A Framework for Debating the Creation of a Harbour Authority in Hong Kong

Presentation to The Harbourfront Commission
13th December 2011

Harbour Business Forum
海港商界論壇

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Presentation Agenda

- Introduction

- Framework for a Harbour Authority

- History of the Debate in Hong Kong

- International and Local Case Studies

- Next Steps: a Framework for Upcoming HC Debate

1. INTRODUCTION

Context

- HC Debate on May 17 2011: SPH submission proposing a Central Harbourfront Authority be established

- Proposal well received by HC Members

- Mrs. Carrie Lam: "the idea of a statutory harbour authority [should be revisited] such that a concrete recommendation could be put forward for consideration by the Government of the next term."

- HBF undertook to provide an Information Paper to HC based on previous research undertaken by a range of interested organisations

Objectives of the Paper

- Introduce Members to the range of possible forms a harbour authority could take

- Define a common set of terms to describe these forms, to promote debate of their constituent components, and their pros and cons

- Highlight international experience in the structure of overarching harbour bodies and how this compares to other authorities in HK

- Raise awareness about key issues for setting up a harbour authority in HK

Caveats

- Paper provided to enable debate to proceed as quickly as possible: case studies based on review of publicly available literature

- Importance of local context: no one-size-fits-all solution

- Focus on potential components of an overarching body: does not preclude options for second tier delivery and management organisation(s)

- No consideration of who might sit on the authority and in what capacity

- Focus on informing debate about structure of a harbour authority, rather than establishing rationale

2. FRAMEWORK FOR A HARBOUR AUTHORITY

Tier 1:
3 Rs

Tier 2:
Components

Tier 3: Options
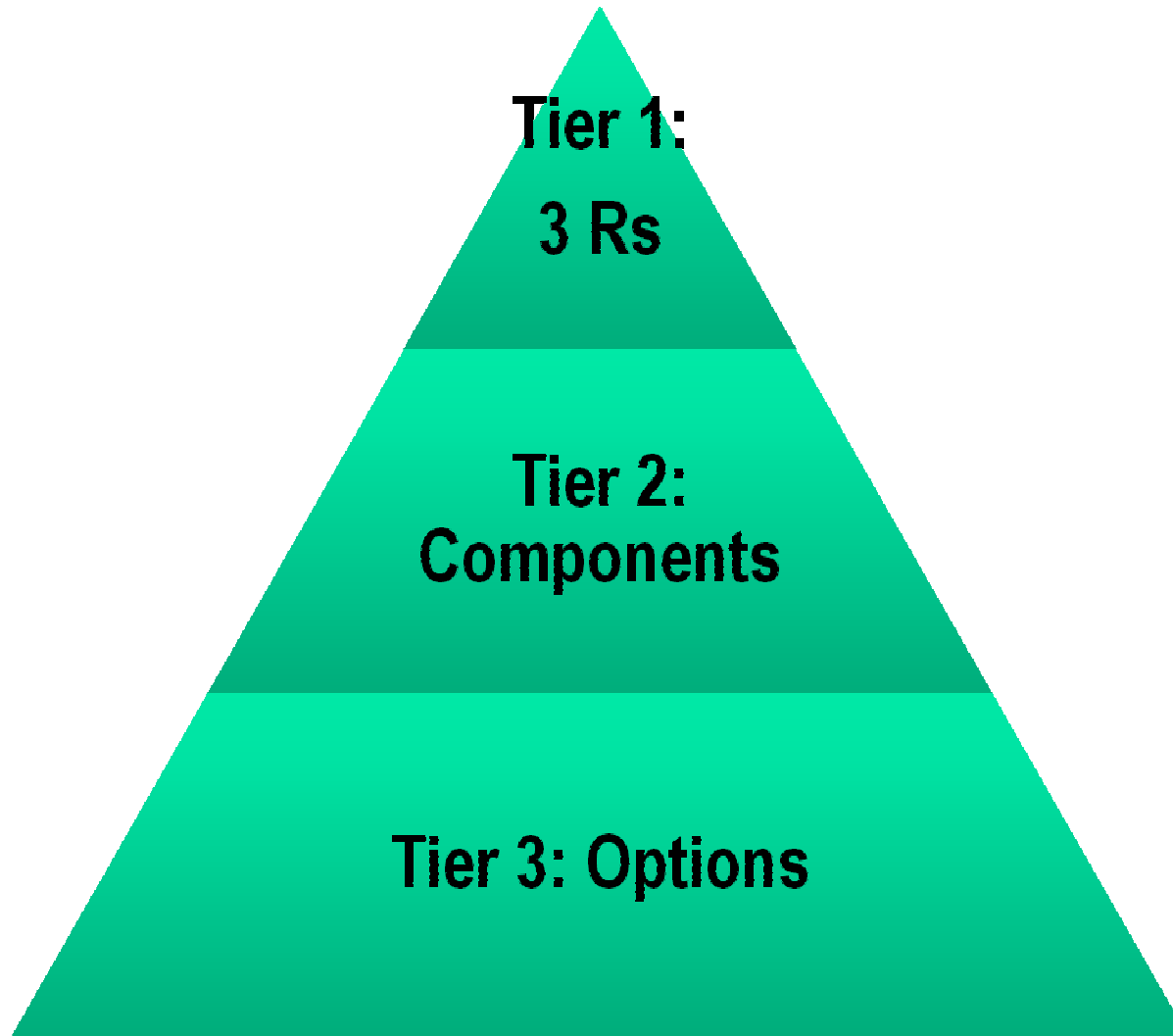
A 3 tier framework for creating a harbour authority…
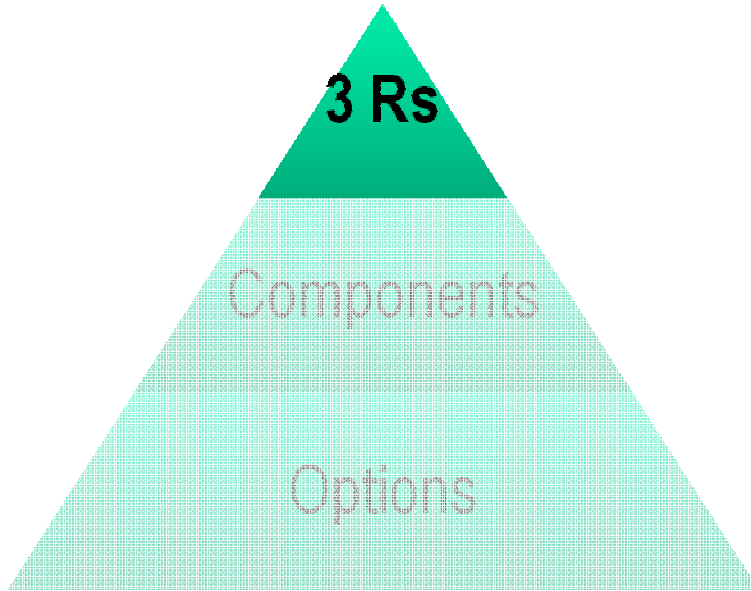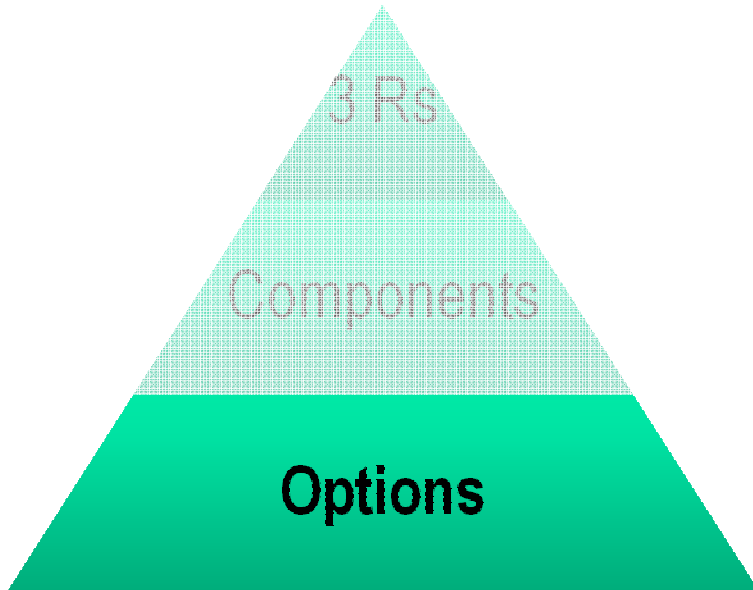
Tier 1: The '3 Rs'

