

OCEAN TERMINAL

IT ALL STARTED IN
1964 WHEN I FIRST LANDED
IN HONG KONG AT THE
OLD OCEAN TERMINAL...

—
MR MICHAEL LYNCH, CBE, AM
Chief Executive Officer

REVIEW OF OPERATIONS

IT ALL
STARTED
IN 1964
WHEN I



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Photo: Courtesy of The Wharf (Holdings) Limited

A lot has happened around here

I first saw Kowloon from a P&O ship in 1964. I was thirteen years old. Could I have ever imagined that almost fifty years later I would be leading the world's most exciting cultural project only metres from where I first landed in Hong Kong at the old Ocean Terminal in Kowloon en route to the UK with my parents?

I was watching a film recently, made in 1938, which painted an even more exotic picture of what Hong Kong was like at an earlier stage and I was struck by many of the things that fascinate me today as a resident of this great city. Its style, its beauty, its fashion, and its unique meeting point for East and West. It's always been a fascinating Chinese city with an exotic cultural mix.

My next visit was in 1975 by plane, landing at the unforgettable Kai Tak. I was also able to visit China for the first time and began to understand the real roots of this great city. I visited Guangzhou and the surrounding area for three days and, looking back, feel I was given an important understanding of the extraordinary changes that have taken place over the last thirty years in China.

But now I'm here in 2012 and leading a challenging project that we hope will revolutionise the cultural life of Hong Kong and help it play a different role within China and the world.

We are going to build some wonderful facilities for the arts and the artists of Hong Kong. We hope that they will expand the audiences for all sorts of activities across the site. We will also create a great public space unlike anything yet seen in Hong Kong.

A recent report on "World Cultural Cities" makes the very clear connection between the cultural life of a city and its capacity to be a financial centre and drawcard for the best international talent. The report references great cities like London, New York, Paris and Shanghai and shows that access to a wide range of cultural activities is a crucial component of a successful world city. Our intention is to ensure that Hong Kong becomes one of those key cities of the world in the coming years.

But most importantly we are creating a piece of Hong Kong rising from the "fragrant lagoon" of older days that will be a wonderful, enchanting, stimulating and exciting "place for everyone".

It is a great privilege to be working with all the stakeholders on this marvellous project, to do something that has really never been tried before on such a scale and in such a time frame. We need your support and goodwill to help us get there.

I look forward to coming back in 2020 to see how close we have come to delivering our dream. It will be amazing! Trust us.

WERE ER SOWN THERE



MANY THINGS GROW IN
THE GARDEN THAT WERE
NEVER SOWN THERE

—
MR LOUIS YU

Executive Director, Performing Arts

MANY
THINGS

An accidental testimony

—

As the old Chinese saying goes, “Many things grow in the garden that were never sown there”. I can give a testimony to this Chinese wisdom.

The idea of our first programme the West Kowloon Bamboo Theatre at the turn of the Year of the Dragon started with a casual dinner at Sai Kung.

After rounds of intensive stakeholders’ presentations last April, I decided to treat myself to a nice seafood dinner. A friend and I passed by Sai Kung Pier and I only came to realise that it was Tin Hau (Goddess of the Sea) Birthday because there was a Cantonese opera performance at a massive bamboo theatre.

On that Sai Kung evening, we walked by the bamboo theatre, hearing laughter from the audience, watching children running around the site and sniffing delicious Chinese snacks. Suddenly I had a strong feeling that this is simply what we need in the West Kowloon site over Chinese New Year...and did it in January 2012.

When I looked back, I might have been too preoccupied with present work and the mission to build state-of-the-art facilities. I missed the root of the project – that all facilities and all forms of entertainment should have a common goal: to make people happy. No word can express how much I enjoyed meeting the audience

and seeing their happy faces – especially the elderly – at the West Kowloon Bamboo Theatre.

The seven-day festival also benefits greatly to the design of the Xiqu Centre. We want to take this open space concept and embed it in the Xiqu Centre design. This way the festive spirit would be able to find its root.

Our buildings and facilities are the defining parts of the whole project, while the programme and artistic contents are the ever-changing, fluid and undefined part. Programming would affect how the Xiqu Centre should be constructed and in turn its design would have a bearing on what programmes we could attract.

In the same way, the maiden success of the West Kowloon Bamboo Theatre encouraged us to extend next year’s programme, and it also inspired us to develop other programmes like the Freespace Fest later this year. Freespace is a new hip hub concept we try to implant in Hong Kong, it is a live music venue; a large performance space for experimental theatre; it also has an outdoor stage.

Arts and culture are about trying and experimenting. I am looking forward to nurturing more flowers to grow in the big cultural garden.





梨園

享譽

西九大戲棚

香港八和會館演出

歡迎西九大文化區管理局光臨

主辦

允文允武

刀鑿元帥茶將更

龍貫天

王超群

陳鴻進

黎耀威

康國森

鄭啟楠

溫玉琦

聲色俱全

金鳳銀龍迎新歲

尹飛燕

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^(A) Performing Arts

The Authority strives to develop WKCD to be the core of Hong Kong's performing arts scene in an artistic and professional manner. We aim to draw professionals into WKCD as the place to create, produce, learn, perform and celebrate all forms of the performing arts.

The Authority will design the WKCD facilities to meet all scales of local performing arts professionals' needs. Whilst we will aim for the highest standards in terms of governance, artistic practice, operations and services, we should also challenge the models that currently prevail within the sector.

We will create space, both physically and artistically, to encourage exploration of and experimentations with the performing arts in all forms. Through this we aim to create opportunities for interdisciplinary exchange within not just performing arts forms, but also between performing arts and other areas such as visual arts, entertainment and technology.

Our mission is to develop an environment of professionalism which the next generation will learn and adopt as their own. We will educate and disseminate knowledge to enrich artistic encounters for everyone and we endeavour not only to draw people to WKCD but also to bring art to the whole of Hong Kong through as many channels as possible.

To ensure the future arts and cultural facilities in WKCD will meet the expectations of our users and the general public, we have been engaging and building partnership with the local arts community.

Through a number of roundtable discussions with individuals and small group discussions with stakeholders from the arts sector and other relevant disciplines, we have gathered views from different types of users and updated them on the latest development in the WKCD project.

