

Consultation Panel of the West Kowloon Cultural District Authority

For information on
29 July 2022

WKCDA CP/01/2022

Update on the Progress of the West Kowloon Cultural District Development

PURPOSE

This paper outlines the priorities of the West Kowloon Cultural District Authority (WKCDA or the Authority), provides an update on the overall developments of the West Kowloon Cultural District (WKCD or the District) project in 2021/22 to Members.

OVERVIEW AND PRIORITIES

2. WKCD is a strategic investment by the HKSAR Government (the Government) to support and promote arts and culture development in Hong Kong. The vision and mission of the WKCD project is to create a vibrant arts and cultural hub providing world-class museums and performing arts venues for presenting the best quality arts and cultural programmes from Hong Kong, the Mainland and around the world, as well as promoting artistic excellence and nurturing talent and audience.

3. After years of planning and development, WKCD has transitioned from the construction stage to the operational stage, following the opening of two spectacular performing arts (PA) venues in 2019, the Xiqu Centre and Freespace, the Art Park, a much-welcomed urban oasis for public enjoyment was fully opened in 2020 and M+, Asia's first global museum of contemporary visual culture, was opened in November 2021. With the opening of the much-anticipated Hong Kong Palace Museum (HKPM) in July this year, WKCD stands ready to become one of the world's most unique and vibrant arts and cultural districts.

4. Last year, WKCD and the arts and cultural sector in Hong Kong have been boosted by the National 14th Five-Year Plan, which sets out its explicit support for Hong Kong's development into an East-meets-West centre for international cultural exchange. The Chief Executive of the HKSAR, Mr John Lee, highlighted in his speech at the Inaugural

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Ceremony of Sixth-term Government on 1 July 2022 that, the newly opened HKPM, which showcases a rich trove of national treasures plus Chinese history and culture, is set to attract visitors from all over the world to come to Hong Kong, and is conducive to the spread of the fine Chinese culture. HKPM, coupled with the M+ and a series of Hong Kong's cultural and arts exhibitions and performances, will work well together in developing Hong Kong into an East-meets-West centre for international cultural exchange, thereby enhancing the international positioning of Hong Kong. The Authority will seize upon WKCD's unique strengths, including its world-class arts and cultural facilities and professional expertise to showcase Chinese and international cultures by blending traditional and contemporary elements, nurture artistic talents and build audience.

WEATHERING THE PANDEMIC

Performing Arts (PA)

5. The successive waves of the COVID-19 pandemic that swept across Hong Kong starting from January 2020 have resulted in the repeated closure of the arts and cultural facilities in WKCD. In compliance with the stringent social distancing measures, the two PA venues in WKCD were closed for over 330 days since January 2020, resulting in the cancellation or rescheduling of over 1 400 performances, programmes and activities. The Authority has been as flexible and helpful as possible to our venue hirers by adopting the 3R policy, i.e. refund, rescope and reschedule, to minimise their loss. We have also worked closely with our artistic partners to launch over 230 online programmes and activities in the past two years. WKCD was one of the first arts organisations in Hong Kong to live-stream its artistic content, and just one week after the first venue closure on 29 January 2020, we launched the *#LivehouseAtHome* to introduce the city's brilliant musical talent to online audiences around the world. In November 2020, the Authority launched the West Kowloon Video Platform, presenting a wide array of online content, from performances to interviews with artists, talks, workshops, and behind-the-scenes documentaries. Building on the success, WKCDA recently launched *#CultureClicks* showcasing interviews of classic experts from Cantonese opera, video talk of

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Cantonese Opera 101 series, dance film and online premiere of award-winning dance installations.

6. When the pandemic slightly eased in mid-2021, the Authority brought the operations back to normal, and organised a wide variety of arts and culture events across the District. Despite the pandemic, the visitation figures of the two PA venues in the past year were very encouraging: the **Xiqu Centre** attracted more than 110 000 visitors (Grand Theatre recorded a 74% utilisation) from April 2021 to January 2022 before it was closed due to the fifth wave pandemic, while The Box, the largest venue in **Freespace**, recorded an 80% utilisation rate and 49 000 visitations from April 2021 to January 2022.

7. Despite the cross-boundary travel restrictions imposed, WKCD's collaborations with Mainland and overseas artists and arts groups continued in 2021/22 through various forms. In July 2021, the interactive art installation *Nowhere and Everywhere at the Same Time No.2* created by renowned American dancer and choreographer William Forsythe landed at Freespace for its Asian Premiere. In October 2021, Gu Jiani, and the Untitled Group, one of China's most innovative names in contemporary dance, and German theatre group Rimini Protokoll's Daniel Wetzel travelled to Hong Kong and accepted compulsory quarantine to present their works *Transition* and *100% Hong Kong* respectively. In *Freespace Jazz Fest 2021*, we made use of enhanced real-time audio-visual technology and brought together musicians in Hong Kong and Germany for a session of live and online multi-sensory improvisation in the programme *Imaginarium – HK/Cologne*.

8. Despite the challenges brought by the pandemic over the past two years, high-quality performing arts programmes produced by WKCD have received multiple accolades and awards. Among them, the Xiqu Centre's first-ever commissioned *Experimental Cantonese Opera Farewell My Concubine (New Adaptation)* was listed as one of *The 40 Most Influential Productions in Chinese Contemporary Black Box Theatre* - the only Cantonese opera among the 40 awarded productions. In addition, three of the Freespace dance productions and co-presentations with local arts groups – *ON VIEW: Panoramic Suite*, *Nine Songs* and *Convergence* have received a total of six awards at the 23rd Hong Kong Dance Awards 2022.

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9. A list of the major online and live performances organised or co-presented by the PA Division of WKCD in 2021/22 and the number of audience of these performances is at **Annex A**.

M+

10. M+, Asia's first global museum of contemporary visual culture, has successfully opened to the public on 12 November 2021. The Museum features 20th and 21st century visual arts, design and architecture, moving images and Hong Kong visual culture. It has a gross floor area of 65 000 square meters (sqm) of which 17 000 sqm is gallery space spanning 33 galleries. The 65 meters tall by 110 meters wide M+ LED Facade features the digital artworks and important works of visual art, design and architecture, and moving image from the M+ Collection. Its three cinemas, with 180, 60 and 40 seats respectively, were also opened in phases starting from 8 June this year.

11. M+ has recorded over 383 000 visits before its temporary closure on 5 January 2021 due to the pandemic. From its re-opening on 21 April 2022 to 17 July 2022, more than 719 931 visitors have visited M+, bringing the total visitation in about 4.5 months of opening time to over 1 million. The M+ website, launched on 1 August 2021, has received over 8 million pageviews. The M+ membership has grown enormously since its opening – there are 7 684 M+ members and 531 M+ Patrons as of 15 July 2022.

12. As a museum of contemporary visual culture, digital presence and online programmes are central to M+'s programme delivery and visitors' experience. During its closure, M+ provides art lovers with a digital visual culture journey through *#MPlusFromHome*, a social media campaign and virtual public programmes. These include a virtual talk *What is Visual Culture?*, *Watch and Chill: Streaming Art to Your Homes*, a travelling moving image exhibition and *Touch for Luck: M+ Digital Commission*, an interactive digital work by Studio Moniker staged on the M+ LED Facade, and *China and the 'Cosmotechnics' of Fashion*, a 2021 M+ / Design Trust Research Fellowship Public Talk held on March 2022. M+ has also organised 22 virtual tours for local, Mainland and overseas museums to promote M+, including Art Basel Hong Kong, UCCA Center for Contemporary Art in Beijing, Guangdong Times Museum in Guangzhou, New Museum in New York, Tate Modern in

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London and Mori Art Museum, Kusama Studio and Ota Fine Arts in Tokyo, etc.

