

Legislative Council Subcommittee on West Kowloon Cultural District (WKCD) Development

M+ in West Kowloon Cultural District

Purpose

This paper seeks to give a full account of the proposal to develop a forward-looking cultural institution with museum functions - M+ as a core arts and cultural facility in the West Kowloon Cultural District (“WKCD”).

Background

2. In September 2003, the Government launched the “Invitation for Proposals” (“IFP”) for developing WKCD as a world-class arts, cultural, entertainment and commercial district. The IFP had specified a cluster of four museums with four themes (moving image, modern art, ink and design) commanding a total Net Operating Floor Area (“NOFA”) of at least 75 000 m², and an art exhibition centre as Mandatory Requirements of the project.

3. After the IFP for WKCD was discontinued, the Government appointed the Museums Advisory Group (“MAG”) under the Consultative Committee on Core Arts and Cultural Facilities of WKCD in April 2006 to advise on the need for the four museums previously proposed and their preferred themes, the need to include museums with other themes, the scale and major requirements of each museum and the need for and major specifications of the Art Exhibition Centre.

MAG’s deliberations process

4. The MAG conducted a public consultation exercise from mid-May to mid-June 2006 to solicit views on the proposed museum in WKCD. During the period, two open public forums, one focus group meeting and three presentation hearings were held apart from wide publicity arranged through

advertisements, radio announcements, press release and invitation letters. 28 written submissions and 30 views were received during the consultation period. In addition, six museum experts¹ were invited to Hong Kong to exchange views on museums with MAG. Furthermore, MAG organized a delegation to visit over 10 museums / related organizations² in Paris, London, New York and San Francisco in mid-July 2006.

5. Between the period of 2004 and 2006, i.e. the period from IFP to MAG, a total of 66 themes were received from the public, of which about 60% are related to visual culture. The themes received were examined and assessed with reference to the following initial considerations:

- (a) whether they would be conducive to the objectives of developing WKCD as a world-class arts and cultural district comprising local, traditional and international elements, and to sustain Hong Kong's cultural position as a Special Administrative Region in China which bridges Chinese culture and other cultures of the world,
- (b) whether they could reflect the cultural characteristics of Hong Kong,
- (c) whether they are compatible with the development of museum as a cultural institution performing its core functions, including preservation, research, interpretation and education,
- (d) whether there is strong potential to sustain the interests of local people and visitors,
- (e) whether there is sufficient expertise to provide sustainable support in museum management and curating as well as providing input to enhance the museum's collection, acquisition, development, research and educational role,
- (f) whether there is strong potential for quality collection development and creative interpretation, and

¹ The six museum experts were **Ms Kate Brennan**, Chief Executive Officer of Federation Square Pty. Ltd, Melbourne, **Ms Yuko Hasegawa**, Chief Curator of Museum of Contemporary Art, Tokyo, **Dr. Michael Knight**, Deputy Director for Strategic Program and Partnerships and Senior Curator of Chinese Art, Asian Art Museum, San Francisco, **Ms Kara Lennon**, Advisor (International Relations), Centre Pompidou, **Mr Joel Girard**, Advisor to the President of Centre Pompidou and **Mr Tony Sweeney**, Director / CEO of Australia Museum of Moving Image, Melbourne.

² The museums and related organizations visited are **Centre Pompidou**, **French Ministry of Culture** and **Quai Branly Museum** in France; **Tate Modern** and **Design Museum** in London; **Museum of Modern Art**, **P.S.I. Contemporary Art Centre** in New York; and **Asian Art Museum**, **Exploratorium**, **San Francisco Museum of Modern Art** and **de Young Museum** in San Francisco.

- (g) whether they could enrich the cultural ecology of Hong Kong.

M+ proposal from MAG and Consultative Committee

Visual Culture

6. “Visual culture” is a broad area that embraces many areas of interest identified during public consultations. Visual culture, broadly defined, refers to areas of culture that are founded on visual expressions and embrace a broad range of creative activities and experience that cross many media. It is a fluid concept which, though not easy to define, offers flexibility and scope to explore new aspects and rejuvenate itself in response to changing circumstances. Visual culture includes not only visual art (such as installation, painting, photography and sculpture) but also architecture, design (such as fashion, graphic and product design), moving image (such as film, video and television) and popular culture (such as advertising and comics).

7. Visual culture is also relevant to the objective of developing WKCD into a world-class art and cultural district expressing the unique cultural position of Hong Kong and able to reflect not only the diversity of our culture but also the vibrancy of our contribution to its ongoing developments.

The four initial broad groupings

8. Considering the breadth of visual culture, MAG recommended to initially include, in alphabetical order, Design, Moving Image, Popular Culture and Visual Art (including ink art) as the initial broad groupings which should, in the course of development, be re-examined based on professional expertise and feedback from visitors. They are briefly elaborated below:

a) Design

Design is defined to include but not limited to architecture, commercial, fashion, graphic, industrial, urban planning, products and communications, services and systems etc. Design is the human capacity to change our environment. It is concerned with change and closely linked to the improvement of the quality of our everyday life. It has a very strong

forward-looking nature.

b) Moving image

Moving image is a major and fast moving area of visual culture, comprising art forms such as film, television, media art, digital art and other multi-disciplinary art forms. It is a vital form of expression that involves personal creativity and collective articulation, with powerful capacities for representing human experience, public concerns and distilling truths of our society. Moving image, by its multi-disciplinary nature, can also effectively assimilate with other art forms such as visual art, design and popular culture etc, to formulate forceful artistic manifestations and synergy.

