

**WEST**

**Operating Review**

**KOWLOON**

## The Board

The Board, the governing and executive body of the Authority, was established on 23 October 2008 when the Chief Executive announced the appointment of its Chairman, three public officer members and 15 non-public officer members for a term of two years. Not only do Board members have a diversity of expertise and experience, but they also have distinguished records of community service.

The Board held four meetings between October 2008 and March 2009 and decided on a number of issues that are crucial to the planning and development of the WKCD, including the establishment of committees and the endorsement of the overall strategy for the preparation of the “DP”.

### Establishment of Committees

Apart from the three committees required by the WKCDA Ordinance — namely the Audit Committee, Investment Committee and Remuneration Committee — the Board is also empowered to establish any committees it considers necessary or expedient to deal with any matter (including, in particular, matters relating to planning, finance and operation of arts and cultural facilities). Since the planning and development of the WKCD and its arts and cultural facilities were determined to be of utmost importance during the initial period of the project, the Board also established three additional committees: the Development Committee, the Museum Committee and the Performing Arts Committee. The Terms of Reference of these six committees as approved by the Board can be found in the **Annex**.

Since the WKCD is an arts and cultural development project that has far-reaching implications for Hong Kong’s long-term development, the committees under the Board will have regular, in-depth discussions on their respective specialised areas to facilitate the preliminary work of the WKCD’s development.

### Appointment of Non-Board Members to Committees

On 9 January 2009, the Board announced the appointment of 17 non-Board members to its six committees for a term of one year. The non-Board members come from different sectors and possess relevant knowledge and experience that will help the Authority reach out to diverse groups and sectors, listen to their views and connect with the community.

## **Establishment of Consultation Panel**

Pursuant to Section 20 of the WKCD Ordinance, on 16 February 2009 the Authority announced the appointment of 21 members to its Consultation Panel to gather public views on matters relevant to the functions of the Authority. Like the non-Board committee members, the Consultation Panel members also come from different sectors and possess relevant knowledge and experience.

Members of the public are allowed to attend all meetings of the Consultation Panel in person, subject to a set of ground rules. The agenda, minutes and papers of the meetings will also be uploaded to the Authority's website for public access.

The Consultation Panel's current focus is to plan the consultation programmes for preparation of the DP for the WKCD, review and report to the Board the progress of these consultation programmes, and ensure that the consultation is conducted in an open and transparent manner. The Terms of Reference of the Consultation Panel as endorsed by the Board are also appended in the **Annex**.

## **Preparation of the Development Plan**

20

The WKCD is a prime waterfront site of 40 hectares located in a piece of reclaimed land in West Kowloon. After the approval of an upfront endowment of HK\$21.6 billion by the Finance Committee of the LegCo to the Authority in July 2008, the first and foremost task of the Authority has been to prepare a comprehensive DP for this site that can then be submitted to the Town Planning Board ("TPB"), in accordance with the statutory procedures. The main purpose of the DP is to lay out the WKCD area and set apart the land for various arts and cultural facilities, for other land uses such as commercial, hotel, retail, residential and public open space, and for internal infrastructure projects. The DP shall also make provisions for the connections between the WKCD and its neighbouring areas.

In parallel, the Authority has decided to carry out market studies on the audienceship and clientele of the arts and cultural facilities locally, regionally and internationally. Details of these studies are set out under the subsections on "Museum Committee" and "Performing Arts Committee". The information and analysis provided by the studies will help the Authority map out the organic integration of the WKCD's development objectives and positioning with the cultivation and attraction of overseas and local audiences, so as to formulate the most desirable strategy for phased development of the arts and cultural facilities. It will also provide reference for retail, dining and entertainment amenities of appropriate scales to complement these facilities.

In order to foster creativity, cast a wider net for diverse professional opinions and offer more master plan options to the public, the Board decided to seek three Conceptual Plan Options from three Conceptual Plan Consultants in preparation of the DP for the WKCD. From these, one Conceptual Plan Option will be selected, followed by the development of a detailed DP and related technical feasibility studies by a Project Consultant. This planning approach centres on finding the best, most innovative designs that are acceptable to the people of Hong Kong; providing people with choices; and allowing public participation via an extensive Public Engagement (“PE”) exercise (see subsection on “Development Committee” for details).

