partner in the promotion of arts and culture in Hong Kong.

Venue management and programming

34. Noting the concern of the arts community about whether arts groups/artists can access the venues in WKCD and how such venues will be managed, members have sought information about WKCDA's strategy for venue management, including whether to adopt the artistic accountability system and outsource the management of arts and cultural venues in WKCD, and how the existing venues managed by LCSD will complement those in WKCD. Members also consider that to a large extent, the success of WKCD will hinge on its cultural programming. They are concerned about WKCDA's strategy for programming and have expressed worry that WKCDA will merely support the production of profitable programmes to cope with its financial pressure or act as an operator to lease venues to artists.

35. According to WKCDA, it will build and run the arts and cultural venues in WKCD. WKCDA has been consulting stakeholders on the facilities to be built in Phase 1 of WKCD and due regard will be given to the provision of small and medium-sized performance venues and black box theatres to address the needs of performing arts groups. In addition, WKCDA considers that to make the WKCD project work, WKCDA should play a significant role in the development of an artistic policy and programming. Its role is not to create a central command which would produce all programmes but to collect and reflect the aspirations of the arts community.

36. Both the Administration and WKCDA consider that resident companies will be an essential component to the operation of individual venues and the development of a vibrant cultural district. The Joint Subcommittee notes WKCDA's plan to invite performing arts organizations to take on a residency role in various forms, including a limited number of full residencies, performance residencies, project-based or short-term residencies and education partners. There will also be two Resident Company Centres adjacent to the performing venues in WKCD to provide administration and rehearsal and artistic support facilities for arts groups. Research on resident company schemes and the operational and programming arrangements for individual venues in WKCD is being conducted by WKCDA.

Cultural software development

Nurturing of arts professionals and audience building

37. The development of cultural software to promote the WKCD project is a main concern of the Joint Subcommittee. Members are worried that upon the launch of Phase 1 of WKCD in 2015, Hong Kong may still lack sufficient arts professionals/administrators and audience. They consider that audience-building and nurturing of arts professionals require not only the efforts of the Home Affairs Bureau ("HAB") but also its collaboration with other government departments such as the Education Bureau ("EDB"). There is a view that to demonstrate its commitment to the promotion of arts and culture in Hong Kong, the Government should earmark a certain percentage of its recurrent expenditure for the development of cultural software every year.

38. According to the Administration, HAB has all along been maintaining close liaison with EDB in nurturing arts professionals and cultivating audience base. The development of cultural software will be supported by three pillars, viz. strengthening the arts education for youngsters and adults, enriching the contents of arts and cultural programmes, and broadening the audience base. The Administration has undertaken to continue to step up efforts to enlarge the audience base through arts education.

39. The Joint Subcommittee notes that WKCDA, together with the Hong Kong Arts Development Council, has undertaken to nurture artistic and administrative leaders of the local arts groups through overseas training/attachment/research programmes in the next three years. WKCDA has also been in discussion with local educational institutes and

arts organizations, such as the Hong Kong Academy for Performing Arts and the Hong Kong Arts Administrators Association, to bring more capacity building programmes to Hong Kong in the coming years. WKCDA will work with community groups, schools, tertiary institutions, district networks and arts and cultural groups to promote various art forms, including performing arts, visual arts, moving image and popular art. In addition, WKCDA will support and fund various capacity-building initiatives to provide more learning opportunities for practising professionals and to train new talents.

Interim programmes before commissioning of Phase 1 facilities

40. Members generally support WKCDA's plan to utilize the vacant portion of the WKCD site for organizing interim programmes and activities before the commissioning of Phase 1 facilities. Members suggest that WKCDA should at least stage five to six large-scale activities on the WKCD site every year up to the launch of Phase 1 facilities in 2015 to get people familiarized with access to the site. In view of the limited activities to be organized on the WKCD site and the shortage of performing venues for local artists, WKCDA should consider inviting such artists to organize activities on the site in the interim.

