

**For Discussion on
11 April 2008**

Legislative Council Panel on Home Affairs

**Staffing proposal relating to the establishment of
the West Kowloon Cultural District Office
in Home Affairs Bureau**

PURPOSE

This paper seeks members' views on our proposal to create three supernumerary directorate posts for a dedicated West Kowloon Cultural District (WKCD) Office in the Home Affairs Bureau (HAB) to co-ordinate efforts to implement the WKCD project for three years.

Proposal

2. We are planning to set up a dedicated WKCD Office in the HAB for a period of three years initially, to co-ordinate efforts in the legislative exercise and administrative work for the establishment of the WKCD Authority; to assist the Authority in delivering some of its functions during the initial stage; to handle interfacing issues between the WKCD site and its neighbouring areas in respect of planning, public works projects and infrastructural projects; as well as to handle the interface and collaborations between WKCD Authority and existing arts and cultural facilities during the initial stage.

3. We propose to seek Legislative Council's (LegCo's) approval for the creation of three supernumerary directorate posts comprising one Administrative Officer Staff Grade B (AOSGB) (D3), one Administrative Officer Staff Grade C (AOSGC) (D2) and one Chief Treasury Accountant (D1) for a period of three years initially. In addition, we are also planning to create ten non-directorate posts for the same duration of three years to provide professional and administrative support for the operation of the WKCD Office.

Justifications

4. The WKCD project is the Government's major strategic investment in the long-term development of culture and the arts for the future of Hong Kong. It is also a major initiative to implement our policy on arts and culture by meeting the long-term infrastructural and development needs of Hong Kong's arts and culture. The objective is to develop an integrated arts and cultural district with world-class arts and cultural facilities, distinguished talents, iconic architectures, and quality programmes with a must-visit appeal, which is capable of making Hong Kong an international cultural metropolis. The WKCD also seeks to be a strong driving force to foster the growth and development of cultural and creative industries in Hong Kong. WKCD has also been included as one of the ten major infrastructure projects in the 2007 Policy Address

5. Having adopted the recommendations of the Consultative Committee on the Core Arts and Cultural Facilities (CACF) of the WKCD (CC) (set up in April 2006 to re-examine and re-confirm, if appropriate, the need for the CACF in the WKCD) and the financial arrangements for developing and operating these facilities, the Government announced on 31 January 2008 that legislative procedures would be put in train to set up a statutory body – the West Kowloon Cultural District Authority (WKCDA) – to take forward the WKCD project. The WKCDA Bill was introduced into the LegCo on 20 February 2008 and the Bills Committee is currently examining the Bill. If the Bill is passed by LegCo in mid-2008 before the end of the current Legislative Session, the WKCDA can be set up by the end of 2008.

Dedicated WKCD Office

6. HAB has since 1 June 2006 been responsible for steering and co-ordinating efforts to spearhead the WKCD project. Public views gauged during the Public Engagement exercise conducted by HAB from mid-September to mid-December 2007 on the CC's recommendations strongly support the early implementation of the WKCD project. According to our financial analysis, we estimate that if the WKCDA can be set up in late 2008 and the Development Plan for the WKCD area can be approved in 2009-10, the Phase I facilities shall be completed and come into

Encl. 1

operation in 2014-15. Phase I facilities include 12 performing arts facilities, a cultural institution with museum functions (M+), an exhibition centre, three hectares of piazza areas and other landscaped public open space, retail, dining and entertainment (RDE) facilities, transport facilities as well as other infrastructure facilities and associated engineering works. Details of the facilities are set out in Enclosure I. This is a very tight implementation programme, given the scope, scale and the complexity of the project.

7. To facilitate the early and effective implementation of the WKCD project, we consider it necessary to set up a dedicated team in HAB (the “WKCD Office”) to oversee and co-ordinate efforts of all relevant parties in taking forward the project during the early stages.

8. Specifically, the WKCD Office will take up the following responsibilities –

- (a) Preparing the legislation for the WKCDA and facilitating the legislative process in LegCo;
- (b) Taking charge of the financial management for the WKCD project, and facilitating LegCo in scrutinizing the financial analysis;
- (c) Establishing the WKCDA and facilitating the operation of the WKCDA during its initial period;
- (d) Facilitating the WKCDA’s preparation of a Development Plan (DP) for the WKCD site;
- (e) Facilitating the planning, design and construction of the facilities under the WKCDA’s purview;
- (f) Handling all major matters and issues relating to the interface and collaborations between the Government and the WKCDA; and
- (g) Preparing for the setting up of an interim M+.

