

VIEWS ON THE DEVELOPMENT OF THE WEST KOWLOON CULTURAL DISTRICT

Hong Kong Arts Administrators Association

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Overview

1. We welcome the proposal by the government to develop West Kowloon into an arts and cultural district and we commend the creative approach it adopts to include private participation, the first of its kind, in the development of the project. We believe that with wide consultations made by the government to gauge the views of the various stakeholders, including the private sector, the arts sector and the general community resulting in full cooperation by all the parties concerned, the project could turn out to be a win-win situation for all, with the necessary synergy generated for achieving the commercial, artistic and social objectives in a balanced manner. We therefore value this opportunity to contribute our views on this important matter.

2. Secondly, as West Kowloon represents an icon depicting Hong Kong as Asia's world city, its development should be considered in the wider context of a local cultural policy, something which was the focus of the consultative document issued by the Cultural and Heritage Commission last year. The Association had previously expressed our views to the government on this important issue and we understand that this policy is still in the process of finalization, hence we emphasize that our views below have not been able to take this as a starting point. Also, we noted the recent response issued by the Home Affairs Bureau to the CHC's paper and we hope to be able to see a cultural policy for Hong Kong in place as soon as possible, and would continue to contribute our views on this matter together with its relevance to the West Kowloon development in the appropriate time. It is sufficient to say here that West Kowloon as a symbol to the outside world should bear strong witnesses to Hong Kong's cultural and arts heritage and its development should therefore be conceived and considered with that in mind. Meanwhile, we would like to focus our views below on the management and operations of the arts and cultural facilities in West Kowloon.

Guiding Principles

3. As stated in the Invitation for Proposal, West Kowloon is intended to be developed primarily as an integrated arts, cultural and entertainment district and we feel that unless top priority is given to the artistic developments of the site, the soul of

the whole district would be lost, at worst, at the expense of overwhelming commercial considerations. So while we value private participation by developers and appreciate the legitimacy of commercial interests for West Kowloon, we can't emphasize more that due consideration should be given to safeguard the artistic success of the area, something which is of utmost importance to the overall success of West Kowloon. Experience should be learned from the Cyberport development and proper priorities for development should be set for West Kowloon if we are to avoid similar experiences in future.

4. Based on the great importance attached to the artistic success of West Kowloon and the fact that the developer is provided the land free for development, we believe it is not too great an exaggeration to say that the developer should have a social obligation to contribute a monetary return to the community by ensuring the sustainable development of the arts and cultural facilities in that area. Hence, we propose that the developer should contribute a certain percentage of its gross income from the whole development towards the running of the arts and cultural facilities and to ensure that they are being run to best international practices. This guarantee should be written and agreed in advance between the government and the developer.

5. Also, if Hong Kong aspires to be Asia's World City and West Kowloon as an arts and cultural district is to be evidence of that, it should be managed in a professional way which is admired by the outside world. We feel that in the same way as accountants, lawyers etc are needed in business practice, arts administration is a professional discipline in itself which should be applied to manage the arts and cultural functions of West Kowloon. Based on this, we strongly believe that the operation, maintenance and management of the arts and cultural facilities should engage arts administration expertise instead of purely commercial expertise. In this connection, we believe that the development rights should be separated from the operating rights and completely support the provision in the Invitation for Proposal that the government reserves the right to appoint a third party to operate, maintain and manage the art and cultural facilities should the developer fail to deliver quality. We would further argue that even in this situation, the developer should still be required to contribute to the running costs of these facilities for the reasons set out above.

Governance

6. There have recently been consultations about the system of advisory bodies in Hong Kong and concerns have been raised about the deficiency of the existing appointment systems, in particular the problem of cronyism. Due to the great

magnitude and significance of West Kowloon, both locally and internationally, we caution that the appointments of members to the future governing bodies for the arts and cultural facilities in West Kowloon should adopt a well-considered approach. In particular, based on the principles of good corporate governance, the appointment procedures should as far as possible be seen to be transparent, fair and open, with adequate monitoring procedures in place. Furthermore, the members to be nominated should be independent experts in the field, covering a wide representation from the government, academics, business, arts and culture, as well as the general community.

7. As the core arts and cultural facilities are to be developed in an area which would also have substantial commercial provisions, it is only natural that there should exist a management structure which not only coordinates the overall commercial and artistic requirements for West Kowloon as a whole but also oversees development within the arts and cultural district itself. Under this structure, we further suggest that there should be two separate management bodies, responsible for the museum cluster and performing venue cluster respectively.

8. Due to the relatively homogenous and mature nature of the performing arts industries, the management of the performance arts functions should come under a single management so as to reduce bureaucracy and to increase cost-effectiveness as argued in section (16) below.