Hong Kong Palace Museum (HKPM)

13. HKPM was opened to the public on 3 July 2022, with general admission tickets for adults priced at \$50 and concession tickets at \$25. To celebrate its opening, HKPM opens to the public free of charge every Wednesday in the first 12 months (special exhibitions and events excluded). It has also set aside about 150 000 general admission tickets (or 10% of total number of tickets in the first year) for sponsorship by corporates and other organisations for distribution to the underprivileged groups. From the opening day to 17 July 2022, 63 619 visitors have visited the HKPM.

14. HKPM has nine galleries for presenting thematic exhibitions and special exhibitions. Around 900 priceless treasures from the Palace Museum in Beijing (PM) have been selected for HKPM's opening exhibitions. This unprecedented loan is among the largest and the best the PM has ever lent to a cultural institution, and some of the national treasures have never been displayed in any exhibition. HKPM has also arranged over 100 loans from museums and cultural organisations in Hong Kong and 13 from the Louvre in Paris.

15. Located at the western tip of the WKCD, HKPM occupies some 13 000 sqm site area with a total gross floor area of about 30 000 sqm and exhibition space of about 7 800 sqm. Construction of the HKPM commenced in April 2018, and the works were completed in December 2021. The HKPM project has been delivered on time and within budget.

16. HKPM aspires to become one of the world's leading cultural institutions committed to the study and appreciation of Chinese art and culture while advancing dialogue among world civilisations through international cultural partnerships. Embracing new curatorial approaches, HKPM offers a Hong Kong perspective and a global vision, presenting the most delicate objects from PM and other leading cultural institutions around the world. Many major international museums, such as the Louvre in Paris, the National Gallery in London, and the Uffizi Gallery in Florence, have indicated interest in partnering with HKPM in presenting travelling exhibitions featuring world art. HKPM will strengthen its connection with Mainland museums and audiences,

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leveraging Hong Kong's deeper integration into the national development strategy.

17. The HKPM Patron programme and the HKPM Friends membership programme will be officially launched before the end of July 2022 with a view to establishing a strong circle of supporters in the community. Patrons and members will enjoy priority access and other benefits in acknowledgement of their support for the museum.

PROJECT DEVELOPMENT

Lyric Theatre Complex

18. As a centre of excellence showcasing the best of Hong Kong, the Mainland and international dance and theatre, the Lyric Theatre Complex (LTC) comprises a 1 450-seat lyric theatre, a 600-seat medium theatre and a 270-seat studio theatre. The Contractor of L1 Contract for construction of the substructure and essential basement structure to support the LTC had completed the basement cum underground road structural works in April 2021, with the remaining ancillary works substantially completed in June 2022.

19. Under the L2 Contract, the construction of the LTC superstructure is progressing to the second floor with the installation of structural steelwork for the entrance foyer commenced in June 2022. The architectural and MEP works in the Zone 3 integrated basement and underground road are also in progress. Since January 2022, the fifth wave of the pandemic has significantly reduced site staff resources and delayed the supply chain for building materials, which had an adverse impact on the progress of the L2 Contract. The Authority is working closely with the Design Consultants and the L2 Contractor to mitigate the extent of the impact.

The Integrated Basement/Underground Road and Zone 2

20. The Integrated Basement (IB) is an integral component of the WKCD Development Plan. The IB concept puts vehicular traffic, parking and loading/unloading facilities, plant rooms and utilities all underground, thereby creating a pedestrian-friendly environment at

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ground level for public enjoyment and direct connections amongst various facilities at podium level. Divided into Zones 2 and 3 and further subdivided into Zones 2A, 2B, 2C, 3A and 3B, the IB covering a site area of about 254 000 sqm is being implemented by phases. Zone 2 of IB, located between the Xiqu Centre to the east and the Zone 3B to the west (illustrated in **Annex B**), has the largest site area of about 200 000 sqm. The Foundation Contract of Zone 2A, which commenced in 2020, has completed most foundation piles and cofferdam for the IB structures. Testing and the associated statutory inspections are in progress. For Foundation Contract of Zones 2B and 2C commenced in July 2021, with the overall progress is about 33%. As of end June 2022, approximately 98% of the ground investigation and pre-drilling works has been completed, and the installation of bored piles and socketed H-piles is in progress. This contract is targeted to complete by end of 2023.

Connectivity

21. The Government and the Authority are committed to enhancing the connectivity of WKCD through a series of Public Infrastructure Works (PIW). The first three PIW packages, namely Museum Drive, Austin Road Pedestrian Linkage System, and Artist Square Bridge were completed and opened to the public in May 2019, March 2021, and December 2021 respectively.

22. The Phase 1 fourth PIW package includes the provision of a Southern Landing Facility (SLF) to improve the marine access to WKCD and the construction of drainage, sewerage and water supply systems to support the development in Zone 2. Following the completion of the detailed design of SLF and drainage, sewerage and water supply systems for Zone 2, tenders for the fourth PIW package were invited in April 2022 with funding approved by Finance Committee of the LegCo on 15 July 2022. The construction works is targeted to commence in the third quarter of 2022 for completion in 2025. Layout plan of the proposed works and an artist's impression of the proposed landing facility are at **Annex C**.

23. Another PIW package includes a consultancy for studying schemes for provision of a New Exit Road to improve the accessibility between the completed Museum Drive and the external road network to the north of WKCD, including a viaduct across Western Harbour Crossing (WHC) toll plaza and ramps connecting with West Kowloon

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Expressway. The study will take into account the development opportunities for WKCD brought by the release of WHC portal area following the proposed implementation of Free Flow Tolling System for WHC.

24. Other planned PIW projects (details in **Annex D**) encompass two proposed footbridges for providing linkages to connect WKCD with Kowloon Park (Kowloon Park Bridge) and the China Ferry Terminal and the waterfront promenade of WKCD (China Ferry Terminal Bridge) respectively. These two footbridges will enhance the accessibility of the eastern end of WKCD, including the Xiqu Centre and the development in Zone 2. Implementation of these two footbridges will be subject to development in Zone 2 and relocation of the remaining facilities of the existing Tsim Sha Tsui Fire Station Complex.

25. In order to meet the surge in demand for parking following the opening of the two museums, the Authority has been actively increasing the number of car parking spaces in the District. Currently, 642 parking spaces for private cars are available in the District, including over 150 parking spaces newly provided at the Project Site Office Car Park and HKPM Car Park. Moreover, there are now 29 spaces available at WKCD¹ and nearby roads for coach pick up/drop off and temporary parking, including six additional spaces located near the Western Harbour Crossing bus stop and the West Gate of WKCD, as well as the nearby road of WKCD to help meet the demand of group visits to WKCD.

CAPACITY BUILDING, AUDIENCE CULTIVATION AND COMMUNITY ENGAGEMENT

26. In addition to the efforts made to develop cultural hardware, the Authority has been proactively strengthening cultural software, expanding audiences and engaging the community and youth through learning and participation.

¹Including four pick up/ drop off spaces at M+ B1/F, three pick up/ drop off spaces at HKPM and one pick up/ drop off space at Xiqu Centre.