9. **For (a)** – The WKCD Office will be responsible for preparing the legislation for the WKCDA Bill, as well as facilitating the public and the LegCo in scrutinizing the Bill with a view to ensuring its early passage in LegCo. It will also be responsible for implementing the provisions of the legislation during the initial period (see (b) to (e) below).

10. **For (b)** – We plan to adopt a prudent financing approach to

develop the WKCD such that it could operate in a financially sustainable manner within the area of land earmarked for the project. Specifically, we plan to finance the capital costs through an upfront endowment of \$21.6 billion (Net Present Value in 2008) appropriated by LegCo to cover mainly the capital costs of the various facilities in WKCD; and vest the retail, dining and entertainment part of the commercial sites with the WKCDA to provide a steady source of recurrent income through rental proceeds to meet the operating deficits of the core arts and cultural facilities. The WKCD Office will be responsible for taking charge of the financial management of the WKCD project before the establishment of the WKCDA. The WKCD Office will also help to formulate a proper framework arrangement for the management of the upfront endowment, and to set up a financial and accounting system during the initial operating period of the WKCDA. It will also need to facilitate the LegCo and the concerned public in understanding and examining the financial analysis and the upfront endowment proposal with a view to enabling LegCo to decide whether it should be approved.

11. **For (c)** – According to the WKCDA Bill, WKCDA should be governed by a Board (the Board) comprising members with different backgrounds, experience and expertise at different stages of the WKCD project. To enable the WKCDA to be up and running immediately upon its establishment and at the initial stage of its operation, the WKCD Office will support the WKCDA on matters relating to recruitment of its Chief Executive Officer (CEO) and other senior executives, provision of office accommodation and temporary secretariat support mainly in terms of financial management, office administration, public relations etc.

12. **For (d)** – One of the first and foremost responsibilities of the WKCDA is to prepare the DP for the WKCD including commissioning the necessary technical assessments in accordance with the key development parameters stipulated in the draft South West Kowloon Outline Zoning Plan (OZP). The DP will indicate the areas and nature of the proposed land uses in the WKCD; the disposition of the various facilities, the height of the developments, open space, landscape and urban design particulars to be provided within the area, public transport and parking facilities, the alignment, width and levels of roads etc. The WKCDA has a statutory obligation to consult the public when preparing the DP. In addition to the arts and cultural facilities, the WKCDA will also be vested with the responsibility for the development and operation of RDE facilities, public open space, Automated People Mover and public car parks in the district.

The remaining infrastructure and communal facilities such as public roads and public utilities are to be undertaken by the Government through separate funding under the Public Works Programme. The DP will be submitted by the WKCD to the Town Planning Board for consideration and processing under the provisions of the Town Planning Ordinance and will be subject to Chief Executive in Council's approval.

13. We envisage that a lot of co-ordination between the Government and the WKCD would be involved during the preparation of the DP which is estimated to take one to two years to complete (i.e. from 2008-09 to 2009-10). To enable an early start, the WKCD Office will have to proceed with the preparation of the consultancy contract and study brief for the formulation of the DP by the consultants. The WKCD Office will also play the co-ordinating role for all interfacing work between the WKCD and the concerned Government bureaux/departments during the process of formulating the DP.

14. **For (e)** – Whilst preparing the DP, the WKCD should also have kicked start the preparation of the tender documents for the design and building of the various facilities in the WKCD site. It would also need to factor in the time required for organizing architectural design competition for the iconic buildings of the concerned facilities. The WKCD Office will act as a focal point of WKCD's communication with the Government (particularly the Leisure and Cultural Services Department) to ensure that the detailed planning and design of the arts and cultural facilities in WKCD could meet with the requirements of local arts groups and complement existing facilities, as well as to put in place collaborative arrangements in the organization of cultural programmes and loaning of museum collections. The WKCD Office will also help secure necessary statutory approvals for the construction works projects.

