

CHAPTER 8

THE WAY FORWARD

8.1 Establishment of a WKCD Authority

8.1.1 With the recommendations set out in the previous Chapter, the Consultative Committee recommends that the Government should proceed to draw up the requisite legislative proposals for the setting up of the WKCD Authority as soon as practicable.

8.1.2 Analysis of international experience has shown that the potential for increasing private sector involvement and for managing and financing a major public development on a large scale would be enhanced by the establishment of a dedicated, area-based development and/or operating authority. Setting up the WKCD Authority with wide representation from different sectors to take forward the WKCD project would also be in line with the principles of “Partnership”, “Community-driven” and “People-oriented” underlying the Government’s existing cultural policy.

Objectives of the Proposed WKCD Authority

8.1.3 WKCD Authority should aim to achieve the following objectives -

- (a) contributing to the long-term development of Hong Kong into an international arts, cultural and entertainment hub;
- (b) facilitating the provision of quality arts facilities and services;
- (c) enriching the cultural life and meeting the needs of the local community;
- (d) fostering and promoting partnerships between the business sector and the providers of the arts;

- (e) strengthening Hong Kong's position as the premier tourist destination; and
- (f) ensuring the optimal use of land, financial and other resources in the WKCD for purposes specified in the WKCD Authority Ordinance.

Functions of the WKCD Authority

8.1.4 The WKCD Authority should be set up primarily to implement the CACF in the WKCD development on the basis of the detailed work undertaken by the Consultative Committee and its three AGs. The Authority should therefore work within explicit parameters set based on the recommendations from the Consultative Committee and its three AGs, and the outcome of public consultations and engagement conducted by the Government. Where the recommendations accepted by the Government are specific, for example, in terms of the type of venues, site area, seating capacity and floor space requirement of each facility, the WKCD Authority is not expected to deviate from them without express approval of the Government. However, where the recommended ideas need further thrashing out to achieve the desired goal, for example, in design and clustering of facilities, the WKCD Authority should be given the flexibility to be more innovative particularly taking account of the stakeholders' views. To meet its objectives, the WKCD Authority will need to carry out such functions and duties, including -

- (a) masterplanning the development of the area in accordance with the development parameters laid down in the Outline Zoning Plan (OZP) and the recommendations of the Consultative Committee and its three AGs as well as other relevant requirements laid down in the IFP;
- (b) planning and executing the use of land vested with the WKCD Authority for purposes specified in the WKCD Authority Ordinance (for example, if the Authority were to be vested with commercial land for RDE to create synergy with the arts and

cultural facilities and to generate a steady stream of recurrent revenue);

- (c) developing, operating, maintaining and managing the arts and cultural facilities and transport and relevant communal facilities within the WKCD through various means, including entering into Design & Build contracts for the facilities, as well as partnership/agreements with the private sector or non-government sector, establishing subsidiary companies, trusts or other non-profit organizations for the purpose of operating, maintaining and managing all the arts and cultural facilities and transport and relevant communal facilities;
- (d) developing and renting the RDE facilities in WKCD;
- (e) monitoring the performance of public or private bodies in implementation of the WKCD project in accordance with agreements signed between such bodies and the WKCD Authority;
- (f) overseeing the finances of the WKCD (including managing a seed capital endowment) and ensuring its sustainability over the project period; and
- (g) conducting public consultations on important matters including masterplanning.

Powers of the WKCD Authority

8.1.5 Generally speaking, the WKCD Authority should have the powers to do such things which are expedient for or conducive to the performance of any of its functions. It should have the necessary legal powers to perform its functions laid down in the WKCD Authority Ordinance. These may include, inter alia, the following key powers -

- (a) planning and constructing the arts and cultural facilities (and RDE facilities with the land vested with the WKCD Authority);
- (b) operating, managing and maintaining through different forms of Private Sector Involvement (PSI) and partnership agreements with other parties (with special safeguards to ensure curatorial independence and management autonomy for the **M+**), or on its own the arts and cultural facilities, transport and relevant communal facilities in the WKCD;
- (c) developing and renting the RDE facilities in the WKCD for purposes of generating income to cross-subsidize the operation of the arts and relevant communal facilities in the WKCD;
- (d) holding seed capital endowment fund from the Government, investing the money not immediately required for the WKCD and borrow or raise money with approval of the Financial Secretary;
- (e) approving/determining the amount of charges and fees in respect of the arts and cultural facilities and transport and relevant communal facilities as appropriate;
- (f) subject to approval of LegCo, making by-laws for executing its functions specified in the WKCD Authority Ordinance;
- (g) appointing employees and determining the terms and conditions, provided that the top tiers are subject to the general guidelines promulgated by the Government for non-Government public bodies from time to time;
- (h) approving business plans and annual budgets of the arts and cultural facilities and transport and relevant communal facilities; and

- (i) ensuring the promulgation of a code of ethics for the museum in the WKCD and safe custody of its collections.