- What should be the extent of a harbour authority's **remit**?

- What **responsibilities** should be handled by an authority within its agreed remit?

- What **resources** should an authority have at its disposal so that it may discharge its responsibilities effectively?

3 Rs

Components
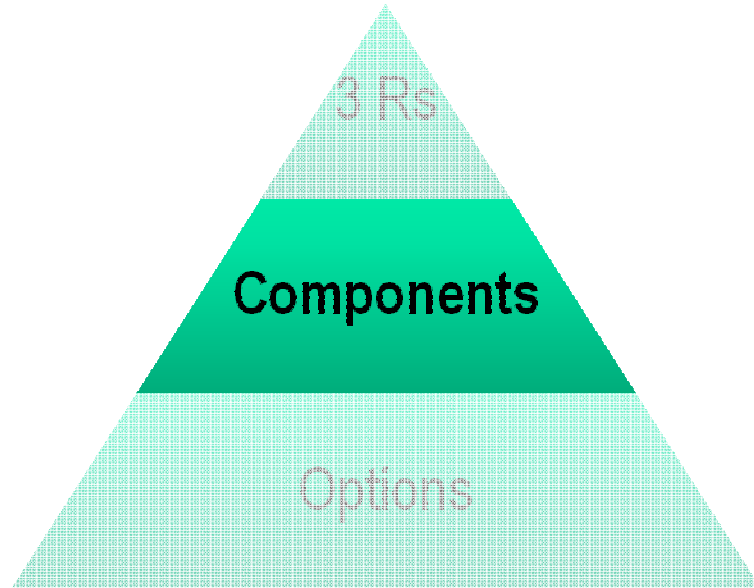
Options

Tier 2:

The Components of each 'R'

- Remit
  - Geographical
  - Functional

- Responsibility
  - Planning
  - Delivery
  - Management

- Resources
  - Land
  - Financial
  - Staff

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Tier 3: The Options for each Component