9. We emphasize that for West Kowloon to be a symbol to the international world of Hong Kong's success, it should base its competitive edge on elements which are unique to Hong Kong and with strong local characteristics, in doing so establishing Hong Kong's own brand in the global market. So in deciding the various themes and programmes for West Kowloon, we should bear in mind that they are there not because we think they should but these should be catalysts which can bring success to Hong Kong locally, regionally and internationally. For the museums, assuming that each of them within the cluster would have eventually established its own positioning which we believe would represent great diversity in nature, we suggest that there should be, at the basic level, separate management boards with professional expertise in each of the respective museum areas.

10. Also, based on our local museum situation and experience overseas, we strongly feel that there is a need to establish an efficient and transparent system of self-regulation for the museum profession for its effective professional development in line with the development of Hong Kong as a world city. Based on this, we

recommend that on top of the basic management structure at individual museum level as described above, there should be a central management body set up to be responsible for developing a regulatory framework to govern the mode of operation for museums, including setting standards of museum practices and codes of ethics for its members. This management structure would also be able to facilitate the efficient use of common services and facilities within the museum cluster.

11. Finally, we have reservations about whether the governing bodies for the museum function and in particular for the performing arts function should be most appropriately formed as statutory bodies as we fear that their development might be restricted by such legal status. For the effective discharge of their responsibilities, we suggest to have more flexible terms of reference for these statutory bodies with consideration given as far as possible to their non-statutory status.

Operation & Programming

12. There have been recent discussions about having resident companies inside the performing venues. Based on the present venue hiring and programming experience, we feel that resident companies, if adopted, would enjoy a higher scheduling priority than their competitors, hence creating unfair competition amongst hirers within the market. Similarly, programming should also be relatively free from market interference and should be operated in a fair and flexible way so as not to preclude visiting companies such as international touring musicals from making long bookings which by their very nature are considered essential for their economic viability.

13. With the injection of entrepreneurial spirit which comes with private participation, it is only natural that the operation of West Kowloon facilities would be subject to relatively greater market forces than presently experienced within the industry. Situated on an expensive waterfront site, West Kowloon should be used to its maximum advantage as a “display window” to showcase programmes and activities which are of high quality, popular, and as far as possible revenue generating. Programmes and activities which relatively speaking do not create a direct impact such as performing company rehearsal facilities, workshops and offices or experimental programmes should be located elsewhere outside West Kowloon.

14. We assert that due consideration should be given to free-admission programmes and educational programmes which might need to be run on a high cost subsidy but nevertheless draw high traffic into the cultural district and in doing so indirectly benefit the other revenue generating activities. We would further recommend that

these loss leaders including buskers and open piazza activities should be adequately planned and subject to quality control.

15. At present, most of the cultural programming and venue management in Hong Kong is carried out by the government's Leisure and Cultural Services Department. The government's own cultural presentations leave little room for private sector promoters to operate in terms of long-run venue availability, market share and unfair competition from artificially low ticket prices subsidised by the taxpayers. We are of the view that West Kowloon represents an opportunity for increased diversity in programming by offering an alternative to the government's monopoly on venues and cultural provision. If West Kowloon is to be operated under relatively greater market forces, programming should take greater account of supply and demand with the management body bearing any programming risks. The venues should be considered primarily as receiving houses, free to accept bookings from any interested presenters.

16. Synergies should be formed as far as possible between each of the different activities within West Kowloon for greater impact and to achieve economies of scale. One aspect of this is for the performing venues cluster to be operated by one venue operator instead of several individual organisations, the one operator having expertise in front-of-house management, ticketing and technical support. Apart from cost efficiency, this shared resources approach would result in higher concentration of skills, increase in competence, greater flexibility in dealing with changes in capacity levels and higher consistency in service quality. Similarly, common museum services and facilities such as marketing, insurance, education and technical support can be centrally managed for more efficient use of resources.

17. We understand and appreciate the relatively higher costs which are inevitably associated with running arts and cultural facilities under a bureaucratic set-up. We are also aware that under those circumstances, the facilities might not particularly be run with a high degree of cost consciousness as experienced or expected in the private sector. We hope that greater cost efficiency could be achieved with private management and expect to see the developer's estimate of the total running costs for West Kowloon to be less than operations managed by the government and closer to those run by non-profit making organizations such as the HK Arts Centre or the HK Academy for the Performing Arts. In fact this is one of the on-going arguments in favour of privatising the arts and cultural facilities in Hong Kong.

18. We hope that the views expressed here are useful and we welcome an on-going

dialogue with the government on this important issue.

Hong Kong Arts Administrators' Association