41. WKCDA has undertaken that for the purposes of audience and awareness building, community education and capacity building, it will organize various interim programmes and activities at the WKCD site or in different places around the city in the coming three years. These programmes and activities include outdoor arts installations, exhibitions, performances and festivals.

42. The Joint Subcommittee notes that in view of the development of the Xiqu Centre (Phase I) as one of the Phase 1 performing arts venues scheduled for completion around the end of 2015, WKCDA organized the West Kowloon Bamboo Theatre event at the junction of Canton Road and Austin Road West, i.e. the future site of the Xiqu Centre, around Lunar New Year 2012. It was the first cultural event organized by WKCDA to mark the launch of the design and construction stage of WKCD. The event presented a combination of traditional Cantonese opera, 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). Owing to the positive response to the event, members generally expressed support for WKCDA's plan to make the Bamboo Theatre an annual event.

Financial arrangement for the WKCD project

43. On 4 July 2008, FC approved a one-off upfront endowment of HK\$21.6 billion for covering the capital costs for implementing the WKCD project. The Joint Subcommittee notes that the retail/dining/entertainment ("RDE") part of the WKCD development will be vested in WKCDA to provide a source of recurrent income through rental proceeds to meet the operating costs of the arts and cultural facilities and related facilities. The other communal and government facilities and related engineering works supporting the whole WKCD development will be undertaken by the Government and funding approval for such works will be sought separately.

Adequacy of upfront endowment

44. Members have raised concern about the adequacy of the \$21.6 billion upfront endowment for the entire WKCD project and its financial sustainability at various meetings of the Joint Subcommittee. Given the construction cost escalation in recent years, members are concerned that the upfront endowment may not be sufficient for the whole WKCD project. They have called on WKCDA to formulate alternative plans for implementing the WKCD project if necessary. WKCDA should also liaise with the Administration on what communal and government facilities and related engineering works, which are designed to support the WKCD development, will be undertaken by the Government.

45. According to WKCDA, with the surging construction costs in recent years, the \$21.6 billion would be insufficient if the construction of all arts and cultural facilities in WKCD commenced immediately. However, during Stage 1 PE exercise, the public expressed support for such facilities to be developed in phases. The WKCD development should also be flexible to accommodate the possible changing needs and expectations of the stakeholders and society. WKCDA has assured members that it is committed to adopting prudent financial management in the implementation of the WKCD project and will closely monitor the changes in the development cost and formulate appropriate financial arrangements for WKCD based on the DP, the pace of development of CACF, fluctuation in construction prices and inflation, etc. It will endeavour to contain the total capital costs within the \$21.6 billion, and has no plan to seek additional funding from LegCo in the foreseeable future.

46. WKCD has also advised that it is in detailed discussion with the Government on the demarcation and phasing of public infrastructure works to be funded and undertaken by the Government. WKCD will strive to take forward the discussion as quickly as possible with a view to facilitating the WKCD development. The Administration will provide detailed information on the communal and government facilities and related engineering works to be undertaken by the Government, when seeking funding approval from LegCo. In this connection, the Joint Subcommittee notes that WKCD has completed the detailed technical assessments to confirm the technical feasibility of the DP for the WKCD development. The Administration will carry out the detailed design and site investigation for the infrastructure works essential for Phase 1 of WKCD development to enable commencement of construction works in 2014. The Administration will also carry out impact assessments and further studies in respect of the environment, traffic, marine, heritage and other related aspects, in order to identify the impacts and the mitigation measures required to support the detailed design.

Revenue sources for WKCD

47. Members have called on WKCD to establish long-term and stable revenue sources for WKCD. They are informed by WKCD that until the detailed designs and cost planning of individual arts and cultural venues in WKCD have taken place, it is almost impossible to ascertain the proportion of the RDE facilities on the site and WKCD will remain conservative about the likely returns from RDE. Nevertheless, WKCD has assured members that it is committed to ensuring that the existing resources will be spent effectively through suitable phased development of facilities, innovative procurement modes, alternative revenue sources, cost-effective designs, etc. WKCD is prepared to look into alternative funding sources, which may include a public-private-partnership mode for the development of three venues (namely the Mega Performance Venue/Exhibition Centre Complex and the Musical Theatre), apart from donations and sponsorships.

