

**Operating
Review**

**TOP
MOTION**

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, they also have distinguished records of community service.

The Board held five meetings during the reporting year (i.e. between April 2009 and March 2010) and decided on a number of strategic issues that are crucial to the future development of the WKCD and the operation of the Authority. These covered the preparation of the Development Plan ("DP"), organisational setup, human resources, the governance and institutional framework of M+ and performing arts ("PA") venues, and engagement with the public and stakeholders.

Development Plan

The WKCD, which is located at a prime waterfront location with an area of 40 hectares, including 23 hectares of public open space, will become an asset of the Hong Kong people. During the year, the Authority continued to attach great importance to the preparation of the WKCD's DP and continuous engagement with the public and stakeholders, so as to realise their aspirations for—and expectations of how—the WKCD should be planned and developed.

Planning Design Principles

On 25 May 2009, the Board endorsed the Development Committee's recommendations to adopt a set of planning design principles to guide the formulation of the DP for the WKCD, to ensure that its development would be flexible enough to allow for organic growth, as well as to meet future changes in arts and culture and diverse socioeconomic needs. Foremost among these principles is the notion that the development of the WKCD must always be people-focused. Under this overarching notion, the Authority adopted the following seven planning design principles:

Creativity

The district's layout and design should embrace a creative and innovative spirit that can be adaptive to future changes in arts and culture and in socioeconomic needs, and makes creative use of the harbourfront and adjoining water bodies for the enjoyment of the public.

Accessibility

Access should be easy and convenient for everyone, from different parts of Hong Kong to the WKCD as well as within it.

Connectivity

The WKCD should connect to the lives of people and should optimise access to the harbour, connect to other parts of Hong Kong and beyond, and complement to the neighbouring old areas.

Integration

The WKCD should be an integrated district with intrinsic arts and cultural components incorporated into its public open space, both inside and outside the individual arts and cultural facilities, in the infrastructure itself and in its green open areas.

Vibrancy

There should be a diversity of functions and activities for people from all walks of life who want to interact, converse, create, work, learn, experience and relax.

Uniqueness

The district should project a unique identity as a place that embraces cultural richness from the East and West, and as a haven for the city's traditions, memories, inspirations and aspirations.

Sustainability

The WKCD should adopt sustainable planning and design with a commitment to low carbon emissions, low energy consumption and low-cost maintenance.

Selection of Consultants

In order to foster creativity, cast a wider net for diverse professional opinions and offer more master plan options to the public, the Authority conducted an open and transparent global tendering exercise for the selection of the three Conceptual Plan Consultants and the Project Consultant. An assessment panel, comprising renowned personalities from the architectural, planning and engineering fields, was formed by the Board to assess the submissions from the shortlisted consultancy firms.

The Authority received 40 expressions of interest from local and overseas consultants after the Authority started the global tendering exercise, including seven submissions on the Project Consultancy and 33 submissions on the Conceptual Plan Consultancy. Sixteen consultants—12 for the Conceptual Plan Consultancy and four for Project Consultancy—were shortlisted to submit technical and fee proposals. In assessing the technical proposals submitted by the consultants, their technical merits—including experience; creativity and innovative arts and cultural ideas; appreciation of the objectives; staff organisation and experience; methodology; and work programme—were considered by the assessment panel.

In July 2009, the Board announced the appointment of three world-renowned architects as the Conceptual Plan Consultants, namely Foster + Partners, Rocco Design Architects Limited and Office for Metropolitan Architecture. Each will prepare a Conceptual Plan Option for the WKCD. While these three consultants are tasked with demonstrating considerable creativity, they are also fully aware of the importance of reflecting the public's views that were gathered during Stage 1 of the PE exercise in crafting their master plan options. These options will be unveiled to the public during Stage 2 of the PE exercise, which is scheduled to begin in August 2010. One of the three options will be selected by the Authority to serve as the basis for the preparation of a detailed DP.

The Board also announced in July 2009 the appointment of Mott MacDonald Hong Kong Limited as the Project Consultant of the Authority. Based on the Conceptual Plan Option to be selected by the Authority, the Project Consultant will prepare a detailed DP for submission to the Town Planning Board ("TPB"). The Project Consultant is also responsible for the preparation of the Schedules of Accommodation ("SoA") for the Core Arts and Cultural Facilities ("CACF") of the WKCD.