A modern international society like Hong Kong is distinguished by a unique culture, with its own sight, sound and rhythm. All these can be most effectively captured and visualized by the area of moving image. The unique characteristics of Hong Kong films is a compelling testament to the importance of moving image in Hong Kong's visual culture.

c) Popular culture

Popular culture is an important cultural asset of Hong Kong. It includes, but is not limited to materials from the mass media, toys, comics, clothing and fashion, gaming etc. It is a form of cultural expression which is deeply integrated into our daily lives.

Since the early 20th century, Hong Kong has developed a strong, colourful tradition of popular culture, which is unique, rich and diversified, with profound influence on Asian countries as well as many overseas communities. Despite the strength of the local popular culture in Hong Kong, the presentation of popular culture should go beyond to Asia and other parts of the world, as some of these cultures have been interacting and influencing local culture, and this is an area which has yet to be fully explored.

d) Visual Art (including ink art)

“Visual art” encompasses, but is not limited to, a wide variety of visual expressions like ceramics, drawing, installation, painting, photography, printmaking, new media (such as digital art, internet, video and other forms of expression incorporating moving images), sculpture, etc. The scoping of visual art should be broad, and should focus not only on art in Hong Kong, but also other regions of China and Asia, and engages the international sphere. 20th and 21st century ink art, in particular reflects a continuation of the millennium-long Chinese calligraphy and painting tradition. It has also thrived in Hong Kong with innovative developments in a contemporary mode.

9. The future institution should be able to recognise the connection of these groupings and even celebrate them by fostering cross-disciplinary communications and dialogue among the groupings.

A new and emerging cultural institution

10. To embrace flexibly of the four initial broad groupings, a new type of cultural institution, the concept of **M+** (Museum Plus) was proposed. **M+** is more than a museum or a building space. It is a platform for visual culture. It is a forward-looking, flexible, responsive approach which encourages dialogue and delivers ideas, exhibits, education and entertainment. It is under an open-ended format that encourages partnership, interaction and cross-fertilization of ideas – with the general public, with sector professionals and with experts worldwide.

Perspective of now and “Hong Kong Perspective”

11. To bring **M+** closer to the audience, visual culture will be presented with a “now perspective” which requires each idea or exhibit to be linked to the experiences of its current – and future audience. As a cultural institution of Hong Kong, **M+** will perceive and interpret things from a “Hong Kong perspective” which creates an audience experience that is unique from a Hong Kong social and cultural standpoint.

20th and 21st century visual culture

12. With these perspectives, M+ will focus on visual culture of the 20th – 21st century, the period which will bring the M+ experience closer to its audience, making it engaging and relevant. The period also coincides with a rich period of development in Hong Kong's cultural and social history.

Space requirement

13. Given the scope and nature of visual culture, size and flexibility of internal space would be a key component of M+. The space must be responsive to changing circumstances and accommodate a range of ideas which can be quickly refreshed, updated or adapted.

Professional standard

14. M+ should be able to meet the highest international standards comparable with world-leading facilities, which include codes of ethics, research, curatorship, conservation, interpretation, display, presentation, management and operations.

Governance mode

15. M+ should adopt a stringent governance mode, preferably a statutory body with an independent Board of Trustees, which would guarantee the principles of curatorial independence, professional excellence, collaboration and accountability to the public.

Collection strategy

16. M+ would start collecting in Hong Kong before expanding outward to other regions of China, then into the wider Asia region and finally to include perspectives from the rest of the world.

Outreaching and community engagement

17. Community participation is essential to breathing life and energy into **M+**. A dedicated outreach and education centre should be included in **M+** to arrange art education and audience building programmes.

Facilities

18. The facilities of **M+** include exhibition galleries, an outreach and education centre, a library / archive, screening facility, artists-in-residence studios, a bookstore, back-of-house facilities and customer convenience amenities such as catering facilities and shops. **M+** should also offer flexible open space for outdoor events.

Interim M+

19. To make the necessary preparatory work for **M+**, an interim **M+** which possesses similar functions as the permanent **M+** in WKCD although much smaller in scale, should be established as soon as possible. The interim **M+** would be a platform for training of professional staff, as well as providing arts education to the public. It would also conduct researches and build up the collection with a view to laying a solid foundation for **M+**.

Building requirements and architectural parameters

20. The architecture of **M+** must be able to project its own identity, the design of which should be fully integrated with the whole WKCD, particularly in terms of interaction with surrounding attractions to allow an easy flow of visitors between different types of activities in WKCD. The architectural design competition for **M+** would be organized by invitation.

21. The proposed Gross Floor Area (“GFA”) of **M+** is 78 750 sq. m. comprising 61 950 sq. m. on-site area and 16 800 sq. m. off-site area. The on-site GFA of **M+** would be developed in two phases according to the 70/30% ratio, i.e. 43 365 sq. m. for Phase I and 18 585 sq. m. for Phase II, with a net exhibition area of 16 000 sq. m. and 10 000 sq. m. in the two phases respectively. For the purpose of the financial assessment, Phase I was

assumed to be completed in 2015 and Phase II in 2031.

Justifications for adopting the M+ proposal in WKCD

Align with evolving roles of museums

22. Like in the case of new cultural institution, the development of new museums should be a vision-driven and forward-looking undertaking. The roles of museums in a modern society have been underlying rapid changes as communications and dialogues with visitors, including new media, become increasingly important. In the past, museums mainly performed the role to collect, document, preserve, exhibit and interpret material evidence and associated information for the public benefit.³ Nowadays, museums are expected to communicate with the community as well as to keep pace with its developments. They would not only acquire, conserve, research and exhibit, but also communicate and inspire for the purposes of study, education, enjoyment and appreciation of the material evidence of people and their environment, and to enhance the quality of the people's life.⁴ The concept of M+ aligns with the contemporary role and functions of museums as a creative, learning and educational space.