- **Remit**
  - Geographical
  - Functional
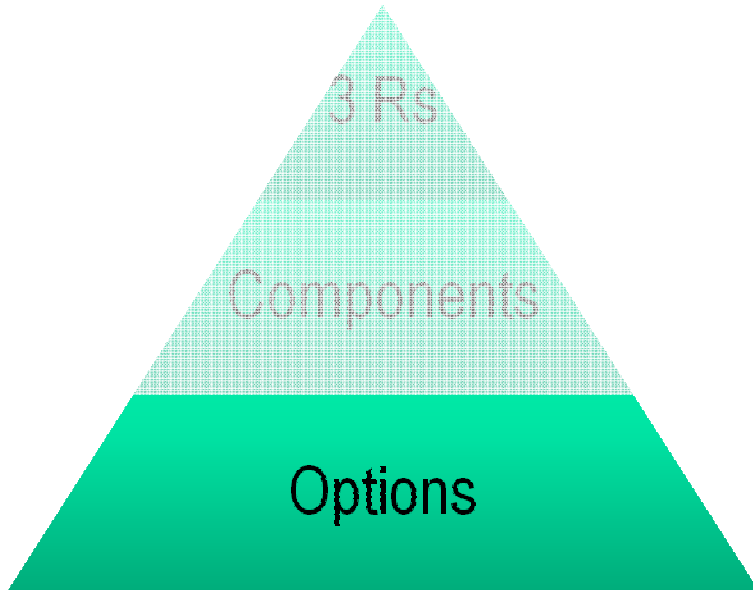
- Responsibility
  - Planning
  - Delivery
  - Management

- Resources
  - Land
  - Financial
  - Staff

Remit	Geographical	City wide	Harbour wide – land and water	Harbour wide – land only	Limited geographical areas within harbour
	Functional	Economic inc. port Community Physical development Environmental Heritage Conservation	Economic inc. port Community Physical development Environmental Heritage Conservation	Economic exlc. port Community Physical development	Limited economic/community activity Physical development

← High powered   Low powered →

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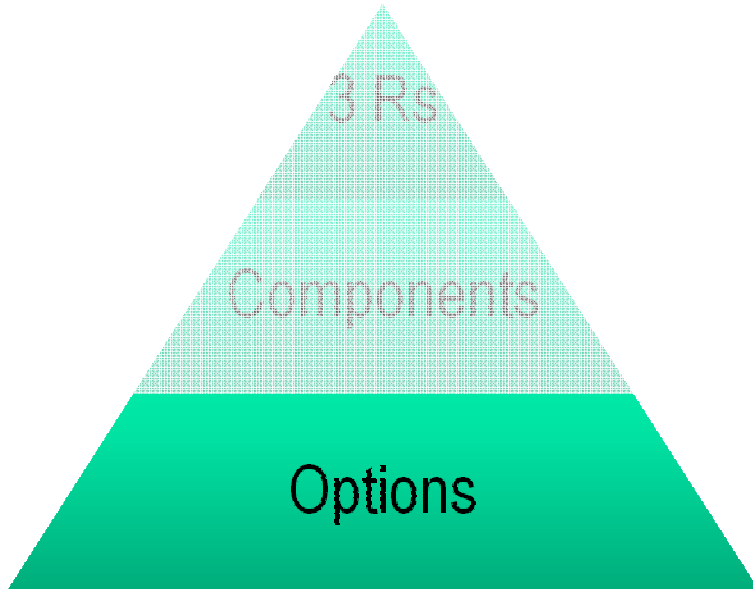
Tier 3: The Options for each Component