Public Engagement Exercise

To dovetail with the preparation of the DP of the WKCD, the Board had earlier decided to adopt a three-stage approach for the PE exercise as follows :

Stage 1

To gauge the views of the public and stakeholders on the overall planning of the WKCD as well as their requirements for the facilities in the arts and cultural venues.

Stage 2

To gauge the views of the public and stakeholders on the three Conceptual Plan Options and the preliminary Schedules of Accommodation ("SoA") of the arts and cultural facilities.

Stage 3

To gauge the views of the public and stakeholders on the detailed DP of the WKCD and the detailed SoA of the arts and cultural facilities.

Following the announcement of the above strategy on the PE exercise, the Board tasked the Consultation Panel with planning the consultation programmes for the PE exercise, reviewing and reporting to the Board the progress of the PE exercise, and ensuring that the PE exercise is conducted in an open and transparent manner.

The Authority commissioned, via an open tender, an Analysis and Reporting Consultant (the Public Policy Research Institute of the Hong Kong Polytechnic University) 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.

Stage 1 of the PE exercise, together with its findings, will be described in detail under the section "Stage 1 Public Engagement Exercise".

Phased Development of Arts and Cultural Facilities

While the Board considered the phased development of M+, the Exhibition Centre (“EC”) and performing arts (“PA”) venues recommended by the former Consultative Committee on the CACF of the WKCD, the Board decided and announced in March 2009 that it would task the Development, Museum and Performing Arts Committees with commissioning market analyses of these facilities to ascertain their potential demand. This was done in order to take forward the planning of these facilities in a systematic and prudent manner.

The objective of these studies is to obtain information on the existing and potential market so as to ascertain in particular the existing and potential audienceship/ clientele of the arts and cultural facilities locally, regionally and internationally, projected at 5-year intervals up to 2030. The market studies will include study of comparable facilities in the Pearl River Delta, other major cities in the Mainland and overseas.

The information and analysis provided by the studies will help the Authority formulate the most desirable strategy for phased development of the arts and cultural facilities, so as to allow for the WKCD’s organic growth. Details of these studies are set out under the subsections on “Museum Committee” and “Performing Arts Committee”.

Mode of Governance of Arts and Cultural Facilities

Various modes of governance have different implications for the arts and cultural facilities’ day-to-day management, operation, programming, service and spatial requirements. In view of this, as well as the need to ensure good corporate and institutional governance for the WKCD as a whole along with its individual arts and cultural facilities, the Board tasked the Museum and Performing Arts Committees to each commission a mode of governance study on M+, the EC and PA venues.

The mode of governance studies aim to deliberate on and then recommend the most suitable modes of governance and external institutional relationships with government and non-government organisations for the WKCD’s arts and cultural facilities. The studies will draw references from the existing institutional models of successful and leading arts and cultural facilities that are comparable to the new facilities of the WKCD in scale, function and vision and guiding principles.

Details of these studies are set out under the subsections on “Museum Committee” and “Performing Arts Committee”.

Organisational Setup 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 commissioned a consultancy study on the Authority's organisational structure and manpower needs. 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 recommend the 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.

On 25 May 2009, the Board endorsed the recommendations of the consultant (Hewitt Associates L.L.C.), which was selected via open tender, on the organisational principles for the Authority as follows :

Simplicity and Flexibility

- A simple, flat organisational structure with well-segmented functions, clear reporting lines and effective spans of control.
- A flexible organisation that effectively transits between stages with minimal disruption to operations and resources.

Accountability and Clarity

- Clear accountability, responsibilities and controls across and within functions.

Effective Service Provider Management

- A lean organisation that efficiently leverages external service providers with effective business controls.

Operational Efficiency

- Drive effective, timely and coordinated decision-making within and across each function.

Professional, Highly Skilled and Rewarding Work Environment

- Remunerations are market-driven, internally equitable, are aligned with employee skills, competency, and performance, and reflect good corporate governance.

The Board also endorsed the consultant's recommendations on the organisational structure, manpower needs and remuneration packages of the Authority during the planning stage (from 2009 to 2011).