Commensurate with WKCD's vision of building up Hong Kong as an international cultural metropolis

23. In a knowledge-based era, many modern international cities nowadays invest substantially not only in business, finance, technology and education, but also in culture and the arts not only in enriching the heritage and cultural life of their citizens but also in building up their competitiveness as creative economies. Many of them have in place world-class museums on contemporary visual arts and culture showcasing their unique cultural identity and creative abilities. By virtue of their capability and potential to evolve dynamically with the times and to create unique interactive experiences relating

³ The old definition adopted by Museums Association ("MA"). Set up in 1889, the MA is the oldest museum association in the world to look after the interests of museums and galleries. Today it is still entirely independent of Government and is funded by its members. The MA has now approximately 5,000 individual members, 600 institutional members and 250 corporate members.

⁴ The roles of museums currently adopted by the United Nations Educational, Scientific and Cultural Organization, the Museums Association and the International Council of Museums.

to the daily lives of the audience, these museums have proved to have a strong and persistent appeal not only to visitors, but also artists, curators and cultural institutions all round the world. These contemporary museums operate not only on good collections of arts and artifacts. They also excel mainly through impressive programming and provision of ample creative space for commissioning innovative art works which are displayed and arrayed in space and interacted with visitors, seeking to inspire, delight and entertain them. They are also learning environment for both formal and informal learning and hands-on experience. They have gone beyond the conventional format and are no longer just a space for storing, studying and displaying exhibits. They are both a memory archive and a laboratory to bring new knowledge and to experiment together with visitors.

24. The concept and vision of **M+** is broadly in line with the directions and trends of world-class museums on contemporary visual arts and culture. This is also a timely response to the increasing international interest in creative contemporary works on visual culture. This should put Hong Kong on the world map in terms of arts and culture, and hence conducive to achieving the objective and vision of WKCD — building up Hong Kong as an international cultural metropolis.

Enhancing provision of museum services and complementing existing museums in Hong Kong

25. There are 29 museums in Hong Kong. Of this total, 16 museums and one film archive are managed by the Leisure and Cultural Services Department (“LCSD”). The other 12 museums are run by tertiary institutions, non-profit or private organizations, and other Government departments. The museums in Hong Kong and their themes are at **Annex A**. The ratio between population and number of museums in Hong Kong is about 250 000:1 which is relatively low when compared to the ratios of many other modern cities and countries. According to a 1996 research, the ratio was 30 560:1 in US and 172 110:1 in Japan. The ratio of Beijing in 2006 is 99 174:1. According to the information provided by “Museums of the World” in 2002, there are 203 museums in London, 52 in Los Angeles, 107 in New York, 211 in Paris and 121 in Tokyo. **M+** would enable us to enhance our overall provision of museums in Hong Kong.

26. The museums and film archives managed by LCSD can broadly be divided into three streams, i.e. art, history and science, shouldering the roles of enhancing the public appreciation, interest and knowledge in the respective areas. The attendance rates of these LCSD museums have shown a steady growth from 3.41 million in 2000 to 4.68 million in 2003, and over 5 million in 2007. However, none of the existing LCSD museums and other existing museums were purpose-built and designed for the presentation of 20th to 21st century visual culture or contemporary visual culture with the curatorial approach and concept of M+. M+ would complement existing museum services, and add to the richness and diversity of the cultural ecology in Hong Kong.

Capitalizing on existing strengths in visual culture and collection

27. MAG proposes to start with four initial broad groupings of visual culture -- design, moving image, popular culture and visual art (including ink art) which are interconnected and potentially overlapping. We agree that they are areas of visual culture for which Hong Kong has relatively greater strengths and potential to be creatively presented through commissioned works and programmes in M+.

28. Currently, the LCSD museums in Hong Kong have in place a very rich collection on visual culture which amount to around 62,400 items of paintings, calligraphy, ceramics, prints, photography, sculpture, installations, fashion, packaging, posters, comic books, toys etc. Such collections are being held in Hong Kong Museum of Art, Hong Kong Heritage Museum, Hong Kong Museum of History. Besides, the Film Archives has a large collection related to Hong Kong movies which include over 7,000 titles of films and 815,000 film-related audio-visual materials. There should be ample room for M+ to make use of these collections in store.

29. There are also significant and renowned private collections on film, contemporary art and popular culture, which could add further merit to M+. Like the government collections, many of the private collections have yet to be displayed owing to the lack of suitable museum space. Provided that M+ is planned and operated as a world-class institution, many private collectors should be willing to showcase their collection items there.

Constituting a platform for international cultural exchange and co-operation

30. Planned as an open, forward-looking world-class cultural institution with a global perspective, M+ should have great potential to be developed as a platform for international cultural exchange and co-operation through collaborative projects with world-renowned cultural institutions and the staging of international cultural events which would bring together talents from different parts of the world. During the past few months, quite a number of major overseas museum institutions have already expressed interest in M+ and in exploring possibilities of collaborations and co-operation with M+.

Conducive to the development of cultural and creative industries

31. According to a study commissioned by the Home Affairs Bureau at the request of MAG on the relationship between museums and performing arts and creative industries for WKCD, museums could function as an instrument of growth for creative industries by generating input of research, creative and artistic ideas with less market considerations. Through showcasing of arts and creative works and research input, museums could rejuvenate creative industries by offering different kinds of inspirations. Many museums have had collaborations with educational institutions and practitioners in the creative industries. For instance, the ZKM in Karlsruhe, Germany consisting of the Media Museum, Museum of Contemporary Art and various institutes and research departments, is a good example. Apart from conserving and showcasing artworks, ZKM is also actively participating in production, which includes a wide range of digital arts, digital music and visual images. As M+ focuses on the broad and dynamic area of visual culture, seeks to provide ample space for commissioning creative works, and has a clear vision as an interactive educational and learning institution, it should be most conducive to the development of cultural and creative industries in Hong Kong.

