

# Creating a Harbour Authority for Hong Kong

Harbour Business Forum Luncheon  
13<sup>th</sup> January 2012



# Presentation Agenda

- Introduction
- Framework for a Harbour Authority
- International and Local Case Studies
- Next Steps: Optimising the Structure

# 1. INTRODUCTION

# Context

Harbour Business Forum  
海港商界論壇

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## About Us

### Who are we?

Harbour Business Forum (HBF) was formally launched **in June 2005**, due to a concern about how developments in and around our harbour could have a negative impact upon the future development of Hong Kong. HBF is now one of the biggest business alliances, with 122 business members - including 10 Patron Members, 30 Corporate Members, 53 Professional Members and 29 Supporting Members from business chambers and professional associations.

### HBF's Mission

Victoria Harbour is core to Hong Kong's heritage, an international icon and a source of inspiration to those who live and work in Hong Kong. Our mission is to see Hong Kong's harbour and harbour-front areas become a genuinely vibrant, accessible and sustainable world-class asset. We aim to engage with relevant stakeholders and the Government in order to agree upon, and implement, a common vision for the harbour.

### HBF's Objectives and Achievements

- **The creation of an overarching agency for the harbour**
- To promote integrated planning and coordination of projects related to the long term economic, social and environmental interests of Hong Kong's harbour
- To support the Harbour Planning Principles and their application to all future harbour developments

Victoria Harbour  
維多利亞港

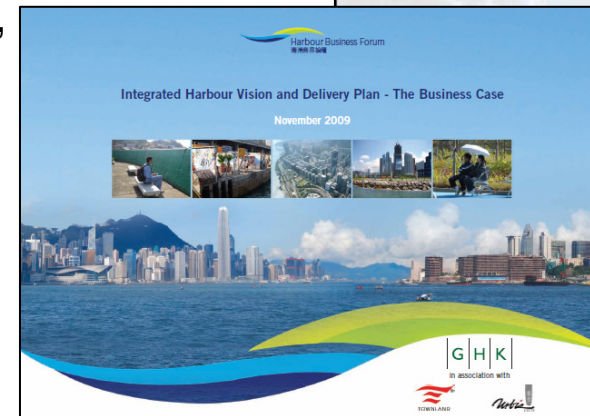
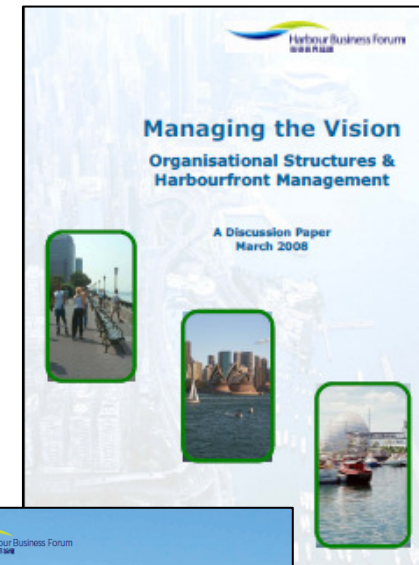
HBF is primarily a research driven think tank, defined by its principles and objectives. These include the creation of an overarching agency for the harbour, and the need for any harbour development to take account of the public's wish (as captured

# Context

- Summer 2010: Harbourfront Commission established following HEC recommendation
- HC meeting on May 17 2011: Society for the Protection of the Harbour proposed a Central Harbourfront Authority be established
- Ms. 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.”