The Performing Arts team is responsible for planning not only the design and operation of the performing arts venues, but also for programming directions and research studies, as well as capacity and audience building from now until the venues open.

We have started organising and supporting different interim programmes to build audiences, develop our identity, establish relationships with the community and to build professional capacity in the sector. All of these projects have had a focus on interdisciplinary exchanges with other art forms such as visual art and literary art, and this focus will continue to be one of the core themes of WKCD.

During Chinese New Year, our first cultural flagship event, the West Kowloon Bamboo Theatre, took place in an 800-seat bamboo theatre at the future Xiqu Centre site on Canton Road in bustling Tsim Sha Tsui. With kiosks selling folk crafts and



snacks, the event created a nostalgic ambience in a spectacular setting, which is a new experience for many as there had not been any large-scale bamboo theatres in the city centre in the past 30 years.

Collaborating with the Chinese Artists Association of Hong Kong (Barwo), the West Kowloon Bamboo Theatre presented a repertoire of New Year Cantonese opera performances by an acclaimed cast of virtuosi. Performance tickets were sold out in no time and the popular seven-day event was enthusiastically received by more than 12,000 participants.

The Bamboo Theatre event has reflected our visions of the future Xiqu Centre as it realised some of our thoughts into action. Apart from forging a strategic partnership with the local Xiqu community, we also collaborated with our M+ team to present a contemporary visual art exhibition and a film marathon on the site, to provide a modern twist to the traditional art form.

In view of the overwhelming response, we are planning to make the West Kowloon Bamboo Theatre an annual event. In 2013, we will extend the event into a three-week programme, and bring in other performing arts forms as well as Chinese New Year cultural activities to give our audience a fuller cultural experience.

We have also launched a range of programmes and activities in collaboration with arts organisations, educational institutes and the local community to nurture talent and build audience, and to develop cultural software for the benefits of WKCD. We held a seven-month “Yau Ma Tei Cultural Celebration Project” in collaboration with Hulu Culture between July 2011 and January 2012 to encourage community participation in arts and culture. The “Make a Difference (MaD) @ West Kowloon” event which was co-organised with the Hong Kong Institute of Contemporary Culture, enabled young adults and students to take an active role in experiencing and creating art in the open space of the District’s waterfront promenade.

To meet the impending demand for artistic and administrative talents, we initiated and supported capacity building and creative learning programmes aimed at nurturing competent arts administrators to manage future facilities and produce quality programmes.

Collaborating with The University of Hong Kong and the UK’s Clore Leadership Programme, we launched the first cultural leadership programme in Asia, “Advanced Cultural Leadership Programme”. We also collaborated with the Hong Kong Arts Administrators Association to organise a “Cultural Leadership Summit” in 2011, which created opportunities for international and local leaders to come together and share their insights at the three-day summit.

As the project progresses to the design and construction stage, the Performing Arts team has been instrumental in ensuring that users’ and stakeholders’ views are incorporated in the preparation for the Xiqu Centre Design Competition. Furthermore, a strong representation from the relevant arts disciplines in both the Steering Committee and the Jury Panel ensures that their voices are heard in the planning as well as the adjudication process of the competition.

At the same time, we will be conducting more self-initiated and partnership projects in order to build up our capacity, and prepare for the scheduled opening of the Park and other performing arts facilities starting from 2015. On the facilities planning side, the dialogue with stakeholders will continue at a more detailed level as the project progresses. We will continue to dedicate our efforts to maintaining effective communication with stakeholders.

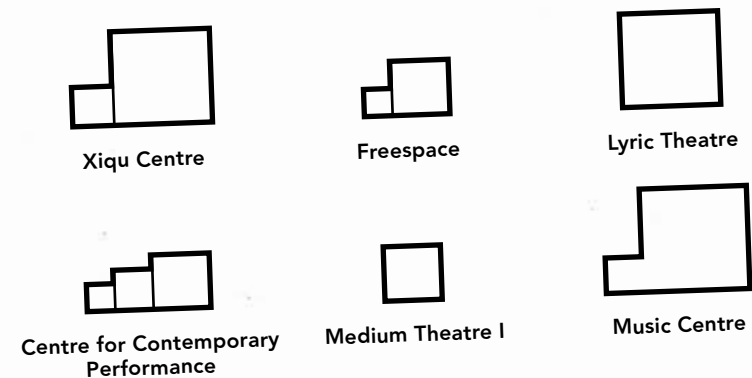
The Performing Arts team, led by Executive Director, Louis Yu, has grown from three at the start of the year to 10 permanent positions, with more permanent posts being recruited. We now have expertise in programming, research and technical development, and we are ready to bolster our capability in venue management and operations to prepare for the operational planning phase of the project, as well as our programming capabilities so as to enhance our interim programmes for the following year.

Development Plan : phasing and venue mix

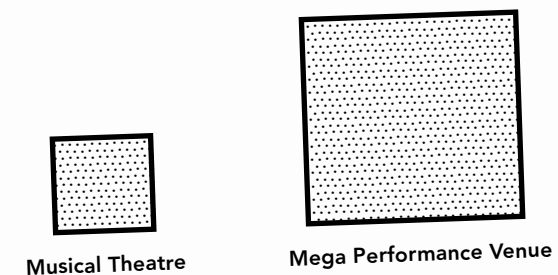
The WKCD project will be developed in two phases:
Phase 1 which is scheduled to be completed around 2020 will consist of three centres: Xiqu Centre, Music Centre, Centre for Contemporary Performance, plus the Lyric Theatre, Medium Theatre I and Freespace.

Two commercially oriented venues, namely the Musical Theatre and the Mega Performance Venue, may be commissioned through alternative funding schemes.

PHASE 1 PERFORMING ARTS FACILITIES



FACILITIES SUBJECT TO ALTERNATIVE FUNDING



The pattern of utilisation of Phase 1 facilities will shed light on the development of Phase 2 facilities. Tentatively, they include the Great Theatre, Medium Theatre II/Chamber Hall and the Xiqu Small Theatre in the Xiqu Centre. It is hoped that the phasing strategy would contribute to WKCD’s organic growth and foster synergies among facilities.