Estimated funding requirements for M+

32. The estimated funding requirements for M+ were worked out by the Financial Advisor engaged by the Government to facilitate the Consultative Committee to assess the financial implications of the WKCD project. The requirements were drawn up having regard to the above proposal from the

Consultative Committee, as well as the size, space and staffing and related support requirements.

Size and space requirements

33. Like other contemporary cultural institutions, the availability of free, open and versatile spaces are essential to the successful realization of the vision of **M+**. The abundant size and flexibility of internal space are also important for **M+** too since it has to be able to respond to and accommodate the dynamic and multi-farious nature of visual culture. The estimated GFA of **M+** (including both on-site and off-site) of 78 750 sq. m., is about 30% less than the GFA of Centre Pompidou in Paris, but similar to that of Tate Modern (including its extension to be completed by 2012) and Museum of Modern Art, New York (including its off-site GFA).⁵ However, the estimated net exhibition area of **M+** i.e. 26 000 m² should be quite an optimal one. These are prudent and reasonable provisions, taking into account the need to allow **M+** to develop as a long-term cultural institution. Any reduction of the space provision would unduly compromise on the capacity of **M+** to realize its vision and to benchmark itself with comparable world-class museum institutions on contemporary visual culture.

Staffing and expertise requirements

34. To comply with the highest professional standards comparable to those of well-acclaimed museums worldwide, it is necessary for **M+** to be supported by sufficient staff with expertise in various aspects -- directorship, curatorial, managerial, finance, design etc. It is estimated that 320 and 336 full-time equivalent staff are required for Phase I and Phase II of **M+** respectively. They include staff of all levels from directorate to curatorial and housekeeping. When compared with the number of staff of major cultural institutions worldwide as detailed, the estimated staffing provision for **M+** is prudent and reasonable.

⁵ The GFA of Centre Pompidou, Tate Modern (including its extension) and Museum of Modern Art in New York (including off-site area) are 112 523 sq. m., 66 400 sq. m. and 73 420 sq. m. respectively.

Cultural institutions	Number of staff
Centre Pompidou	918 permanent staff 63 contract staff 36 other staff
Tate Galleries (including Tate Modern, Tate Britain, Tate Liverpool and Tate St Ives)	1,157 full time staff
Museum of Modern Art, New York	590 full time staff 20 part-time staff 200 volunteers and interns
San Francisco Museum of Modern Art	232 (estimated based on staff list)
The Metropolitan Museum of Art, New York	1,783 full-time staff 744 part-time staff 1,300 volunteers and interns
The Art Institute of Chicago	725 full time staff 46 part-time staff 790 volunteers and interns

35. As regards the availability of the required staffing composition for **M+**, the majority of the experience and expertise required of the staff — administration, marketing, promoting, exhibition management, public relations, finance etc. are locally available in various other sectors in Hong Kong. There would be a need to bridge the gap of professional expertise required in some selected areas, mainly in curatorial experts in visual culture with international experience and networking. Provided that **M+** is planned with the appropriate vision, scale and resources on a par with comparable world-class institutions, it should be able to recruit such experts initially from other places. In the meantime, efforts should be made through the interim **M+** to put in place appropriate education and training for bringing up local experts, through both classroom education and training, as well as hands-on internship arrangements in relevant local and overseas cultural institutions, during the coming few years.

Development parameters

36. The following major physical parameters, development and operating assumptions were adopted with reference to comparable local and international institutions:

	<u>Phase I</u>	<u>Phase II</u>
(a) On-site area (GFA)	43 365 sq. m.	18 585 sq. m.
(b) Off-site floor area (GFA)	16 800 sq. m.	--
(c) Design and construction	5 years	3 years
(d) Target opening years	2015	2031
(e) Attendance	1,200,000	2,000,000 (Phases I & II combined)
(f) Number of blockbuster exhibitions per year	4	7 (Phases I & II combined)
(g) Average admission charges	\$27.5 (at 2006 prices)	\$30 (at 2006 prices) (Phases I & II combined)
(h) Full-time equivalent (FTE) employees	320	336 (Phases I & II combined)

37. The estimated capital cost, as well as operational cost and revenue of M+ as advised by Financial Adviser⁶ are as follows:

⁶ GHK(HK) Ltd. was commissioned by Home Affairs Bureau in 2006 to assess the financial implications of the West Kowloon Cultural District project.

	<u>Phase I</u>	<u>Phase II</u>
(i) Capital costs	\$4,266M (in 2008 Net Present Value)	\$483M (in 2008 Net Present Value)
(ii) Annual operating result ⁷		Phases I & II combined
• Operational revenue	\$67M	\$105M
• Operating expenditure	\$370M	\$488M
• Operating deficit	(\$303M) (at 2006 prices)	(\$383M) (at 2006 prices)

It should be noted that the estimated capital costs, operating costs and revenue, as well as the underlying operating assumptions were drawn up for the purpose of assessing the funding requirements for **M+** alongside with the assessment of the funding needs of all other arts and cultural facilities in WKCD. The actual figures would have to be worked out by the WKCD Authority and the organization actually responsible for developing and running **M+** in future.

A summary of the key financial information on **M+** is at **Annex B**.

Home Affairs Bureau
May 2008

⁷ Annual Operating Result at Year 10 after commencement of operation when cost and revenues have settled down into their long term trend.