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Capacity Building and Audience Cultivation

27. The PA Division of the Authority continues to identify, nurture, and build capacity for talented young and emerging local artists, arts practitioners as well as art groups by providing them with artistic support, resources, and performance platforms for their works. WKCD's very own Tea House Rising Stars Troupe is the first venue-based artistic troupe in Hong Kong, receiving training and performance opportunities through the *Tea House Theatre Experience* under the artistic curatorship of Mr Law Kar-yin and performing every Friday, Saturday and Sunday, targeting newcomers of Cantonese opera. Amid the social distancing measures and during venue closure, *West Kowloon Tea House Student Matinees*, specially devised for secondary one to four students, was held online for students to gain access to Cantonese opera performances and culture regardless of their physical location.

28. On 30 June 2022, Ms Peng Liyuan, the wife of President Xi Jinping, visited the Xiqu Centre and watched the rehearsal of the Cantonese opera excerpts by the Tea House Rising Stars Troupe at the Tea House Theatre. Ms Peng had a brief exchange with members of the Troupe, commending their performance and encouraging Hong Kong's younger generation to gain an in-depth understanding of fine traditional Chinese culture.

29. Since its opening in June 2019, Freespace has become a creative platform for Hong Kong's young artists. Created in 2021, the *Freespace Ensemble* is PA Division's latest boundary-expanding initiative, offering musicians regular opportunities to collaborate across genres, experiment with new compositions and arrangements, and showcase their new music in and around Freespace. Last year, the Authority also launched *TechBox*, a four-year collaborative platform with the School of Theatre and Entertainment Arts of The Hong Kong Academy for Performing Arts. It assembles media artists, theatre designers, faculty members and students to rethink new frontiers of technology and performance and devise experimental creations in a technological context. Furthermore, since 2016, Freespace's collaborative research and experimentation programme *Choreographer and Composer Lab* has brought different choreographers and composers together to experiment with new collaborations. The year 2021 marked its fourth edition with a total of 24 artists participated to date. WKCD also supports emerging creators, arts practitioners, and academics through our 'Arts Impact

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Fellowship'. Since its launch in 2019, the scheme has supported five fellows in developing proposals that demonstrate potential for social impact and positive change for Hong Kong's performing arts ecology.

30. M+ contributes to capacity building through various programmes: the 'M+ / Design Trust Research Fellowship Programme' aims to contribute to bodies of knowledge relating to design and architecture in Hong Kong, the Pearl River Delta region or Asia within a global context; and the Council for New Art is a patron programme supported by art patrons and active participants in the contemporary art field featuring acquisitions of works of young and emerging artists from the Greater China Region. Since its launch in 2018, six acquisition meetings have been held to sponsor 39 artists under 40 years old. In the past four years, 92 works of art had been acquired through this funding to enrich the M+ Collection and update the dialogues with the latest artistic discussion in this region.

31. HKPM has built partnerships in areas of exhibitions, scholarly research, conservation, and professional development with some 70 museums and other organisations in Hong Kong, Mainland, and overseas. As part of the 'HKPM Fellowship Programme', the PM has agreed to send conservators and other experts to support the HKPM starting from 2022. Besides, HKPM has organised pre-opening programmes to foster the public's appreciation of Chinese art and culture, increasing their awareness of HKPM and broadening the museum's audience base. Since 2021, HKPM has presented the online *Palace Museum Culture Lecture Series*, which is free and open to the public. The nine lectures featured leading experts associated with Palace Museums in Hong Kong, Beijing, and Taipei, covering wide-ranging topics, including cultural exchanges between China and the world. More than 4 000 people attended nine online lectures. These lectures received positive press coverage as well as social media and post-event email feedback.

32. Summary of the major capacity building and audience cultivation programme by WKCDA is at **Annex E**.

Community Engagement

33. Community engagement lies at the heart of the WKCD project. The Consultation Panel has been playing an important role in bridging

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WKCDA with the public, engaging the community and promoting the District from the construction stage to operational phase. The Authority will continue the engagement with the community in particular the youth through gauging members' opinions and organising outreaching programmes.

34. From 2016/17, the Authority launched its annual project, *Crossover Lab Initiative*, which aims to provide a platform to showcase the distinctive arts and culture of the community, and enable the interaction and organic development of stakeholders and the community, thereby raising the awareness of WKCD among the general public. In the past year, amid the challenges brought about by the COVID-19 pandemic, the Authority upheld engagement with youth and community members by delivering the very first online format of the *Crossover Lab Initiative*, as well as organised an online creative programme called *I Go to West Kowloon* ___ in April 2021 adapting the demands of the society on stay-home activities. The programme introduced WKCD in creative ways with online workshops for the public and incorporated accessible elements including bilingual accessible captions and Hong Kong Sign Language interpretation, recording over 3 600 direct participants and over 170 000 indirect engagements with support from 10 organisations.

35. The Authority launched a school-based programme, *A Taste of West Kowloon* and a community programme *Be Our Guests* to connect schools and community members to a wide range of tailored personal learning and engagement experience in the District. These two community engagement programmes had organised 17 hybrid-mode activities since August 2021. In addition, five internship programmes were implemented in 2021/22, which provided unique opportunities for a total of 75 young interns to work in different areas of the WKCDA's operations and broaden their perspectives. The summer internship programme also provided 28 undergraduate interns with work opportunities in the Authority.

36. The Authority values diversity and inclusion. Apart from regular accessible programmes, the Accessibility Office of the Authority continues to work closely with different non-profit organisations or charitable organisations to engage with the disability community, promoting and ensuring accessibility and inclusion in WKCD. To prepare for the opening of M+ and HKPM, a total of seven sessions

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of pre-opening engagement activities were conducted from July 2021 to November 2021, inviting people with disabilities to participate in site tours at both museums. This allowed the disability community and the Authority to communicate and exchange on accessibility provisions at different venues for better planning on inclusive customer experience.

CURRENT FINANCIAL POSITION

37. The prolonged pandemic adversely impacted the finances of the Authority as all arts and cultural venues in the District were closed from time to time and the operating hours of its retail, dining and entertainment (RDE) outlets were reduced to comply with the social distancing measures. Furthermore, in response to the Government's call, the Authority has offered the fourth round of rental concessions to our RDE tenants from January to April 2022. Comparing to the budget, the Authority's operating income in 2021/22 was down by close to 60%, from \$240 million to \$100 million (excluding investment income of around \$320 million).

38. Leveraging the opening of M+ in November 2021 and the stabilisation of the pandemic, the growth in visitation and business in the last quarter of 2021 was encouraging. Boosted by the increasing footfall to WKCD, the monthly revenue for RDE tenants of the Authority have grown by 80%, and carparking income by 90% in the fourth quarter of 2021 compared to the previous 12 months. Venue hire has also demonstrated strong growth in the fourth quarter of 2021, attributable to the premium location of WKCD as well as the wide range of offers including unique venues, F&B and partnership opportunities. On leasing front, the WKCDA Tower, which houses the Authority's headquarters, has achieved 100% commitment for its leasable space after securing two anchor tenants in April 2022.

39. Apart from operating income, another major source of revenue for the Authority is the Hotel/Office/Residential (HOR) development packages. The funding gap facing by the Authority is due in part to the prolonged mismatch between the availability of HOR incomes and the funding requirements for operating the completed arts and cultural facilities. The current cashflow projection indicates that the Authority will require the cashflow from the HOR developments during this 3-year

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planning cycle (2022/23 to 2024/25) to fund its operation and capital commitments. In November 2021, the Authority launched the Build-Operate-Transfer (BOT) tender for the Artist Square Towers (AST) Project, consisting of approximately 65 000 sqm of office/RDE gross floor area. Taking into account the prevailing market situation and feedback of stakeholders, WKCDA announced in early July 2022 that the AST Project will be retendered in the third quarter of 2022 with enhanced terms, mainly extending the BOT term from 34 to 48 years.