Public Accountability

8.1.6 In exercising its powers and functions, the WKCD Authority should be subject to proper accountability measures to enhance its accountability and transparency to the public. These measures should include, inter alia, the following -

- (a) specifying the WKCD Authority as a public body under the Prevention of Bribery Ordinance, Cap 201;
- (b) declaration of interests by Members/Directors of the Board of the WKCD Authority who should all be appointed by the Chief Executive (CE);
- (c) public officers sitting on the Board of the WKCD Authority in their official capacity; and
- (d) the Chairman and Chief Executive Officer (CEO) should attend meetings of LegCo including its Panels, committees and sub-committees upon request; and answer questions raised by LegCo Members at the meetings or in writing subsequently.

Checks and Balances

8.1.7 To safeguard public interest, checks and balance measures should be imposed upon the WKCD Authority such as -

- (a) the master layout plan prepared by the WKCD Authority and any subsequent changes to it should be approved by the Town Planning Board (TPB);

- (b) the use of the land by the WKCD Authority should be subject to suitable conditions;
- (c) the WKCD Authority's statement of accounts and auditor's report should be tabled in LegCo, and the Authority should be subject to the Director of Audit's examination of its use of resources;
- (d) the WKCD Authority should consult the public (including LegCo) and the Government on important matters relating to the development of the WKCD; consultative/user panels (if established) should be broadly based and representative of the arts and cultural sector, relevant professional bodies, tourism industry, District Councils, LegCo, etc. as appropriate; and
- (e) the WKCD Authority should submit draft Corporate Plan and Business Plan for the Government's approval.

Interim Arrangement

8.1.8 The establishment of the WKCD Authority is subject to the enactment of the enabling legislation. The Consultative Committee considers that pending introduction of the Bill into LegCo and scrutinisation of the Bill, there is a need to consider whether, through administrative means, a provisional body or some form of steering committee should be set up to take forward the early stage of preparatory work at once, such as masterplanning, conducting research and detailed planning studies on individual facilities and recruitment of senior staff for the WKCD Authority.

8.2 Cultural Software and Complementary Measures

8.2.1 The Consultative Committee recognizes that the successful realization of the vision and objectives of the WKCD does not only depend on the timely development of the cultural hardware as defined by the proposed CACF. It also

hinges on the timely implementation of a comprehensive strategy for developing the software and humanware in the arts, culture, entertainment and creative industries. Throughout the consultations and deliberation process of the proposed CACF, there have been repeated calls from the arts and cultural sector that software development should be accorded equal (if not higher) priority, alongside the hardware development in WKCD.

8.2.2 The Consultative Committee, having taken into account the suggestions on cultural software made by PATAG and MAG in their respective reports, considers that the strategy for developing cultural software covers a number of different areas, as set out in the following sub-paragraphs. However, the Consultative Committee also remarks that the actual initiatives and measures for the long-term growth and development of culture and the arts, which fall outside the terms of reference of the Committee, should be developed by the Government in consultation with the local arts community and other concerned parties outside the WKCD project.

a) An appropriate funding and assessment system for major professional performing arts groups

8.2.3 The Consultative Committee notes that the Government has been providing different forms of support to performing arts groups, including regular subvention for a selected number of major performing arts groups, time-limited grants or project grants for other groups, rental subsidy or reduction for use of government venues, as well as provision of facilities and presentation of programmes. The primary objective is to enable these groups to contribute to the long-term development of the performing arts sector by striving for artistic excellence in their productions, experimenting with new concepts and art forms, nurturing and developing new talent, as well as promoting arts education and appreciation in the community. With the provision of the additional performing arts venues with non-Government governance modes in WKCD, and possible evolution of the performing arts sector itself, there is a need for a review on the current funding and assessment system

for performing arts so as to facilitate its long-term growth and development.

8.2.4 The Consultative Committee notes that the HAB who is now responsible for providing the recurrent subvention in the form of consolidated cash grant for the 10 major performing arts groups as from April 2007, is embarking on a review on the funding system in consultation with the Funding Committee on Performing Arts. Specifically, the review aims at finding the most appropriate funding and assessment model for professional performing arts groups with performance indicators and benchmarks on artistic excellence, community impact, quantifiable output and effective governance. This would have a significant impact on the development of cultural software in Hong Kong, which has a bearing on WKCD.

b) Enhancing support for nurturing budding and young artists

8.2.5 The Consultative Committee considers that new and budding artists are the most important assets in the long-term development of culture and the arts. While the WKCD would put in place suitable venues for unleashing their potential and talents for grooming for artistic excellence, timely strategic measures should be taken to support their growth and development.