The assessment criteria for selecting the Conceptual Plan Consultants and Project Consultant were as follows:

- consultant’s experience;
- creativity and innovative arts and cultural ideas;
- appreciation of the objectives;
- staff organisation and experience; and
- methodology and work programme.

The Authority issued a global invitation for the tender, the detailed information of which has been uploaded to the Authority’s website ([http://www.wkcda.hk/en/tender/tenderNotice\\_t1.htm](http://www.wkcda.hk/en/tender/tenderNotice_t1.htm) and [http://www.wkcda.hk/en/tender/tenderNotice\\_t2.htm](http://www.wkcda.hk/en/tender/tenderNotice_t2.htm)) for public reference.

The Authority has also commented on the technical assessment / study reports prepared by Government departments and other parties in relation to the infrastructural projects in West Kowloon that are in the vicinity of the WKCD to ensure smooth interface with the WKCD project. These include transport plan and traffic improvement measures for West Kowloon by the Transport Department, and Environmental Impact Assessment (“EIA”) submissions and connectivity studies for the West Kowloon Terminus for the Guangzhou-Shenzhen-Hong Kong Express Rail Link by MTR Corporation Limited.

## **Development Committee**

The principal function of the Development Committee is to consider and recommend to the Board the overall policies and strategies related to the planning and development of the WKCD. In particular, the Committee oversees the preparation of the DP for the WKCD. The Committee held three meetings during the period.

The Committee has made recommendations on the overall approach and timeframe for preparing the DP and engaging the public and stakeholders during the preparation process. It also oversaw the tendering process of the Project Consultancy, Conceptual Plan Consultancy and Analysis and Reporting Consultancy in relation to the preparation of the DP.

The Authority acknowledges the importance of collecting views from the community comprehensively and at different stages of the DP's preparation. The Committee recommended to the Board, and the Board subsequently endorsed, that a PE exercise would be divided into three stages as follows -

### **Stage 1**

In Stage 1, the Authority as well as the Conceptual Plan Consultants and Project Consultant will gauge the community's expectations of the planning of the WKCD as a whole and the views of stakeholders in the arts and cultural sector and other relevant sectors on the facilities, such as how they can suit their creative work and performances. Stage 1 is tentatively scheduled to commence in October 2009 and will last for a period of three months.

### **Stage 2**

By Stage 2, three Conceptual Plan Options for the WKCD would have been formulated by the three Conceptual Plan Consultants. The Authority will then present all three Options to the public during the Stage 2 PE exercise, tentatively scheduled for mid-2010. During this time, the Authority will seek public views on the three Options, including which one is the most acceptable and should serve as the foundation of the DP. The Consultant responsible for the selected Option may also be asked to incorporate features of the other two Options as preferred by stakeholders (who include the public as well as those from arts and cultural and other relevant sectors). In addition, the Authority will continue to fine-tune the planning of the venues by consulting stakeholders within the arts and cultural sector with a view to ensuring that the facilities meet their needs.

### **Stage 3**

In Stage 3, the Project Consultant will develop the selected Conceptual Plan into a detailed DP and conduct related technical feasibility studies, including engineering, traffic and environmental impact assessments. The Project Consultant will also be required to prepare Schedules of Accommodation for the arts and cultural facilities.

Throughout the PE exercise, the Project Consultant will maintain close contact with stakeholders in the arts and cultural and other relevant sectors to seek their views as well as those of the public on the detailed DP. Stage 3 is tentatively scheduled for early 2011. The detailed DP will be finalised for submission to the TPB for consideration by 2012.

The Authority will also commission an Analysis and Reporting Consultant to independently analyse and report on the views collected during the three stages of the PE exercise, with a view to obtaining fair and objective findings.