40. As the pandemic-induced uncertainties linger, it is a priority for the Authority to build resilience and preserve liquidity at this juncture. During Financial Year (FY) 2021/22, the Authority has undergone strenuous expenditure cuts in operating expenditure as well as recurring structural costs (such as staff costs, facilities management and venue operation costs). Comparing to the 2021/22 Business Plan, the actual operating loss was reduced by close to 30% from \$1.1 billion to \$780 million. As of 31 March 2022, the Authority's cash-on-hand was \$8.1 billion (2021: \$9.5 billion) and the balance of the endowment fund stood at \$6.1 billion (2021: \$7.9 billion).

41. For the capital project costs to complete Batch 1 and most of the Batch 2 arts and cultural facilities², the latest estimate remains the same as reported in 2021 at \$21.2 billion, of which \$16.5 billion has been spent as of 31 March 2022. The timing of the implementation of the remaining Batch 2 and Batch 3 arts and cultural facilities will be subject to the funding availability and the timing of completion of the IB. The status and target completion dates of the WKCD facilities are in **Annex F**.

42. In April 2022, after obtaining the Financial Secretary's approval to uplift its borrowing limit, the Authority has achieved financial close of its debut borrowing with nine syndicate banks in the form of a sustainability-linked loan, being the first of its kind among statutory bodies and arts and cultural institutions in Hong Kong, for a loan amount of \$4 billion (including a \$1 billion term loan and \$3 billion revolving credit to be drawn down as and when necessary) with a loan tenor of three years. This facility will strengthen the Authority's

² At the Joint Sub committee meeting to Monitor the Implementation of the West Kowloon Cultural District Project held in May 2014, WKCDA reported that the \$21.6 billion endowment fund would be sufficient to develop Batch 1 and most of Batch 2 facilities.

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resilience to weather the market uncertainties and pursue development efforts under improved market conditions.

FINANCIAL FORECAST

43. At this time of market uncertainties, the Authority continues to exercise prudence in managing its finances and adopts a top-down approach in containing its operating deficit. Compared to the 2021/22 Business Plan and Corporate Plan (BP/CP), the Authority's operating deficit in FY2021/22 has reduced by 25% and the actual staff number was 677 as at March 2022 as compared to the approved headcount of 869 in FY2021/22. The approved headcount will be capped at 782, 812 and 840 in FY2022/23, FY2023/24 and FY2024/25 respectively. The underlying operating loss has also been significantly reduced by over \$1 billion (25%) over the 3-year period from FY2021/22.

44. It must be emphasised that the Authority cannot rely on further expenditure and headcount cuts to achieve financial sustainability when new arts and cultural facilities such as HKPM opened in July 2022 and LTC will be opened later lest it will adversely affect the quality of our programmes and service delivery. In the face of financial challenges (details in **Annex G**), more emphasis will be put on revenue generation in the years ahead. The Authority will devise a proactive revenue generation strategy leveraging on venue hiring, placemaking events and fundraising. The Authority will continue to press ahead the commercial development projects in the District.

WAY FORWARD

45. While the fifth wave of the COVID-19 pandemic has brought unprecedented challenges, arts and culture continue to play an instrumental role in livening up people's life and driving new economic and social development. With the phased relaxation of the social distancing measures by the Government, the Authority is resuming full operations at WKCD with the reopening of PA venues and M+ to the public on 21 April 2022 and their capacities increased from 50% to 85% with effect from 19 May 2022. Under the Vaccine Pass arrangement, performances and programmes with live audiences are gradually

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returning to WKCD. The Authority will continue to comply with the various anti-epidemic regulations and closely monitor the situation to adjust the venue opening arrangements and programmes accordingly.

46. The opening of two world-class museums, M+ and HKPM, within eight months represents a major milestone in the WKCD project and in the arts and cultural development of Hong Kong. Equipped with two museums, Xiqu Centre, Freespace, and a highly popular Art Park, together with an excellent offering of traditional and contemporary exhibitions/programmes, WKCD is well-positioned to become an integrated arts and cultural hub to support the development of Hong Kong as the East-meets-West centre for international cultural exchange under the National 14th Five-Year Plan.

47. The Authority will work closely with stakeholders and the newly established Culture, Sports and Tourism Bureau, with a view to unleashing synergy between arts and culture and tourism promotion. To prepare for the gradual resumption of cross-boundary/border travel, we are also working closely with the Hong Kong Tourism Board and the travel trade sectors to promote culture-themed tours for visitors from Mainland and overseas so as to develop WKCD as a must-visit cultural destination for Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area.

ADVICE SOUGHT

48. Members are invited to note the latest development of WKCD.

**West Kowloon Cultural District Authority
July 2022**

Annex A

Major Online and Live Performances Organised or Co-presented by PA Division of WKCD in 2021/22

