<u>Transcript of remarks by SCST at media</u> <u>session (with video)</u>

Following is the transcript of remarks by the Secretary for Culture, Sports and Tourism, Mr Kevin Yeung, and the Chairman of the Board of the West Kowloon Cultural District Authority, Mr Henry Tang, at a media session on relaxation of Enhanced Financial Arrangement for the West Kowloon Cultural District to take forward residential development today (July 17):

Secretary for Culture, Sports and Tourism: The Chief Executive in Council yesterday (July 16) agreed to relax the Enhanced Financial Arrangement (EFA) for the West Kowloon Cultural District approved back in 2016, with a view to helping the West Kowloon Cultural District Authority to tide over the financial challenges in the short and medium term.

The Authority is a statutory body established in 2008. With a one-off upfront endowment of \$21.6 billion, the Authority develops and operates the West Kowloon Cultural District on a financially self-sustaining basis.

With the completion of major cultural facilities in recent years, the West Kowloon Cultural District has become a cultural landmark in Hong Kong. The Culture, Sports and Tourism Bureau has all along maintained close liaison with the Authority, not only providing support for the development of arts and culture, but also closely liaising with the Authority on its financial situation and challenges.

The EFA was approved in 2016 for allowing the Authority to take forward hotel, office and residential development in the District under the Build-Operate-Transfer model, also known as the BOT model, enabling the Authority to maintain financial sustainability with additional stream of recurrent income from the hotel, office and residential development.

Nevertheless, market response to the BOT model was more lukewarm than expected. The Authority is now facing financial challenges as a result of the significant resources required to operate the arts and cultural facilities in the District. The mismatch with the revenue-generating commercial development and the pandemic in 2020 to 2022.

The Chief Executive in Council approved the sales of the residential developments within Zone 2 of the District by lifting the "BOT only" restriction for the residential developments. The maximum total residential gross floor area of 170 280 square metres permitted under the West Kowloon Cultural District Development Plan remains unchanged.

The commitment of the Authority to operate the West Kowloon Cultural District project on a self-financing basis also remains unchanged. In agreeing to the Authority's proposal, the Government will impose the following conditions, (a) a triennial cap on operating deficits and a cap on the percentage of staff cost to the total annual operating expenditure; (b)

the requirement to demonstrate to the satisfaction of the Government the reasonableness of the cost estimates for any new capital projects before commitment; and (c) the requirement to consult the Development Bureau on tender schedules, setting the reserve price of the residential components of such tender and the tender award recommendations.

With the relaxation, the Authority will have sufficient funding to sustain 10 years of operation. During this period, the Authority will leverage its experience, expertise and assets accumulated over time to develop and implement revenue-generating and commercialisation measures. At the same time, the Authority will exercise strict control over operating costs, fulfilling its commitment to operate the West Kowloon Cultural District project on a self-financing basis.

Reporter: Firstly, for the Secretary, to what extent would the residential sale proposal help ease the financial crisis at the West Kowloon Cultural District? And what steps would the Government takes to ensure the hub's financial stability and independence? And for Mr Tang, does the Authority still plan to reduce the number of opening days or raise ticket prices with the new funding option? And also, what KPIs (Key Performance Indicators) and control mechanisms are you looking for? Thank you.

Chairman of the Board of the West Kowloon Cultural District Authority: Sorry, what opening dates are you referring to?

Reporter: Because you earlier mentioned that the hub would consider to reduce the number of opening days of the museums if the funding proposal is not allowed. So would you still consider to do that? And also what kind of KPIs are you looking for at the moment? Thank you.