# Objectives of the Paper

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

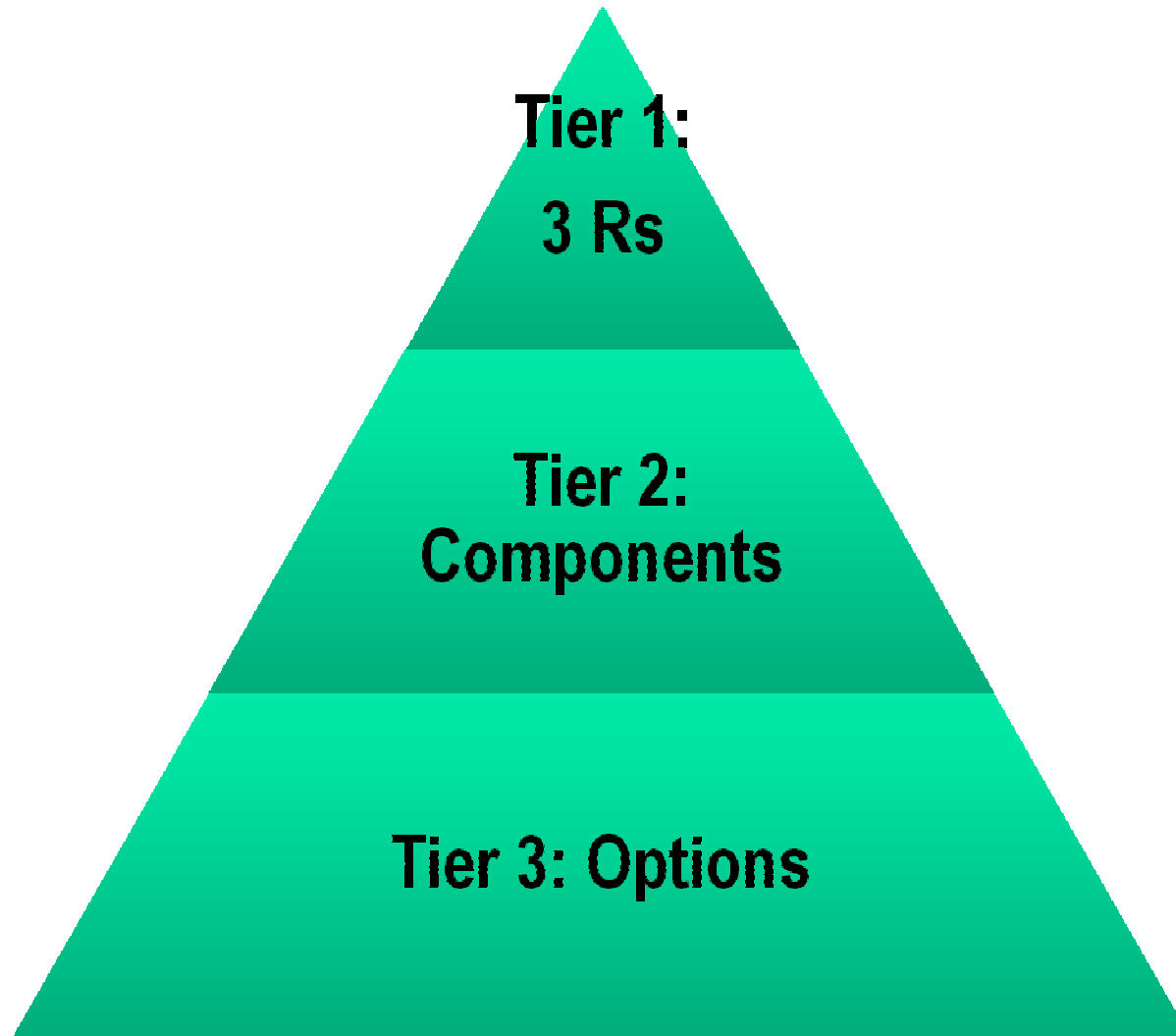


# Caveats

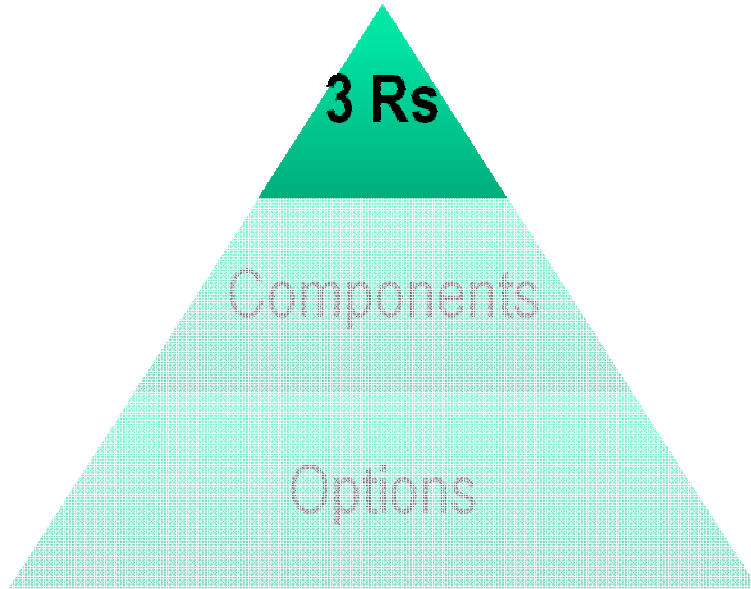
- Information Paper based on readily available information in the public domain
- Focus is on potential components of an overarching body: does not preclude options for second tier delivery and management organisation(s)
- No consideration of who might sit on the authority and in what capacity
- Objective is to inform the debate about the possible options and alternatives available in structuring a harbour authority, rather than establishing the rationale for such an entity