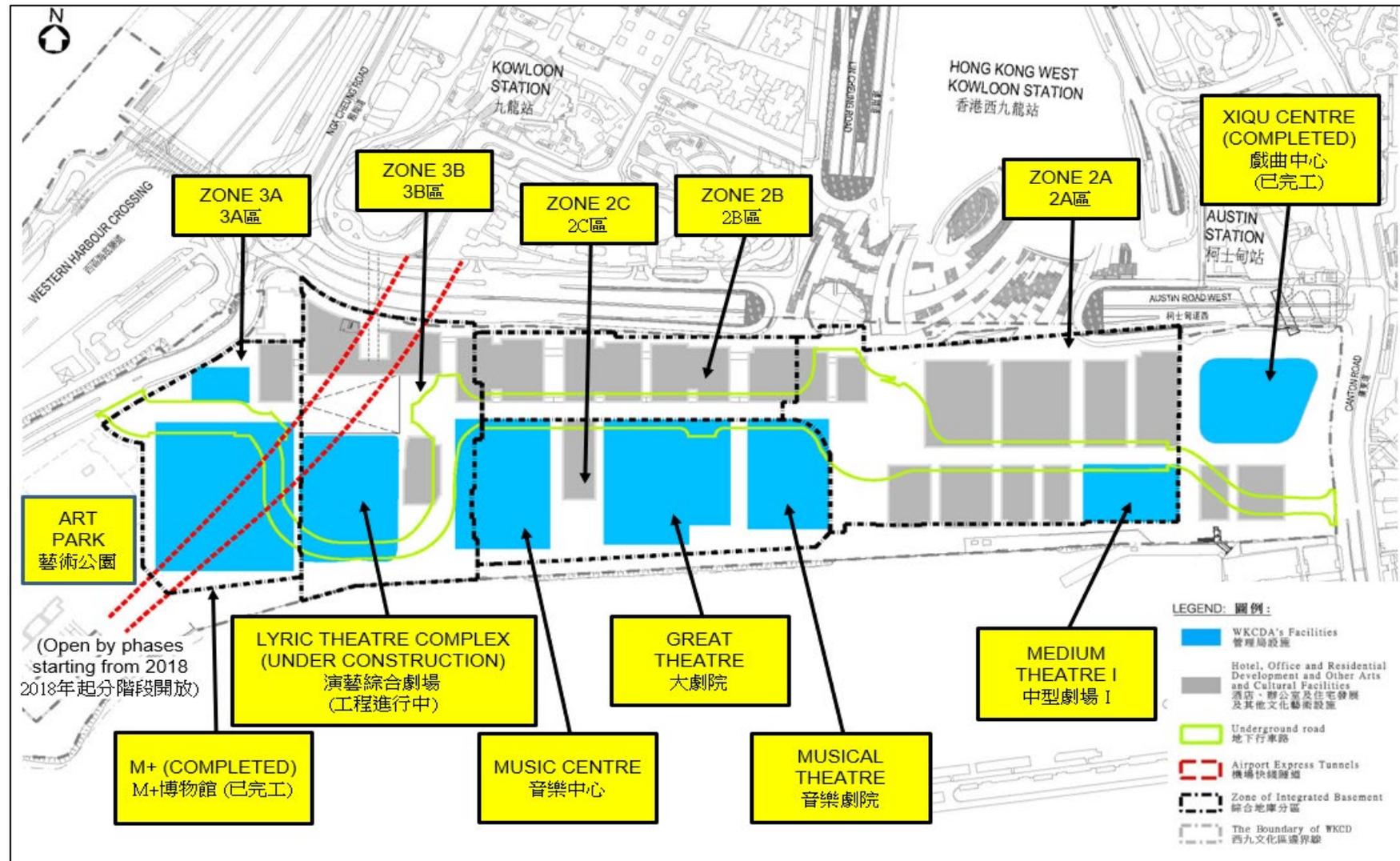
Programme	Date/ Period	No. of Participants/Viewers*
Hong Kong Ballet in Residence 2021: turn(it)out festival	18 Mar to 4 Apr 2021	Over 131 000 online views
Choreographer and Composer Lab 2021: Works-in-Development Showcase	26 to 27 Jun 2021	84 audience
William Forsythe's Nowhere and Everywhere at the Same Time No.2 (Asian Premiere)	4 to 19 Jul 2021	Over 5 500 audience
Summer Holiday: Hong Kong World Champs	10 to 11 Jul 2021	Over 2 400 audience
Music After Work @ Xiqu Centre	Apr to Jul 2021	Over 1 300 audience
The Future of Performance: New Creations - A Thousand Plateaus	15 to 22 Aug 2021	Over 600 audience
Cycling Piano in the Art Park	Aug to Dec 2021	Over 39 000 audience
Hiroaki Umeda: indivisible substance	29 Sep, 6 to 8 Oct 2021	Over 100 online audience
Freespace Ensemble feat. Joyce Cheung, Kiri T, Moon Tang	15 to 17 Sep 2021	Over 150 audience
Freespace x Edward Lam Dance Theatre: Hello, Baoyu	3 to 12 Sep 2021	Over 1 300 audience
Gu Jiani and Untitled Group: Transition	1 to 2 Oct 2021	450 audience
Olivier Cong: I am afraid of	19 to 21 Oct 2021	Over 1 000 audience

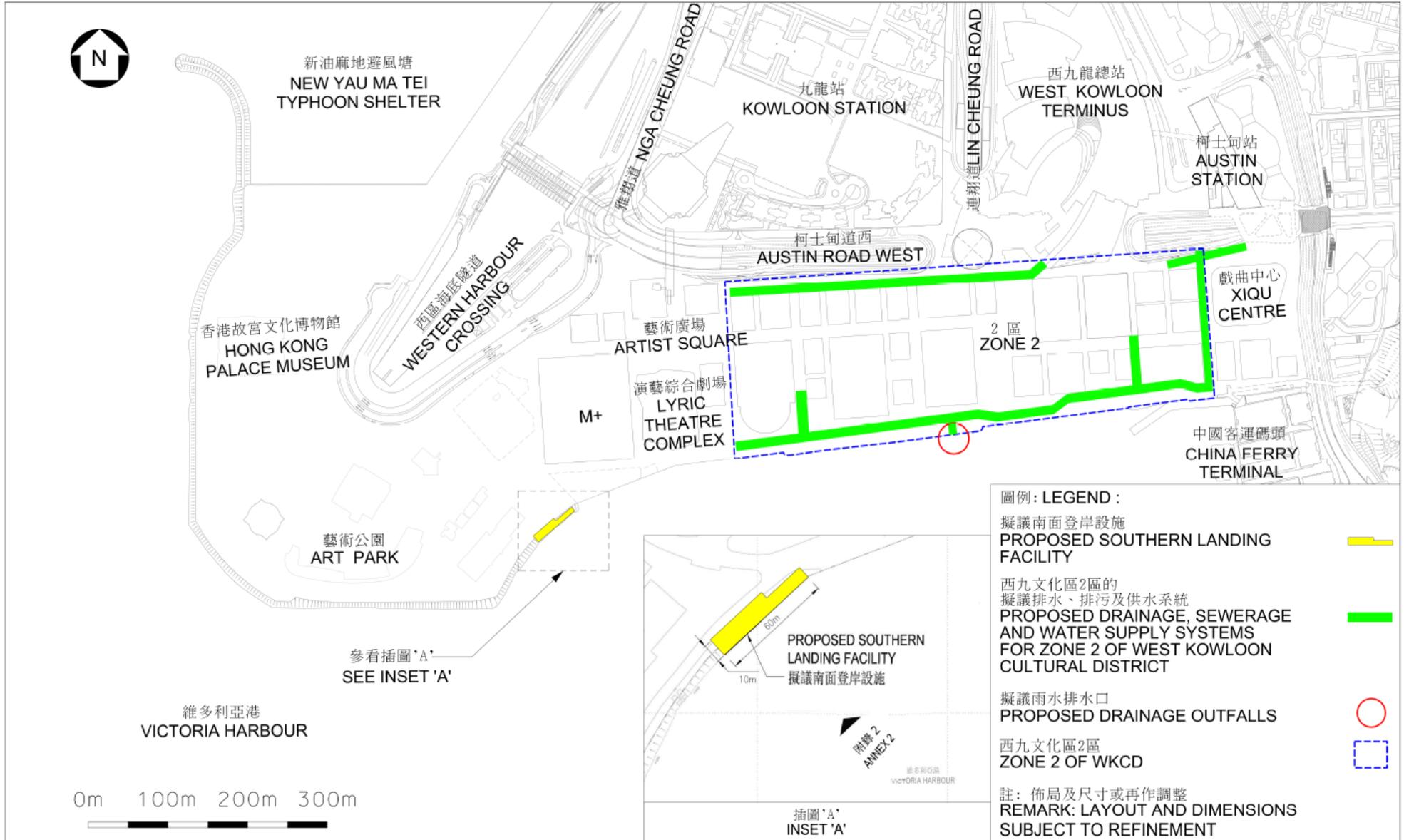
Programme	Date/ Period	No. of Participants/Viewers*
Black Box Chinese Opera Festival 2021: <ul style="list-style-type: none"> - Xiqu Centre Original Production: Experimental Cantonese Opera “Wenguang Explores the Valley” - Xiqu Centre Original Production: Experimental Cantonese Opera “Farewell My Concubine” (New Adaptation) 	7 to 17 Oct 2021 19 to 21 Oct 2021	Over 680 audience
Freespace Jazz Fest 2021	28 to 31 Oct 2021	Over 19 000 audience
Rimini Protokoll: 100% Hong Kong	29 to 31 Oct 2021	Over 2 000 audience
CCDC in Residence 2021 – Danzcation: <ul style="list-style-type: none"> - Home Sweat Home (Performance) - The Room Service (Performance) - WuDaoQingNian (Performance) - Kung Hei Fat Choy (Performance) 	13 to 14 Nov, 18 to 20 Nov 2021 14 Nov 2021 14, 20 Nov 2021 16 Nov 2021	Over 1 900 audience
Swire Symphony Under The Stars: Concert Live Screening @ West Kowloon Art Park	13 Nov 2021	Over 1 500 audience
Hong Kong Dance Company and Helen Lai: Nine Songs	26 to 28 Nov 2021	Over 2 500 audience
Tea House Chamber Music Series: Hong Kong Philharmonic Orchestra – Eight Colours and Trout Quintet	13 Dec 2021	Over 150 audience
ON VIEW: Panoramic Suite	17 to 19 Dec 2021	Over 400 audience
Winter Holiday Comedy: The Emperor	31 Dec 2021 to 2 Jan 2022	Over 2 900 audience