- Remit
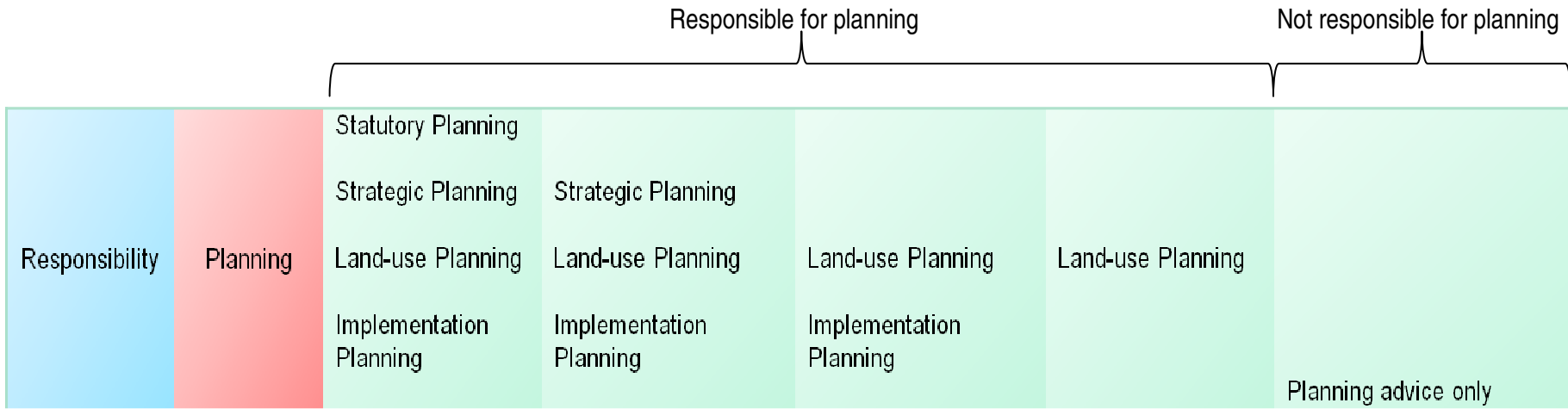 - Geographical
  - Functional

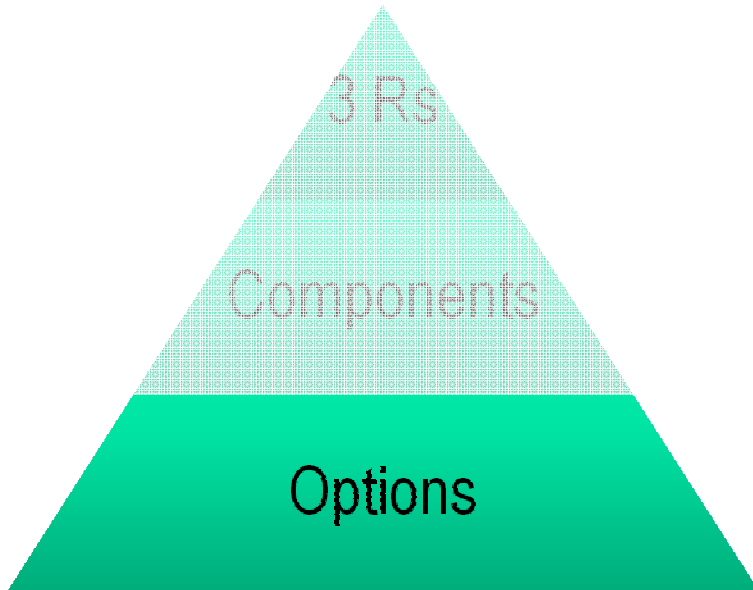- **Responsibility**
  - **Planning**
  - Delivery
  - Management

- Resources
  - Land
  - Financial
  - Staff

Responsible for planning   Not responsible for planning

Responsibility	Planning				
		Statutory Planning			
		Strategic Planning	Strategic Planning		
		Land-use Planning	Land-use Planning	Land-use Planning	Land-use Planning
		Implementation Planning	Implementation Planning	Implementation Planning	
					Planning advice only

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Tier 3: The Options for each Component

- Remit
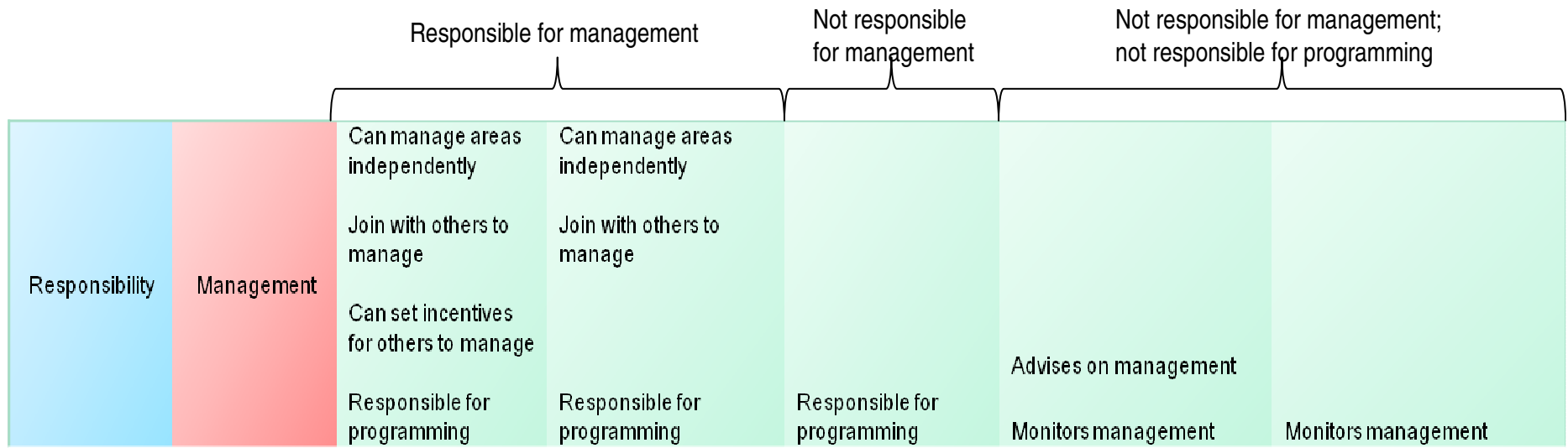 - Geographical
  - Functional

- **Responsibility**
  - Planning
  - **Delivery**
  - Management

- Resources
  - Land
  - Financial
  - Staff

3 Rs / Components / Options

	Responsible for delivery			Not responsible for delivery		
Responsibility	**Delivery**	Can deliver projects independently Join with other parties to deliver Can set incentives for others to deliver	Can deliver projects independently Join with other parties to deliver	Asks other parties to deliver Advises on delivery Monitors delivery progress	Advises on delivery Monitors delivery progress	Monitors delivery progress

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Tier 3: The Options for each Component

- Remit
  - Geographical
  - Functional

- **Responsibility**
  - Planning
  - Delivery
  - **Management**

- Resources
  - Land
  - Financial
  - Staff

3 Rs

Components

Options

		Responsible for management		Not responsible for management	Not responsible for management; not responsible for programming	
Responsibility	Management	Can manage areas independently	Can manage areas independently			
		Join with others to manage	Join with others to manage			
		Can set incentives for others to manage			Advises on management	
		Responsible for programming	Responsible for programming	Responsible for programming	Monitors management	Monitors management

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Tier 3: The Options for each Component