## 2. FRAMEWORK FOR A HARBOUR AUTHORITY



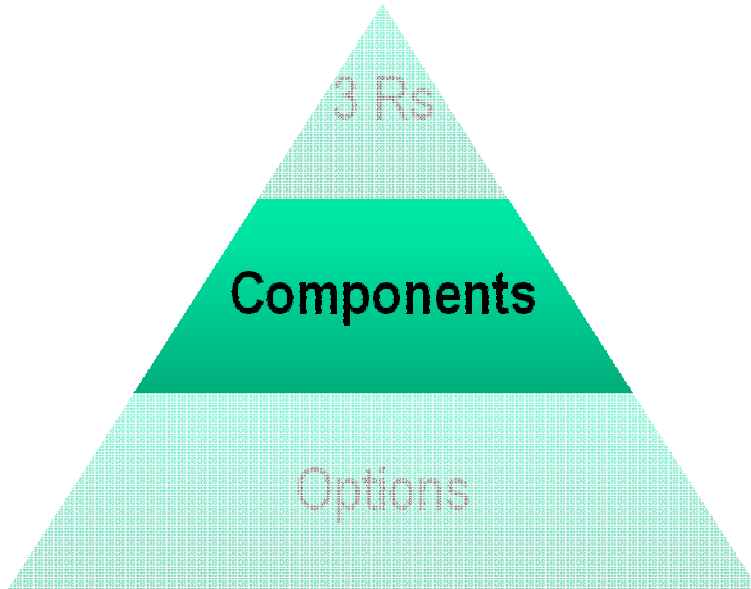


A 3 tier  
framework for  
creating a  
harbour  
authority...



## Tier 1: The '3 Rs'

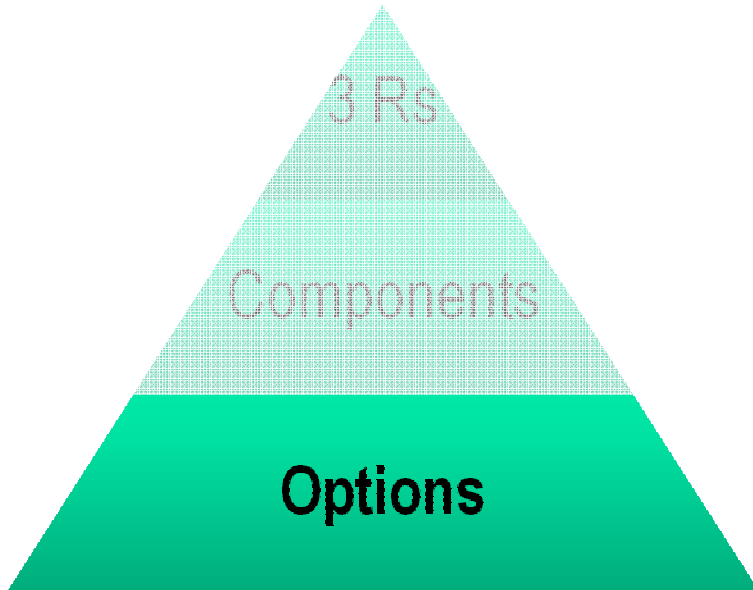
- What should be the extent of a harbour authority's **remit**?
- What **responsibilities** should be handled by an authority within its agreed remit?
- What **resources** should an authority have at its disposal so that it may discharge its responsibilities effectively?