During the planning stage, the Authority will be led by a Chief Executive Officer (“CEO”) with a span of control of nine direct reports, including six Executive Directors (who are responsible for Project Delivery, Performing Arts Policy and Management Services, M+, Finance, Communications and Marketing, and Human Resources), General Counsel, Internal Auditor and Director, CEO’s Office. The Authority will have a total of some 80 staff during the planning stage.

The Authority’s organisational structure aligns with the setup of common public bodies, meets the organisational design principles adopted by the Board, and addresses the objective of delivering the core functions of the Authority while leaving internal audit, legal and human resource functions as separate departments to provide checks and balances. The Board is also of the view that the organisational structure for the design and construction stage and operations stage need to be considered later, with a view to seamlessly adjusting the organisational structure in response to operation and experiences, changes in strategy, market needs and stakeholder needs.

As of end May 2009, the Authority had 28 staff members, with 10 officers seconded from the Government to assist the Authority’s work in the initial stage of the project. After the endorsement of the results of the organisational structure study by the Board in May 2009, the Authority proceeded to recruit its own senior executives as well as middle-ranking and professional staff in a fair, open and transparent manner.

On 24 March 2010, the Board announced the appointment of Mr Graham Sheffield as the CEO of the Authority, effective mid-August 2010. As CEO, Mr Sheffield will lead and manage the artistic and operational initiatives and projects related to the development of the WKCD. He will report to the Board and serve as a Board member. Mr Sheffield is the former Artistic Director of one of the world’s most-respected art centres, the Barbican Centre in London. His experience spans multiple art forms, including performing arts, visual arts, film and much more. His vision, managerial talents and expertise in the international arts scene will provide the WKCD with leadership it needs to become Asia’s leading centre for arts and culture.

Stage 1 Public Engagement Exercise

The objective of Stage 1 of the PE exercise was to gauge the community's aspirations for and expectations on the planning of the WKCD as a whole, as well as the views of stakeholder groups on the requirements for the arts and culture facilities. In addition, public views were sought on their aspirations for WKCD's cultural software development, including the provision of programmes and education-related activities.

To spearhead the preparation for Stage 1 of the PE exercise, the Board endorsed the arrangements for the exercise that were proposed by the Consultation Panel on 20 July 2009, including the list of stakeholders to be consulted, the questionnaire, the formats and schedules of the PE events, as well as the publicity activities for the PE exercise.

In designing the questionnaire for the Stage 1 PE exercise, the Authority incorporated input from the Conceptual Plan Consultants, the Project Consultant, the Analysis and Reporting Consultant and the Authority's network collaborators, including professional institutions.

A special poster publicising the exercise was designed by renowned local artist Mr Stanley Wong, who developed his ideas from the current state of play of the WKCD project.

Under the slogan "Stretch Your Imagination. Share Your Dream. Create a successful West Kowloon Cultural District for all!", the three-month Stage 1 PE exercise was kicked off on 8 October 2009. The Honourable Henry Tang Ying-yen, Chief Secretary for Administration of the Hong Kong Special Administrative Region Government and Chairman of the Board, officiated at the Opening Forum on 8 October 2009, which was held at Y-Square in Chai Wan. The Forum targeted students from universities and secondary schools as the younger generations will be the future users of the WKCD. Over 300 students and teachers from universities, arts education institutions and secondary schools participated in the forum. A highlight of the event was the dialogue onstage between the Honourable Henry Tang Ying-yen and Mr Perry So, Assistant Conductor of the Hong Kong Philharmonic Orchestra, and youngsters from around the city. During the breakout discussion and wrap-up sessions, students voiced out ingenious and bold ideas that were very useful in shaping the future WKCD.

Apart from the Opening Forum and the Youth Forum described below, the Authority organised three public forums, chaired by the Consultation Panel Chairman Professor Stephen Cheung Yan-leung, in the Science Museum, the Arts Centre and Tai Po Civic Centre respectively to reach out to the general public and to hear local residents' views on the planning of the WKCD.

The last open forum of the Stage 1 PE exercise, the Youth Forum, took place on 20 December 2009 at the Hong Kong Convention and Exhibition Centre and was dedicated to the “next generation”, a major stakeholder group of the WKCD. Over 160 working youths and students shared their views on the development and planning of the WKCD with the Authority and the three Conceptual Plan Consultants.