- Remit
  - Geographical
  - Functional

- Responsibility
  - Planning
  - Delivery
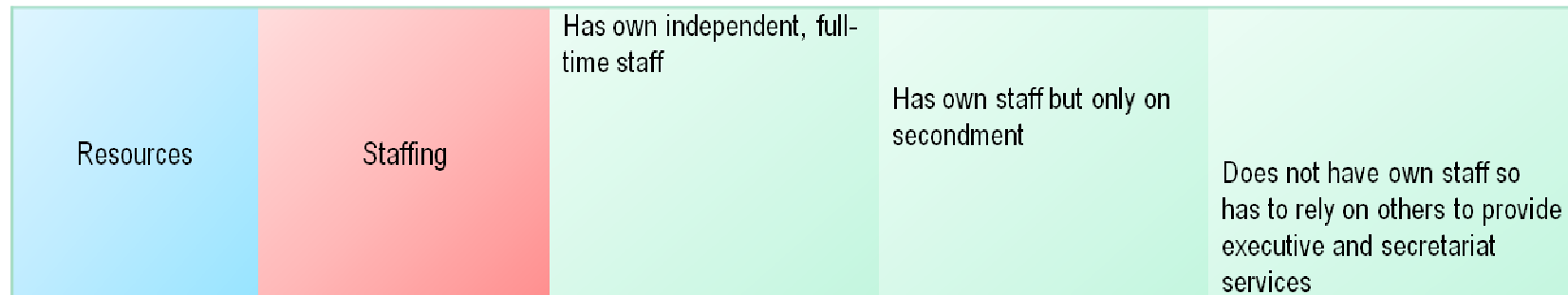 - Management

- **Resources**
  - **Land**
  - Financial
  - Staff

Holds public land | Does not hold land

Resources	Land						
		Can resume land					
		Can buy/sell land	Can buy/sell land				
		Can lease land to others	Can lease land to others	Can lease land to others	Can direct Government land policy	Can veto Government land policy	Can advise on land policy only

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Tier 3: The Options for each Component

- Remit
  - Geographical
  - Functional

- Responsibility
  - Planning
  - Delivery
  - Management

- **Resources**
  - Land
  - **Financial**
  - Staff

Can hold funds | Cannot hold funds

Resources	Financial independence	Financially autonomous — Can spend funds as it wishes	Can spend funds as it wishes	Can spend funds subject to Government approval	Can request that Government fund projects	Has no claim to other funds

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Options

3 Rs

Components

Tier 3: The Options for each Component

- Remit
  - Geographical
  - Functional

- Responsibility
  - Planning
  - Delivery
  - Management

- **Resources**
  - Land
  - Financial
  - **Staff**

Resources	Staffing	Has own independent, full-time staff	Has own staff but only on secondment	Does not have own staff so has to rely on others to provide executive and secretariat services

The overall framework

3Rs	Key Components	Range of Options				
Remit	Geographical remit	• City wide	• Harbour wide, Harbour only – land and water	• Harbour wide, Harbour only – land only		• Limited Geographical Area(s) within the Harbour
	Functional remit	• Economic including Port • Community • Physical development • Environmental • Heritage Conservation	• Economic excluding Port • Community • Physical development • Environmental • Heritage Conservation	• Economic excluding Port • Community • Physical development		• Physical development • Very limited economic /community activity
Responsibility	Planning	Responsible for planning: • Statutory Planning • Strategic Planning • Land-use Planning • Implementation Planning	Responsible for planning: • Strategic Planning • Land-use Planning • Implementation Planning	Responsible for planning: • Land-use Planning • Implementation Planning	Responsible for planning: • Land-use Planning	Not responsible for planning: • Planning Advice Only
	Delivery	Responsible for delivery: • Can deliver projects independently • Join with other parties to deliver • Can set incentives for others to deliver	Responsible for delivery: • Can deliver projects independently • Join with other parties to deliver	Not responsible for delivery: • Asks other parties to deliver • Advises on delivery • Monitors progress of third party plans	Not responsible for delivery: • Advises on delivery • Monitors delivery progress	Not responsible for delivery: • Monitors delivery progress
	Area Management	Responsible for management: • Can manage areas independently • Join with others to manage • Can set incentives for others to manage • Responsible for programming	Responsible for management: • Can manage areas independently • Join with others to manage • Responsible for programming	Not responsible for management: • Responsible for programming	Not responsible for management, Not responsible for programming: • Advises on management • Monitors management	Not responsible for management, Not responsible for programming: • Monitors management
Resources	Land Holding	Holds public land: • Can resume land • Can buy / sell land • Can lease this land to others	Holds public land: • Can buy / sell land • Can lease this land to others	Holds public land: • Can lease this land to others	Does not hold land: • Can direct Govt land policy	Does not hold land: • Can veto Govt land policy	Does not hold land: • Can advise on land policy only
	Financial Independence[4]	Can hold funds: • Financially autonomous • Can spend funds as it wishes	Can hold funds: • Can spend funds as it wishes	Can hold funds: • Can spend funds subject to Govt approval	Cannot hold funds: • Can request that Govt fund projects	Cannot hold funds: • Has no claim to other funds
	Staffing	• Has own independent, full-time staff		• Has own staff but only on secondment		• Does not have own staff so has to rely on others to provide executive and secretariat services