ESTED IN ULTURE



HONG KONG PEOPLE ARE SURELY,
IF OPPORTUNITY IS GIVEN,
ALSO INTERESTED IN CULTURE

—
DR LARS NITTVÉ
Executive Director, M+

G KONG
OPLE ARE

The perpetuating myth

“So you are the guy building that museum in West Kowloon!”

The taxi swirled dangerously when it passed the new Tamar roundabout, the driver turning his whole body around and staring curiously at me.

“I hope you know, that Hong Kong people don’t really care about culture! The only thing they care about is money – and shopping!”

Pushing the red taxi pass a big black limousine into Harbour Road, he had to hit the brakes not to crash into the long queue of cars and taxis approaching the Hong Kong Convention and Exhibition Centre. The sidewalks were full of people. People were streaming across the footbridges. It was the opening day of Art HK.

“Hong Kong people don’t care about culture. And especially not about contemporary art...”

I have heard it again and again. And then discovering the absolute opposite. Again and again. In just a few days almost 70,000 people, most of them from Hong Kong, have

paid hundreds of dollars to roam through the art fair. Most of them were not at all shopping, but looking and discovering, driven from booth to booth by their curiosity.

I don’t know why Hong Kong people like to perpetuate this myth, that Hong Kong people (of course never themselves, but other HK people) don’t care about culture. But it strikes me that luckily they are constantly being proven wrong. Just go back in time a few months – from May to January. And go from Wanchai on Hong Kong Island to Fo Tan in the New Territories. The first weekend of the Fotanian Open Studios. Again, thousands of curious people finding their way through the huge warehouses to the artist studios that share floors with all sorts of commercial activities. Definitely not easy to navigate, not easy to find. But exciting! The place oozes commitment and curiosity! So far from the discouraging talk about “only money and shopping”.

Forward in the calendar again to mid-March, and I am sure my cabdriver, being stuck somewhere at the

crossing between Hollywood Road and Aberdeen Street was wondering where all these people came from, cruising the sidewalks, popping in and out of art galleries. Again, all those “uninterested” Hong Kong people coming out as art lovers!

Art HK, Fotanian, Art Walk – three events, all so different, but still unified in one thing: they bring out the people of Hong Kong in the thousands and even tens of thousands, looking at art! What unites them is of course that they all offer a chance to see contemporary art. But that you actually can do literally every day of the year in the city. But more importantly, they are also united in providing an opportunity to do so under circumstances that are open, generous and friendly – and not exclusive. All these events are saying, loud and clear: “This is for you! You are welcome! It is not only for ‘the others’ ”. During the Art Walk the gallery door is not felt like something only the VIPs can enter. Suddenly you are part of a community.

This is how we hope M+, when it opens, will feel like. That it is a place where everybody should feel welcome. With the help of great, exciting and in all aspects accessible architecture. And of friendly staff, who don’t look like they are there to control or police you, but to help and service you and perhaps also with the aid of a nice tea or coffee bar at the entrance, where you can take down your guard, and feel at home, away from home.

Given the extraordinary curiosity of the Hong Kong audience, again and again displayed when opportunity is given, I am convinced that the myth my cabdriver was perpetuating, even at the cost of his passenger’s health and safety, will soon be eradicated. Hong Kong people may – just like anyone else – be interested in money and shopping. But they are surely, if opportunity is given, also interested in culture!

(B) M+

2011-2012 was the first full year when M+, the future museum for visual culture in WKCD, had a small but growing team in place, led by Executive Director, Dr Lars Nittve.

The year was characterised by a gradual transition from conversations with stakeholders and development of a basic vision to concrete decisions and actions in a number of areas, ranging from the place, size and character of the M+ building in the Development Plan to the opening of the first public exhibition.



Further to the large scale Stage 3 Public Engagement Exercise that was conducted for the whole WKCD during the autumn of 2011, it is estimated that senior M+ staff members met with some 1,200 stakeholders – artists, designers, architects, writers, gallerists, museum colleagues, collectors and other parties with interests in the future museum of visual culture. The tenor of the views expressed was clear: strong support for the ambition to create a museum with a Hong Kong perspective and a global vision including – and integrating – visual art, design, architecture, moving image and aspects of popular culture. All these are with the perspective of “now” and the ambition to build the institution from “inside out”.



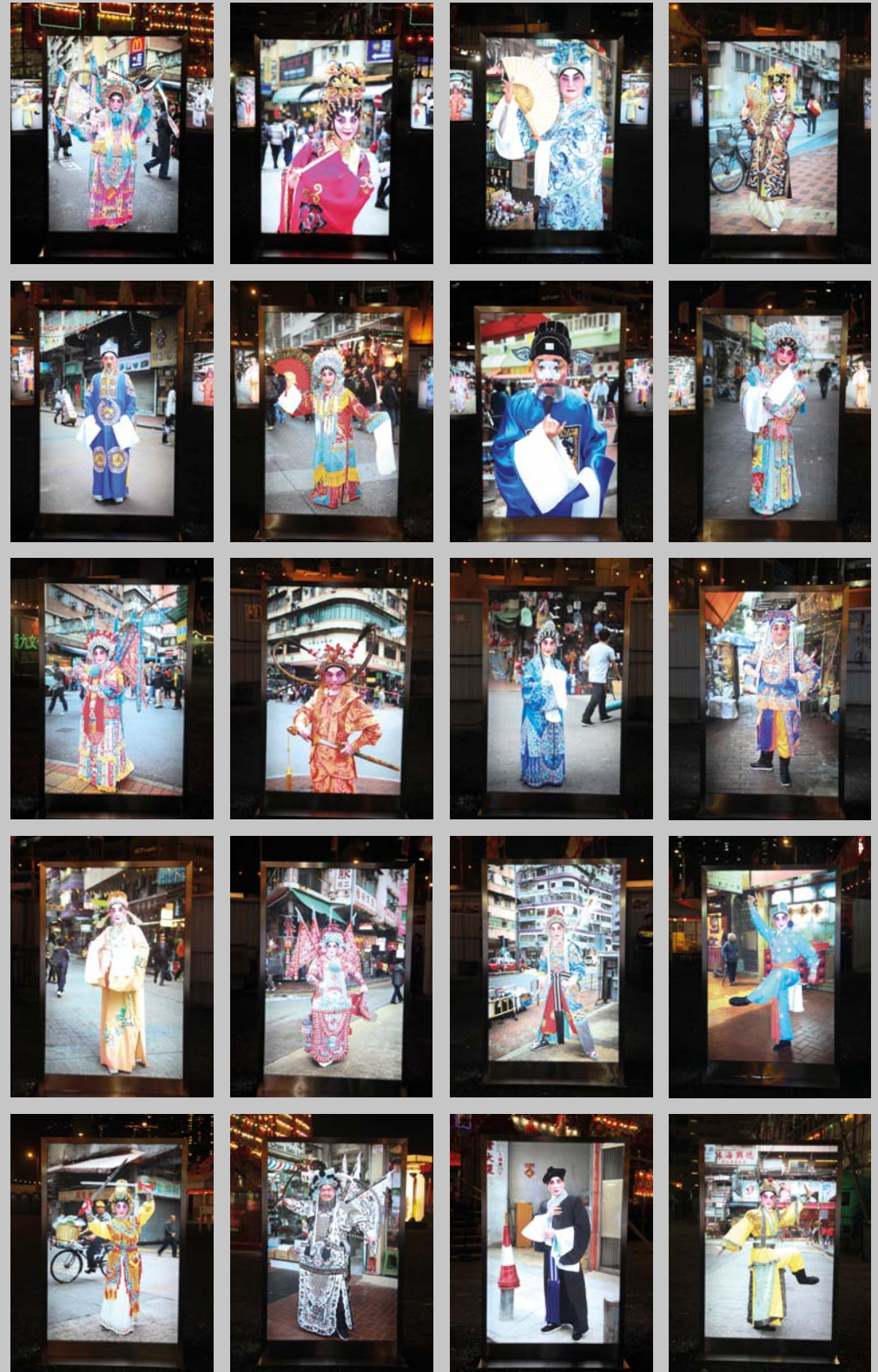
New Year Trophy Set of 12
by Gaylord Chan