48. Noting WKCD's plan to explore revenue sources (such as naming right) other than public funding, members have pointed out that WKCD should carefully consider the issue of naming right and exercise political sensitivity in considering whether to accept donations from certain sources. WKCD should also consider the feasibility of expanding its fund-raising network, such as looking for donations from overseas philanthropists.

49. The Joint Subcommittee notes from the WKCDA's proposal that the Mega Performance Venue/Exhibition Centre Complex and Musical Theatre are subject to alternative funding options. Members have sought clarification on whether a Build-Operate-Transfer ("BOT") mode will be adopted for such facilities having regard to the fact that the Subcommittee on West Kowloon Cultural District Development formed in the third term of LegCo considered BOT inappropriate for the WKCD development, as WKCDA could neither exercise effective monitoring over the arts and cultural programmes in WKCD nor put in place the artistic accountability system. WKCDA has clarified that the WKCDA Board does not have any specific discussion on BOT but will look into the issue of funding options and revert to LegCo on it. At the current stage, WKCDA prefers to "rule in" rather than rule out options. WKCDA has stressed that the exercise of artistic control will be WKCDA's paramount consideration in its discussions about funding options.

Recommendations

50. The Joint Subcommittee recommends that the Administration/WKCDA should –

- (a) ensure that the WKCD project will adhere to its vision of promoting arts and culture in Hong Kong and will not become a white elephant or a property development project;
- (b) endeavour to meet the timeframe for the WKCD project;
- (c) ensure that the design competitions for arts and cultural facilities in WKCD will be open to both local and international designers, and iconic facilities will be built to enhance the attractiveness of WKCD;
- (d) accord priority to the provision of sufficient performing venues and facilities to small arts groups in Phase 1 of the WKCD project;
- (e) forge effective collaboration between the arts and cultural facilities in WKCD and those managed by LCSD;

- (f) enhance the connectivity of WKCD with various districts through underground and marine traffic and the integration of the waterfront planning of the Victoria Harbour with the WKCD development, and endeavour to keep WKCD vibrant both in day time and at night;
- (g) fully utilize the WKCD site before commissioning of the Phase 1 facilities and provide more opportunities for outdoor and/or indoor cultural events, with a view to bringing more people to the site and raising public awareness of it;
- (h) continue to promote the development of cultural software, including the funding support for arts development, nurturing of young artists, audience building, promotion of arts education in schools, training and development of arts administration/stage management professionals;
- (i) make every effort to complete the WKCD project with the upfront endowment of \$21.6 billion; manage the upfront endowment prudently and establish long-term and stable revenue sources for WKCD, as it will not be easy to obtain approval from LegCo for additional funding;
- (j) enhance the transparency of the cost estimates of the WKCD project and particularly the financial arrangement for the arts and cultural facilities in each phase of WKCD; and be accountable to LegCo and provide detailed information on the need, if any, for any additional funding for the WKCD project;
- (k) endeavour to build a close partnership and establish a common vision with the arts community to take forward the WKCD project together; and
- (l) ensure that the WKCD project will bring actual benefits to the local economy, such as providing employment opportunities arising from the project to local labour and professionals.

Way forward

51. As the WKCD project is still in progress and will be in full swing in the next several years, members are generally of the view that a dedicated subcommittee should be formed in the Fifth LegCo to continue to monitor the implementation of the project.

Advice sought

52. Members of the Panel on Home Affairs and the Panel on Development are invited to note the work of the Joint Subcommittee.

Council Business Division 2
Legislative Council Secretariat
16 July 2012

Panel on Home Affairs and Panel on Development

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

Terms of Reference

To monitor issues relating to the implementation of the West Kowloon Cultural District project, including the work of the West Kowloon Cultural District Authority, the project's interface with arts and cultural development, and other related matters.

