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Panel on Home Affairs and Panel on Development

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

Proposed extension of period of work of the Joint Subcommittee

Purpose

This paper seeks the views of members of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project ("the Joint Subcommittee") on the need for the Joint Subcommittee to extend the period of its work and continue to operate in the 2014-2015 session.

Background

2. The Joint Subcommittee was appointed by the Panel on Home Affairs and the Panel on Development in January 2013 to monitor issues relating to the implementation of the West Kowloon Cultural District ("WKCD") project, including the work of the West Kowloon Cultural District Authority ("WKCDA"), the project's interface with arts and cultural development, and other related matters. According to its work plan, the Joint Subcommittee will follow up on the recommendations of the former Joint Subcommittee formed in the Fourth Legislative Council ("LegCo") and focus its work on the following areas –

- (a) the taking forward of the Development Plan ("DP") for WKCD;
- (b) planning and development of the core arts and cultural facilities and other associated facilities;
- (c) strategy for the development of cultural software;

- (d) financial management and procurement procedures; and
- (e) governance and work of WKCDA.

Work of the Joint Subcommittee

3. The Joint Subcommittee has, since 29 January 2013, held 14 meetings and received views of deputations at three of these meetings. The Joint Subcommittee has also conducted a site visit on 17 December 2013 to better understand the pedestrian connections for WKCD. Major issues studied by the Joint Subcommittee include -

- (a) Development of WKCD
 - (i) implementation of the approved DP of WKCD;
 - (ii) WKCDA's proposal for minor relaxation of the development intensity of the WKCD site to increase the total gross floor area by 15% for various uses;
 - (iii) progress in the planning and development of the core arts and cultural facilities and other associated facilities including the Xiqu Centre, M+, the Park, the Arts Pavilion and the WKCD integrated basement;
 - (iv) integration and connectivity of WKCD with its neighbouring districts including pedestrian facilities, public transport facilities, traffic improvement works for the West Kowloon area and provision of parking spaces in WKCD; and
 - (v) management and utilization of the WKCD site prior to the commencement of the construction works for the WKCD project.
- (b) WKCD project's interface with arts and cultural development
 - (i) measures to promote the development of cultural software to complement the WKCD project, including building of audience, promotion of arts education in schools, grooming of arts talents, as well as training and development of arts administrators;
 - (ii) artistic characteristic and partnership framework of performing arts venues in WKCD; and

- (iii) communication and co-operation between WKCDA and the arts community in the development of WKCD.
- (c) Financial situation of and arrangements for the WKCD project and work of WKCDA
- (i) use and adequacy of the upfront endowment of \$21.6 billion for the WKCD project and financial management by WKCDA;
 - (ii) funding arrangements for the integrated basement and public infrastructure works in WKCD; and
 - (iii) role and functions of the Consultation Panel ("CP") of WKCDA.

Need for continuation of work

Planning and development of arts and cultural facilities

4. The WKCD project is a major initiative of the Government to meet the long-term infrastructural and development needs of the arts and cultural sector in Hong Kong. The WKCD project is now in a critical stage of development. Under the latest implementation approach adopted by WKCDA, the facilities in WKCD will be delivered in three batches. The facilities to be delivered in the first batch include the Xiqu Centre, M+, the Park (including the Arts Pavilion) and Freespace (including an outdoor stage and a black box), which are planned for completion between 2015 and 2017.

5. At the meeting on 28 May 2014, the Joint Subcommittee was advised that the portion of the endowment fund for the design and construction of WKCD facilities would be sufficient only to cover the costs of batch 1 and batch 2 facilities, while the implementation programme for batch 3 facilities would be reviewed at a suitable juncture. Some members expressed concern about the absence of concrete timetable for batch 3 facilities, comprising venues such as Music Centre, Great Theatre and Musical Theatre which were crucial components of the WKCD that had been envisioned. Members also noted with concern the impact of the delay in the works of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project on the implementation programme of WKCD facilities. The Joint Subcommittee will need to continue to monitor the progress of the construction of batch 1 facilities, and follow up the planning for batch 2 facilities as well as the implementation programme for batch 3 facilities, which are within the purview of its terms of reference.

Development of the Park

6. The Joint Subcommittee was advised in July 2013 of WKCDA's plan to turn the fully landscaped Park envisaged in the "City Park" conceptual plan into quality open space with a simple design, to facilitate early delivery of the Park and related facilities in a cost effective manner. Members noted that in early May 2014, CP of WKCDA launched a public engagement exercise to collect public views on the future use and management of the Park. Some members considered it important that WKCDA should adopt a relaxed and flexible approach in managing the Park to facilitate public enjoyment of the open space in WKCD. Given that the Park was targeted to open by phases starting from 2015, members urged WKCDA to expeditiously draw up the bylaws to facilitate proper management of the Park. The Administration and WKCDA will brief members on the scheme design of the Park as well as the use and management of the Park in preparation of the bylaws at the meeting of the Joint Subcommittee on 23 July 2014. It is envisaged that the Joint Subcommittee will need to follow up the preparation of the bylaws in the 2014-2015 legislative session.

Financial situation of and arrangements for the WKCD project

7. At the meeting on 28 May 2014, the Joint Subcommittee was updated on the latest financial situation of the WKCD project. Noting the high cost estimate of \$23 billion for the integrated basement, which was not covered in the original project scope when LegCo's approval was sought in 2008 for the upfront endowment, members generally expressed grave concern about the significant cost escalation of the WKCD project. In response to the concerns of the Joint Subcommittee, the Administration and WKCDA had undertaken to present annual updates to Members on the project's financial situation.

Implementation of the WKCD integrated basement

8. At the meeting on 28 May 2014, the Joint Subcommittee was briefed on the progress in the planning and development of the WKCD integrated basement and examined the funding application for foundations for the advance public infrastructure works in the basement of M+ together with that for the design and site investigation for the portion of the integrated basement adjoining M+. In addition to the high cost estimate for the integrated basement, members also expressed concern that the proposed phased implementation approach would result in delivery of the integrated basement and WKCD facilities in a fragmented manner and lack of connections among different zones of the integrated basement. According to the Administration, based on the proposed phased

implementation arrangement, the Administration will further seek funding from LegCo for the implementation of the integrated basement and related public infrastructure works in end-2014, 2015 and 2016/2017 respectively in the estimated total amount of \$10 billion.

Proposed extension of period of work

9. Rule 26(c) of the House Rules provides that a subcommittee should complete its work within 12 months of its commencement and report to the relevant Panel(s). If it is necessary for a subcommittee to work beyond that 12 months, the subcommittee should, after obtaining the endorsement of the relevant Panel(s), report to the House Committee and give justifications for an extension of the 12-month period. In accordance with the said House Rule, approval was previously given by the House Committee at its meeting on 15 November 2013 for the Joint Subcommittee to extend the period of its work after expiry of the 12-month period in January 2014 until 30 September 2014.

10. Given its monitoring role, the work of the Joint Subcommittee ties in with the progress of the Administration and WKCD in taking forward the implementation of the WKCD project. Having regard to the matters which need to be followed up by the Joint Subcommittee as set out in paragraphs 4 to 8 above, members may wish to consider the need for the Joint Subcommittee to continue to work in the 2014-2015 session.

Advice sought

11. Members' views are sought on whether the Joint Subcommittee should seek for an extension of its work in the 2014-2015 session. Subject to members' views and the endorsement of the Panel on Home Affairs and the Panel on Development, a report will be made to the House Committee for seeking its approval of the proposal.