

## **LCQ1: Renovating factory buildings to develop creative arts villages**

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Following is a question by the Hon Chan Yuen-han and a reply by the Secretary for Home Affairs, Dr Patrick Ho, in the Legislative Council today (May 11):

### *Question:*

In June 2003, the Government informed Members of this Council that it was considering the idea of renovating vacated factory buildings of the Housing Authority for development into creative arts village(s) in order to promote development of creative industries. In this connection, will the Government inform this Council of:

- (a) the departments involved in the factory building renovation project, the progress of the project and when the project details will be announced;
- (b) the criteria adopted for selecting the site(s) of the creative arts village(s), how the relevant sectors will be consulted on the site selection, and of the sites being considered; and
- (c) the modes of operation and management proposed for the creative arts village(s), for how long it(they) will operate, and whether the relevant sectors will be consulted in this regard?

### *Reply:*

Madam President,

The Government's overall policy on the promotion of creative industries in Hong Kong is to improve the business environment, safeguard free economy, encourage investments from local and foreign business sectors, and bring about partnerships between "creative talents" and "entrepreneurs". We will not make direct investments in any particular industry or provide special concessions to any particular sector. The Government is responsible for providing a business environment that is essential and conducive to fair competition. The major elements of our policy are:

- (i) providing an enabling environment to nurture creative talents and to promote

closer ties between the cultural and creative sector and corporate investors so that the business sector and the public will appreciate the importance of creative industries, thereby bringing in new ideas in business operation and providing an innovating force to all sectors of the economy of Hong Kong;

(ii) promoting cultural network with the Pearl River Delta Region, Asian economies as well as the international community, establishing a mechanism for exchanges and showcasing local creative talents overseas;

(iii) promoting creative industries of Hong Kong to local and foreign business communities in order to stimulate investments; and

(iv) conducting researches on the development of creative industries in order to provide the best-fitted support for the industries.

The idea of creative arts villages that the Hon CHAN Yuen-han mentioned is in fact a policy initiative to provide an enabling environment as stated above. We hope that, through this initiative, we can draw together creative talents, entrepreneurs and management agents to interact with local cultural sectors and communities, thereby fostering the clustering of cultural enterprises and bringing about economic and cultural benefits. As regards economic benefits, creative arts villages would promote the exchange of information between cultural creativity and cultural capital, leading to a strategic alliance of the industries. As for cultural benefits, such villages would help nurture a cultural sector with broader perspective, one that is more cohesive and cooperative. Under favourable conditions, they may help bring about urban regeneration. There are many such examples in the United Kingdom. The above is a summary of the experience of promoting creative arts villages in other countries from which Hong Kong may be able to draw reference. Specifically, creative arts villages can bring together creative talents from various sectors so that creativity can be engendered through mutual exchanges and interactions. Exhibition and performing venues in creative arts villages would allow creative talents to display their creativity, thus enabling the business community to hunt new ideas that have commercial value. Partnerships between creative talents and investors may then be forged. The development of creative arts villages would also help enhance interest in, appreciation of and participation in creative arts among the general public, in particular the younger generation, thereby enriching our culture. The communities and shop owners in the vicinity may likewise be inspired to bring in new ideas in their operation. We believe that, with the support of the cultural and creative sector, the

establishment of creative arts villages in Hong Kong will promote the development of cultural and creative industries.

My reply to Hon CHAN Yuen-han's question is as follows:

(a) It is a brand-new pilot project in converting factory buildings under the Housing Authority (HA) for development into creative arts villages. The Home Affairs Bureau (HAB) will work with the Commerce, Industry and Technology Bureau, the Housing, Planning and Lands Bureau and the departments under their purview to take forward this project. We are studying the feasibility of developing vacated factory buildings under the HA, which are to be returned to the Government, into creative arts villages, and we are actively consulting members of the cultural and creative sector. Issues to be thoroughly studied include selection of factory buildings, their life span, conversion, renovation and future maintenance as well as the management framework and operation mode of the creative arts villages. We have to be very careful in the use of public resources, especially when changes to land use and to the structure of buildings are involved. If the planning is not well thought out, the consequences may sometimes be difficult to reverse. It takes time to complete the study because a wide range of issues are involved and the funds needed are substantial. The HAB intends to set up a pilot scheme to develop factory buildings in the Sham Shui Po District into creative arts villages. We will start work and discuss the details with interested organisations and groups in the community shortly.

(b) Overseas experience indicates that successful creative arts villages are invariably those that have been developed from vacated or disused factory buildings. Our pilot scheme is to convert into creative arts villages the vacated factory buildings to be returned to the Government by the HA. The factory buildings we are considering are located in the Sham Shui Po District. They are situated along the Mass Transit Railway line and thus are easily accessible. Initial views from a number of cultural groups and individuals are that these factory buildings are suitable for development into creative arts villages.

(c) According to our preliminary thinking, the facilities of these creative arts villages should be versatile for use as workshops, showrooms, training and exhibition venues and for arts educational purposes by artists, creative workers, arts agents or managing bodies and arts groups. Under suitable arrangements, creative arts villages may be opened to local entrepreneurs, members of the public and tourists. We hope that, in

line with the community-driven strategy, creative arts villages should be managed and operated by organisations in the community so as to generate greater creativity and vitality. I believe that, to make the development of creative arts villages a success, there must be a variety of tenants in the villages to complement each other and to achieve synergy. Therefore, the management of arts villages must draw up a set of rental guidelines to accommodate a wide range of tenants, from those solely providing arts promotion services to those who are purely commercial operators. Adjustments should also be made to the rents where appropriate, so that both subsidised (in exchange for free cultural and arts services for the public) and full market value rents are allowed. It is hoped that the arts villages can be operated in a self-financing mode without recurrent subvention from the Government. Creative arts villages are a novel idea on which we must widely solicit comment from the relevant sectors for the best mode of management and operation to ensure that the villages can operate on their own to achieve commercial viability and sustainable development.

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