Panel on Home Affairs and Panel on Development

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

Membership list

Chairman	Hon IP Kwok-him, GBS, JP
Deputy Chairman	Hon LEE Wing-tat
Members	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-fan, GBS, JP Hon WONG Yung-kan, SBS, JP Hon Emily LAU Wai-hing, JP Hon Timothy FOK Tsun-ting, GBS, JP Hon Abraham SHEK Lai-him, SBS, JP Hon CHEUNG Hok-ming, GBS, JP Prof Hon Patrick LAU Sau-shing, SBS, JP Hon Cyd HO Sau-lan Hon Starry LEE Wai-king, JP Hon CHAN Hak-kan, JP Dr Hon Priscilla LEUNG Mei-fun, JP Hon CHEUNG Kwok-che Hon WONG Sing-chi Hon Paul TSE Wai-chun, JP Hon Alan LEONG Kah-kit, SC Hon Tanya CHAN Hon WONG Yuk-man (up to 17 November 2011)
	(Total : 21 members)
Clerk	Mr Thomas WONG
Legal Adviser	Miss Kitty CHENG

Panel on Home Affairs and Panel on Development

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

List of parties who have submitted views to the Joint Subcommittee

- # 1. 1A Space
2. A member of public, Clara
- # 3. Arts with the Disabled Association Hong Kong
4. Association for Environmental Education, Hong Kong
- # 5. Chinese-Scottish Band
- # 6. Cisco Systems (Hong Kong) Limited
- # 7. Community Development Initiative
8. D-Dong
- # 9. Designing Hong Kong
10. Develop the Full Potential of HK
- # 11. Dr Robert CHUNG, Director, Public Opinion Programme, The University of Hong Kong
- # 12. Hong Kong Alternatives
- # 13. Hong Kong Art School Council
- # 14. Hong Kong Arts Administrations Association Ltd
- # 15. Hong Kong Arts Centre
- # 16. Hong Kong Arts Festival Society Limited
- # 17. Hong Kong Comics and Animation Federation
- # 18. Hong Kong Curators Association
- # 19. Hong Kong Drama/Theatre and Education Forum
- # 20. Hong Kong Institute of Real Estate Administrators
- # 21. Hong Kong Philharmonic Society

- # 22. Hong Kong Treble Choirs' Association
- 23. LEE King-hin
- # 24. Mr Alvin YIP
- 25. Mr Bon CHEUNG, a member of the public
- # 26. Mr CHAN Chung-yau
- # 27. Mr CHEUNG Kwok-pun, Associate Professor of Architecture, the University of Hong Kong
- 28. Mr HUNG Chiu-wah and Mr IP Ngo-tung, Yau Tsim Mong District Councillors
- # 29. Mr LEE Ho-fan
- 30. Mr LEUNG Siu-tong, Islands District Councilor
- 31. Mr Limbu Saran Kumar, Chairman of Southern Democratic Alliance Hong Kong
- 32. Mr LUNG Wai-man, Executive Director of Hong Kong Community Development
- # 33. Mr Oscar HO, Director, MA Program in Cultural Management, The Chinese University of Hong Kong
- 34. Mr Paul Zimmerman, Southern District Councillor
- # 35. Mr Raymond HO Man-kit, Sai Kung District Councilor
- # 36. Mr Thomas YEUNG
- # 37. Mr William NG
- 38. Mr YEUNG Wai-sing, Eastern District Councillor
- 39. Ms Ada WONG
- # 40. Ms TAI Sau-wai
- # 41. Museum of Site
- 42. Planet Time
- # 43. Professional Property Services Limited
- 44. Professor Patrick TSE, Chairman of the Association of Experts For Modernization Limited