### **Network Collaborators for the PE Exercise**

Network collaborators are the Authority's working partners. Best practices indicate that engaging collaborators in the planning process can instil a sense of ownership of the project and is conducive to building community consensus. The role of the collaborators of the WKCD project is to engage the community, in partnership with the Authority, to solicit its views on the DP. In addition, they will collect and articulate the views of their sectors or networks and convey them to the Authority. Twelve organisations were invited to be the network collaborators of the Authority during the PE exercise. Through their networks, the said organisations will be able to help the Authority disseminate PE materials to related stakeholders and widen the feedback collection net. They will also help serve as facilitators during the PE activities.

The following is the list of network collaborators invited by the Authority:

- Yau Tsim Mong District Council
- Harbour-front Enhancement Committee
- Academy of Visual Arts, Hong Kong Baptist University
- School of Architecture, The Chinese University of Hong Kong
- Department of Architecture, The University of Hong Kong
- School of Design, The Hong Kong Polytechnic University
- The Hong Kong Institute of Architects
- The Hong Kong Institution of Engineers
- The Hong Kong Institute of Surveyors
- Hong Kong Institute of Planners
- The Hong Kong Institute of Landscape Architects
- Hong Kong Arts Development Council

## Museum Committee

The Museum Committee formulates and recommends to the Board strategies and policies for planning, developing and operating the WKCD's Museum and Exhibition Centre ("EC"). The Committee held three meetings during the period.

The Museum Committee has adopted the recommendations of the then Museums Advisory Group ("MAG") — set up under the Consultative Committee ("CC") on the Core Arts and Cultural Facilities of the WKCD — on the vision, mission and key functions of the M+ and EC as a starting point for the planning and development of these facilities. The mission, vision and key functions of the Museum and EC are as follows:

### **Mission, Vision and Key Functions of the Museum and EC** (based on the recommendations of the then MAG and CC)

#### **Mission of M+**

"The mission of M+ is to focus on 20<sup>th</sup> and 21<sup>st</sup> century visual culture, broadly defined, from a Hong Kong perspective, the perspective of now and with a global vision. With an open, flexible and forward-looking attitude, M+ aims to inspire, delight, educate and engage the public, to explore diversity and foster creativity."

#### **Vision for M+**

- presenting visual culture from a Hong Kong perspective;
- presenting visual culture from the perspective of now;
- presenting visual culture with a commitment to its diversity;
- presenting visual culture with a flexible attitude that is open to new interpretations, fostering cross-fertilization and communication;
- presenting visual culture by promoting community engagement, based on a continuing dialogue with the public; and
- presenting visual culture with respect for curatorial and other specialized professional expertise.

#### **Key functions of M+ :**

- collection building and preservation;
- education and outreach;
- exhibition and display; and
- research and publications.

#### **Mission of the EC:**

"The EC should give priority to uses related to arts, culture, and creative industries and events/activities related to the WKCD. The EC should aim to be run on a self-financing basis with its management overseen by an independent body."

### **Consultancy Study on Mode of Governance of the Museum and EC of the WKCD**

Different modes of governance would have different implications for the Museum's and EC's day-to-day management and operation, programming and service priorities as well as their facilities' spatial requirements. As such, the Museum Committee agreed at its meeting held on 15 January 2009 to conduct a consultancy study that would recommend the most suitable mode of governance and external institutional relationships with government and non-government organisations for the Museum and EC of the WKCD. In determining a suitable mode of governance, the Authority will take into account the need to comply with the WKCD Ordinance as well as the need to uphold transparency and accountability in procedures of finance and management.

The study will draw reference from existing institutional models of leading, successful museums and exhibition centres that are comparable to the new Museum and EC of the WKCD in terms of scale, function, objective and / or theme. The study will recommend the most suitable mode of governance for the Museum and EC including their relationship with the Board of the Authority in terms of governance. It will also examine the implications of the recommended mode of governance for the physical settings of the Museum and EC, such as spatial and other facilities requirements, building design, site options and user requirements that can assist the Project Consultant in translating such information for input into the DP.