List of Museums in Hong Kong

(as at May 2008)

Museums	Themes
LCSD Museums	
1. Lei Cheng Uk Han Tomb Museum	Featured artefacts including ceramics, bronze wares and related relics unearthed at the historical tomb of the Eastern Han dynasty at Lei Cheng Uk.
2. Hong Kong Space Museum	Features artefacts of space mission and technology with sky show and omnimax show programmes at its planetarium.
3. Sheung Yiu Folk Museum	Features artefacts including farming tools and a lime kiln at the historical Sheung Yiu village.
4. Flagstaff House Museum of Tea Ware	Features Chinese teaware and introduces the custom of tea drinking in China, Chinese ceramics and seal carvings. Exhibits were donated by the Dr K.S. Lo Foundation.
5. Hong Kong Railway Museum	Features trains and the history of railway transportation at the historical old Tai Po Railway Station.
6. Sam Tung Uk Museum	Features artefacts and daily utensils at the historic Hakka walled village, Sam Tung Uk, in Tsuen Wan.
7. Law Uk Folk Museum	Features artefacts and daily utensils at the historic Hakka house, Law Uk, in Chai Wan.
8. Hong Kong Museum of Art	Features Chinese antiques, Chinese painting and calligraphy, historical pictures and contemporary Hong Kong art, with temporary exhibitions on classical art and modern / contemporary art of the world.
9. Hong Kong Science Museum	Features various themes of science and technology, such as meteorology, life science, motion, water and wave, telecommunication, etc. with interactive exhibits.

10. Hong Kong Museum of History	Features the history of Hong Kong from the prehistoric period to the 20 th century and other themes such as folk culture and the natural environment of Hong Kong.
11. Hong Kong Museum of Coastal Defence	Features the history of coastal defence in Hong Kong with a theatre and historical trail.
12. Hong Kong Heritage Museum	Features the heritage of Hong Kong with thematic galleries on the New Territories heritage, Cantonese opera, paintings and calligraphy by Professor Chai Shao-an and other temporary exhibitions.
13. Hong Kong Film Archive	Features the history of film in Hong Kong with film shows, exhibitions and maintains an archive on films for public's access and research.
14. Hong Kong Heritage Discovery Centre	Features archaeological finds, monuments and built heritage of Hong Kong.
15. Dr Sun Yat-sen Museum	Features historical artifacts which related to Dr. Sun Yat-sen. The museum gives a comprehensive overview of the life and career of Dr. Sun and his role in the reform movements and revolutionary activities in the late 19 th and early 20 th century.
16. Ping Shan Tang Clan Gallery cum Heritage Trail Visitors Centre	Features various relics related to members of the Tang clan. The museum also introduces monuments and buildings of Ping Shan Heritage Trail.
17. Fireboat Alexander Grantham Exhibition Gallery	Features the profound historical significance of the Alexander Grantham and showcases a number of unique firefighting artifacts to offer a wealth of information displayed in multimedia formats to enhance the visitors' understanding of marine rescue work in Hong Kong.

Non-LCSD Museums	
18. University Museum and Art Gallery, The University of Hong Kong	University Museum. Featured exhibitions on art, history and culture related to the University's educational role.
19. Art Museum, The Chinese University of Hong Kong	University museum related to the Fine Arts Department of the university. Features exhibitions of Chinese antiques, Chinese painting and calligraphy and contemporary art.
20. Tung Wah Museum	Museum operated by the Tung Wah Group. Features the history of the Tung Wah Group of Hospitals and medical services provided by the Group with artefacts, photographs and documents.
21. Hong Kong Police Museum	Government department museum. Features the history of the Hong Kong Police with artefacts, photographs, guns, drugs and the history of the Triads etc.
22. Lions Nature Education Centre	Features the beauty of nature and promotes the message of conservation.
23. The Hong Kong Racing Museum	Museum operated by the Hong Kong Jockey Club. Features the history of the Hong Kong Jockey Club and the history of horse racing in Hong Kong.
24. Hong Kong Museum of Medical Sciences	Run by Hong Kong Museum of Medical Sciences Society. Features the history of medical services in Hong Kong and artefacts related to medical sciences.
25. Po Leung Kuk Museum	Museum operated by the Po Leung Kuk. Features the history of the Po Leung Kuk and the care and protection of women in Hong Kong.
26. Museum of Ethnology	Private museum. Features themes of ethnology and folk culture, in particular that of China, with artefacts and photographs.
27. Hong Kong Correctional Services Museum	Government department museum. Features history and provision of the Correctional Services Department.

28. Hong Kong Maritime Museum	Non-profit private museum operated by a Board of Directors. Features the maritime history of Hong Kong and thematic exhibitions related to the shipping industries.
29. Dr & Mrs Hung Hin Shui Museum of Chinese Medicine	Features the traditional Chinese medicine history through a wide range of exhibits and interactive exhibits across spectrum.

(Arranged according to the opening years.)