15. **For (f)** – According to the proposed financing arrangements for WKCD in respect of the funding responsibility between the WKCD and the Government for the communal and infrastructural facilities within the WKCD site, the WKCD would be responsible for the public open space, the Automated People Mover and the car parks which have a direct bearing to the WKCD's operation, while the Government would be responsible for the transport and communal facilities (such as roads, drainage, fire station, public pier and engineering works etc) designed to serve the whole WKCD area, including residential, office and hotel developments outside

WKCD's core responsibility. The WKCD Office will be responsible for co-ordinating the handling of all interface issues arising from the above public works projects within the WKCD site especially during the initial years of the operation of the WKCD. In addition, the WKCD Office will also be responsible for handling interface issues between the WKCD project and other public infrastructure projects being planned or implemented in the vicinity of the WKCD site, such as the Guangzhou-Shenzhen-Hong Kong Express Rail Link, which would have an impact on the WKCD project.

16. **For (g)** – We have adopted the CC's recommendation that an interim M+ should be established to prepare for the establishment of the permanent M+, primarily to provide a platform for conducting relevant researches, training of staff and building up collections. We have reserved a site and earmarked resources for the interim M+. The WKCD Office will have to work closely with the WKCD after it has been set up and the relevant Government bureaux/departments on how best to make use of the site to develop the interim M+ with a view to seeking the necessary funding from LegCo for the construction work. The WKCD Office will also play a coordinating role in the establishment of the interim M+, which includes overseeing the renovation and construction work, complying with the required town planning procedures, staff recruitment, and conducting the relevant research studies on the focal areas of M+.

Directorate Structure for the WKCD Office

17. In view of the diversity, complexity and importance of the tasks set out in paragraphs 8 to 16 above, as well as the need to speed up the WKCD project to meet public expectations, we consider it necessary to set up a dedicated office for three years initially to carry out the above tasks. The WKCD Office is to be headed by an AOSGB, designated as Deputy Secretary for Home Affairs (West Kowloon Cultural District) (DSHA (WKCD)), supported by one AOSGC, designated as Principal Assistant Secretary (West Kowloon Cultural District) (PAS (WKCD)) and one CTA designated as Chief Treasury Accountant (West Kowloon Cultural District) (CTA (WKCD)). The three directorate posts will be created on a supernumerary basis.

18. The work relating to the WKCD Office during the proposed three-year period involve a multi-faceted and inter-disciplinary approach

with the need of interfacing and integrating inputs from various ends, including the Government, arts and cultural sector, the professional sectors, as well as the public, for the implementation of the WKCD project. Given the depth and complexity of the issues involved, the WKCD Office merits to be headed by a dedicated directorate officer to be pitched at Deputy Secretary level and supported by a PAS and a CTA who will assist the DSHA(WKCD) in their respective purviews in accomplishing the tasks for the WKCD Office.

Encls. II to
IV
Encls. V-VI

19. The job descriptions of the DSHA(WKCD), PAS(WKCD) and CTA(WKCD) are set out in Enclosures II to IV. The proposed organization chart of the WKCD Office is at Enclosure V. The proposed organization chart of HAB after the proposed creation of the WKCD Office is at Enclosure VI.

Non-directorate posts proposed for creation for the WKCD Office

20. A total of ten non-directorate posts for the same duration of three years will be created to provide support for the WKCD Office. The composition of the Office cuts across different disciplines in order to provide the necessary support for completion of the tasks. The posts comprise one Senior Town Planner, one Chief Executive Officer, two Administrative Officers, one Senior Executive Officer, one Treasury Accountant, one Executive Officer II, two Personal Secretary I, and one Assistant Clerical Officer. The non-directorate posts will be created by HAB in accordance with the established mechanism.

Duration of the WKCD Office

21. Given the tasks and the timeline for their completion, the proposed initial duration of the supernumerary directorate posts is considered appropriate. For prudent deployment of public resources, we will review the work of the WKCD Office towards the end of the three-year period (i.e. in early 2011) with a view to considering whether the WKCD Office needs to be retained for a longer period as well as its appropriate scale and composition in the light of the progress of the implementation of the WKCD project.