## Tier 2:

### The Components of each 'R'

- Remit
  - Geographical
  - Functional
- Responsibility
  - Planning
  - Delivery
  - Management
- Resources
  - Land
  - Financial
  - Staff



### Tier 3: The Options for each Component

•Remit

- Geographical
- Functional

\*Responsibility

- Planning
- Delivery
- Management

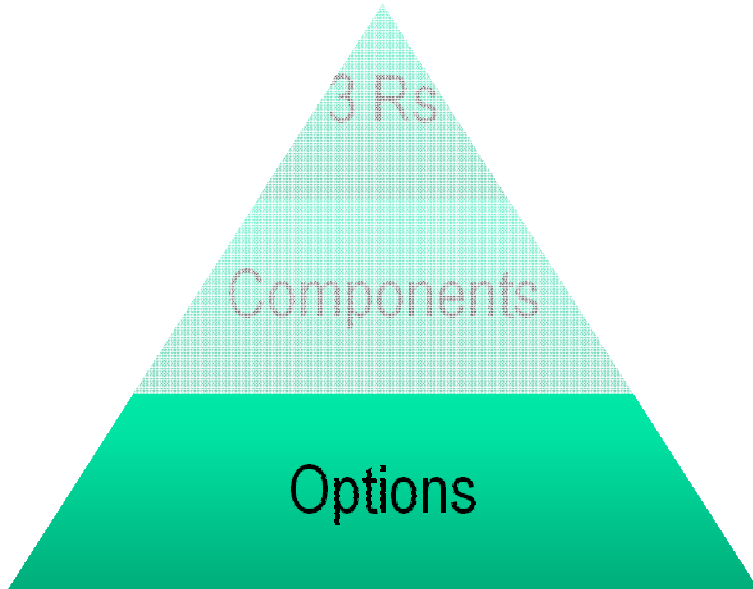
\*Resources

- Land
- Financial
- Staff

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

High powered

Low powered



### Tier 3: The Options for each Component

•Remit

- Geographical
- Functional

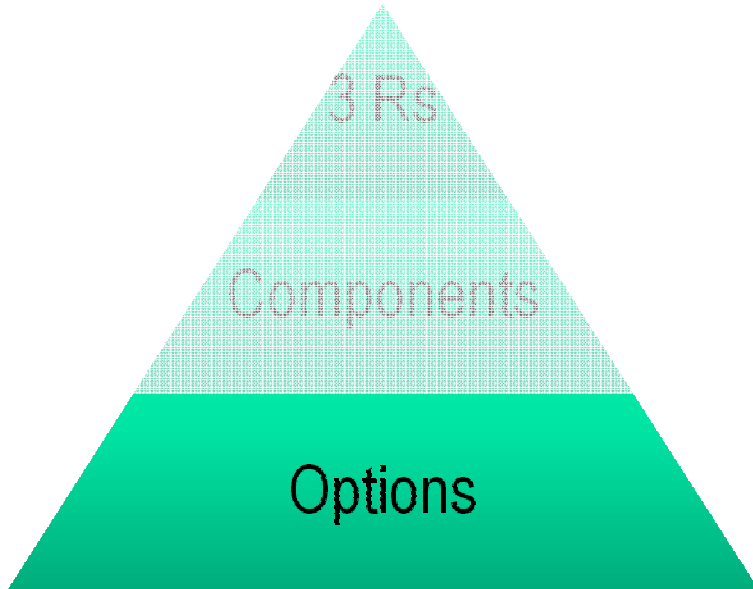
•Responsibility

- **Planning**
- Delivery
- Management

•Resources

- Land