M+	Local / International References																																																																																										
<p>1 Physical Parameters</p> <p>A free standing structure with iconic architecture. M+ should meet international standards on climate controls and security. A collecting institution, with appropriate storage facilities, conservation laboratories and staffing, and can manage artefact collections representing the full range of materials. Temporary exhibition galleries large enough for M+ to accept most major travelling shows from important museums around the world and to store exhibits to be put on display.</p> <p><u>(a) On-site floor area</u> On-site Gross Floor Area (GFA)</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Phase 1</th> <th style="text-align: center;">Phase 2</th> <th style="text-align: center;">Phases 1 and 2 Combined</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">43,365 sq.m.</td> <td style="text-align: center;">18,585 sq.m.</td> <td style="text-align: center;">61,950 sq.m.</td> </tr> <tr> <td><u>Including:</u> Net Exhibition Area</td> <td style="text-align: center;">16,000 sq.m.</td> <td style="text-align: center;">10,000 sq.m.</td> <td style="text-align: center;">26,000 sq.m.</td> </tr> </tbody> </table> <p><u>(b) Off-site floor area</u> Off-site Storage and Conservation Laboratory (GFA)</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Phase 1</th> <th style="text-align: center;">Phase 2</th> <th style="text-align: center;">Phases 1 and 2 Combined</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">16,800 sq.m.</td> <td style="text-align: center;">- sq.m.</td> <td style="text-align: center;">16,800 sq.m.</td> </tr> <tr> <td>Total floor area (on-site and off-site)</td> <td style="text-align: center;">60,165 sq. m.</td> <td style="text-align: center;">18,585 sq. m.</td> <td style="text-align: center;">78,750 sq. m.</td> </tr> </tbody> </table>		Phase 1	Phase 2	Phases 1 and 2 Combined		43,365 sq.m.	18,585 sq.m.	61,950 sq.m.	<u>Including:</u> Net Exhibition Area	16,000 sq.m.	10,000 sq.m.	26,000 sq.m.		Phase 1	Phase 2	Phases 1 and 2 Combined		16,800 sq.m.	- sq.m.	16,800 sq.m.	Total floor area (on-site and off-site)	60,165 sq. m.	18,585 sq. m.	78,750 sq. m.	<p>Centre Pompidou, Paris - 112,523 sq. m. MOMA, New York - 73,240 sq. m. Tate Modern - 43,000 sq. m.</p>																																																																		
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Donations, exhibit loans, partnership arrangements are important as well. Range of comparables on annual acquisition - HK\$11 million (MOMA, San Francisco) to HK\$774 million (The Metropolitan Museum of Art, New York) equivalent. Please see Enclosure 2 for details of the international comparators on operating costs as prepared by the Financial Advisor for the WKCD project.</p>		
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	Phase 1	Phase 2	Phases 1 and 2 Combined	
4 Total Operating Deficit over the 50-year Project Period to 2059 (HK\$Million in 2008 NPV)	5,292 HK\$Million in 2008 NPV	625 HK\$Million in 2008 NPV	5,917 HK\$Million in 2008 NPV	
	(The operating deficits of arts and cultural facilities of the WKCD (including that for the M+) over the 50-year project period to 2059 will be fully covered by the estimated rental income generated from retail/dining/entertainment facilities, with an estimated safety margin of about 10%.)			
5 Key Operating Assumptions				
(a) Initial Broad Groupings will be Design, Moving Image, Popular Culture and Visual Art (cover Ink Art). M+ will build a world-class collection relating to each of the four broad groupings. M+ will offer a range of local, regional and international exhibitions and a full range of quality public and educational programmes as per international museum practice. All exhibitions and programmes will be to international standards.				
(b) Operator	Not for Profit Operator	-	Not for Profit Operator	
(c) Attendance	1,200,000 visitors	-	2,000,000 visitors	Range of comparables - 0.8 million (MOMA, San Francisco) to 6.4 million (Tate Gallery (Tate Modern, Tate Britain, Tate Liverpool and Tate St Ives)). Please see Enclosure 2 for details of the international comparators on operating costs as prepared by the Financial Advisor for the WKCD project.
(d) Number of Blockbuster Exhibitions	4 per year	-	7 per year	
(e) Average Admission Fee from Visitors	27.5 HK\$ per visitor (at 2006 prices)	-	30 HK\$ per visitor (at 2006 prices)	HK Museum of Art / HK Heritage Museum - HK\$10 (with premium for blockbuster shows HK\$10 - HK\$30) Centre Pompidou - HK\$103 equivalent Guggenheim, New York - HK\$137 equivalent
	(The assumption about ticket prices which includes concessions and blockbusters has been compiled with regard to the recommendations of the Museums Advisory Group (MAG) of the Consultative Committee on the operational requirements of the M+, and admission charges of existing Government museums in Hong Kong. Specifically, MAG required M+ to be affordable to the general public in Hong Kong.)			
(f) Full time equivalent (FTE) employees	320 number	-	336 number	Lower than staffing requirements at international comparable museums: New York MOMA (GFA 73,420 sq. m.) - 590 full-time staff; Centre Pompidou (GFA 112,523 sq. m.) - 918 permanent staff.
	(More outsourcing in Hong Kong. Similar staff structure as LCSD.)			Range of comparables - 95 (The Solomon R. Guggenheim Museum in New York, Guggenheim Hermitage Museum in Las Vegas and Peggy Guggenheim Collection in Venice) to 1,783 (The Metropolitan Museum of Art, New York) full time staff. Please see Enclosure 2 for details of the international comparators on operating costs as prepared by the Financial Advisor for the WKCD project.
6 Snapshot of the Annual Operating Result at Year 10 after commencement of operation (i.e. 2024) when cost and revenues have settled down into their long term trend				
(a) Operational Revenue	67 HK\$Million (at 2006 prices)	-	105 HK\$Million (at 2006 prices)	
Hire Income / Admissions	35 HK\$Million (at 2006 prices)	-	62 HK\$Million (at 2006 prices)	
Retail / Catering / Tenant Income	11 HK\$Million (at 2006 prices)	-	14 HK\$Million (at 2006 prices)	
Programmes	4 HK\$Million (at 2006 prices)	-	7 HK\$Million (at 2006 prices)	
Fundraising	15 HK\$Million (at 2006 prices)	-	18 HK\$Million (at 2006 prices)	
Other Income	3 HK\$Million (at 2006 prices)	-	4 HK\$Million (at 2006 prices)	
(b) Operational Expenditure & Adjustments	370 HK\$Million (at 2006 prices)	-	488 HK\$Million (at 2006 prices)	Range of comparables on annual operating costs - HK\$ 249 million (MOMA, San Francisco) to HK\$2,132 million (The Metropolitan Museum of Art, New York) equivalent. Please see Enclosure 2 for details of the international comparators on operating costs as prepared by the Financial Advisor for the WKCD project.
Staff Cost	136 HK\$Million (at 2006 prices)	-	144 HK\$Million (at 2006 prices)	
Admin Overheads	16 HK\$Million (at 2006 prices)	-	17 HK\$Million (at 2006 prices)	
Building Maintenance	4 HK\$Million (at 2006 prices)	-	6 HK\$Million (at 2006 prices)	
Cleaning and Security	18 HK\$Million (at 2006 prices)	-	24 HK\$Million (at 2006 prices)	
Utilities	30 HK\$Million (at 2006 prices)	-	40 HK\$Million (at 2006 prices)	
Marketing	21 HK\$Million (at 2006 prices)	-	28 HK\$Million (at 2006 prices)	
Programmes	100 HK\$Million (at 2006 prices)	-	172 HK\$Million (at 2006 prices)	
Other Expenditure (incl. temp. staff, library costs, maintenance of electrical equipment, technical services such as sound and telecom systems, general and specialist supplies, maintenance contracts of office and other equipments, postal services etc.)	29 HK\$Million (at 2006 prices)	-	37 HK\$Million (at 2006 prices)	
Insurance	3 HK\$Million (at 2006 prices)	-	3 HK\$Million (at 2006 prices)	
Rates and Government Rents	6 HK\$Million (at 2006 prices)	-	9 HK\$Million (at 2006 prices)	
Operating risk, tax and management fee	6 HK\$Million (at 2006 prices)	-	10 HK\$Million (at 2006 prices)	
(c) Annual Operational Surplus / (Deficit)	(303) HK\$Million (at 2006 prices)	-	(383) HK\$Million (at 2006 prices)	
Indicative Operational Cost Recovery Rate	18%	-	22%	For the 4 comparable LCSD museums (i.e. Museum of Art, Museum of History, Heritage Museum and Science Museum, with an aggregate total GFA 80,530 sq. m.), their total revenue collected and total operating cost (excl. depreciation and collection) incurred in 2006-07 were HK\$16,301,205 and HK\$329,206,459 respectively, and the cost recovery rate was 5%. Cost recovery rates for comparable overseas museums: Centre Pompidou - 27%; Tate Galleries - 54%; New York MOMA - 57%; Guggenheim Museums - 66%