8.2.6 The Consultative Committee notes that the Government has increased regular subvention for the Hong Kong Arts Development Council (HKADC) primarily for the purpose of devising effective strategic measures to support new and budding artists in pursuit of professional development in artistic excellence. The HKADC is currently devising new support schemes comprising funding support, venue support and internship arrangements for different categories of young and budding artists, in close consultation with HAB and LCSD.

c) Promoting and enhancing the capacity of local arts and cultural community

8.2.7 The Consultative Committee considers it important to ensure that the local arts and cultural organizations would have the capacity and the artistic quality to make the best use of the world-class CACF to be provided in WKCD in a way which is commensurate with the vision of WKCD. The Committee notes that HAB is looking into various possible ways and means of augmenting the capacity of professional arts groups with identified potential to grow and develop so that they could capitalize on the additional opportunities in WKCD in future.

d) Review of operational modes of existing LCSD performing venues and museums to bring them into line with international practices

8.2.8 The Consultative Committee considers that the non-Government governance modes for performing arts venues and museums in WKCD would have implications on the operational modes of existing LCSD performing venues and museums. The Consultative Committee recommends that the Government takes the opportunity to review these operational modes with a view to seeking improvements and providing on-the-job training opportunities for arts administration and venue management which would be in great demand for the CACF in WKCD in future.

8.2.9 The Consultative Committee notes that the LCSD would be launching the Invitation for Proposals for the Venue Partnership Scheme in June 2007 for its 11 performing arts venues mainly to establish a close partnership between the venues and the arts groups in arts development. This would bring about considerable changes in the management system of performing arts venues. As for the public museums, the Government has accepted in principle the Committee on Museums' recommendation to corporatize the management of all the public museums under LCSD through the establishment of a statutory museum board. The institutional change is expected to take place in a few years' time.

e) Creating and maintaining community-based alternative art space for artists' creations

8.2.10 The Consultative Committee considers that the success of WKCD does not only depend on the attractiveness and appeal of the CACF and the activities within WKCD. It also depends on how arts and culture is to take roots in the wider community and how the community would also provide a nursery ground for creative art talents.

8.2.11 The Committee notes the Government's efforts in facilitating the provision of alternative art spaces, such as through conversion of old buildings for nurturing creativity from the community, and should like to see more of such initiatives.

f) Enhancing manpower training in arts and culture

8.2.12 The Consultative Committee recognizes that the substantial increase in arts and cultural facilities as well as cultural and entertainment programmes would give rise to an upsurge in demand for manpower resources in many areas in arts and culture, mainly in performing arts, museum planning, curatorships and programming, arts-related technical support, arts administration, and arts critics. The Consultative Committee strongly recommends that the Government works in conjunction with the arts and cultural sector, and the educational sector to put in place a structured strategy to cope with this requirement in good time.

8.2.13 The Consultative Committee notes that HAB and HKADC have been working closely on this subject. A comprehensive study on the demand and supply for arts-related manpower would shortly be commissioned with a view to identifying and mapping out the specific training and educational programmes required. In the meantime, appropriate short-term internship programmes for arts administration would be introduced.

g) Augmenting arts education and audience building to foster greater awareness, understanding and appreciation of arts and culture

8.2.14 The Consultative Committee considers it of paramount importance that appropriate efforts should be made to augment arts education and audience building, so as to foster a greater awareness, understanding and appreciation of arts and culture amongst the general public, especially the younger generation.

8.2.15 The Consultative Committee notes that LCSD, the major professional arts groups and HKADC have already been doing a lot in promoting arts education and audience building during the past few years. The Committee considers it timely that such efforts be made more structured and strategic on a much wider scale in schools and the community, particularly on enhancing appreciation of and exposure to the arts in the run-up to the commissioning of WKCD.

h) Continued support for preservation, promotion and development of Cantonese opera

8.2.16 The Consultative Committee takes the view that with the proposal to establish a Xiqu Centre as one of the core performing venues in WKCD, continued efforts should be made in the preservation, promotion and development of Cantonese opera as a unique indigenous art form in Hong Kong.

8.2.17 The Consultative Committee notes that HAB and LCSD have been working closely with the Cantonese Opera Advisory Committee, the Cantonese Opera Development Fund and the Cantonese opera sector on a series of measures for the above purpose.

i) Enhancing cultural exchange and co-operation and global networking

8.2.18 The Consultative Committee considers it very important to make use of the synergy and clustering of CACF

in WKCD to enhance cultural exchange and co-operation, as well as global networking, which is conducive to making Hong Kong an international cultural metropolis. This is especially so because considerable space has been reserved for establishing Hong Kong office(s) of renowned international cultural institutions for this purpose.