Sixty-one focus group meetings were also organised for various stakeholder groups to discuss user requirements for the arts and cultural facilities and WKCD’s cultural software development. Over 300 stakeholder groups participated in the focus group meetings and gave inspiring, constructive views on the planning of the WKCD.

Representatives from the Authority, the Conceptual Plan Consultants and the Project Consultant attended all the forums and focus group meetings to hear views in person. Board, Committee and Consultation Panel members of the Authority also actively participated in the forums and focus group meetings.

To enhance the transparency of the exercise, all the audio recordings of the forums and focus group meetings as well as transcripts of the discussions were uploaded to the Authority’s website for the public’s information.

A consultation leaflet and questionnaire were designed for the exercise, and they were made available on the Authority’s website and at the PE event venues. They were also widely distributed to the public through community centres, performing arts venues and museums. In addition, the Consultation Panel Chairman set up a Facebook group to collect public views.

As for visitors from overseas and Mainland China, their views were gathered by means of face-to-face interviews conducted by the Analysis and Reporting Consultant.





Activities of the Stage 1 Public Engagement Exercise for the WKCD

Results of Stage 1 of the Public Engagement Exercise

The Report on the Analysis of Views for the Stage 1 PE exercise, which was compiled by the Analysis and Reporting Consultant, was published on 31 March 2010. A total of 7,412 documents, including 6,688 completed questionnaires, were analysed.

The results showed that there were strong alignment between the views collected and the seven Planning Design Principles (Creativity, Accessibility, Connectivity, Integration, Vibrancy, Uniqueness and Sustainability) adopted by the Authority for the planning of the district, with particular emphasis on sustainability.

Respondents indicated their preference for the district to grow organically, and that programmes tailored for various segments of the community should be developed. Furthermore, they favoured qualities such as “artistic/ cultural feel”, “relaxing”, “inspiring”, “inviting”, “showcasing Hong Kong’s unique local and traditional characteristics”, and “exhibiting a green setting” as the attributes of the ambience and overall look of the district.

The report on the Analysis of Views for
the Stage 1 PE exercise



The findings provide very useful guidance for the Authority and its three Conceptual Plan Consultants on the aspirations and preferences of stakeholders and the public as to how they would like the WKCD to be planned and designed.

The report as well as a compendium containing all views received and analysed during Stage 1 of the PE exercise has been uploaded to the Authority's website (www.wkcda.hk). They are also available for public inspection at the Authority's Secretariat.

Having reviewed the report, the Board formulated during its meeting in April 2010 the strategic directions for the preparation of the DP of the WKCD. When the three Conceptual Plan Options are presented to the public during Stage 2 of the PE exercise, the Conceptual Plan Consultants will be required to produce a statement on how the public's views have been taken into account during the development of their Options. Stage 2 is scheduled to be launched in the summer of 2010.

Extension of Tenure of Non-Board Committee Members

Taking into consideration that the Authority was pressing ahead with the PE exercise and recruitment of senior staff, as well as the need for maintaining continuity in the Authority's governance structure, the Board decided on 26 November 2009 that the tenure of all non-Board committee members should be extended until 31 December 2010. The Board also agreed to extend the tenure of Consultation Panel members to 28 February 2011.

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 two meetings and two briefings during the year.

The Committee has updated the programme for the preparation of the DP and made recommendations on the arrangement for Stage 1 of the PE exercise, including questions to be posed to the public and stakeholder groups, the formats of the engagement events, publicity and more. It also oversaw the progress of the work done by the Project Consultant and the Conceptual Plan Consultants in relation to the preparation of the DP.

Interface with Guangzhou-Shenzhen-Hong Kong Express Rail Link Project

The West Kowloon Terminus (“WKT”) of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (“XRL”) will be located adjacent to and under a part of the WKCD. As the XRL and WKCD projects are closely related, the Development Committee received two briefings by both the Highways Department and the Mass Transit Railway Corporation Limited on 10 July and 12 November 2009 on the progress of the design of the WKT, with a view to ensuring better interface between the two projects. The Development Committee was of the view that pedestrian links and landscaping would be of great importance and considered that the design of WKT, especially the design of pedestrian links and landscaping, should echo those of the WKCD. The Development Committee will continue to liaise with the XRL project team so that the two can be well coordinated and the Development Committee can be regularly updated on the design of the WKT.