Secretary for Culture, Sports and Tourism: I would never say it's a financial crisis. I would say we are facing some financial challenges in the operation of the West Kowloon Cultural District. And as I explained in my opening remarks, with the relaxation, the West Kowloon Cultural District, the residential development now in the West Kowloon Cultural District could be disposed on a sales mode instead of the BOT. In 2016, when we decided that under the enhanced financial arrangement, there were some 170 odd thousand square metres residential development already given to the West Kowloon Cultural District Authority, to generate an additional stream of income. But in the past few years, with very great effort of the Authority, the BOT tender did not seem to meet with the appetites of the contractors or developers in Hong Kong. So the current proposal is still making use of the 170 000 square metres residential property, but in a different way. Instead of having a constant stream of income in future, we are now cashing in for a lump sum upfront, which could help release the financial challenges or the requirement at present, which I think will be able to sufficiently, as I said in the opening remarks, sufficient to sustain the Authority's operation for at least 10 years, which will provide ample time for us to, as the Chairman has said, for them to develop further on the various commercialisation as well as industrialisation of the arts and cultural activities that the Authority has been doing in the past two or three years, which we are

confident that the Authority will be able to come up with more proposals in the coming years.

Chairman of the Board of the West Kowloon Cultural District Authority: When I said, If the Government does not approve our plan, then we will have to think of more drastic measures in order to control our costs, including, but not exclusive to, closing certain number of dates in our museums. And that was a worst-case scenario. So therefore, considering that the Government has been very kind, and we have both agreed to the certain KPIs that we adhere to, we won't have to take any of those drastic measures. We will be able to continue to operate, but we will continue to operate as we have always done under a discipline that we only spend what we need to spend, and we will control our cost diligently and very seriously.

At the same time, we will continue to look for ways to increase our revenue, such as we will review some of the cost recovery measures that we are now charging, such as our charging scheme. And secondly, we will also think of new ways to make money. For example, in M+ there are a whole bunch of ways to make money. Let's say the screen in the front, we will consider whether we want to rent it out for rental income, for arts and culture-related materials.

At the same time, right now, I can go to a major museum in London or in New York and rent a gallery for an event. But in Hong Kong, I can't do that. So, there are ways that I can make more revenue without disrupting the operations of the museums, and I will look for ways to do that.

(Please also refer to the Chinese portion of the transcript.)

AFCD laid charges against Mainland fishermen deckhands suspected of using snake cages for fishing and local coxswain (with photo)

The Agriculture, Fisheries and Conservation Department (AFCD) today (July 17) laid charges against five Mainland fishermen deckhands suspected of engaging in fishing using snake cages (a type of cage trap banned in Hong Kong waters) on a local fishing vessel in waters off Shek Kwu Chau and a local coxswain onboard.

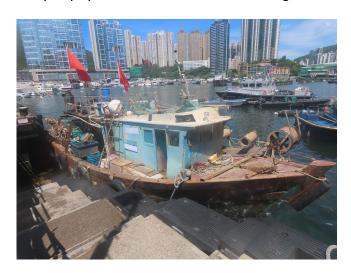
A joint operation was conducted by the AFCD together with the Hong Kong Police Force yesterday (July 16). A local fishing vessel was suspected of engaging in fishing using snake cages and was intercepted at around 5.30pm

for investigation. Some fishing gear (including snake cages and winches) on board was seized by the AFCD.

After investigation, charges were laid against the six men who were suspected to have violated the Fisheries Protection Ordinance (Cap. 171). They will appear at the Eastern Magistrates' Courts tomorrow (July 18).

Only a vessel registered under the Ordinance can be used for fishing in Hong Kong waters and only the fishing methods listed on its Certificate of Local Fishing Vessel Registration can be employed for fishing by the vessel. The conditions of Certificate of Registration of Local Fishing Vessel regarding cage traps stipulate that any collapsible cage traps should not be connected in any way to another; or should not exceed five metres in any of its extended dimensions. Hence, fishing using snake cages is in breach of the registration conditions. Offenders are liable to a maximum fine of \$100,000 and six months' imprisonment upon conviction.

The spokesman stressed, "The Government is committed to combatting illegal fishing activities in Hong Kong waters. The AFCD will continue to step up patrols and take stringent enforcement action."



Scientific Committees under CHP discuss use of COVID-19 and measles vaccines

The Scientific Committee on Vaccine Preventable Diseases and the Scientific Committee on Emerging and Zoonotic Diseases (JSC) under the Centre for Health Protection (CHP) of the Department of Health (DH) convened a meeting yesterday (July 16) to discuss and issue the updated consensus interim recommendations on the use of COVID-19 vaccines in Hong Kong.