22. Since the establishment of the CC and its three Advisory

Groups in April 2006, HAB had been working on the WKCD project by pooling manpower resources through internal re-deployment within HAB and on-loan arrangements from other Government departments. The previous WKCD Secretariat to the CC and the three Advisory Groups which was overseen by the Deputy Secretary for Home Affairs (3) (DSHA(3)), was meant to be a temporary set-up. As the Government had adopted the recommendations of the CC to set up a statutory body to take forward the project, there is a need for a longer term dedicated office to oversee and co-ordinate the implementation of the project in the initial years of the establishment of the WKCDA. To enable HAB to provide early support to the preparation of the WKCDA Bill and other related work and to meet the tight timeframe of the schedule, we have created under delegated authority two supernumerary directorate posts at the level of AOSGC and CTA respectively for six months with effect from 1 January 2008, and one supernumerary directorate post at AOSGB level from 1 April 2008 till 30 June 2008. These three directorate posts will lapse once the creation of the three directorate posts for three years in this proposal is approved by the Finance Committee on 16 May 2008. Posts for a team of supporting staff of ten were created on a time-limited basis from 1 January 2008 to 30 June 2008 by pooling resources available within HAB.

Financial Implications

23. The proposed creation of three supernumerary directorate posts will bring about an additional notional annual salary cost at mid-point of \$4,288,200 as follows –

	Notional annual salary cost at mid-point	No. of posts
	\$	
Supernumerary posts		
AOSGB (D3)	1,659,000	1
AOSGC (D2)	1,428,000	1
CTA (D1)	1,201,200	1
Total	4,288,200	3

The additional full annual average staff cost, including salaries and staff on-cost, is \$6,100,000.

24. Based on the proposed set-up of the dedicated team in paragraph 20 above, the additional notional annual salary cost at mid-point for the proposed ten non-directorate posts is \$5,745,840 and the full annual average staff cost, including salaries and staff on-cost, is \$7,428,000.

25. We have included sufficient provision in the 2008-09 draft Estimates to meet the cost of the proposed creation of three supernumerary directorate posts and ten non-directorate posts.

Alternatives considered

26. We have critically examined the possible redeployment of existing directorate officers within HAB to take on the tasks of the proposed posts of DSHA(WKCD) and PAS(WKCD). The Permanent Secretary for Home Affairs is at present supported by one AOSGB1, two AOSGBs, six AOSGCs. They are already fully occupied with their own schedule of duties which span extensively across a wide range of areas, including the formulation of gambling policy, legal aid policy, youth development, promotion of civic education and national education outside schools, promotion of social enterprises, secretariat support to the Family Council, administration of Trust Funds, Chinese Temples and Chinese Permanent Cemeteries, entertainment licensing, policy on recreation and sports, as well as the co-ordination of Government functions in relation to the organization of the 2008 Olympic and Paralympic Equestrian Events. They also need to oversee the wide range of subject areas under the policy on culture and the arts, including measures to develop and strengthen the arts and cultural software in Hong Kong, protection of intangible cultural heritage, the funding for performing arts groups, overseeing the work of the Hong Kong Arts Development Council and Hong Kong Academy of Performing Arts, the work of the Cantonese Opera Advisory Committee and Cantonese Opera Development Fund, cultural co-operation with the Mainland and the Greater Pearl River Delta, management of the Arts Development Fund in support of outbound exchange programmes, as well as international cultural exchange. It is operationally not viable for them to take up the duties of DSHA(WKCD) and PAS(WKCD) without compromising the effective delivery of their current duties. This is particularly so when the workload of the WKCD Office will be most intensive and time critical during the early years of the establishment of the

WKCD and the preparation of the DP. Since the duties of the CTA(WKCD) need to be performed by a professional Treasury Accountant at D1 level, the requirement cannot be met by internal redeployment.

27. Upon the creation of the dedicated post of DSHA(WKCD) to steer the WKCD project, the job descriptions of DSHA(3) which currently include overseeing the development of WKCD project will be adjusted accordingly.

Way Forward

28. Subject to Members' comments, we plan to submit the proposal of the creation of three supernumerary directorate posts for the WKCD Office to the Establishment Subcommittee of the Finance Committee for consideration on 30 April 2008.