Interface with Pedestrian Linkages and Road Schemes in West Kowloon

To tie in with the development of the West Kowloon area, the Transport Department (“TD”) completed the West Kowloon Reclamation Development Traffic Study in 2009. The purpose of the study was to improve the road network in West Kowloon, tackle congestion at certain road junctions in the area and address the future traffic needs of the entire West Kowloon development area (including the WKCD and WKT).

On 12 November 2009, the Development Committee was briefed by the TD on the progress of the pedestrian linkages and road schemes in the West Kowloon area. The Committee considered that flexibility must be provided in any traffic and pedestrian linkage plan so as to tie in with the preparation of the Conceptual Plan Options by the Authority’s consultants. Besides, the design of pedestrian linkages should be convenient, direct and comfortable, and should provide a suitable environment and ancillary facilities to increase the attractiveness of the linkages. The design should also ensure that the visual appearance of the relevant structures is well integrated with the surrounding developments and buildings (including the WKCD).

The Development Committee will continue its dialogue with TD so as to ensure smooth integration of the WKCD development with its adjacent pedestrian linkages and road schemes.

Museum Committee

The Museum Committee has adopted the recommendations of the then-Museums Advisory Group (“MAG”)—set up under the Consultative Committee on the Core Arts and Cultural Facilities of the WKCD—on the vision, mission and key functions of M+ and the Exhibition Centre (“EC”) as the basis for formulating and recommending to the Board the strategies and policies for planning, developing and operating M+ and the EC. The Committee met two times during the year. Briefing sessions for Museum Committee members on the Consultancy Studies on Mode of Governance and Market Analysis of M+ and the EC were conducted.

The Committee has formed four sub-groups to focus on the four broad themes of M+, namely design, moving image, popular culture, and visual art (including ink art), as well as a sub-group focusing on cross-disciplinary synergy. The sub-group leaders met three times during the year and discussed the planning and possible programming of M+ in the interim period prior to the commissioning of M+, with a view to promoting the WKCD, connecting the WKCD with the community and nurturing a local audience base for M+.

Consultancy Study on Mode of Governance of M+ and the EC of the WKCD

Different modes of governance would have different implications for the day-to-day management and operation of M+ and the EC, programming and service priorities, as well as their facilities' spatial requirements. As such, the Authority commissioned, via an open tender, Cultural Innovations in August 2009 to conduct a consultancy study to recommend the most suitable mode of governance for M+ and the EC. The study aimed to deliberate on and recommend a most suitable mode of governance and external institutional relationships with government and non-government organisations for M+ and the EC. References were drawn from existing institutional models of successful and leading museums and exhibition centres that are comparable in terms of scale, functions, and objectives or themes.

The consultant drew references from the existing modes of governance for international benchmark museums and exhibition centres in the region, Asia Pacific, Europe and the United States that were deemed comparable. The consultant gave a presentation to the Museum Committee on its preliminary findings in March 2010, and subsequently conducted seven meetings with stakeholder groups from the arts and cultural sector in late March 2010 to collect their views on the preliminary findings. The findings and recommendations on the mode of governance of M+ and the EC will be submitted to the Museum Committee for consideration and the Board for approval. The Authority's management will also work out an implementation plan for the mode of governance of M+ and the EC after the Board's endorsement.

Consultancy Study on Market Analysis of M+ and the EC of the WKCD

In view of the large scale of M+ and the EC, the Authority has decided that it must plan the development of these facilities prudently to ensure effective use of public resources, and it must also allow for organic growth of the District. With these objectives in mind, the Authority commissioned, via an open tender, Economics Research Associates (now renamed as Economics under the AECOM Group) in August 2009 to conduct a consultancy study on market analysis of M+ and the EC of the WKCD. This was to project the potential attendance and utilisation of M+ and the EC by local residents as well as tourists visiting Hong Kong for the next 20 years up to 2030, and then recommend the phased development of these two facilities accordingly.