The Harbour-viewing Tower
by Chu Hing-wah



Portraits of Cantonese Opera
by Michael Wolf



It was also concluded that the ambitious programme and plans for the collection would require a building of approximately 60,000 square metres, including an on-site conservation and storage facility. The location was determined to be, not as initially suggested, at the east end, but at the west end of the “urban” half of the cultural district, bordering on the Park.

The key areas of development during the year were:

<p>01</p> <p>To develop the dialogue with stakeholders – to listen and seek support for the developing vision</p>	<p>02</p> <p>To recruit a core team of curators and support staff</p>
<p>03</p> <p>To contribute an M+ perspective to the Development Plan</p>	<p>04</p> <p>To transform the developing ideas about the museum into a programme for a future building – a Schedule of Accommodation</p>
<p>05</p> <p>To develop a collection strategy and policy</p>	<p>06</p> <p>To develop the ideas for a pre-opening programme – Mobile M+ and produce the first exhibitions</p>

The first Mobile M+ exhibition took place as part of a joint venture with the Performing Arts Department of WKCD during the Chinese New Year 2012. M+ commissioned, under the heading “M+ Bamboo Theatre Exhibition”, five Hong Kong artists: Chu Hing-wah; Gaylord Chan; Michael Wolf; Samson Young and Henry Chu to create works on and around the imposing traditional bamboo theatre that was built for the Cantonese opera performances. Spanning 50 years’ difference in age and from digital art to modern ink painting, the large-scale commissions gave a first taste of the exciting future possibilities of West Kowloon. The West Kowloon Bamboo Theatre project as a whole became a mini version of the future arts district, where the different art forms entered a lively dialogue. A dialogue that was crowned on the last day with a popular marathon screening inside the Bamboo Theatre of five Hong Kong movies relating to Cantonese opera – curated by Law Kar and Chow Chun-fai, attracting some 4,500 viewers in one day.



The M+ Bamboo Theatre Exhibition and Cinema was curated and organised by the growing M+ team and coincided with the first instalment of the M+ internship initiative entitled “10-week learning programme”, allowing three young curators to be embedded in the curatorial process. Lessons learned from this first Mobile M+ project were analysed and proved helpful in the subsequent planning of the considerably larger Mobile M+: Yau Ma Tei, which opened in early May 2012.



A Portland Street recycling shop
responding to the Mobile M+: Yau Ma Tei exhibition



To Defend The Core Values Is The Core Of The Core Values
by Kwan Sheung-chi + Wong Wai-yin



Fantomas
by Yu Lik-wai

LIFE TIME FOR ONG KONG



WKCD IS NOT JUST
ONE-OF-ITS-KIND IN THE WORLD,
BUT ALSO ONCE-IN-A-LIFE-TIME
FOR HONG KONG

—
DR MW CHAN
Executive Director, Project Delivery

Are the cranes ours?

—

President Eisenhower Dwight once said, "Plans are nothing; Planning is everything." While this may not be fully applicable to WKCD's Development Plan, the planning process that had taken place, and is indeed continuing, is certainly important.

Planning takes time. In our case, it takes more than a decade. One of my moments this year (and it must have happened a dozen times) was, "Dr Chan, your project finally starts moving?!". Not wanting to be disappointed I would try my best to come up with a convincing answer. I knew they must have seen the moving cranes on top of the West Kowloon site, just as I did every morning when I passed by the Western Harbour Tunnel, that were used by those building the West Kowloon Terminus of the Express Rail Link.

Our projects are progressing on track.

It is worth the planning efforts, after all. The West Kowloon Cultural

District is not just one-of-its-kind in the world, but also a once-in-a-life-time for Hong Kong, and I would say it is an interesting and meaningful project for my team. Those who have project experience know major projects take time (and if I may add, time passes even faster at my age) if we count from the project inception time. With the conclusion of the public engagement exercises we now have a pretty good idea of what Hong Kong people, and our stakeholders, particularly artists, are looking for. We are now moving from the planning to construction phase as we launch design competitions for our iconic buildings.

As with other projects, there must be hundreds of moving parts within the project on a daily basis. My team and I are entrusted with smoothing out problems in this long process. Let's be assured that we would strive to build it on time, within budget and hopefully to the satisfaction of the majority. And in a not so distant future, I would probably like to greet you there.