Programme	Date/ Period	No. of Participants/Viewers*
#CultureClicks	Mar to May 2022	Over 7 500 online views (as of March 2022)
Music Performances at Lau Bak Livehouse	Ongoing	Over 3 600 audience
Music in the Atrium	Ongoing	Over 3 100 audience
Tea House Theatre Experience	Ongoing	Over 9 100 audience
Xiqu Centre Guided Tour	Ongoing	Over 1 200 visitors
The D. H. Chen Foundation – West Kowloon Tea House Student Matinees: 2021	Ongoing	Over 2 200 audience for onsite sessions Over 3 000 audience for online sessions

* denotes no. of on-site participants unless otherwise specified.

Zoning Plan of the Integrated Basement





擬議工程的分佈圖

LAYOUT PLAN OF PROPOSED WORKS

項目名稱 PROJECT TITLE

工務計劃項目第 7754CL 號(部分) - 西九文化區基礎建設工程第一期 - 第四組建造工程
PWP ITEM NO. 7754CL(PART) - INFRASTRUCTURE WORKS FOR WEST KOWLOON
CULTURAL DISTRICT, PHASE 1 - FOURTH CONSTRUCTION PACKAGE



土木工程拓展署
CIVIL ENGINEERING AND
DEVELOPMENT DEPARTMENT



只供指示用途以及視乎最終設計 FOR INDICATIVE PURPOSE ONLY AND SUBJECT TO THE FINAL DESIGN

擬議南面登岸設施 - 構思圖

PROPOSED SOUTHERN LANDING FACILITY
- ARTIST'S IMPRESSION

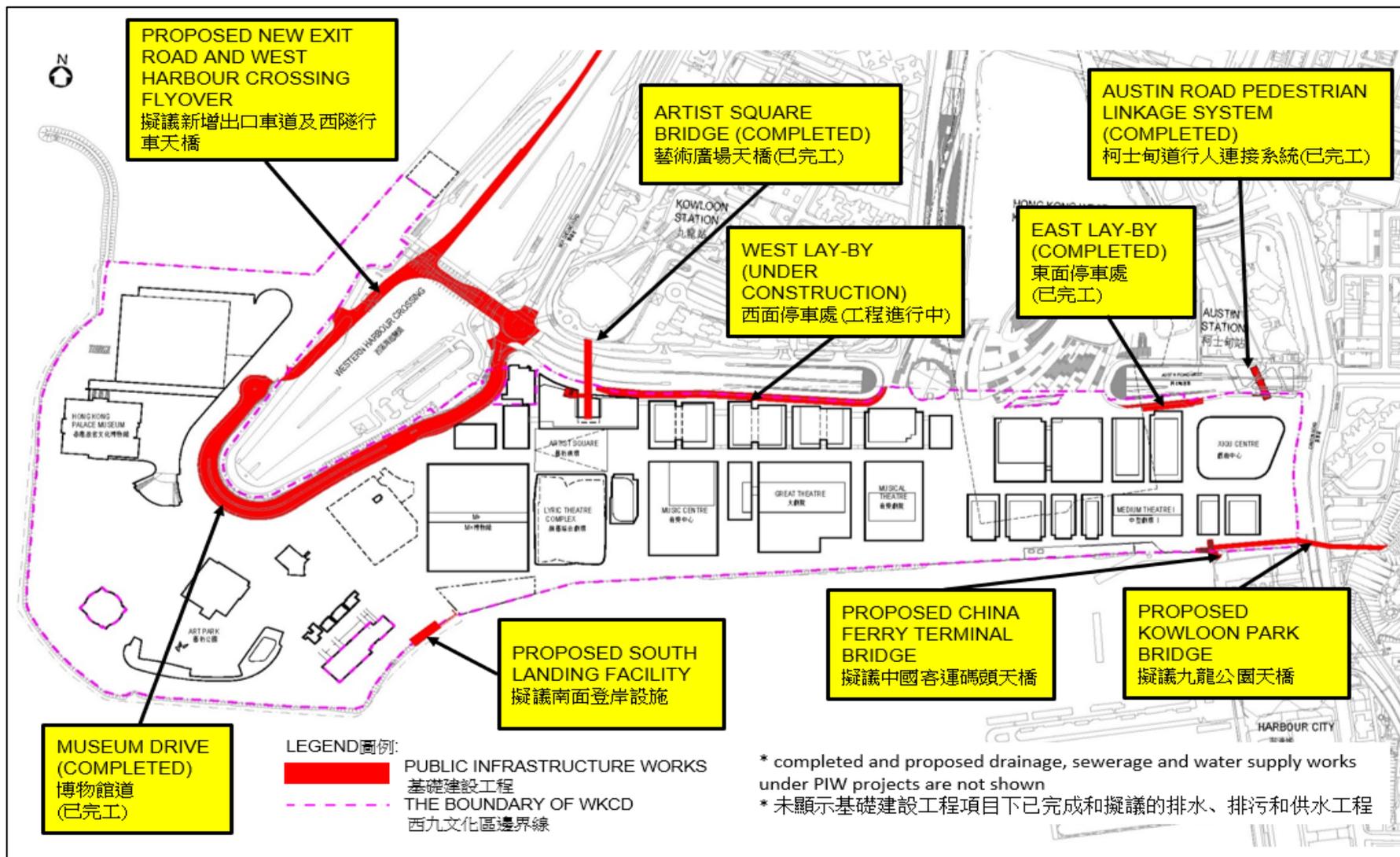
項目名稱 PROJECT TITLE

工務計劃項目第 7754CL 號(部分) - 西九文化區基礎建設工程第一期 - 第四組建造工程
PWP ITEM NO. 7754CL(PART) - INFRASTRUCTURE WORKS FOR WEST KOWLOON
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CIVIL ENGINEERING AND
DEVELOPMENT DEPARTMENT

Other Planned Public Infrastructure Works (PIW) project



Summary of the Major Capacity Building and Audience Cultivation Programme in 2021/22

Capacity Building

Performing Arts (PA)

- Tea House Rising Stars Troupe is the first venue-based artistic troupe in Hong Kong, receiving training and performance opportunities through the *Tea House Theatre Experience* under the artistic curatorship of Mr Law Kar-yin.
- The *Freespace Ensemble*, PA Division's latest boundary-expanding initiative started in 2021, offers musicians regular opportunities to collaborate across genres, experiment with new compositions and arrangements, and showcase their new music in and around Freespace.
- Regarding creative platforms for research and development of works, Freespace's *Choreographer and Composer Lab* has brought different choreographers and composers together to experiment with new collaborations since 2016. The year 2021 marked its fourth edition with a total of 24 artists participated to date.
- In 2021, the Authority launched *TechBox*, a four-year collaborative platform with the School of Theatre and Entertainment Arts of The Hong Kong Academy for Performing Arts. It assembles media artists, theatre designers, faculty members and students to rethink new frontiers of technology and performance and devise experimental creations in a technological context.
- WKCD also supports emerging creatives, arts practitioners, and academics through our 'Arts Impact Fellowship'. Since its launch in 2019, the scheme has supported five fellows in developing proposals that demonstrate potential for social impact and positive change for Hong Kong's performing arts ecology.

