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

Meeting on 6 January 2020

**Background brief on the operation of opened venues in
the West Kowloon Cultural District**

Purpose

This paper provides background information on the latest position of the operation of venues that are already opened for use in the West Kowloon Cultural District ("WKCD") and a brief account of the views and concerns expressed by members of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project ("the Joint Subcommittee") on the subject.

Background

Venues already opened in the West Kowloon Cultural District

2. Various venues in WKCD have been opened, namely, the Xiqu Centre at the eastern end of the District; and the Art Park, Freespace, M+ Pavilion and the Competition Pavilion at the western end.

Xiqu Centre

3. The Xiqu Centre, opened in January 2019, is designed to be a world-class platform for the conservation, promotion and development of Cantonese opera and other genres of xiqu (Chinese traditional theatre), and is the first major performing arts ("PA") venue in WKCD open to the public. The Centre, with a total area of 28 164 square metres, provides facilities for performances, notably a 1 065-seat Grand Theatre and a 244-seat Tea House

Theatre; rehearsal and training spaces; arts education facilities; retail/dining/entertainment ("RDE") facilities; public open spaces as well as associated facilities such as car parking spaces. It holds programmes and activities of four categories, namely, (a) performances (the West Kowloon Cultural District Authority ("WKCD") productions, partnerships and venue hiring), (b) cultural exchanges, (c) new creations, and (d) learning and participation. The scale of hire charges for the Xiqu Centre is published at the WKCD website.¹ According to WKCD's estimation made in April 2019,² the utilization rate of the Xiqu Centre is estimated to be around 75% after the three-month opening season.

Art Park and Freespace

4. The Art Park is an integral part of the 23-hectare public open space in WKCD and a venue for outdoor performances and exhibitions for the public. The Art Park has been delivered in phases: the first phase includes the south of the Nursery Park, northern part of the waterfront promenade and the Great Lawn (opened in early 2018); the second phase includes the surroundings of M+ Pavilion, the Small Lawn, the Harbourside Lawn, southern part of the waterfront promenade and the Viewing Terrace where the retail and dining facilities are located (opened in March 2019); and the final phase includes Freespace and the Outdoor Stage (opened in June 2019) and the M+ Lawn next to M+ (opened by end 2019).

5. Opened in June 2019, Freespace, serving as the centre for contemporary performances, is the second major PA venue in WKCD came into operation. It comprises a black box theatre (i.e. the Box) with an audience capacity of 450 if seated or 900 if standing, two multi-purpose spaces (i.e. the Room and the Studio) for creative exchange and artistic collaborations as well as the Livehouse for presenting live music in a bar-café environment.

M+ Pavilion

6. M+ Pavilion, opened in July 2016, currently serves as the primary site for M+ exhibitions in the run-up to the completion of the M+ building. After M+ opens, M+ Pavilion will be converted to serve as the interim home base for the Hong Kong Palace Museum ("HKPM") when the HKPM building is

¹ The scale of hire charges effective from March 2019 is available at: <https://www.westkowloon.hk/en/xiqu-centre/venue-hire-enquiries>

² Source: [LC Paper No. CB\(1\)914/18-19\(01\)](#)

under construction. In due course, M+ Pavilion will be a space for small-scale exhibitions and events and be renamed the Arts Pavilion.

Competition Pavilion

7. Located at the waterfront promenade, the Competition Pavilion was constructed based on the winning design (i.e. Growing up by New Office Works) of the Young Architects and Designers Competition. It was opened in February 2019 for a period of about six months initially and then for a further six months for leisure, relaxation and small-scale events. As the pavilion was designed to be demountable, WKCDA is looking for another location in WKCD to relocate the pavilion.