^(c) Project Delivery

The year saw completion of the project's master plan preparation process when the Authority unveiled the proposed Development Plan ("DP"), based on the City Park concept from Foster + Partners, during the Stage 3 Public Engagement Exercise ("PE3") from 30 September to 30 October 2011.

The plan was met with support from the general public. Having made further improvements based on views received from PE3, the proposed DP was submitted to the Town Planning Board ("TPB") on 30 December 2011 together with a full batch of reference materials on planning, urban design and landscape and assessment reports on various technical aspects.

The TPB considered the submission on 9 March 2012 and agreed that the DP submitted and its Notes were suitable for exhibition for public inspection. The Draft West Kowloon Cultural District Development Plan No.S/K20/WKCD/1 was gazetted on 30 March 2012 and made available for public inspection and representations for a period of two months. The target is to complete the statutory planning process within nine months from the expiry of the public inspection period.

Construction is scheduled to begin in 2013 and the first batch of facilities, including the Xiqu Centre Phase 1, the Freespace and part of the Park, are scheduled to be completed starting from 2015.

One of the most important Core Arts and Cultural Facilities in WKCD, the Xiqu Centre, is a world-class facility that will be designed to become the home base for the preservation and development of Cantonese opera and other forms of Chinese opera in Hong Kong.

The first phase of the Xiqu Centre, comprising a Large Theatre (1,100 seats) and Tea House (280 seats), is strategically sited at the junction of Austin Road West and Canton Road. It will be one of the signature facilities in the District, providing an anchor for the eastern access to WKCD and establishing an arts and cultural presence on Canton Road.

During the year, WKCDA launched a competition to select innovative designs from world-class design teams for the Xiqu Centre, with the dual purpose of appointing a capable design team to help the Authority administer construction of the Xiqu Centre project.

With support from an Independent Professional Advisor ("IPA") and guidance from a Steering Committee ("SC"), the Authority issued a Request for Expressions of Interest ("EOI") for prequalification for the Xiqu Centre Design Competition in early March 2012. At the same time, the Authority also issued two Requests for EOI for prequalification for the Acoustic Sub-consultants and Theatre Planning Sub-



consultants, such that the shortlisted qualified specialist sub-consultants would be nominated to the shortlisted design teams who would select Acoustic and Theatre Planning Sub-consultants from the shortlist to collaborate with in order to ensure that the centre would have world-class theatrical and acoustic standards.

Response to the EOI invitation has been satisfactory. The Authority aims at completing the competition process so that the winning design team can commence the detailed design of the Xiqu Centre before end 2012.

The Authority intends to conduct design competitions for M+ and for one of the Pavilions following that for the Xiqu Centre in the third quarter of 2012. This staggered arrangement will help enhance the process through lessons learned and rationalisation of resources.

Branded as “A Place for Everyone”, WKCD is tasked to build a distinctive and user-friendly park with an arts and cultural theme in accordance with public inspiration. The Park is located at the headland area and is a major component serving the public with different backgrounds and interests. It will serve as leisure space in WKCD, provide an exhibition ground for visual art and accommodate an indoor performing arts venue “Freespace”, and outdoor space for large scale performances.

The Authority targets to procure consultancy services for design of the Park around the end of 2012. To monitor progress and provide advice throughout the process, a Working Group on the Park Development composed of Board and Committees Members with relevant professional backgrounds, the CEO of WKCD, and representatives from related professional institutes was established in March 2012. The Working Group will engage and liaise with relevant stakeholders from the community and arts and cultural groups, to advise on the design and procurement of the Park development.

The WKCD project will need to be developed in close co-ordination with other community and government facilities and related engineering works (collectively known as “Public Infrastructure Works” (“PIW”)), such as roads, drainage, sewage and water supply system, etc. They are required to support the arts and cultural venues, residential, commercial and hotel developments within the District. The PIW are to be funded separately and undertaken by the Government.

During the year, the Authority conducted numerous meetings with the Civil Engineering and Development Department (“CEDD”) and Home Affairs Bureau (“HAB”) on implementation of the PIW. In view of programming and interfacing considerations, it was decided that WKCD would be entrusted with the design, site investigation and construction of some of the PIW via entrustment agreements (“EA”) between the Authority and CEDD in order to meet the tight implementation programme and to better co-ordinate interface issues.

The exact scope for the proposed entrustment to the Authority is to be finalised dependent on the degree of imminence and interfacing complexity between the PIW and the arts and cultural facilities.

SCIENCE, BUT ALSO AN ART



MAKING TWO ENDS
MEET IS NOT JUST SCIENCE,
BUT ALSO AN ART

—
DR EVA LAM
Executive Director, Finance

MAKING TWO ENDS

Sweet dreams

—

Amid the global financial turmoil, what keeps me calm at night is “The Serenity Prayer” that stays with me for over 20 years: “God grant me the serenity to accept the things I cannot change, the courage to change the things I can, and wisdom to know the difference.”

My job is challenging but thank God, I can still sleep well most of the time. The very first thing I do every morning is to open my eyes on the world’s development and my ears on money making initiatives: What is the CNY/HKD today? How can we get a risk free yield better than our target?

Like many financial gatekeepers, my job here is to try to make the two ends meet, i.e. generate investment returns and ensure the endowment is spent for achieving its objectives and for value. It is no secret that the Authority is endowed with a big sum of public money – 10 zeros I count – and I must take good care of this endowment in the most prudent way. Equally no secret to anyone that the Authority would need to spend even more to build the cultural district from scratch so we must put every

penny into good use for the benefits of the people of Hong Kong.

Meeting two objectives is not just science, but also an art, I suppose.

Two global financial crises in four years hit everyone, particularly our global peers in the art and cultural industry, many of whom have been facing a steep budget cut, or even potentially out of business. We count our blessings because we have not even started big spending. But there is no room for complacency, especially because we have not firmed up our spending yet.

I would not worry too much because I do not have answers for everything. I am only a student who questions – and tries to find the answers. The Authority will need to develop a sound and financially sustainable business model, with good governance practice, and always have in mind to balance its near term objectives versus long term benefits.

The world is changing fast. So I need to work and learn faster in order to keep up with the change. Guess what? That is the fun part of this job.