International Comparators - Capital Costs (Prepared by the Financial Advisor, GHK (HK) Ltd.)

Museum	Location	Gross Floor Area (sq.m.)	Net Floor Area (sq.m.)	Source	Exhibition Area (sq.m.)	Source	Architect	Source	Cost	Remarks	Source	Opening Year	Construction Period	Source	Unit Construction Cost (incl. fit out) per CFA (Converted to HK\$ in 2006 prices) See Note
Beijing New Capital Museum	China	63,800	na	3	na	na	AREP and China Architecture Design and Research Group	4	RMB 1.23 billion	assumed to be construction cost (incl. fit out cost excl. exhibition)	3	2005	4 years	3	26,200
The Centre Pompidou	France	103,305 [112,523]	na	3 [7]	22,000	5	Renzo Piano, Richard Rogers and Gianfranco Franchini	3	Francs 576 million	1999 prices, for renovation	3	2000	1996 to 2000 (renovation)	3	not applicable (renovation project)
									Francs 750 million	1972 prices, for buildings and equipment	3	1977	1972 to 1977 (for new build)	3	29,600
Tate Modern	UK	43,000	34,500	7, 3	7,827	3	Herzog and de Meuron	3	GBP 134 million	for conversion from a power station, incl. land cost and removal of machinery	3	2000	1997 to 1999	3	30,300
Tate Modern Extension	UK	23,400	na	3	7,000 for use by a cultural organisation	3	Herzog and de Meuron	3	GBP 215 million	2006 prices, estimate	4	2012	na	4	not applicable (project under planning)
Imperial War Museum North, Manchester	UK	9,000	6,500	2	na	na	Daniel Libeskind	2	USD 39 million	assumed to be construction cost (incl. fit out cost excl. exhibition)	2	2002	1997 to 2001	2	23,200
Jewish Museum, Berlin	Germany	15,000	12,000	2	na	na	Daniel Libeskind	2	USD 40 million	building cost, total cost of USD 62 million (fully fitted and art installed)	2	2001	1989 to 1999 (from design competition to completion)	2	14,300
The Museum of Modern Art, New York	USA	58,527 (on-site uses only) [73,420]	na	3 [7]	11,612	3	Yoshio Taniguchi	3	USD 425 million	assumed to be construction cost (incl. fit out cost excl. exhibition)	3	2004	na	3	41,100
San Francisco Museum of Modern Art	USA	20,911	13,800	3, 6	4,647	3	Mario Botta	1	USD 63 million	assumed to be construction cost (incl. fit out cost excl. exhibition)	1	1995	na	1	23,900
Denver Art Museum Extension	USA	14,600	na	2	na	na	Daniel Libeskind	2	USD 75 million	assumed to be construction cost (incl. fit out cost excl. exhibition)	2	2006	2000 to 2006 (from design competition to completion)	2	24,600

Source:

1 www.structurae.de2 www.daniel-libeskind.com

3 Official website

4 Other websites

5 MAG report

6 Lord Cultural Resources

7 Museum management

Note:

Construction cost data have been converted to the current price level using the published regional Tender Price Index in different countries and to local construction cost data by making reference to the published construction costs for different countries worldwide

International Comparators - Operating Costs (Prepared by the Financial Advisor, GHK (HK) Ltd.)