References of marketing strategies were also drawn from leading and successful museums and exhibition centres in the region, Asia Pacific, Europe and the United States. The findings and recommendations of the consultant will be submitted to the Development Committee and Museum Committee for consideration, and then submitted to the Board for endorsement. The recommended phased development of M+ and the EC, as endorsed by the Board, will be put forward in Stage 2 of the PE exercise for consultation with the public and stakeholders.

Interim M+ Programmes

The Museum Committee formed five sub-groups to discuss the preliminary planning and development of M+. The sub-group leaders met three times and agreed to launch Museum Research Programmes and a Curatorial Internship Programme. Both programmes target to be conducted in collaboration with local universities, academies and schools that offer arts and cultural courses, so as to establish M+'s relationship with local educational and research institutions in nurturing local researchers and museum professionals.

Museum Research

The Museum Committee decided that a museum research programme should be conducted so as to take stock of the available resources on the four initial broad groupings for M+, i.e. design, moving image, popular culture and visual art (including ink art), as well as on international Biennials and Triennials. This information would be of vital importance for the museum professionals of the Authority when formulating the collection and programming strategy for M+.

The research on the four themes includes stock-taking of related artists, collectors, scholars and institutions in their respective fields. The aim is to build up a database of available resources for further in-depth research, and for facilitating the M+ Executive Director's collection and programme planning for M+ in the future. Meanwhile, the research on international Biennials and Triennials includes a review of international Biennials and Triennials; an in-depth look at development trends; and a SWOT (strength, weakness, opportunity and threat) analysis that aims to build up a comprehensive reference database for the historical and current development of international Biennials and Triennials as well as provide a critical evaluation of M+'s positioning in organising its own major international arts events in the future. Invitations for research proposals have been sent to local universities and art research institutions. The research will commence in the latter part of 2010.

Curatorial Internship Programme

The Museum Committee decided that a Curatorial Internship Programme should be conducted since it is desirable for M+ to provide practical training opportunities for young art administrators and researchers. This will also help develop M+ as an incubation centre for young professionals in pursuit of a museum career.

Invitations have been sent to local universities for them to nominate suitable candidates. The internship programme is expected to commence in the latter part of 2010.

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 the strategies and policies for operation of the PA venues. The Committee has formed a small group to consider PA programmes and activities that might be organised in the interim period prior to the commissioning of the PA venues, with a view to promoting the WKCD, connecting it with the community and nurturing a local audience base for the PA venues. The Committee held two meetings, and the small group held one meeting during the year. Briefing sessions for PA Committee members on the Consultancy Studies on Mode of Governance and Market Analysis of the PA venues were conducted.

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

Various modes of governance have different implications for the PA venues' day-to-day management, operation, programming and service priorities as well as their facilities' spatial requirements. As such, the Authority commissioned Positive Solutions in August 2009 via an open tender to conduct a consultancy study recommending the most suitable modes of governance for the WKCD's PA venues. The study aimed to deliberate on and recommend a most suitable mode of governance and external institutional relationships with government and non-government organisations for the new PA venues of the WKCD. The study also drew references from the existing institutional models of successful and leading PA venues that are comparable in terms of scale, function, vision and guiding principles.

References were drawn from international benchmark venues in the region, Asia Pacific, Europe and the United States. The consultant gave a presentation to the Performing Arts Committee on its preliminary findings in March 2010 and subsequently conducted three meetings with stakeholder groups from the performing arts field in late March 2010 to collect their views on them. The Authority's management will submit their recommendations on the mode of governance of the PA venues to the PA Committee for consideration and the Board for approval. The Authority's management will also work out an implementation plan after the Board's endorsement of the mode of governance.

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 recognises that it must plan the development of these facilities prudently to ensure effective use of public resources and also to allow for organic growth of the District. With these objectives in mind, the Authority commissioned, via an open tender, Deloitte Consulting (Hong Kong) Limited and its partner, AMS Planning & Research Corporation, in August 2009 to conduct a consultancy study on market analysis of the PA venues, estimate the potential attendance at future WKCD PA venues by local residents and tourists for the next 20 years up to 2030, and then recommend the phased development of PA venues accordingly. References of marketing strategies were also drawn from leading and successful PA venues in the region, Asia Pacific, Europe and the United States. The findings and recommendations of the consultant will be submitted to the Development Committee and Performing Arts Committee for consideration, and then submitted to the Board for endorsement. The recommended phased development of the PA venues as endorsed by the Board will be put forward in Stage 2 of the PE exercise for consultation with the public and stakeholders.