Mode of management and hiring policy of performing arts venues

8. The WKCDA Performing Arts Committee ("PAC") has been established to offer advice to WKCDA on the formulation of vision, mission and mode of governance of its PA venues for approval by the WKCDA Board. It also recommends to the Board strategies and policies for the operation of PA venues. The Xiqu Centre Advisory Panel has also been established to advise PAC on matters relating to the management and operation of the Xiqu Centre, including hiring charges, user mix and priority, programming, strategies and policies for the nurturing and training of Chinese opera artists, local community arts education and partnerships with stakeholders for the Xiqu Centre.

9. In 2018, WKCDA devised a venue hiring policy – the Performing Arts Venue Hiring Policy that supports the mission and identity of each PA venue in WKCD. The guiding principles of the Policy are reproduced in **Appendix I**.

Street Performance Scheme

10. To encourage street entertainment, WKCDA launched a Street Performance Scheme ("SP Scheme") on 1 August 2015 with a set of guidelines highlighting the importance of cooperation and mutual respect in the sharing of public space by street performers, the public and other users.³ The SP Scheme allows the general public to enjoy a variety of performances in suitable public space within the Nursery Park and gradually within the Art Park and WKCD generally. According to the guidelines, all street

³ The full set of guidelines is available at WKCD's website:
<https://www.westkowloon.hk/en/art-park/street-performance-scheme-2668>.

performers in WKCD are required to hold a valid permit and comply with the regulations on volume, performance hours, performance duration and location. According to WKCDA, over 500 Street Performance Permits ("SP Permits") have been issued by WKCDA since the establishment of the SP Scheme, of which 124 were valid as at January 2019.

Major views and concerns expressed by members

11. The major views and concerns expressed by members on the subject at meetings of the Joint Subcommittee are summarized in the ensuing paragraphs.

Operating expenses of the arts and cultural facilities

12. Noting that WKCDA would face a prolonged and increasing structural operating deficit primarily due to the cost of running the facilities upon their gradual commissioning, members asked why WKCDA had not expedited the commercial developments in WKCD so as to generate income in a timely manner to meet the relevant expenses. Expressing keen concerns over the financial situation of WKCDA, members asked about the measures to reduce the deteriorating deficit situation.

13. WKCDA advised that under the prudent financing approach adopted for the WKCD project, priority was given to the early delivery of the core arts and cultural facilities. In due course, the RDE and hotel/office/residential ("HOR") developments above the integrated basement ("IB") would provide sustainable sources of revenue to underpin the operation of the arts and cultural facilities. The construction of IB was a pre-requisite of the RDE and HOR developments and was dependent on the approval of the relevant funding proposal by the Legislative Council ("LegCo").⁴

14. WKCDA further advised that with the implementation of cost control measures, WKCDA's estimated operating deficit before depreciation in 2018-2019 had significantly improved from \$312 million (February 2018 estimate) to \$27 million (April 2019 estimate). It had adjusted its budget, staffing plan and venue hiring arrangement in tandem with the gradual commissioning of WKCD facilities, including renting out the venues at lower rates during the time gap between two programmes to generate more income,

⁴ The funding proposal for the construction of the remaining works of IB (Enclosure 3 to [PWSC\(2018-19\)46](#)) was endorsed by the Public Works Subcommittee at its meeting on 14 May 2019, and is pending approval of the Finance Committee (see [FCR\(2019-20\)38](#)).

and explore various financing options to tide over the interim operating deficit and fund the development of remaining facilities as appropriate.

Management and operation of the arts and cultural facilities

15. Members sought details about the mode of governance and operation of the arts and cultural facilities in WKCD, such as the Xiqu Centre. They asked whether WKCDA would operate the venues directly, outsource the management and operation to service providers, or engage resident arts groups to manage the venues and stage longer-run productions.