Home Affairs Bureau
April 2008

**West Kowloon Cultural District
List of Facilities and Associated Engineering works**

PHASE 1

1 Museum and Exhibition Centre

- 1.1 M+
- 1.2 Exhibition Centre

2 Performing Arts Facilities

- 2.1 Mega Performance Venue
- 2.2 Great Theatre 1
- 2.3 Concert Hall and Chamber Music Hall
- 2.4 Xiqu Centre
- 2.5 Medium-sized Theatre 1
- 2.6 Medium-sized Theatre 2 and Black Box Theatre 1
- 2.7 Black Box Theatres 2 and 3
- 2.8 Black Box Theatre 4
- 2.9 Piazzas

3 Other Arts and Cultural Uses

- 3.1 Accommodation space for conferences/events etc., offices and ancillary facilities for arts and cultural organisations/groups, arts and cultural information centre, as well as WKCD Authority office

4 Transport Facilities

- 4.1 Automated People Mover
- 4.2 Road Works and Pedestrian Connections
- 4.3 Public Pier
- 4.4 Public Car parks

5 Communal Facilities

- 5.1 Public Open Space
- 5.2 Fire Station, Electricity Substation, Police Post and Refuse Collection Point
- 5.3 Public Toilets

6 Engineering Works

- 6.1 Deck Over Western Harbour Crossing Tunnel Portal
- 6.2 Build Over Ventilation Buildings
- 6.3 Other Site Engineering Works

7 Retail / Dining / Entertainment Facilities

PHASE 2

8 Performing Arts Facilities

- 8.1 Great Theatre 2 and Medium-sized Theatre 3
- 8.2 Medium Theatre 4

9 M+ Extension of the M+

Note:

In addition to the above facilities, there will be residential, office and hotel developments in the West Kowloon Cultural District.

Job Description

**Deputy Secretary for Home Affairs
(West Kowloon Cultural District)**

Rank : Administrative Officer Staff Grade B (D3)

Responsible to : Permanent Secretary for Home Affairs

Main Duties and Responsibilities -

- (i) To lead a dedicated team in the Home Affairs Bureau to oversee and co-ordinate efforts to implement the WKCD project;
- (ii) To take charge of the legislative exercise and administrative procedures for the establishment of the WKCDA and co-ordinate efforts to facilitate the initial operation of the WKCDA;
- (iii) To oversee the financial management for the WKCD project, and to facilitate the WKCDA to set up its own financial management system;
- (iv) To oversee the co-ordination of efforts in preparation of the development plan for the WKCD and submission to the Town Planning Board;
- (v) To co-ordinate efforts to facilitate the WKCDA in the planning, design and construction of the various facilities under its purview;
- (vi) To oversee and co-ordinate efforts in handling all major matters relating to the interface and collaborations between WKCDA and the Government arising from both facilities planning and management, as well as public works projects affecting WKCD;
- (vii) To oversee the preparation for the setting up of the interim M+; and
- (viii) To build up and maintain liaison networks with the

Legislative Council, the arts and cultural sector, and concerned organizations and professional institutes on the WKCD project.

Job Description

**Principal Assistant Secretary
West Kowloon Cultural District**

Rank : Administrative Officer Staff Grade C (D2)

**Responsible to : Deputy Secretary for Home Affairs
(West Kowloon Cultural District)**

Main Duties and Responsibilities -

- (i) To take forward the legislative exercise and administrative procedures for the establishment of the WKCD Authority and co-ordinate efforts to facilitate the initial operation of the WKCDA;
- (ii) To assist in overseeing the financial management for the WKCD project and facilitating the WKCDA to set up its own financial management system;
- (iii) To liaise closely with relevant bureaux and departments in the preliminary work for the preparation of a development plan for the WKCD (including study briefs and consultancy studies) for submission to the Town Planning Board;
- (iv) To assist in the coordination work to facilitate the WKCDA in the planning, design and construction of the various facilities under its purview, including the interface and collaboration between the WKCDA and the Government in facility planning and management and public works projects affecting the WKCD;
- (v) To take forward the preparatory work for the establishment of the interim **M+**; and
- (vi) To support the engagement work with the Legislative Council, the arts and cultural sector, relevant organizations and institutes and the public on the WKCD project.