High Powered ← → Low Powered

An illustrative example

3Rs	Key Components	Range of Options			
Remit	Geographical remit	• City wide	• Harbour wide, Harbour only – land and water	• Harbour wide, Harbour only – land only	• Limited Geographical Area(s) within the Harbour
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Responsibility	Planning	Responsible for planning: • Statutory Planning • Strategic Planning • Land-use Planning • Implementation Planning	Responsible for planning: • Strategic Planning • Land-use Planning • Implementation Planning	Responsible for planning: • Land-use Planning • Implementation Planning	Responsible for planning: • Land-use Planning	Not responsible for planning: • Planning Advice Only
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Resources	Land Holding	Holds public land: • Can resume land • Can buy / sell land • Can lease this land to others	Holds public land: • Can buy / sell land • Can lease this land to others	Holds public land: • Can lease this land to others	Does not hold land: • Can direct Govt land policy	Does not hold land: • Can veto Govt land policy	Does not hold land: • Can advise on land policy only
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	Staffing	• Has own independent, full-time staff		• Has own staff but only on secondment		• Does not have own staff so has to rely on others to provide executive and secretariat services

High Powered ← → Low Powered

3. HISTORY OF THE DEBATE IN HONG KONG

2003	PlanD Releases Harbour Plan *First official acknowledgement that a new delivery agency might be required*
2004	Creation of Harbourfront Enhancement Commission (HEC) *Published Harbour Planning Principles and Guidelines, acknowledging need for more holistic approach to planning, delivery and management* *Created specific task group on harbourfront management (TGMMH)*
2006	First LegCo Debate *Motion calling for creating of statutory body capable of making legally enforceable decisions on waterfront development, with extensive planning/delivery powers, was defeated on grounds this would slow development process.*
2009	HBF publishes Integrated Harbour Vision and Delivery Plan *This set out business case for a new integrated approach to harbour planning, delivery and management, including creation of overarching responsible body (eventually a statutory agency)*
2010	HEC TGMMH recommends creation of non-statutory Harbourfront Commission to resolve conflicting institutional objectives; acknowledged that statutory body may be required in long run. Creation of Harbourfront Commission to "advocate, oversee and advise" on harbour matters
2011	Second LegCo Debate *Amended motion to "perfect harbourfront planning and management" was debated and passed by LegCo. Government supported the motion.*

Evolution of the debate

- Differing interpretations of what a harbour authority would do and why it may be needed

- Focus has been on second of 3Rs – responsibility – starting with appreciation of need for new delivery agency, then for a body to take on planning and latterly area management too

- Growing appreciation that to deliver these responsibilities an authority would need supporting resources given entrenched funding and governance arrangements

3. INTERNATIONAL AND LOCAL CASE STUDIES

Choice of Case Studies

- To assist Members in understanding how harbourfront governance is handled in other jurisdictions, a range of structured case studies were reviewed:

    – Boston Redevelopment Authority (BRA)

    – Waterfront Toronto (WT)

    – Singapore Urban Redevelopment Authority (SURA)

    – Sydney Harbour Foreshore Authority (SHFA)

- In addition, five local case studies were undertaken to illustrate structure of statutory authorities, including extent to which HK Government has been willing to transfer responsibilities to these external bodies:

    – Housing Authority (HA)

    – Hong Kong Science & Technology Park (HKSTP)

    – West Kowloon Cultural District Authority (WKCDA)

    – Urban Renewal Authority (URA)

    – Airport Authority (HKAA)

- Full structured case studies can be found in Appendix 2, and short form summaries in section 4 of the main Paper

Remit

- Geographical

  – Some city-wide (SURA and BRA; URA and HA); some limited (WT and SHFA; AAHK, HKSTPC, WKCDA)

- Functional

  – All have physical development remit

  – Economic development remits internationally (BRA and SHFA); and locally (AAHK and HKSTPC) but these are sector-specific

  – Other functional remits such as community, environment and heritage conservation are quite common both internationally and locally.

Responsibility

- Planning

  – All have land-use and implementation planning

  – Strategic: internationally (BRA/SURA), and locally (AAHK/HKSTPC/HA) but these tend to be sector-specific

  – Statutory: internationally (BRA/SURA). Not in HK - rests with TPB

- Delivery

  – All have strong delivery powers including power to act as developer, except HA in HK which delivers through HD

- Management

 – Varies according to functional remit (international) or geographical remit (local)

Resources

- Land

  - All own land and have power to lease land to others

  - International examples all have powers to buy/sell, and BRA and SHFA can resume land. Local examples with defined geographic remit tend to have less power, except HKAA given its more commercial orientation

- Funding/Staffing

  - All well resourced, with financial autonomy. WT obtains resources by submitting business case to Government

  - All employ dedicated full-time staff, except HA
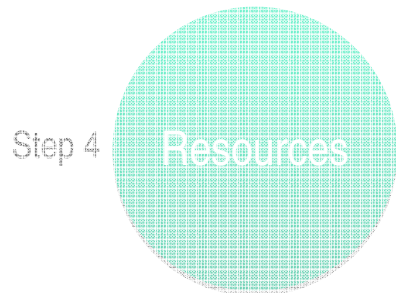
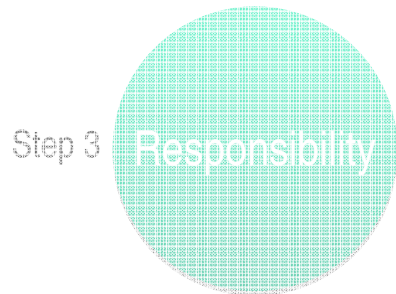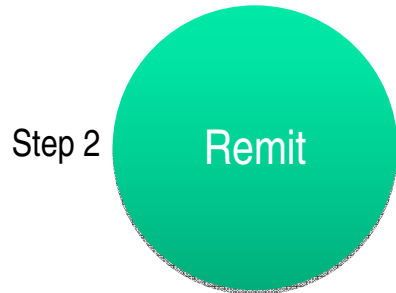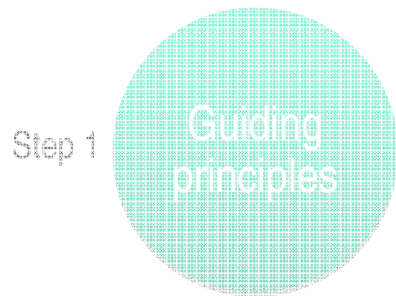# 5. NEXT STEPS: A FRAMEWORK FOR UPCOMING HC DEBATES