The JSC reviewed the COVID-19 situation in Hong Kong and noted that

relevant surveillance indicators, including the positive detection rate of respiratory specimens and viral load from sewage surveillance, showed an increase in the overall local activity of COVID-19 in the past few weeks, while the number of severe and fatal cases remained stable. Having reviewed the latest epidemiology, scientific evidences of relevant vaccines, recommendations from the World Health Organization (WHO) and overseas vaccination practice, the following recommendations on the use of COVID-19 vaccines were made by experts:

- 1. Booster vaccination for high-risk priority groups in 2024/25
 The JSC recommended that the prevailing arrangements could remain applicable. In other words, a booster dose is recommended to be given at least six months after the last dose or COVID-19 infection (whichever is later), regardless of the number of doses received previously, for the following high-risk priority groups for enhanced protection:
 - older adults aged 50 or above including those living in residential care homes;
 - persons aged 18 to 49 years with underlying comorbidities;
 - persons with immunocompromising conditions aged six months and above;
 - pregnant women; and
 - healthcare workers.

2. Use of JN.1 lineage COVID-19 vaccines

Experts reviewed the distribution of SARS-CoV-2 variants from sewage surveillance and human infection cases, and noted JN.1 together with its descendant lineages remained the predominant circulating strains locally. However, there was no information that suggested JN.1 would cause more severe disease. Experts recommended that JN.1 lineage vaccine, when available in Hong Kong, should be used for appropriate persons. Experts reiterated that currently available COVID-19 vaccines (including inactivated virus and mRNA vaccines) remain effective in reducing severe COVID-19 infection and death.

3. Simplified arrangements for initial vaccination

Taking reference from the WHO recommendations, the JSC considered the majority of the population had acquired some immunity against COVID-19 during the pandemic and hence recommended to simplify the initial vaccination arrangements. Experts recommended that a person who has never received COVID-19 vaccine is considered to have completed initial vaccination by receiving one dose of mRNA COVID-19 vaccine or two doses of inactivated vaccine, instead of the three initial doses previously recommended.

Details of the interim recommendations are available on the CHP's

website at www.chp.gov.hk/en/static/24008.html.

Measles vaccination

The Scientific Committee on Vaccine Preventable Diseases (SCVPD) reviewed the local situation of measles on the same day. Experts acknowledged the two-dose measles vaccination coverage has been consistently maintained at a high level locally, well above 95 per cent, and noted that a local university had recently published results of a research conducted on local measles virus antibodies seroprevalence (2021). Experts also reviewed the results of seroprevalence studies conducted by the DH during 2022 to 2024, showing that the measles antibody level across all ages and specific groups (including foreign domestic helpers, people working or studying in tertiary institutions born outside Hong Kong, and airport workers) attained a level of 95 per cent or above. As such, experts reaffirmed the recommendation for measles vaccination for non-immune adults in Hong Kong published by the SCVPD in 2019, i.e. adults non-immune to measles, including those who had not received two doses of measles-containing vaccines in the past, or have unknown vaccination status or unknown immunity against measles, are advised to consult their doctors and complete their measles vaccination promptly. Moreover, experts also suggested the DH to continue monitoring the measles antibody level of local population.

The CHP reminded members of the public to remain vigilant against COVID-19 locally, and stay alert to the measles situation outside Hong Kong. High-risk individuals should receive vaccination to protect themselves as appropriate.

Temporary closure of Jockey Club Yan Oi Tong Swimming Pool

Attention TV/radio announcers:

Please broadcast the following as soon as possible and repeat it at regular intervals:

Here is an item of interest to swimmers.

The Leisure and Cultural Services Department announced today (July 17) that due to urgent maintenance work, Jockey Club Yan Oi Tong Swimming Pool in Tuen Mun District has been temporarily closed until further notice.