Job Description

Chief Treasury Accountant (West Kowloon Cultural District)

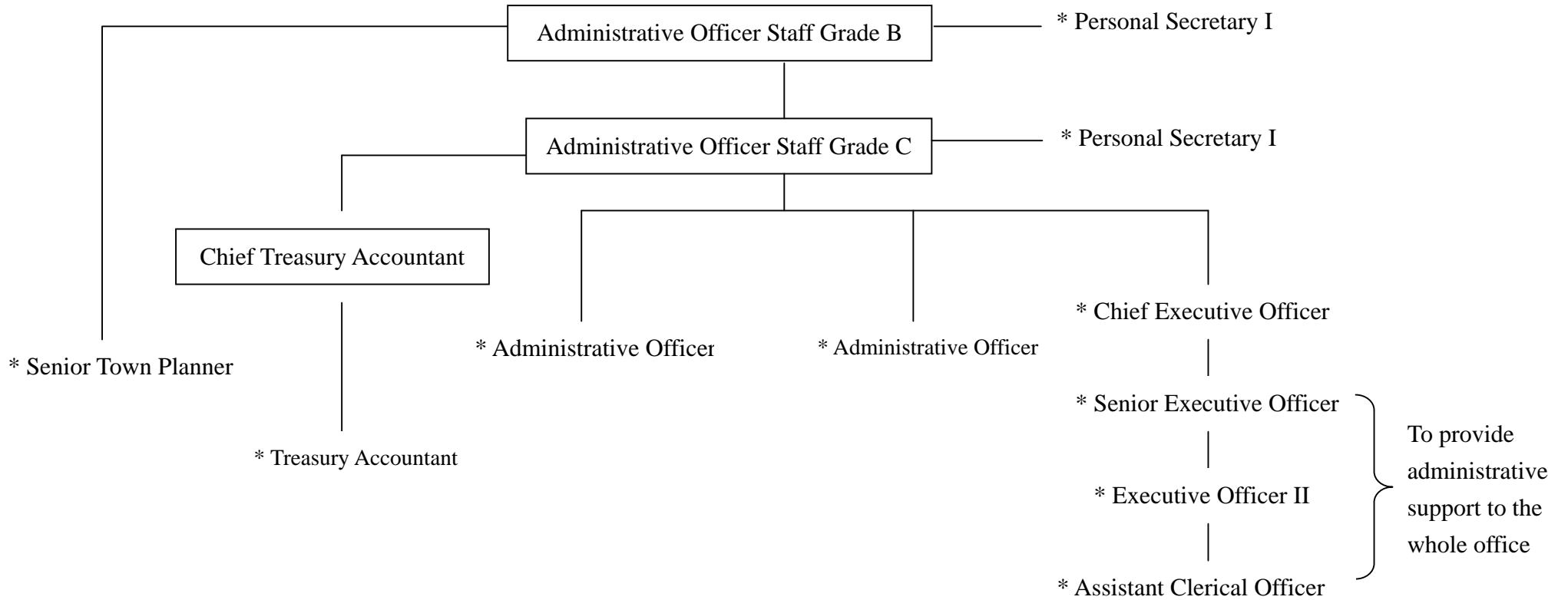
Rank : Chief Treasury Accountant (D1)