⁽⁴⁾ 0.52468^(D) Finance

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Thanks to active management, the Finance Department managed to grow the upfront endowment by 4.1% to over HK\$23 billion, complete a three-year Corporate Plan to 2014-15, launch the accounting module of a new Enterprise Resource Planning (“ERP”) system and implement an Electronic Document Management System (“EDMS”) during the year in review.

As the project activity and complexity increase, the Finance Department has gradually grown from an initial headcount of seven to a total headcount of fifteen as at March 2012. The additional resources have helped strengthen the Authority’s corporate governance and control, particularly in areas of treasury operations, investment and fund management, financial management and related accounting matters, and information technology systems development and management.

The rate of return on WKCD’s investments improved to 4.1% p.a. for the financial year ended 31 March 2012 in comparison with 3.4% p.a. for the previous year. This was achieved through active management of the investment portfolio, continuous diversification of the portfolio asset allocation and risks.

The Authority’s total endowment fund size had increased from HK\$22.3 billion to HK\$23.1 billion during the financial year 2011-12 as its investment and interest income exceeded its expenditures. As at 31 March 2012, the Authority had HK\$11.3 billion (including investment income) long-term placement with the Hong Kong Monetary Authority (“HKMA”). The rate of return is determined annually in January and was fixed at 6.0% p.a. for 2011 and 5.6% p.a. for 2012. The remaining HK\$11.8 billion was managed by the in-house Treasury team in deposits and RMB bond investments.

During the financial year 2011-12, an additional HK\$3.08 billion was converted into Renminbi (“RMB”) and HK\$3.24 billion was converted into United States Dollar (“USD”), after obtaining approval from the Board and the Financial Secretary, to further enhance yield. The net unrealised exchange gain on revaluation of RMB and USD deposits/investments was HK\$73 million for the year ended 31 March 2012.

Pending finalisation of the project cash flow, the majority of the endowment was placed in short-term deposits yielding an average annualised rate of 2.6% including exchange gain/loss (or 1.9% excluding exchange gain/loss) in comparison with 1.4% for the previous year through active management of deposit placements. To diversify counterparty risk, the Board also approved 10 new banks to WKCD’s approved list of banks in 2011-12 resulting in a total of 34 approved banks for deposit placements. The addition of more bank counterparties also enhanced the average yield of bank deposits. The list of approved banks and their maximum exposure limits are reviewed annually in June/July.

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A three-year Corporate Plan for the financial years 2012-13 through to 2014-15 and an annual Business Plan for 2012-13 were developed and approved by the Board in March 2012 to set out the framework, objectives and milestones for WKCD in the next three years.

In October 2011, an Accounting Policies Manual was developed as the primary source of written guidance on financial accounting and reporting matters. The Manual reflects authoritative pronouncements of WKCD’s accounting policies that are applied consistently across the Authority.

The accounting module of a new ERP system was successfully implemented in April 2011, which not only enhanced internal control and operational efficiency, but also strengthened reporting capability and with capability for future expansion.

A review of the procurement procedures and management of change for capital projects and the related delegated financial authority was conducted in anticipation of the procurement of major design consultancy agreements and construction works contracts that will take place progressively after the submission of the Development Plan to the Town Planning Board at the end of 2011. A set of revised procurement procedures for capital projects was approved by the Board in March 2012.

AFFORD TO BE CREATIVE

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**WE ARE YOUNG
AND WE CAN AFFORD
TO BE CREATIVE**

—
MS EVA KWONG
Executive Director, Human Resources

WE ARE YOUNG

Starting from scratch

Many people may think Human Resources professionals do most of their work in the air-conditioned room. I am more a believer of management by walking out of the office, reaching out to employees and stakeholders, and keeping pulse with the market.

In my first few months here, I took an initiative to visit a dozen local arts groups in hope to find out how they position for human resources planning, and how we should work together for the sustainability of manpower supply for the flourishing art sector in Hong Kong.

The art scene fascinates people like me, who come from a commercial background. We all face the same challenge: how to find the right people, gauge their engagement and retain them.

Despite the manpower shortage in the local art sector, we know not many young people are keen to join because the local art industry at the moment is not attractive enough for retaining high-quality workforce, as compared with the Western market.

The ecology is completely different in the European and American markets where top arts

organisations are running like a business, with artists and arts administrators enjoying clearer and more respected career paths. It is simply because arts and culture are just part of their daily lives.

Interestingly after visiting many major arts organisations in the Western world, I still find West Kowloon a unique place. We are trying to make a difference in a place that is longing for this cultural change. With good resource planning, we could bring in new blood to the industry and experts - be they local, Mainland or overseas - to join us and share the vision.

With the collaboration of the local arts groups, I hope we would not only find a way to build the talent pipeline, but also seek opportunities to establish and nurture more structured and professional development for the art sector, and nurture new generations of quality art practitioners.

We are a young organisation, after all. The good thing about being young is that we have more room for being creative. WKCDA is only four years old, and we shall have time, people and resources to make the dreams come true.

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^(E) **Human Resources**

Continuing the momentum of 2010, the human resources function continues to play an integral strategic role in alignment with the vision and objectives of WKCD for Hong Kong, recruit and engage a highly competent workforce who are passionate about arts and culture and create an effective organisation with a healthy work environment that makes WKCDA an exciting and vibrant place to work in.

The Authority strives to recruit, engage and retain a highly skilled and quality work force. WKCDA employed 106 staff as at 31 March 2012, comprising 99 directly recruited staff and seven clerical temporary staff. In addition, 28 temporary staff were recruited to support public events such as the Public Engagement Exercise and the West Kowloon Bamboo Theatre.

The most significant recruitment activity during the year was the engagement of several key positions for the visual arts, performing arts and project delivery teams which include senior curator, education curator, museum technician, senior performing arts managers and the head of construction project management.

In view of the increasing importance of data management, we have implemented an Electronic Data Management System (“EDMS”) to standardise and streamline the content management processes. The system helps reduce paper use and improve records management for WKCDA; it also allows for access control and other security features to protect data privacy.

In May 2011, WKCDA moved to a new office in Tsim Sha Tsui, bringing us closer to the site of the West Kowloon Cultural District. It was a cross-departmental effort supported by the General Office Administration team and other teams such as IT and Project Delivery professionals that made the relocation project a seamless and hassle free experience.