LCQ10: Hospital services in Kowloon Central Cluster

Following is a question by the Hon Starry Lee and a written reply by the Secretary for Health, Professor Lo Chung-mau, in the Legislative Council today (July 17):

Question:

It is learnt that the New Acute Hospital in Kai Tak (the New Acute Hospital) is expected to be completed in 2026, and will by then replace the Queen Elizabeth Hospital (QEH) as the leading hospital in the Kowloon Central Cluster (KCC), with most of the services at QEH to be gradually relocated to the New Acute Hospital. Under the "new for old" arrangement, no new general hospital is provided in the Cluster. On the other hand, it is learnt that while QEH is under KCC, its service recipients spread across the entire Kowloon (especially the Sham Shui Po District in the Kowloon West Cluster (KWC)) due to its prime geographical location and excellent transport accessibility. According to the information from the Hospital Authority, the elderly population in KCC and KWC has increased by about 40 per cent over the past 10 years, but the number of general beds has only increased by about 6.7% during the period, which has aroused concern as to whether relving on the New Acute Hospital alone can cope with the substantial increase in the elderly population. In this connection, will the Government inform this Council:

- (1) as there are views that the arrangement for the gradual replacement of QEH by the New Acute Hospital in the provision of healthcare services will have significant impacts on the public, whether the authorities will draw up comprehensive publicity and promotion plans to enable the public to have an early grasp of the arrangement concerned; if so, of the details and timetable; if not, the reasons for that;
- (2) whether it will consider redeveloping QEH into a major acute general hospital which provides 24-hour comprehensive healthcare services after the commissioning of the New Acute Hospital, so as to increase the overall healthcare service capacity of Kowloon; if so, of the details; if not, the reasons for that; and
- (3) whether it will consider including in the second 10-year Hospital Development Plan the planning of an acute general hospital in KCC, so as to cope with the substantial increase in the elderly population and the huge demand for healthcare services in the Cluster; if so, of the details; if not, the reasons for that?

Reply:

President,

In consultation with the Hospital Authority (HA), the reply to the question raised by the Hon Starry Lee is as follows:

(1) To dovetail with the implementation of the First Hospital Development Plan (HDP) by the HA, the services of the Queen Elizabeth Hospital (QEH) will be relocated to the New Acute Hospital at Kai Tak Development Area (NAH) gradually starting from early 2026. Since 2023, the Kowloon Central Cluster (KCC) has commenced to brief the general public on the works progress and basic information of NAH via various channels, such as community activities, seminars and newsletters.

With the topping out of the Specialist Out-patient Clinic Block and the Oncology Block of the NAH, the KCC will, starting from the third quarter of 2024, brief various stakeholders in phases the progress of works, as well as the positioning of NAH as an acute hospital and the service arrangements after commissioning. The KCC will also regularly report to relevant District Councils (DCs) in Kowloon and invite stakeholders, including Legislative Council Members, DC Members and patient groups, to visit the mock-up site of the NAH at a later stage to further brief them on the design and service arrangements of the NAH.

To facilitate thorough understanding of the operation of the NAH by various stakeholders in the community, and exchanges of views about the services of the NAH, the KCC will form a community liaison group starting from the fourth quarter of 2024 and invite representatives of respective District Offices, DC Members and various stakeholders of the community to join the group. The KCC will keep the community abreast of the works progress and service arrangements of the NAH through reporting in regular meetings of the community liaison group.

Besides, the KCC will also enhance the community and in-hospital publicity from the fourth quarter of 2024, through various public activities, exhibitions and seminars to facilitate the general public to acquire information and service arrangements of the NAH. Platforms such as social media and instant messaging groups will also be used to promote and broadcast relevant information of the NAH to the public. The HA has also established a thematic website for the NAH which provides details of the project, various facilities of the NAH and real-time images of the construction progress for the information of the general public.

As the commissioning of the NAH is approaching, the HA will announce the commencement dates of relevant services and the detailed arrangements of relocation and clinical services in a timely manner. Before the relocation, the clinical departments of the QEH will also provide relevant information, such as appointments and transportation arrangements, to the patients in detail. The KCC will continue to work closely with the media, DC Members, District Services and Community Care Teams and relevant government departments to publicise information about the relocation of the QEH and service arrangements of the NAH to the general public and deliver relevant information to the community and those in need.