**Responsible to : Principal Assistant Secretary
(West Kowloon Cultural District)**

Main Duties and Responsibilities -

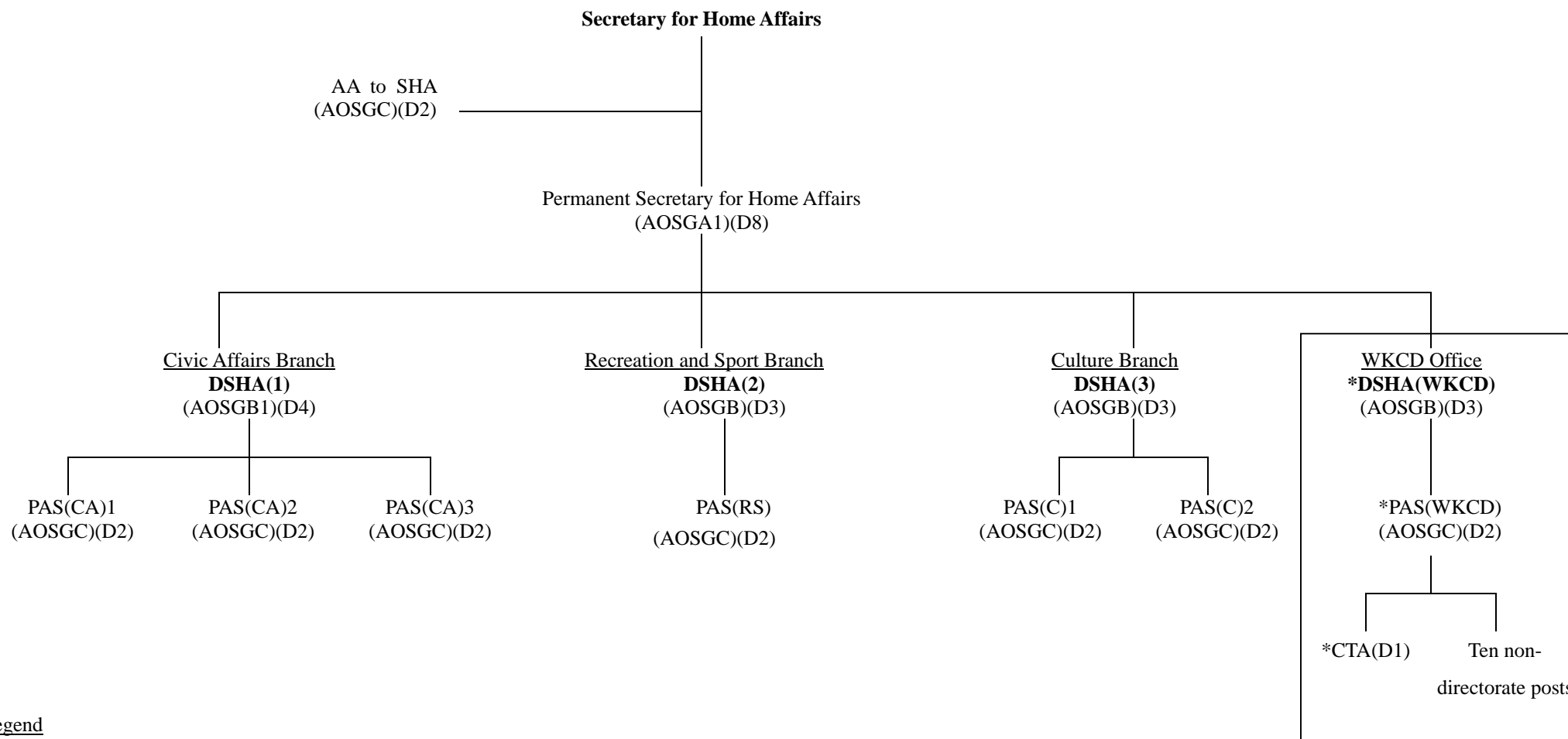
- (i) To provide professional support on accounting and financial management matters in connection with the legislative exercise and administrative procedures for the establishment of the WKCD Authority and in co-ordinating efforts to facilitate the initial operation of the WKCD Authority;
- (ii) To provide professional support (including supervision of financial consultants) on setting up of accounting system, financial management and reporting framework, and related matters for the WKCDA;
- (iii) To provide accounting and financial advice on issues relating to monitoring of the WKCDA, including the management of the upfront endowment; and
- (iv) To assist in any other accounting and financial issues relating to WKCD.

Proposed Organizational Chart of the West Kowloon Cultural District Office



Supernumerary directorate posts proposed for creation for three years.
 * Non-directorate posts proposed for creation for three years.

Proposed Organisation Chart of the Home Affairs Bureau



Legend

SHA	Secretary for Home Affairs	AOSGB	Administrative Officer Staff Grade B
DSHA	Deputy Secretary for Home Affairs	AOSGC	Administrative Officer Staff Grade C
AA	Administrative Assistant	C	Culture
PAS	Principal Assistant Secretary	CA	Civic Affairs
AOSGA1	Administrative Officer Staff Grade A1	RS	Recreation and Sport
AOSGB1	Administrative Officer Staff Grade B1	WKCD	West Kowloon Cultural District

* proposed creation of directorate posts for three years
 [] proposed set up of the WKCD Office

Note: For the purpose of this exercise, only permanent posts and supernumerary posts created with LegCo's approval or under delegated authority for more than six months are featured.