Facts & Figures

How many people did WKCDA hire during the year 2011/12?



ALWAYS PREVAIL



THE FAMOUS HONG KONG
'CAN DO' SPIRIT WILL
ALWAYS PREVAIL

MR GARMEN CHAN

Executive Director, Communications & Marketing

THE
FAMOUS
HONG
KONG

A close call

September 29, 2011

Important day today. Chairman to open the month-long Stage 3 Public Engagement Exercise at a marquee in the West Kowloon Cultural District. The other cast include the CEO and the brains behind the WKCD master plan, Lord Norman Foster.

6.30am

Wake up at usual time. Slept well last night in the comfort that all preparation had been going well and we are all set to go.

Grey and heavy sky with strong wind. Bombshell from the radio – No.8 typhoon signal is up and will stay for most of the day.

The opening ceremony is off. Could only curse the weather for blowing off months of preparation and blame myself for coming up with the “bold” idea of staging the ceremony “on site”.

8.45am

Arrive at the office, surprised to see CEO was already in his office. Update him on the latest development and grateful he is there to provide advice and guidance.

Concerned key WKCDA officials, such as Chairman of Development Committee and Chairman of Consultation Panel, call office to check on development. Colleagues also call back and ask what they could do to help. Quite heartening to hear these messages.

11am

Draw up alternative plans to salvage on the PR front. We have two options:

1. Stage an opening ceremony at Kowloon Park where the PE3 exhibition is held if the typhoon signal were lowered in the early afternoon; or
2. If the signal is not lowered in time, an impromptu press conference to kick off exercise.

1pm

Things begin to turn better after lunch as news comes through that the No.8 signal could be replaced by a lower signal in the late afternoon. Office begins to bustle again as staff files back to work and draw up details of alternative PR plans.

3pm

Anxiety grows again – no signs the No.8 signal would be lowered soon. We're losing the Kowloon Park option as it would take time for staff to open the park in time for our function.

With the clocks ticking, we might even lose the window of holding the press conference in our office to meet media deadline.

4:10pm

Breakthrough finally comes. No.8 was replaced by No.3 signal. Too late for a replacement opening ceremony. But team swings to immediate action for an impromptu press conference – frantic calls to the media, last minute setting up of press conference venue. It pays off as hard work is rewarded by full attendance.

5.30pm

A big sigh of relief as main cast, Chairmen of Development Committee and Consultation Panel, as well as Lord Norman, arrive in

time for the press conference, bracing heavy rain and still stormy weather.

7.30pm

See the last TV crew off. The press conference went smoothly and radio and TV stations began to carry the PE3 story in the evening.

What a rollercoaster day! But the jury is still out until we see media coverage in tomorrow's papers.

After thoughts

Challenges come in all shapes and sizes (including Mother Nature), but the famous Hong Kong "can do" spirit always prevails at the end. The journey of realising the vision of WKCD will be long and treacherous as we are defining a route undefined not only in Hong Kong but also elsewhere in the world. That "eventful" day in September last year demonstrated the devotion and perseverance the young WKCDA team had for the project.

(F) Communications and Marketing

As an open and accountable organisation, WKCDA places great emphasis on maintaining effective two-way communications with the public and the media to provide transparency and accessibility to its operations. During the year under review, the Communications and Marketing Department completed the three-stage Public Engagement Exercise of WKCD's Development Plan ("DP"); undertook marketing and promotion of our first self-organised arts events and embarked on publicity for our first facility design competition.

The year saw the conclusion of the Public Engagement Exercise for the master plan of WKCD with the conduct of the last stage of the exercise. The proposed DP was displayed in Stage 3 Public Engagement Exercise ("PE3") from 30 September to 30 October 2011. Evolved from Foster + Partners' City Park concept, the proposed DP had incorporated features favoured by the public in two years of engagement.



During the month-long PE3, there were over 19,000 visitors to an exhibition held in Kowloon Park, where a large 1:250 physical model was displayed as a centrepiece depicting the modified master plan and providing visitors with a tangible experience of what the future arts hub would hold. In addition to daily guided tours for the public, 32 special tours were arranged for over 1,100 participating students. To enhance understanding of the DP, the Authority organised 16 activities, including three presentation/townhall sessions, eight seminars/

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roundtable discussions, a one-day professional conference, three other meetings/ forums and a Get-Together with Youth.

During PE3, more than 1,100 submissions and views (inclusive of 944 completed feedback forms on PE3 pamphlets) were received via various channels and media reports. An overwhelming 75% of the feedback forms received were from citizens under the age of 30. A team from the Public Policy Research Institute of the Hong Kong Polytechnic University was tasked to collate and analyse a total of 1,172 documents received during PE3. A report on the results was published in December last year.

The media plays an important role in delivering the latest WKCD news to the community. Throughout the year, we continued to maintain close liaison with local and international journalists through various communication tools. WKCD issued 25 press releases and held 13 media events, covering a wide span of topics to keep the media well informed about the up-to-date status of the art hub's development. These events generated considerable media coverage and positive publicity for WKCD.

The WKCD website (www.wkcd.hk) is a comprehensive and easily accessible platform to provide people in the city and around the world with first-hand information, including the latest progress of the cultural district, publications, as well as details of programmes and events. Throughout the year, the WKCD website received a total of 82,339 visits and around 10.6 million hit rates.

Young generations will be the future users of WKCD. It is therefore crucial to explore different social media and online channels such as Facebook, YouTube and Twitter to promote our upcoming activities to target the young population.

The monthly e-newsletter, which was sent to more than 4,000 subscribers, continued to be a regular source of WKCD's major progress and hottest news.

The team embarked on an ambitious marketing programme for the West Kowloon Bamboo Theatre, combining traditional marketing mix and digital channels, which included print advertising and editorials, distribution of promotion pamphlets at various Hong Kong arts venues and ticketing outlets, electronic direct mailing, broadcasting teaser video on YouTube, posting event images on Flickr, online banner advertising on popular websites and the official WKCD website. A micro site dedicated to the Bamboo Theatre project had also been created to provide a more visually engaging experience for our audience.