Museum	Centre Pompidou	Source	Tate Gallery (Tate Modern, Tate Britain, Tate Liverpool and Tate St Ives)	Source	Museum of Modern Art, New York	Source	San Francisco Museum of Modern Art	Source	The Solomon R. Guggenheim Museum in New York, Guggenheim Hermitage Museum in Las Vegas and Peggy Guggenheim Collection in Venice	Source	The Metropolitan Museum of Art, New York	Source	The Art Institute of Chicago	Source
Location	France		UK		USA		USA		USA / Italy		USA		USA	
Opening Year	1977	1	1897 (known as National Gallery of British Art)	1	founded in 1929	1	1935 (known as San Francisco Museum of Art)	1	founded in 1930s	1	1872	1	founded in 1879	1
Description	a centre focusing on modern and contemporary creation	4	Tate Britain displays British art, Tate Modern displays international modern art, Tate Liverpool displays both British art and international modern art, and Tate St Ives displays modern and contemporary art	1	a modern and contemporary art museum		768,483	2	modern art museums	1	one of the world's largest and finest art museums	1	an art museum and school, one of the great art museums of the world	1
Gross Floor Area (sq.m.)	103,305 [112,523]	1 [6]	Tate Modern: 43,000	6	73,420	6	20,911	1	na		About 200,000	1	64,400 (gross), 43,900 (net) - excl. rooftop facilities	1
Exhibition Area (sq.m.)	22,000	4	Tate Modern: 7,827	1	11,612	1	4,647	1	4,600 (New York); 600 (Las Vegas)	1	78,366	3	19,600	1
Adult Admission (HK\$)	\$103	1	Tate St Ives: \$87, Other galleries: free	1	\$156	1	\$98	1	\$137 (New York); \$152 (Las Vegas); \$103 (Venice)	1	Voluntary, suggested \$156	1	\$94	1
Attendance	5.5 million a year	4	Tate Britain: 1.6 million, Tate Modern: 4.0 million, Tate Liverpool: 0.6 million, Tate St Ives: 0.2 million, Total: 6.4 million	2	2.7 million (2004/05)	4	0.8 million (2004)	2	0.9 million (New York)	1	more than 4 million a year in the past few years	1	1.4 million (2005)	1
No. of Staff	918 permanent staff, 63 contract staff and 36 others	2	1,157 full time equivalent, incl. 15 on temp. contracts and 34 on fixed term contracts	2	590 full-time, 20 part-time, approx. 200 volunteers and interns	5	232 (estimated based on staff list)	2	95 full-time employees (New York)	3	1,783 full-time staff, 744 part-time staff, approx. 1,300 volunteers and interns	5	725 full-time staff, 46 part-time staff, 790 volunteers/interns	5
Annual Operating Costs (HK\$ million) - excl. acquisitions, depreciation and interest	\$930	4	\$1,185 (2005/06 - incl. costs of generating voluntary income, the costs of fundraising trading, other costs of generating funds, investment management costs, the costs of charitable activities, governance costs and other resources expended)	2	\$1,108 (2005/06 - incl. curatorial and related support services, exhibitions, other museum programmes, cost of sales auxiliary activities, public services, membership and development, facilities, security and other, public information, administration and other operating expenses)	2	\$249 (2003/04 - incl. the costs of programme services, administration, finance, development and membership, museum store, artists gallery, facility rental and parking garage and auxiliaries)	2	\$401 (2004 - incl. exhibition and projects, traveling exhibitions, curatorial and collection maintenance, visitor services, education, membership, museum auxiliary expenses, management and general supporting services and fundraising)	2	\$2,132 (2004/05 - incl. curatorial, education and libraries, development and membership, operations, general administration, auxiliary activities, interest on debt service)	2	\$486 (2004/05 - incl. curatorial, libraries, collections, special exhibitions, museum education, other programmes, auxiliary activities, managerial and general administration, member development, and fund raising)	2
Self-generated Revenue as a % of Operating Costs - excl. acquisitions, depreciation and interest	27%	4	54% (2005/06 - incl. trading income, admissions, other income from charitable activities, sponsorship and other activities for generating funds, and other incoming resources)	2	57% (2005/06 - incl. admissions, membership and revenue of auxiliary activities)	2	59% (2003/04 - incl. revenue from museum store, admissions, membership, tours and special events, facility rental, artists gallery, auxiliaries, parking garage, exhibitions and other revenues)	2	66% (2004 - incl. membership income, benefit and special event income, admissions, traveling exhibition fees, royalties and auxiliary revenues)	2	55% (2004/05 - incl. admissions and membership, auxiliary activities and other income)	2	50% (2004/05 - incl. admissions, memberships, special exhibitions, other programme revenues, auxiliary activities and other revenue)	2
Staff Cost as a % of Operating Costs	50%	4	40%	2	na		na		na		na		51% (2004/05)	
Annual Acquisition Costs (HK\$ million)	\$70	4	\$264 (2004/05)	4	\$395 (2005/06)	2	\$11 (2003/04)	2	\$16 (2004)	2	\$774 (2004/05)	2	\$125 (2004/05)	2

Note: Exchange Rate: 1 USD = 7.8 HKD, 1 GBP = 15.2 HKD, 1 Euro = 10.3 HKD

Source:

- 1 Official website
- 2 Annual Report
- 3 Lord Cultural Resources
- 4 MAG Report
- 5 Directory of the American Association of Museums 2001
- 6 Museum Management