(2) Upon the completion of the NAH, most of the clinical services of the QEH, including the accident and emergency (A&E) services, will be relocated to the NAH; while the Ambulatory Care Centre (Extension) of the QEH will remain at the King's Park site. Situated in Central Kowloon, the NAH will form a service network with the Our Lady of Maryknoll Hospital, Hong Kong Buddhist Hospital and Tung Wah Group of Hospitals Wong Tai Sin Hospital in the Kowloon City District; the Kwong Wah Hospital (KWH), Kowloon Hospital and other hospitals in the KCC; and the Ambulatory Care Centre (Extension) of the QEH to provide comprehensive healthcare services to the residents of the community. In view of the commissioning of the NAH, the Government will gradually enhance the public transport and pedestrian accessibility to the NAH to provide convenience to the public.

In fact, as far as the KCC is concerned, based on the population of nearly 1.15 million in its service area, the number of general beds per 1 000 people in the cluster is 4.5 (excluding beds in the Hong Kong Children's Hospital), which is comparatively higher than HA's overall number of 3.2 general beds per 1 000 persons in the whole of Hong Kong.

The Health Bureau (HHB) and the HA are reviewing the Second HDP by taking into account the future planning of Hong Kong (including the latest developments of the Northern Metropolis), anticipated population distribution and projected healthcare service demand. After the relocation of clinical services from the QEH to the NAH, there will be room for development of healthcare services at the King's Park site where the QEH is currently located. Given the convenient geographical location of the QEH, it will be a feasible option to consider the expansion of the ambulatory care services based on the demand of the population in Kowloon. In view of the overall distribution of the healthcare services in the Kowloon Region, and there will be additional 520 beds and 10 operating theatres (OT) upon completion of redevelopment of KWH, especially that the gross floor area (GFA) of the A&E department (including the emergency medicine (EM) ward) will be increased to about 6 500 square metres which is about thrice the area of the A&E department of KWH before, which could provide comprehensive A&E and inpatient services, therefore the priority of reprovisioning A&E services at the King's Park site will be relatively lower than other districts in Kowloon which currently do not have A&E services in the vicinity, such as the Wong Tai Sin district. The Government will consider the future use and development plan of the King's Park site in the course of reviewing the Second HDP.

(3) The HA plans and develops public healthcare services on a cluster basis, taking into account of a number of factors, including the overall planning of Hong Kong, the increase of service demand arising from population growth and demographic changes, rising prevalence of chronic diseases, technology advancement, manpower availability as well as the organisation of services of the clusters. The HA monitors the service utilisation and plans the public healthcare services according to the population projection parameters of various districts of Hong Kong and the development plans of the Government.

In view of the healthcare services demand of Kowloon, the HA is

implementing various hospital development projects in the three Kowloon clusters under the two HDPs to cope with the healthcare services demand in Kowloon. Apart from the 2 400 beds and 37 OT to be provided by the NAH, which are more than the existing about 2 010 beds and 24 OT in QEH, the area of the A&E department of NAH (including the EM ward) at about 13 400 square metres is about thrice the current area of that of QEH, there will also be a total of around additional 2 100 beds and 15 OT to be provided under the First HDP in the three Kowloon clusters, through the redevelopment of KWH, Our Lady of Maryknoll Hospital and Kwai Chung Hospital; and the expansion of United Christian Hospital, Haven of Hope Hospital and Lai King Building in Princess Margaret Hospital projects.

When planning A&E services, the HA will ensure that the A&E department is located within a reasonable distance from its catchment areas. In further planning the Second HDP, the HHB and the HA will continue to review the healthcare services development of the Kowloon Region, including the KCC. The Government's latest population statistics, projected service demand, and the clusters' healthcare service utilisation and demand will be considered during the process with a view to providing an optimal healthcare service model and facilities for meeting the long-term needs of the residents. Both the redevelopment or expansion of the existing hospitals in Kowloon and the construction of new hospitals subject to the availability of suitable sites are options that would be considered by the HHB and the HA to meet the demand.

After the completion of the review of the Second HDP, the Government will announce details of the hospital development projects, including those in the Kowloon Region, in due course.