Performing Arts Programmes

The PA Committee and the small group held meetings to discuss possible approaches and formats for programmes that might be organised in the interim period prior to the commissioning of the PA venues, in order to familiarise the public with the WKCD and its content. They will further deliberate on possible programmes, taking into account site availability as reflected by the Conceptual Plan Options as well as the recommendations for the phasing of the PA venues as endorsed by the Board.

The Committee also indicated the Authority should collaborate with other arts and cultural organisations to develop cultural software for the benefit of the WKCD. It was envisaged that some of the PA programmes and activities, whether on or off the WKCD site, could be organised in collaboration with other arts and cultural institutions. The CEO and Performing Arts Executive Director will take the lead in organising these during the period leading up to the opening of the PA venues. Such activities will help brand the WKCD and build up audienceship in the long run.

Audit Committee

The Audit Committee considers and advises on financial and audit matters of the Authority. The Committee met twice during the year. It considered and recommended the statement of accounts for the period ended 31 March 2009 for approval of the Board. The Committee also reviewed and made recommendations to the Board on the authorised bank signatories and financial limits for the operation of bank accounts for the new appointment of staff, including the CEO and other senior executives. In addition, the Committee made recommendations for putting in place proper controls over the operation of the accounts held with the Hong Kong Monetary Authority (“HKMA”) for the placement of funds with the HKMA. It reviewed and updated relevant guidelines and accounting procedures. It also oversaw the selection of, and made recommendation to the Board on, the appointment of an independent external auditor, PricewaterhouseCoopers, to audit the statement of accounts of the Authority for the year ended 31 March 2010.

Investment Committee

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

In January 2010, with the approval of the Board and the Financial Secretary pursuant to Section 23(1) of the WKCD Ordinance, the Authority placed HK\$6.5 billion with the Hong Kong Monetary Authority (“HKMA”) for a period of six years. The rate of return is determined annually in January and was fixed at 6.3% p.a. for 2010.

The Committee approved the appointment of an investment consultant in mid-December 2009 to advise the Authority on the investment strategy and investment guidelines for managing the funds of the Authority. Pending the finalisation of the investment strategy and the investment guidelines appropriate for the Authority, unused funds (other than the HK\$6.5 billion already placed with the HKMA) of the Authority were placed in time deposits with licensed banks in Hong Kong, which are fully protected under the Deposit Protection Scheme until end-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 had a busy schedule throughout the year and held seven meetings. It discussed the findings of the organisational structure and manpower study for the Authority as well as the provision of a medical insurance scheme and renewal of employee compensation coverage for the Authority's staff. It also oversaw the formulation of recruitment policy and recruitment plan for Authority staff and made recommendations to the Board on the terms and conditions of employment of senior executives of the Authority.

Organisational Structure and Manpower Study

The Committee closely reviewed the consultant's findings on the organisational structure and manpower study and put forward its recommendations to the Board for endorsement in May 2009. To enhance transparency, the key findings of the study as endorsed by the Board, including the organisational principles and the organisational structure and manpower plan of the Authority during the planning stage (2009 – 2011), were uploaded onto the Authority's website.

Recruitment of Senior Executives

After the endorsement of the organisational structure of the Authority by the Board, the Authority proceeded with the recruitment of senior executives of the Authority, including the CEO, Executive Directors, General Counsel, Internal Auditor, and senior professionals. These efforts were closely overseen by the Committee. Professional headhunting firms were engaged to assist the Authority in conducting searches for senior executives with a view to identifying the most suitable candidates for the posts. Apart from sourcing suitable candidates via headhunters, job advertisements for the vacancies were also placed in newspapers and the Authority's website to cast a wider net for candidates. The Authority received overwhelming response for the various posts.

The Committee also drew up a set of recruitment guidelines for the Authority to follow, and it established recruitment boards comprising members from the Board and relevant committees to shortlist candidates and conduct selection interviews. To ensure good corporate governance, all members of the recruitment boards were required to declare any actual or potential conflict of interest.