A 4 Step Framework for Upcoming HC Debates

Step 1 **Guiding principles**

Step 2 Remit

Step 3 Responsibility

Step 4 Resources
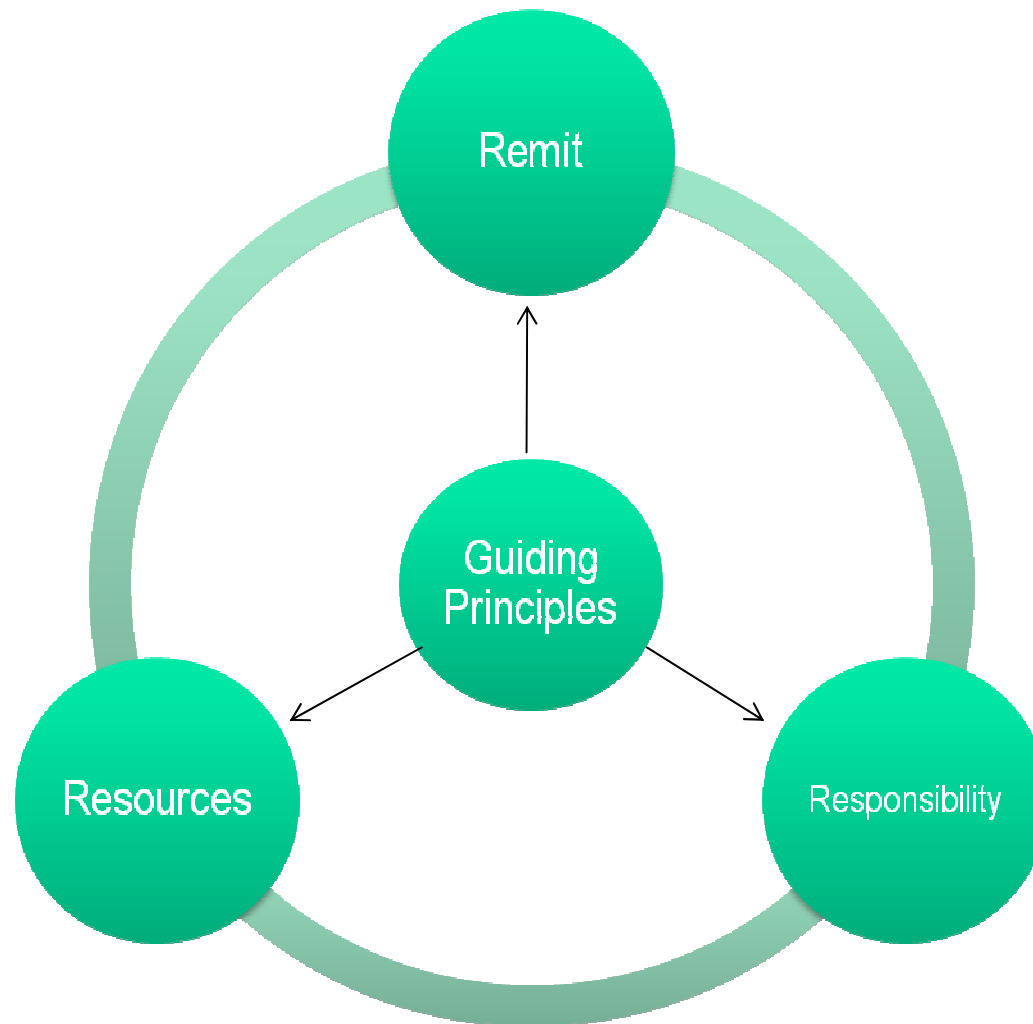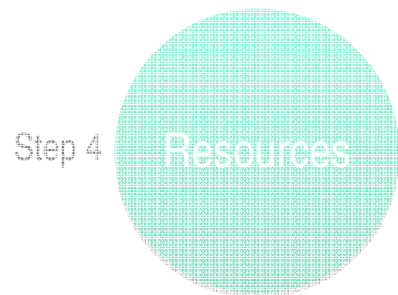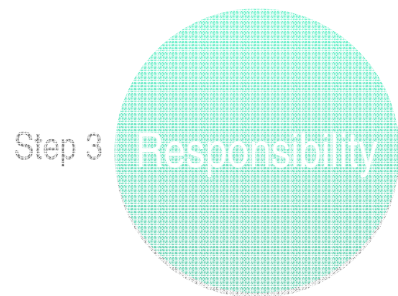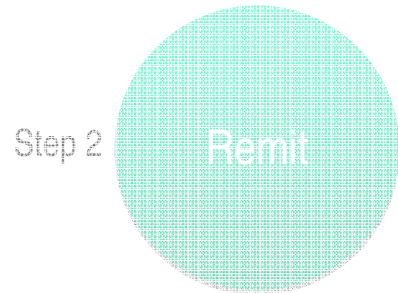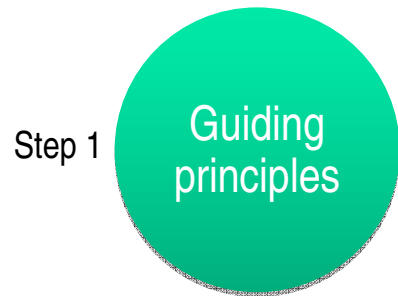
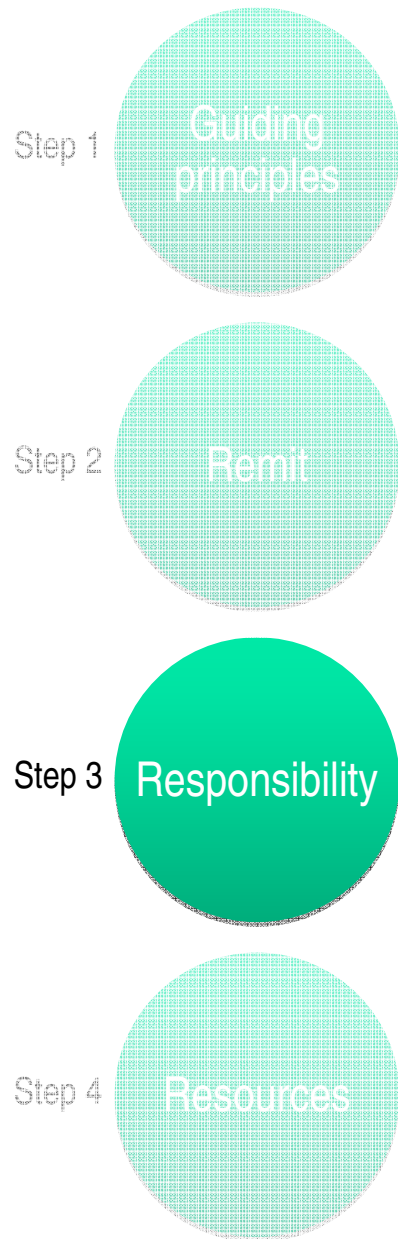**What principles should guide the work of the authority?**