### **Consultancy Study on Market Analysis of the Museum and EC of the WKCD**

In view of the large scale of the Museum and EC, the Authority concluded that it must plan the development of these facilities prudently and ensure effective use of public resources, and also allow for organic growth of the District. To take forward the planning of the Museum and EC in such a manner, and to dovetail with the preparation of the DP, the Museum Committee agreed at its meeting on 15 January 2009 that it was necessary to engage a consultant to conduct market analysis for the Museum and EC so as to obtain market information on existing and potential visitors / clientele. This would help ascertain a projection of the potential audienceship / clientele of the Museum and EC for the 20 years up to 2030. It would also identify the existing and potential target market segments for the Museum and EC both locally and outside Hong Kong, and propose marketing strategies that would appeal to the suggested target markets and meet the needs of the potential audienceship / clientele.



The findings of the study will have implications for the preparation of the DP of the WKCD, including but not limited to the spatial requirements of the Museum and EC. The information provided by the study will help the Authority formulate the most desirable strategy for phased development of the Museum and EC. As the study will have direct relationship with the overall design of the DP, the Committee agreed to jointly commission the study with the Development Committee.

### **Interim Museum**

The Committee investigated the feasibility of establishing an Interim Museum at a fixed site and organised site visits to a number of potential sites, including the site at the junction of Electric Road and Oil Street, where the Royal Hong Kong Yacht Club was formerly located. The Museum Committee later agreed that establishing an Interim Museum at a fixed site was not preferred as it would take considerable time and require substantial resources. The Committee also agreed that an Interim Museum should organise activities in different areas of Hong Kong so as to promote the concept of the Museum and to connect with people. It was suggested that some of the events could be organised in collaboration with other institutions in the arts and cultural sector.

### **Performing Arts Committee**

The Performing Arts Committee formulates the vision, mission and mode of governance of the WKCD's performing arts ("PA") venues for approval by the Board. It also formulates and recommends to the Board for its approval the strategies and policies for operation of the PA venues. The Committee has formed a small group to consider performing arts programmes and activities that may be organised from April 2009 to March 2010. The Committee held two meetings, and the small group held one meeting during the period.

### **Vision of the Performing Arts Venues**

Based on the recommendations of the then Performing Arts and Tourism Advisory Group ("PATAG") set up under the CC, the Performing Arts Committee discussed the vision and guiding principles of the PA venues at its first meeting and the small group meeting. The refined vision of the PA venues, which has incorporated views from committee members, is as follows:

"We shall create, organise, manage and promote a vibrant cultural quartier for Hong Kong where its excellence draws to its venues the world's leading performing artists and companies; a home base and launch pad for Hong Kong's creative talent; a site that offers to all Hong Kong's citizens rich cultural experiences; and a cultural entertainment destination for local visitors and tourists."

### **Consultancy Study on Mode of Governance of the Performing Arts Venues of the WKCD**

Different modes of governance would have different implications for the PA venues' day-to-day management and operation, programming and service priorities as well as their facilities' spatial requirements. As such, the Performing Arts Committee agreed to conduct a consultancy study on the most suitable mode of governance for the PA venues and their external institutional relationships with government and non-government organisations. In determining a suitable mode of governance, the Authority will take into account the need to comply with the WKCD Ordinance as well as the need to uphold transparency and accountability in procedures of finance and management.

The study will draw reference from existing mode of governance of PA venues that are comparable to the PA venues in the WKCD in terms of scale, functions, vision and guiding principles. The study will recommend the most suitable mode of governance, taking into account the target art forms of each of the PA venues as well as a detailed description of the relationship between the venues and the Board. It will also examine the implications of the recommended mode of governance on the physical settings of the PA venues, such as spatial and facilities requirements, building design, site options and user requirements, and facilitate the Project Consultant's translation of such information for input into the DP.