- Financial
- Staff





### Tier 3: The Options for each Component

•Remit

- Geographical
- Functional

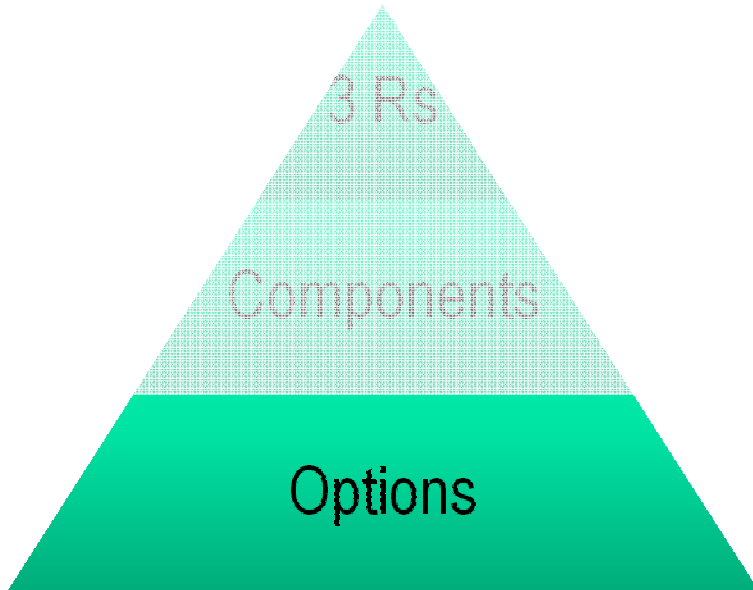
•Responsibility

- Planning
- **Delivery**
- Management

•Resources

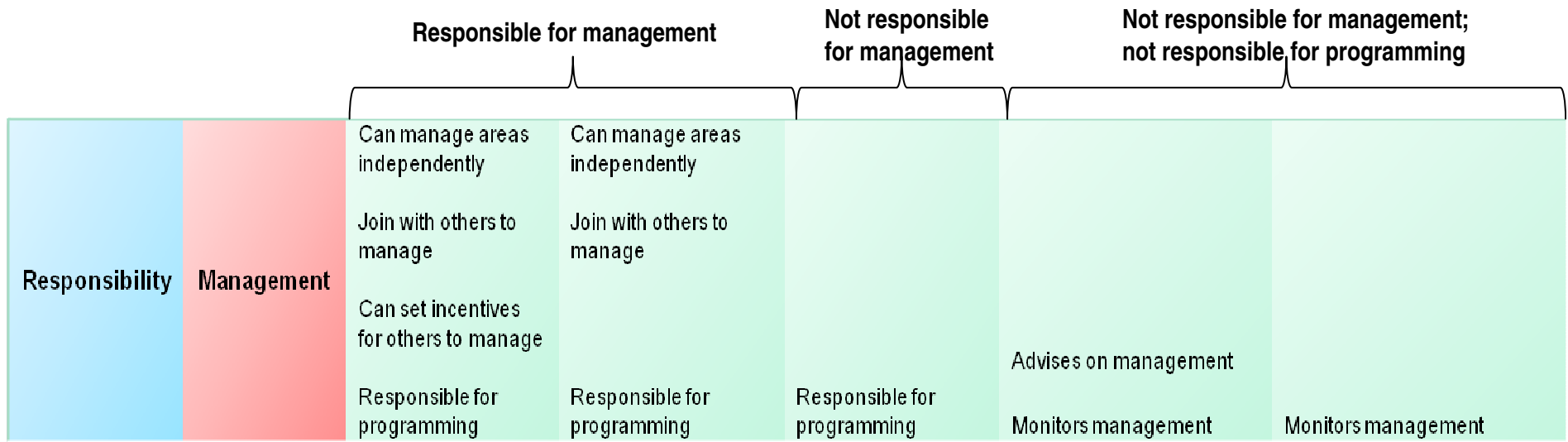
- Land
- Financial
- Staff

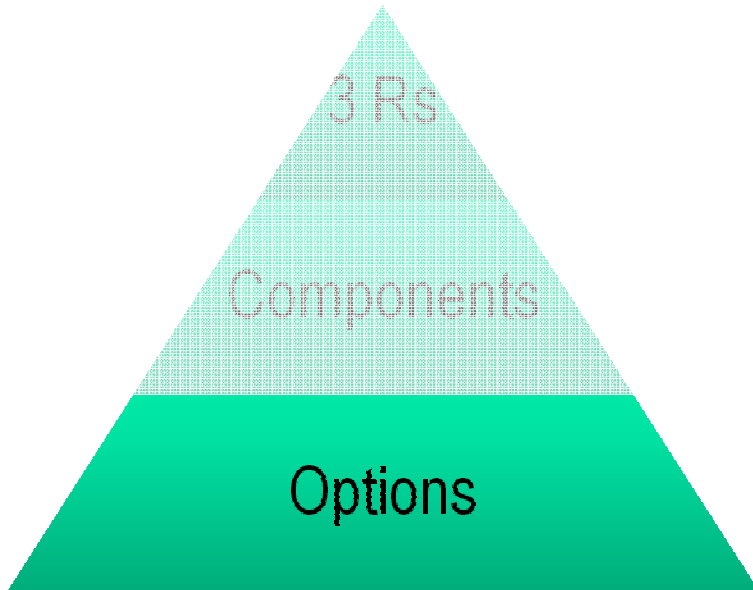
		Responsible for delivery		Not responsible for delivery		
Responsibility	Delivery	Can deliver projects independently	Can deliver projects independently			
		Join with other parties to deliver	Join with other parties to deliver	Asks other parties to deliver		
		Can set incentives for others to deliver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