M+

- M+ has also contributed to capacity building through various programmes, including Council for New Art, Sigg Prize and ‘M+ / Design Trust Research Fellowship Programme’.
- The Council for New Art is supported by professional art patrons and active participants in the contemporary art field from the Greater China Region. The programme features acquisitions of works of young and emerging artists in this part of the world. Being launched in 2018, six acquisition meetings were held to sponsor 39 artists whose age is under 40. In the past four years, 92 works of art had been acquired through this funding to enrich the M+ collection and update the dialogues with the latest artistic discussion in this region.
- The ‘M+ / Design Trust Research Fellowship Programme’, which is supported by the Design Trust, aimed to contribute significantly to bodies of knowledge relating to design and architecture in Hong Kong, the Pearl River Delta region or Asia, within a global context. The fellowship has supported two separate fellowship projects. One will focus on Hong Kong, and the other will support a research project related to Asia as a whole.
- In 2020/21, 10 interns were recruited to take part in the ‘M+ Internship Programme’. The interns worked closely with M+’s professional staff to receive theoretical and practical training in curatorial practice, museum learning, conservation and registration.

Hong Kong Palace Museum (HKPM)

- Under the ‘HKPM Fellowship Programme’, the PM has agreed to send conservators and other experts to support the HKPM in 2022 and beyond. Many major international museums, such as the Louvre in Paris, the National Gallery in London, and the Uffizi Gallery in Florence, are willing to partner with HKPM in presenting travelling exhibitions featuring world art.
- HKPM has reached out to over 70 museums and other cultural institutions to build professional ties in areas such as exhibition, learning and programming.

- HKPM is planning to strengthen its efforts in promoting Chinese arts and culture between 2023 and 2031. For example, HKPM will support collaboration with local artists to launch experimental and innovative exhibitions annually. By offering local artists unique opportunities in dialogue with Palace Museum’s collections, the exhibitions will facilitate new interpretations of Palace Museum culture and provide a platform for HKPM to nurture local talent in different fields, including curation, design, education and cultural enterprise.

West Kowloon Cultural District Authority (WKCDA)

- Five internship programmes were implemented in 2021/22, which provided unique opportunities for a total of 75 young interns to work in different areas of the WKCDA’s operations and broaden their perspectives. The summer internship programme also provided 28 undergraduate interns with work opportunities in WKCDA.

Audience Cultivation

Performing Arts (PA)

- PA Division of the Authority continues to build our audience base through curating a pluralistic range of productions collaborated with local, mainland and overseas arts groups.
- Highlights of our local collaborations last year include dance programmes such as the digital *turn(it)out festival* co-presented by Freespace and Hong Kong Ballet from March to April 2021, bringing an array of on-demand dance programming and fringe activities to audience virtually; the *Danzcation-* themed *City Contemporary Dance Festival 2021* co-presented with City Contemporary Dance Company in November 2021.
- For theatre production, *Hello, Baoyu*, a production jointly adapted from the *Dream of the Red Chamber* by Edward Lam Dance Theatre and Freespace received its world premiere in September 2021.
- Two collaborations with the Hong Kong Philharmonic Orchestra (“HK Phil”) were performed in 2021 - the first one being the live screening debut of their popular *Swire Symphony Under The Stars*

at the Art Park in November 2021, and the second one being the opening programme of our *Tea House Chamber Music Series*, performed by the principal string players of the HK Phil together with acclaimed pianist Colleen Lee.

- To explore new ways of artistic delivery to online/onsite audiences, Freespace also commissioned three teams of Hong Kong artists to develop innovative new creations. These collaborations culminated into three new works under the *Future of Performance* series that were presented to the public in 2021/22.
- Despite the imposed travel restrictions, WKCD's collaborations with Mainland and overseas artists and arts groups continued in 2021/22 through various forms. In July 2021, the interactive art installation *Nowhere and Everywhere at the Same Time No.2* created by renowned American dancer and choreographer William Forsythe landed at Freespace for its Asian Premiere. In October 2021, Gu Jiani, and the Untitled Group, one of China's most innovative names in contemporary dance, and German theatre group Rimini Protokoll's Daniel Wetzel travelled to Hong Kong and accepted compulsory quarantine, to present their works *Transition* and *100% Hong Kong* respectively. In *Freespace Jazz Fest 2021*, we explored enhanced real-time audio-visual technology and brought together musicians in Hong Kong and Germany for a session of live and online multi-sensory improvisation in the programme *Imaginarium – HK/Cologne*. In December 2021, Freespace worked with Sydney-based choreographer, filmmaker and installation artist Sue Healey to present *ON VIEW: Panoramic Suite*, a multi-layered, cross-disciplinary dance film installation, to Hong Kong audience.
- PA Division strives to democratise arts to all walks of life. *Xiqu Centre Guided Tours*, conducts in Cantonese, English, or Mandarin, helps visitors explore the Xiqu Centre and discover fascinating facts about the culture and stories behind the art of Xiqu. Weekly group tours are also offered for schools and registered charitable or non-profit organisations for free.
- *West Kowloon Tea House Student Matinees*, specially devised for secondary one to four students, extends arts learning beyond the classroom through narrated performances presented by the Tea House Rising Stars Troupe and interactive facilitator-led discussion sessions.

- To allow audiences to experience performances without leaving home, WKCD launched the #CultureClicks and began to provide a wide range of performing arts digital programmes on the video platform of the West Kowloon website and West Kowloon social media every Wednesday and Saturday since March 2022, including artist interviews, dance films, educational videos, theatre, music performances, online premieres of Xiqu highlights and more.
- WKCD also endeavours in activating public space and reaching out to the community with different free outdoor events as follows.
 - *Cycling Piano*, which was held in the late afternoon of every weekend from August to December 2021, where young musicians riding on a one-of-a-kind tricycle incorporating a vintage 1960s Hong Kong-made piano put on live music performances at the Art Park and Waterfront Promenade.
 - The inaugural ‘holiday-themed’ programme, *Summer Holiday: Hong Kong World Champs* in July 2021 brought audiences with the Hong Kong top sports players to perform at Freespace and the Art Park.
 - Regular free music performances in the Atrium of Xiqu Centre are presented by a diverse line-up of professional ensembles under *Music in the Atrium* during weekends.
 - The *Street Performance Scheme*, launched in 2015, also brings to the public a variety of performances conducted by experienced buskers in designated locations of the WKCD site.

M+

- M+ has also cultivated audiences through a series of programmes, including the Sigg Fellowship for Chinese Art Research, *M+ Matters*, *M+ Screenings Online* and *Watch & Chill: Streaming Art to Your Homes*.
- The *M+ Matters* is a series of public workshops and lectures exploring various aspects of curatorial, institutional and museological interests and needs. It features key players in the field of visual art, design and architecture and moving image. The highlight of the latest edition of *M+ Matters | Keynote* was to

develop relationships with key museum players in the Mainland and to understand the museum audience in this region.