### **Consultancy Study on Market Analysis of the Performing Arts Venues of the WKCD**

In view of the large number of performing arts facilities to be built in the WKCD, the Authority recognizes that it must plan the development of these facilities prudently and ensure effective use of public resources, and also allow for organic growth of the district. With these objectives in mind, the Performing Arts Committee agreed at its meeting on 15 December 2008 that it was necessary to engage a consultant to conduct market analysis for the performing arts venues of the WKCD, so as to obtain market information on existing and potential visitors / clientele and ascertain a projection of the potential audienceship / clientele of those venues for the 20 years up to 2030. The study would also identify the existing and potential target market segments for the PA venues both locally and outside Hong Kong, and propose marketing strategies that would appeal to the suggested target markets and meet the needs of the potential audienceship / clientele.

The findings of the study will have implications for the preparation of the WKCD's DP, including but not limited to the spatial requirements of the PA venues. The information provided by the study will help the Authority formulate the most desirable strategy for phased development of the PA venues. As the study will have a direct relationship with the overall design of the DP, the Committee has agreed to jointly commission the study with the Development Committee.

## **Performing Arts Programmes**

The Committee has set up a small group to consider performing arts programmes and activities that may be organised before end of March 2010. The small group met in January 2009 to brainstorm the possible approaches and format of programmes. Programmes including theme-based events may be organised on or off the WKCD site with a view to making an impression on the public, building the brand and image of the WKCD and building a local audience base. Consideration will also be given to collaborations with other arts and cultural institutions in the organisation of these events.

## **Audit Committee**

The Audit Committee considers and advises on financial and audit matters of the Authority. The Committee met once during the period and has put in place a set of guidelines on the operation of bank accounts as well as accounting procedures on payment for goods and services for adoption by the Authority. It has also overseen the selection and made recommendation to the Board on the appointment of an independent external auditor to audit the statement of accounts of the Authority.

At its meeting held on 17 March 2009, the Board approved KPMG's appointment as the external auditor to audit the statement of accounts for the period from 11 July 2008 (date of establishment of the Authority) to 31 March 2009 pursuant to Section 29 of the WKCD Ordinance.

## **Investment Committee**

The principal functions of the Investment Committee are to advise the Board on the investment objectives, guidelines and strategies of the Authority, and to monitor and oversee the investments made by the Authority. The Committee held two meetings during the period.

On 4 July 2008, the Finance Committee of the LegCo approved a one-off upfront endowment of HK\$21.6 billion to the Authority for developing the WKCD. The Authority had fully withdrawn from the Government the approved endowment of HK\$21.6 billion by January 2009. The Committee recommended and the Board endorsed that the approved upfront endowment be placed in bank deposits to earn interest in light of the global financial crisis and unstable investment environment. The approved upfront endowment was then placed in time deposits with licensed banks in Hong Kong, which will be fully protected under the Deposit Protection Scheme until the end of 2010.

## **Remuneration Committee**

The Remuneration Committee makes recommendations to the Board on organisational structure as well as policies regarding staffing, remuneration, employment, discipline and dismissal, with reference to the Authority's overall goals and objectives.

The Committee held four meetings during the period. It has overseen the appointment of consultants to undertake the organisational structure and manpower study for the Authority as well as the provision of a medical insurance scheme and employee compensation coverage for the Authority's staff. It has also overseen the recruitment of professional and middle management staff for carrying out certain urgent and important tasks.

### **Organisational Structure of the Authority**

As the Authority is a public body with a wide range of duties conferred upon it by the WKCD Ordinance, the Board agreed at its first meeting on 28 October 2008 on the need to conduct a consultancy study of the Authority's organisational structure. This will ensure that the Authority's overall setup, manpower needs and recruitment packages are reasonable and comparable to similar local and overseas benchmark organisations. The scope of the study, as endorsed by the Remuneration Committee, is to include recommendations on appropriate organisational structures and manpower needs for the three stages of the WKCD's development, namely the planning, design and construction, and operation stages, taking into account the organisational structures of the benchmark organisations. The study should also identify and describe in detail the profile of the Chief Executive Officer ("CEO") and the three tiers of staff below, and recommend appropriate remuneration packages for these top-tier staff.