- # 45. Public Art Hong Kong
- 46. Real Estate Developers Association of Hong Kong
- # 47. The Chinese Artists Association of Hong Kong
- # 48. The Civic Party
- # 49. The Composers and Authors Society of Hong Kong
- # 50. The Democratic Party
- # 51. The Hong Kong Academy for Performing Arts
- # 52. The Hong Kong Institute of Architects
- # 53. The Hong Kong Institute of Planners
- # 54. The Hong Kong Institution of Engineers
- # 55. The Hong Kong Literary Museum Initiative
- # 56. W K WONG
- # 57. Wan Fung Art Gallery
- # 58. West Kowloon Concern Group
- # 59. West Kowloon Cultural District Joint Conference
- # 60. Wing Lung Art
- # 61. Zuni Icosahedron
- 62. 人才生機網絡
- 63. 李雪儀
- # 64. 長者發展關注組
- 65. 理智會友

Parties who have made oral presentations to the Joint Subcommittee.

Core arts and cultural facilities in the proposed Development Plan

	Facility	Description
1	Mega Performance Venue	Hong Kong's biggest indoor seated facility, with over 15 000 seats designed for local and overseas concert and large-scale entertainment events.
2	Exhibition Centre Complex	A medium-sized convention facility sitting under the Mega Performance Venue and integrated with a hotel.
3-4	Freespace (with a music box)	It can accommodate 300 to 500 people and places no restriction on the performances it hosts. It also contains a 150-seat (or 300 standing) Music Box providing venue for alternative and independent music scenes.
5	M+	An international-calibre museum for visual culture, covering contemporary arts, design, architecture, moving image and popular culture. A floor area of 43 000 square metres will be developed in Phase 1.
6	Lyric Theatre	A 1 200-seat facility with an orchestra pit for dance, ballet, opera, musicals and theatrical performances.
7	Great Theatre	A grand theatre with 1 600 seats for opera, dance and other large-scale performances.
8	Musical Theatre	A 2000-seat receiving house for touring musicals, popular commercial productions and large-scale performances.

	Facility	Description
9-10	Music Centre (comprising a concert hall and a recital hall with arts education facility)	It comprises a 1 800-seat concert hall and a 300-seat recital hall for chamber music and recitals.
11-13	Centre for Contemporary Performance (comprising 3 blackboxes with arts education facility)	It comprises three flexible performing spaces with 400, 250 and 150 seats respectively for different scales of dance, theatrical and multimedia performances.
14	Medium Theatre I	A well-equipped 600-seat, proscenium-arch style theatre for medium-scale theatrical and dance performances.
15	Medium Theatre II	A 600-seat facility dedicated to medium-scale spoken-word drama and dance ensembles.
16-17	Xiqu Centre (comprising a main theatre and a teahouse with arts education facility)	It comprises a 1 100-seat main theatre, a commercially operated teahouse, and a 400-seat small theatre for traditional Chinese performances.

Source: Website of West Kowloon Cultural District Authority (www.wkcda.hk/pe3)

Proposed Timetable for WKCD Facilities Completion

Phase	Target Completion Year	Key Facilities and Venues
Phase 1	2014-2015	Arts Pavilion
		Great Park (Early portion of the Park)
	2015-2017	Xiqu Centre (Main Theatre, Tea House and Arts Education Facility)
		Free Space (with Music Box) and Outdoor Theatre
		Centre for Contemporary Performance (3 Blackboxes and Arts Education Facility)
	2017-2020	M+ (Phase I)
		Lyric Theatre
		Medium Theatre I
		Music Centre (Concert Hall, Recital Hall and Arts Education Facility)
		Mega Performance Venue **
Exhibition Centre **		
Phase 2	Beyond 2020	Musical Theatre **
		M+ (Phase II)
		Great Theatre
		Medium Theatre II
		Xiqu Small Theatre

** Subject to alternative funding options.

Source : Information extracted from the Administration's paper entitled "Proposed Development Plan for the West Kowloon Cultural District and Related Matters" (LC Paper No. CB(2)385/11-12(05))