16. WKCDA advised that as for the case of Xiqu Centre, WKCDA would directly manage and operate the venue, and at the same time engage advisors to give advice on the RDE facilities and the development of souvenir merchandising. WKCDA would also provide residency facilities for arts groups. In the case of Lyric Theatre Complex ("LTC"), which was scheduled for completion in 2023, dance-related groups could be resided in the Resident Company Centre ("RCC") of LTC. They would be provided with the administration, rehearsal and other supporting facilities in RCC, have priority access to the theatres in LTC and participate in the operation of the venue.

17. Some members considered that WKCDA should attract more visitors to WKCD by holding more events within the district (e.g. making better use of the Great Lawn of the Art Park for holding events in daytime and film shows at night time during weekends) and collaborating with the Hong Kong Tourism Board ("HKTB") and other organizations on promotional activities.

18. WKCDA advised that with the progressive commissioning of WKCD facilities, many programmes were being hosted at different venues both indoor and outdoor throughout the year. It had also launched various marketing programmes for WKCD in Hong Kong, the Mainland and overseas, and liaised with HKTB on the matter.

19. Following the advancement of the WKCD project from the planning and construction phase to the operation phase, some members enquired how WKCDA would realize the arts and cultural vision for Hong Kong and evaluate its achievements. WKCDA indicated that it had drawn up a set of key performance indicators ("KPIs") to evaluate its performance and had reported the KPI results to the WKCDA Board annually. The set of KPIs focused currently on the delivery of the WKCD project, and would be refined to cover evaluation scopes like audience number and programme arrangements following the shift of the focus from project development to operation.

Hiring arrangements of the facilities

20. Under the artistically-driven Performing Arts Venue Hiring Policy, members asked how WKCDA would support Cantonese opera virtuosi to mount major shows at the Xiqu Centre for a longer period, whilst also enable smaller arts groups to secure venue bookings there. They also asked whether non-artistic hirers could make bookings of the Xiqu Centre, Freespace as well as other arts and cultural facilities.

21. WKCDA advised that under the artistically-driven principle, xiqu productions would be accorded priority in using the venues in the Xiqu Centre, as for other arts and cultural facilities in WKCD where priority would be given to the preferred art forms specific to a PA venue. Under a low threshold two-tier charging mechanism for ticketed events, a base hiring fee plus a percentage share of box office income would be charged. WKCDA believed that this mechanism could enable troupes of various sizes, including small and medium performing companies, to run their productions for a longer period of time. Artistic hirers were also given higher priority over non-artistic hirers in the booking of arts and cultural facilities. For example, artistic hirers (in art forms of theatre, dance and music) and non-artistic hirers could reserve Freespace up to 16 months and nine months in advance respectively.

Ticketing arrangements

22. In preparation for the opening of the Xiqu Centre, members requested WCKDA to put in place proper ticketing arrangements and measures to prevent ticket scalping. They also urged WKCDA to consider providing concession tickets for senior citizens, retirees and students.

23. WKCDA advised that in anticipation of the significant demand for the tickets of *The Reincarnation of Red Plum*, a classic Cantonese opera to be presented following the official opening ceremony of Xiqu Centre on 20 January 2019, WKCDA introduced a one-off arrangement to allocate the tickets to the public by balloting of the right to buy tickets. The successful applicants had to collect the tickets in person at the Xiqu Centre ticket office for identity verification. For other programmes in general, WKCDA had no control on the distribution of tickets by the organizers, but would encourage them to make available most of the tickets for sale through WKCDA's online ticketing system, which enabled local audiences and those from other places outside Hong Kong to buy tickets. WKCDA provided concessionary tickets for its own programmes (e.g. *Rising Stars of Cantonese Opera*) and different ticketing arrangements might be adopted for individual programmes.

Traffic and crowd control

24. In view of the progressive opening of WKCD venues, including the opening of the first PA venue, i.e. the Xiqu Centre, members urged WKCDA to implement effective traffic arrangements and crowd control plan. As more visitors would be expected in the District, members had also raised questions on whether sufficient car and coach parking spaces would be provided.