The total number of visitors for the week-long programme exceeded 12,000. The total audience reach through the marketing campaign was about two million with 1.85 million through traditional channels and 173,680 through digital marketing channels.

We have successfully reached out to audience beyond the usual Cantonese opera segment and raise awareness of the WKCD brand to overseas audience. Over 140 media coverage about the programme was featured on print, TV and online blogs and the sentiments towards the event were highly supportive.

PEOPLE TO COME AND ENJOY



WKCD – A MAGNET TO ATTRACT PEOPLE TO COME AND ENJOY

MR MICHAEL RANDALL
General Counsel

WKCD

Taking up the challenge

The headhunter asked if I might be interested in being General Counsel for the West Kowloon Cultural District Authority. I said I'd think about it and get back to him.

What was there to think about: how would the legal challenges of building a cultural district be different from those of the new airport infrastructure and the KCRC Rail Projects?

Everything would be new; as such it would present similar challenges and issues to those I had to meet at the Provisional Airport Authority and the New Airport Project Co-ordination Office. The green field site would also have similar land and construction issues to the new airport, which would get very complicated. There would be difficult interfaces with the two MTR tunnels, the Western Harbour Tunnel, storm-water drainage culverts and underground seawater cooling and flushing mains. There would be many construction contracts, that would mean complex interfaces and tricky risk allocation questions.

There would be a lot of governance and financial oversights by Government, LegCo, the Audit Commission and the ICAC. Transport, utilities and public service infrastructure would likely be entrusted to and from Government.

Much attention would go to town planning submissions. The Buildings Department would be involved in landmark buildings that might challenge tried and tested construction methods and materials. The project would be the focus of public and media attention. The environment and sustainability would

be paramount with the Environmental Protection Department and green stakeholders heavily involved. There would be complex issues with telecommunications providers and transport solutions.

Insurance would be important, with changing needs from the start-up phase to the planning, construction and operational phases. We would need careful risk analyses to get the correct mix of covers and values.

At least in its first few years, from a legal challenges point of view, the emphasis will be more on construction than the arts, so there will be construction philosophies and issues to be decided upon, ranging from project management approaches to contract forms. There will be methods and procedures to be developed for handling changes and variations and contractor's claims for additional time and payment.

I've been dealing with all of these things in one way or another for years and a thousand more similarities crossed my mind as I thought about whether to throw my hat in the ring.

But there was one thing that stood-out, that made this project different from an airport or a railway – the product would not be quickly and efficiently moving people from A to B. Rather, it will be creating a magnet to attract people of all ages and walks of life to places where they can enjoy the very best of music, dance and theatre, the newest and most challenging art, great wines and food, entertainment and relaxation, all overlooking one of the world's most spectacular harbours and skylines. That would make it different, and to me it was a project worth being a part of.

MASTER OF SOME



JACK OF ALL TRADES AND, FOR THE SAKE OF THE AUTHORITY, MASTER OF SOME

MS BONNY WONG
Director, Chief Executive Officer's Office

JACK OF ALL TRADES AND

Jack of all trades

... and, for the sake of the Authority, master of some!

The advantage of a liberal arts education, followed by a legal training, is the broad range of subject matters that one is exposed to. A general practitioner has to have the ability and capacity to understand, analyse and deal with a wide range of issues, and such are the prerequisites and characteristics of this post – Director, Chief Executive Officer's Office.

There are those who view the position as no more than a glorified personal assistant for the CEO. It could be the case, though unlikely, if this were a mature project, with no stakeholder involvement, government liaison, political implication, and other public relations quagmire that we find ourselves ensconced in daily as we tackle our myriad tasks.

When I accepted the job offer in 2010, I thought my dual roles were to head a secretariat (with a support team), play host to visitors and attend dinner parties, openings and performances alongside the CEO to introduce him to the Hong Kong community and acclimatise him to local politics, customs and culture. Reality soon hit when I discovered it was essentially a Secretariat of one and I was expected to gain an immediate understanding of the entire project with little time for orientation. My first boss resigned less than five months into the job.

Things have come a long way since, but the work has grown exponentially

also. The last year has seen the arrival of my second boss, changes of Board Chairman who I also serve, and the achievement of many milestones that would firmly launch this monumental undertaking that naysayers predicted was doomed from the day it was conceived.

A constant buzz surrounds this office - we receive foreign dignitaries, Consuls General, artists, professionals, vendors peddling their wares, media, political and cultural stakeholders, students, and overseas visitors from cultural and government organisations eager to learn about the project. That is the fun part. The period leading up to a Board or committee meeting is when we act our scholarly best to ensure papers are up to a certain standard. There is such a constant stream of those papers that one is usually hard pressed to keep proper track. That is the humdrum part.

My days are never dull as I go from advising the CEO on local political sensitivities, public relations issues, updates on work progress of the different functions, to which opening ceremonies and performances would be interesting to attend.

Life is indeed unpredictable. I wanted to pursue music as a career, became a lawyer instead, and have come full circle to be involved in the largest cultural project in the region. My dream has come true; I hope the West Kowloon Cultural District project will realise Hong Kong's dream of becoming not just a leading financial hub, but a cultural capital to rival those of the western world.

^(G) Internal Audit

Internal Audit (“IA”) is an independent function established within WKCDA for the review of operations and internal control system as a service to the Board. Reporting to the Audit Committee, IA performed, during the year, audits to evaluate the adequacy and effectiveness of internal controls covering the following areas:

- Enterprise Resources Planning (“ERP”) Phase 1 system implementation
- Corporate governance
- Time deposits
- Operation of bank accounts and payments
- Engagement of business partners for performance and cultural programmes
- Procurement
- IT backup and disaster recovery planning

Audit reports summarising the results of the audits together with any recommendations for improvement were issued to the line managers concerned for action. The results of audits performed by IA were also reported to the Audit Committee periodically.

During the past year, IA was also engaged in undertaking a Risk Management project together with a professional consultant specialising in risk management. Work performed included:

- refining the existing draft Risk Management Policy;
- conducting meetings with all Committee Chairmen and Executive Team members to identify and discuss the strategic risks of the Authority; and
- presenting findings and recommendations to the Executive Team, Audit Committee and the Board.

As a result of this project, the Risk Management Policy designed to enable risks to be identified and managed in a proactive manner was approved by the Board.