- *Visionary*: to what extent should the authority be able to set its own vision for the harbour?

- *Independence*: how much power should be vested in a harbour authority?

- *Accountability*: how should an authority be made accountable for its decisions?

- *Directiveness*: should an authority play a hands-on role in delivering its Vision, or should its role primarily be to enable others to deliver its Vision?

- *Gatekeeper*: to what extent should an authority be able to prevent third party actions that run counter to the Vision?

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Step 1 Guiding principles

Step 2 Remit

Step 3 Responsibility

Step 4 Resources

What geographic and functional remit should the body be given?

Considerations:

- Official harbour boundaries may exclude some key areas

- Inclusion of land and water allows more ability to deliver consistent plans for harbour as a whole

- Question over responsibility for port areas

- Greater functional remit allows more ability to deliver a working, vibrant harbour

- Greater remit implies more resource requirements and existing bodies would be more affected

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Step 1	Guiding principles
Step 2	Remit
Step 3	**Responsibility**
Step 4	Resources

To what extent should an authority be given responsibility for planning; delivery; management?

Considerations:

- Lack of vacant/unused land suggests need for powers to revisit existing uses

- Many Bureaux & Departments with wide range of interests in harbour area; no overall strategic plan

- Lack of vibrant public open spaces around harbourfront suggests management role could be important

- The greater the body's responsibility, the greater the resource requirements and the more existing bodies would be affected

Step 1

Guiding principles

Step 2

Remit

Step 3

Responsibility

Step 4
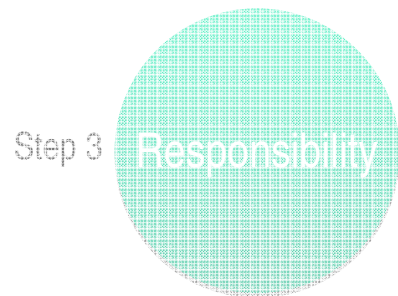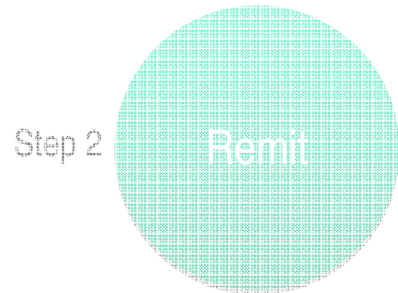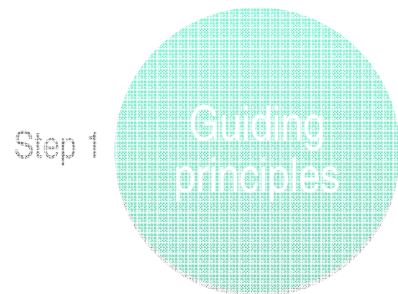
Resources

To deliver its responsibilities, should the body be provided with any land; funding; its own staff?

Considerations:

- Some remits and responsibilities will be more resource-intensive than others

- Land-holding will be a sensitive issue

- Requiring the body to apply for public funding could provide checks and balances but would impair independence

- Securing annual public funding could be difficult given the dichotomy between capital and recurrent funding in Government

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Thank you