25. WKCDA advised that it had undertaken various measures to ensure the smooth opening of the Xiqu Centre, including crowd control planning, deployment of sufficient manpower and cooperation with the police, etc. to divert people flow. In addition, the road widening works at the junction of Canton Road with Austin Road would be completed before the opening of the Xiqu Centre, and in the long term, there would be a vehicle-free avenue stretching west from Canton Road, linking up Xiqu Centre and other parts of WKCD. WKCDA would provide 43 coach parking spaces and about 2 300 car parking spaces in WKCD. The number of parking spaces in WKCD, which had been approved by the Transport Department, was based on the results of a detailed study and the relevant town planning requirements. Depending on the availability of space in WKCD, temporary parking spaces could be provided.

Management of street performances

26. Some members were concerned how WKCDA would rank and prioritize various types of street performances when determining whether to grant an SP Permit. Also, some members queried that given the many restrictions imposed on street performances (volume control, requirement of transporting and removing all the instruments, props and equipment within three minutes, etc.) in WKCD, how WKCDA would attract street performers to perform there. Given that there were only 124 currently valid SP Permits, members called on WKCDA to strengthen its promotion and grant longer validity to encourage more street performers to apply for SP Permits.

27. WKCDA stressed that it would not censor the content of street performances and had no intention to rank or regulate these performances. The permit requirement meant for safety purposes and the promotion of excellence in street performances. WKCDA expected and required all those performing within WKCD to fully understand and agree with the notions of street performances promoted by the guidelines under the SP Scheme. An SP Permit was valid for one year at a fee of \$100 and it was for the street performers concerned to decide whether to renew their Permits. Since the establishment of the SP Scheme in 2015, over 500 SP Permits had been issued

of which 124 were currently valid. More applications for SP Permits were expected following the phased opening of the Art Park.

Other concerns over the operation of the Art Park

28. Some members asked about the criteria for the selection of suitable tree species for and planting locations in the Art Park, including whether due regard had been given to its windy and exposed location and the impact of strong typhoons. WKCDA advised that the planting scheme of the Art Park was designed by park consultants and tree specialists. As at end of February 2019, over 2 000 trees were planted in the Art Park of which native (around 50%) and naturalized (over 20%) tree species that fitted with the local climate were selected to be planted in the Art Park, limiting exotic species to below 30%.

29. Noting that WKCDA had started to test the suitability of the Art Park site for vine growth with a view to investigating the possibility of installing a waterfront vineyard in WKCD, some members raised concern that Hong Kong's climate conditions were unsuitable for grape growing and asked for details of this plan. WKCDA indicated that with advice sought from domaine owners in Bourgogne, France, WKCDA would test out vines of a few grape varieties at the possible vineyard location identified in the Art Park near to the harbour and monitor their adaptation to the terroir at West Kowloon.

30. Some members considered that WKCDA should enhance pedestrian accessibility to and within the Art Park and make available sufficient emergency accesses in its different parts. WKCDA assured members that accessibility had all along been one of the key planning and design principles underpinning the WKCD project. The concept design for the Art Park would enable provision of appropriate forms of transport for, among others, people who were mobility-challenged to get to every part of the Art Park.

31. Members also urged WKCDA to make available cycle paths and bicycles in WKCD for use by visitors, and enquired about the latest implementation details of SmartBike,⁵ a bike sharing programme launched by WKCDA. According to WKCDA, there was one bike rental point for SmartBike in WKCD as at April 2019. WKCDA planned to add another bike rental point in the Art Park and would aim at developing progressively a network of bike rental points throughout WKCD. The total number of bikes available for rental was around 60 and the average usage for weekday and weekend was about 10% and 80% respectively.

⁵ SmartBike in WKCD is operated by TWGHs BiciLine Cycling Eco-Tourism Social Enterprise.

Latest development

32. At the meeting to be held on 6 January 2020, the Administration and WKCDA will brief the Joint Subcommittee on the latest state of play of the operation of opened venues in WKCD.