8.2.19 The Committee notes that the Government has been facilitating cultural exchange and co-operation through a series of measures over the past ten years, including the signing of Memorandum of Understanding on cultural exchange and co-operation with other countries, and supporting both inbound and outbound cultural exchange programmes. The Committee supports the Government's proposal to commission a research study in consultation with the arts and cultural sector to assess and evaluate the approach and measures on cultural exchange and co-operation with a view to identifying improvements in the way forward.

j) Formulation of a structured and cohesive strategy for the development and promotion of cultural and creative industries in Hong Kong

8.2.20 The Consultative Committee considers that WKCD would serve as a strong and major driver for fostering the growth and development of cultural and creative industries, owing to the synergy arising from the clustering of arts and cultural facilities, creative programmes and activities, as well as creative talents. The Committee sees the need for a structured and cohesive strategy be formulated to facilitate the development and promotion of cultural and creative industries in Hong Kong. In this connection, the Committee welcomes the Government's decision to task the new Commerce and Economic Development Bureau which will be formed upon the re-organization of the Government Bureaux to take the lead in this area.

k) Improving the strategy for the development of cultural tourism in Hong Kong

8.2.21 The Consultative Committee considers that the WKCD presents a precious opportunity for the further development and promotion of cultural tourism in Hong Kong, by making good and effective use of the new attractions from the CACF and related activities in WKCD. The Committee recommends that the Government, the arts and cultural sector, the tourism sector and other related sectors work together to map out a more robust strategy and measures in this area during the coming few years.

8.3 Public Engagement

8.3.1 The WKCD has been the subject of public concern and debate since the IFP. At the initial stage between December 2004 and June 2005, public attention tended to focus on the development approach (i.e. the single development), the canopy and the private sector proposals, rather than the need for, and major requirements of CACF. Thus, in embarking on re-examining and re-confirming, if appropriate, the need for CACF, PATAG and MAG had rightly made considerable efforts in seeking public views on the proposed facilities¹. These took the form of open consultative forums, sector-specific focus group meetings particularly with the arts and cultural sectors as well as the tourism and entertainment industries. International experiences were also gathered through presentation by overseas experts and visits.

8.3.2 The above efforts have effectively built a general consensus within the arts and cultural community on the CACF. Nonetheless, the good and thorough work of the two AGs would not obviate the need for further public consultation or engagement as there have been continual requests for further dialogues on this important project both within and outside the local arts community, particularly on the concept of **M+**. In addition, the general public should be

¹ See Chapter 2.

given an opportunity to understand the overall picture of the project, the actual scale of the development and the quantum of public subsidy required for bringing WKCD to fruition.

8.3.3 On top of re-examining the CACF needed for WKCD, the Consultative Committee is well aware that the success of the project hinges on the financial viability, which is affected by the development parameters and city planning philosophy. Therefore, it is believed that an early engagement of the public would be beneficial to securing public endorsement of the recommended financing method and subsequent plan-making process of the Town Planning Board. Last but not least, an opportunity could be taken to sound out the public on the proposed framework of the WKCD Authority.

8.3.4 Taking into account the above considerations, the Consultative Committee has recommended that a public engagement (PE) exercise should be conducted by the Government, based on the Consultative Committee's recommendations, before the Government decides on the way forward.

8.3.5 In order to maximize the scope of public engagement, the Consultative Committee recommended that the exercise should target the following groups -

- (a) *LegCo and relevant Advisory and Statutory Bodies*
- (b) *Arts and Cultural Sector*
- (c) *Tourism, Business and Professional Sectors*
- (d) *The general public*

8.3.6 The Consultative Committee is of the view that the proposed exercise should aim to seek public support to its recommendations to facilitate the Government to take an early decision on the way forward. It should be highlighted as the **first** of a series of public engagement or consultation efforts on concrete proposals for the WKCD project at later stages. The public will be consulted again on the legislative proposal for setting up the proposed statutory body - WKCD Authority, and the Master Layout Plan according to statutory

planning procedures. Relevant sectors will also be consulted as appropriate.

8.3.7 The Consultative Committee believes that given the scale and magnitude of the WKCD project, public engagement should be maximized and through this process, help to secure essential public buy-in for this long-term investment for Hong Kong. Thus, the Consultative Committee further recommends that in releasing its Report, the public should be given access to every piece of relevant information considered by the Consultative Committee in the process.

8.3.8 It is recommended that the PE exercise should commence after the Consultative Committee has submitted its Report to the Government. Although the Consultative Committee and the AGs have completed their task and will be dissolved by end of June 2007, individual Members who all share the passion for this exciting project and strategic investment for Hong Kong are willing to take part in the Public Engagement exercise in their personal capacity.