Declaration of Investments

The Committee continued to attach great importance to good corporate governance and considered that a set of guidelines for declaration of investments by the staff of the Authority upon their appointment and regularly thereafter should be adopted. The discussion on the draft guidelines by the Board was scheduled for April 2010.

Consultation Panel

A Consultation Panel has been established by the Board under Section 20 of the WKCD Ordinance to gather public views on matters related to the function of the Authority. The Consultation Panel was composed of 21 members of different sectors with relevant knowledge and experience. The terms of reference of the Consultation Panel are appended in the **Annex**. Meetings of the Consultation Panel are open to the public. Discussion papers and minutes of meetings of the Consultation Panel are available on the Authority's website.

The Consultation Panel held three meetings during the year and received a briefing by the Government on arts and cultural software in Hong Kong. The Consultation Panel discussed and made recommendations to the Board on the arrangements for Stage 1 of the PE exercise, including the list of stakeholder groups to be invited to PE meetings, formats of events, areas of consultation and publicity plans.

Members of the Consultation Panel gave many constructive views on the arrangements for Stage 1 PE exercise, including views on how to enhance the transparency of the exercise, resulting in the introduction of measures like uploading the audio recordings and transcripts of the PE events to the Authority's website to keep the public informed. Members also attached importance to presenting more background information on the WKCD project to the public to facilitate discussions; hence, videos showing examples of renowned international arts and cultural districts were included in each PE event, including public forums and small group meetings.

Members also attended the events and activities of Stage 1 of the PE exercise to gain first-hand information about the aspirations of the public for the WKCD development and the views of the stakeholder groups on the requirements for the facilities of the arts and cultural venues. The Chairman of the Consultation Panel chaired the discussions at the Opening Forum, the three public forums and the Youth Forum. Stage 1 of the PE exercise was successfully completed in January 2010, and the Report on the Analysis of Views for the Stage 1 PE exercise was published in end-March 2010.

Corporate Communications

To keep the public duly informed of the developments of the WKCD, the Authority has been proactive in communicating with the media and various stakeholders.

Throughout the year, the Authority conducted six briefings for the media. These covered the preparation, arrangements and results of Stage 1 of the PE exercise, as well as the recruitment of senior executives.

In September 2009, the Authority launched its first e-newsletter. The e-newsletter reports the activities of the Authority to keep the public and stakeholders updated on the progress of the WKCD project and the work of the Authority on various fronts. It is published every one to two months on the Authority's website and is sent to more than 3,000 subscribers and interested parties.

Members of the younger generations are the key stakeholders of the WKCD. It is therefore important to keep them well informed about the objectives, attributes and progress of the WKCD project. To familiarise them with the site and the planning of this mega arts and cultural project, the Authority collaborated with the Hong Kong Institute of Architects in organising 27 guided tours to the '2009 Hong Kong and Shenzhen Bi-City Biennale of Urbanism and Architecture', an exhibition held at the West Kowloon Waterfront Promenade. Over 1,000 participating students were briefed by the Authority's representatives on the planning and development of the WKCD, and they took a tour of the 2009 Hong Kong and Shenzhen Bi-City Biennale of Urbanism and Architecture. After the guided tours, participating students wrote down their hopes and wishes for the WKCD on wish cards. The comments that they made were enthusiastic, thoughtful and inspiring. According to the students, they all believe the cultural district will enrich and enliven Hong Kong's cultural milieu. The wish cards can be viewed on the Authority's website.



1



2

1 Professor Stephen Cheung Yan-leung (left), Chairman of the Consultation Panel of the West Kowloon Cultural District Authority, and the Honourable Ronald Arculli (centre), Chairman of the Development Committee of the Authority, with Mr Stanley Wong (right), renowned artist, after unveiling the poster publicising the Stage 1 Public Engagement exercise for the West Kowloon Cultural District. The poster was designed by Mr Stanley Wong.

2 Professor Stephen Cheung Yan-leung, Chairman of the Consultation Panel of the Authority, and the Honourable Ronald Arculli, Chairman of the Development Committee of the Authority, speaks to the media.

3 The Authority organised guided tours for secondary school students in February 2010.