Relevant papers

33. A list of the relevant papers on the LegCo website is in **Appendix II**.

Council Business Division 1
Legislative Council Secretariat
31 December 2019

Performing Arts Venue Hiring Policy of the West Kowloon Cultural District Authority

The Performing Arts Venue Hiring Policy ("the Policy"), which governs how venue hiring in the performing arts ("PA") venues is managed and operated within the West Kowloon Cultural District Authority ("WKCD"), will be applicable to the hiring of all available spaces in each PA venue, the Art Park and public open spaces in the West Kowloon Cultural District ("WKCD") for holding PA events. The Policy follows four guiding principles intended to provide flexibility and responsiveness to market changes:

a) Artistically-driven

Each PA venue is characterized by its unique artistic mission and identity. Adopting an artistically-driven approach not only ensures that artistic events enjoy a higher booking priority than non-artistic events but also ensures that the preferred art forms specific to a PA venue shall have priority on the booking calendar. An obvious example is that Chinese opera will be accorded the highest priority in the Xiqu Centre booking calendar. In addition, it is intended that priority will be accorded in recognition of the artistic considerations of the programmes. The artistic team in WKCD, led by Artistic Director, PA, will be the gatekeeper for the artistic positioning of the PA venues. To back up these arrangements, WKCD plans that the pricing of the PA venues should also support artistic events.

b) Maximize utilization of each space

Space is a valuable asset in all venues. To maximize utilization of space and sustain the venues' operations financially, WKCD venues will accommodate a broad spectrum of programmes and events, both artistic and non-artistic in nature (though artistic events will enjoy a higher booking priority). Thorough analysis of the space available in each venue, its potential use and target market, will be carried out and the potential range of uses set with reference to the prevailing market of direct or comparable venues in Hong Kong or in the region. The pricing structure of each space and service will be tailored to each potential market to maximize utilization.

c) Support longer run productions

Hong Kong has long been facing a lack of performance venues to accommodate long running productions. In the Policy, longer run productions will be given higher priority in booking. The goal is to help the industry build bigger audiences thus fostering cultural appreciation generally.

d) Achieve financial sustainability

WKCDA will strive to achieve financial sustainability for its venues. Possible income sources from arts and cultural facilities include venue hiring charges, ticketing income, donations and sponsorship. Such incomes should generate funding to support a significant part of the operating costs of the PA venues. The potential revenue to be generated by any event is therefore another key factor to be taken into account when setting priorities for PA venue space usage. As a matter of principle, all hirers, including programmes organized or co-organized by WKCDA, will have to pay hire charges. This will ensure proper accounting within each PA venue as a cost centre and transparency over expenditure by WKCDA going forward.

2. Under the Policy, the timing of confirming advance bookings upon signing of contract and payment of deposit is as follows:

- (a) WKCD productions and/or presentations as well as programmes of resident companies – 18 months in advance;
- (b) the preferred art forms or venue partners of the specific venue – 16 months in advance;
- (c) other PA companies and art forms – 14 months in advance; and
- (d) bookings of non-artistic events can be confirmed not earlier than 12 months ahead.

3. WKCDA plans that the charging mechanism for ticketed events should be based on a two-tier approach which will comprise a base hiring fee and a percentage share of box office income.

(Source: [LC Paper No. CB\(1\)354/17-18\(01\)](#))

Appendix II

Operation of opened venues in the West Kowloon Cultural District

List of relevant papers

Committee	Date of meeting	Paper
Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project	13.6.2017 Item II	Agenda Minutes
	20.12.2017 Items I & II	Agenda Minutes
	6.11.2018 Items III & IV	Agenda Minutes
	14.1.2019 Item I	Agenda Minutes
	1.4.2019 Item III	Agenda Minutes
	29.4.2019 Items III & IV	Agenda Minutes
	25.11.2019 Item IV	Agenda