- *Watch & Chill: Streaming Art to Your Homes* was curated by M+ in collaboration with the National Museum of Modern and Contemporary Art in Seoul, the Museum of Contemporary Art and Design in Manila, and MAIIAM Contemporary Art Museum in Chiang Mai. It featured 25 video works by Asian contemporary artists from their collections and local art scenes that explore various notions of home. The online streaming platform of the programme was active between 24 August 2021 and 28 February 2022 and attracted over 626 000 visitors.

Hong Kong Palace Museum

- HKPM has organised pre-opening programmes to foster the public's appreciation of Chinese art and culture, increasing their awareness of HKPM and broadening the museum's audience base.
- Since 2021, HKPM has presented the online *Palace Museum Culture Lecture Series*, which is free and open to the public. The nine lectures featured leading experts associated with Palace Museums in Hong Kong, Beijing, and Taipei, covering wide-ranging topics such as painting and calligraphy, jade, costume, and cultural exchanges between China and the world. Around 4 000 participants attended nine lectures. These lectures have also received positive press and social media coverage as well as post-event email feedback.
- The HKPM is training volunteers and docents to assist in day-to-day operations and educational projects following the museum's opening. The volunteer programme of HKPM is designed for participants to cultivate a sense of ownership and consider themselves crucial stakeholders of the museum.
- Collaborating with the Education Bureau of the HKSAR Government, the HKPM will develop teaching resources to help students learn history through art. The materials will be specifically designed to complement the secondary school curriculum on Chinese history. HKPM will also collaborate with scholars and experts from different fields and design thematic workshops for primary and secondary school students focusing on the life and culture, ceramic treasures and costumes of the Palace Museum and the Forbidden City.

Status and Target Completion Dates of Major WKCD Facilities

Facilities	Status and Target Completion Date
Batch 1	
Temporary Nursery Park	Opened in July 2015
Arts Pavilion (previously called M+ Pavilion)	Opened in July 2016
Xiqu Centre	Opened in January 2019
Art Park	Opened in phases between 2018 and 2020
Freespace	Opened in June 2019
M+ and Conservation and Storage Facility	Opened in November 2021
Batch 2	
Lyric Theatre Complex (including Lyric Theatre, Medium Theatre and Studio Theatre)	Main works in progress. Target to complete after 2024
Medium Theatre II	Incorporated into Lyric Theatre Complex
Batch 3	
Music Centre (including Concert Hall and Recital Hall)	High priority, to be reviewed by WKCDA
Music Theatre	To be developed through public-private partnership, subject to private sector funding
Great Theatre Medium Theatre I	To be reviewed by WKCDA and delivered gradually having regard to demand in line with the organic growth approach of WKCD
Others	
Art, Commerce and Exhibitions (ACE)	The BOT tender was cancelled in 2020 due to insufficient market interest. The way forward is under review by WKCDA.
Hong Kong Palace Museum	Practical Completion achieved in December 2021. Opened in July 2022.
WKCDA Tower	Occupations starting from April 2021
M+ Phase II Xiqu Small Theatre	The need for these two facilities will be reviewed by WKCDA.

Financial Challenges of the WKCD Project

WKCD has continued to face financial difficulties, which are the result of a combination of new developments and changes since the adoption of the recommendations of the Consultative Committee on the Core Arts and Cultural Facilities (CACF) of the WKCD (CC Case) in 2006, in addition to other external factors that took place throughout the development of the WKCD project in past years.

Key factors and developments leading to WKCD's financial difficulties are summarised as follows:

Cost Escalation and Extended Development Timeframe

1. There has been significant escalation of construction costs since the approval of the upfront endowment of \$21.6 billion in 2008 (by 118% from Q3 2006 to Q3 2021¹ or by average increase of 5.3% per annum compounded since 2006 as opposed to 2% assumed in the CC Case);
2. The almost 4-year prolonged planning and public engagement process had resulted in approval of the Development Plan by the Chief Executive in Council only in 2013. The cost for delivering the CACF had escalated significantly during this period;
3. The complexity in implementing the 'City Park' design concept, which makes construction of an Integrated Basement a prerequisite of any topside developments, has increased construction costs and extended the delivery timeframe of CACF;
4. In 2013, the Government and WKCD decided to adopt a pragmatic approach to implement the WKCD project in three batches that the development timeframe has been considerably extended;
5. In 2014, a planning application for minor relaxation of the development intensity was made to optimise the development potential of the WKCD site. Additional funding is required for the development of the additional gross floor area (15%) for arts and

¹ The estimated costs in the CC Case were prepared by the Financial Advisor in 2006. The Architectural Services Department's tender price indices for building works in the public sector has gone up from 751 in Q3 2006 to 1640 in Q3 2021.

cultural facilities and retail, dining and entertainment (RDE) facilities in the District;

Prolonged Mismatch Between Revenue and Expenditures

6. WKCD A suffers from serious delay in the receipt of recurrent income generated from major RDE facilities to meet the operating deficit of CACF in the interim. This is the result of the prolonged mismatch in the timing of cashflow due to the extended development timeframe, and the priority given to developing CACF, as well as the deferred possession until 2020 of the site occupied as construction site for the High Speed Rail (Hong Kong Section);
7. Investment return from the endowment has significantly declined for a sustained period due to the high volatility of global investment markets. The actual investment return from the endowment (3.1% per annum from 2008/09 to 2021/22) is significantly lower than the assumed rate of 6.1% per annum in the CC Case;
8. Since 2013, WKCD A has reported on various occasions about the financial challenge ahead, and the endowment fund and investment income would only be sufficient to build the Batch 1 and most of the Batch 2 arts and cultural facilities whereas the remaining of Batch 2 and Batch 3 facilities would be reviewed subject to funding availability;
9. Under the EFA, the Government granted the long-term development rights of the entire HOR portion of WKCD to WKCD A. However, the topside HOR and RDE will only be completed in phases by 2030 after the Integrated Basement is completed;
10. The Legislative Council (LegCo) approved funding for the Zone 2 Integrated Basement infrastructure and associated works does not cover the installation of necessary Mechanical, Electrical and Plumbing (MEP) and Architectural Builders Works and Finishes (ABWF) other than those for the underground road and communal areas, as well as works related to the avenue, promenade and district cooling system. The cost of MEP and ABWF works is expected to be substantial; and
11. The ACE (Art, Commerce and Exhibitions) Project was aborted in August 2020, as a result of the highly unfavourable market conditions during the pandemic, thus aggravating the prolonged cashflow mismatch.

Negative Impact of Covid-19

12. To comply with the Government's social distancing measures, all arts and cultural venues in the District were closed or operating at reduced capacity from time to time and the operating hours of the RDE outlets were reduced. Furthermore, in response to the Government's call, the Authority has offered a total of four rounds of rental concessions to the RDE tenants during the pandemic. In 2021/22, the Authority's operating income in 2021/22 was down by close to 60% comparing to budget, from \$240 million to \$100 million (excluding investment income of around \$320 million).
13. The prolonged pandemic has also disrupted the Authority's revenue generation plans. Fundraising activities have to be deferred. Commercial leasing progress was adversely impacted as the office and retail market remained sluggish.
14. The construction progress was also affected as there were shortages of construction workers during the peak of the pandemic and some construction sites were closed temporarily for disinfection.