### Tier 3: The Options for each Component

- Remit
  - Geographical
  - Functional
- Responsibility
  - Planning
  - Delivery
  - **Management**
- Resources
  - Land
  - Financial
  - Staff





### Tier 3: The Options for each Component

•Remit

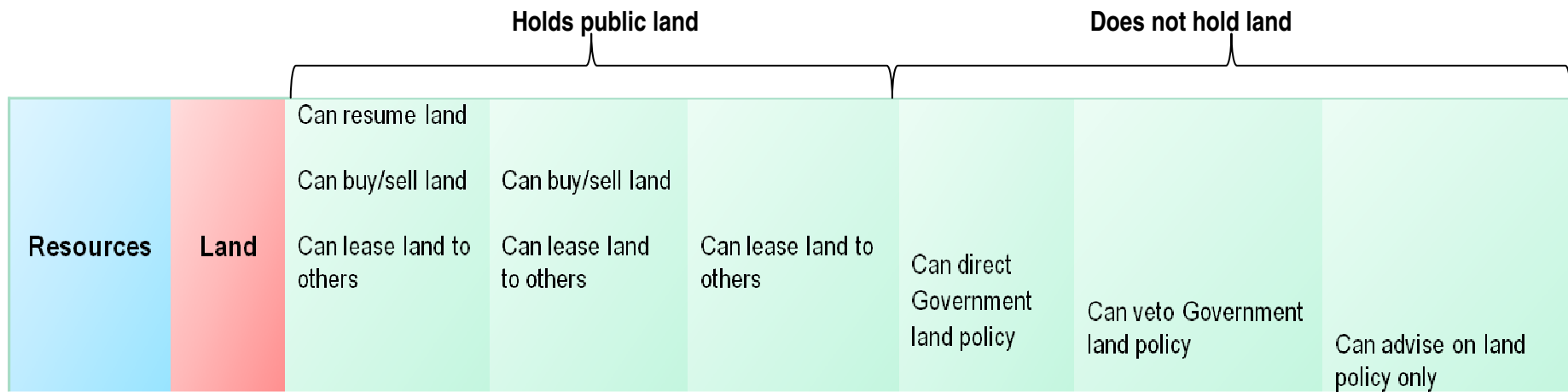
- Geographical
- Functional

•Responsibility

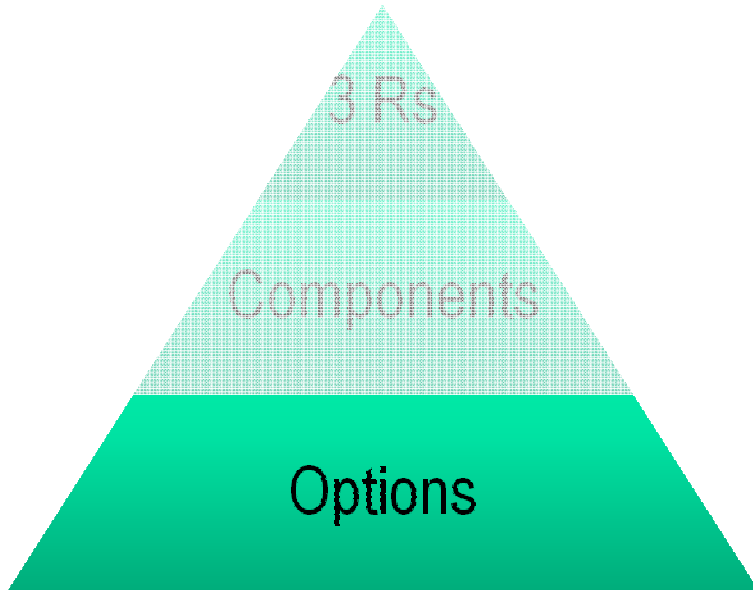
- Planning
- Delivery
- Management

•Resources

- **Land**
- Financial
- Staff







### Tier 3: The Options for each Component

•Remit

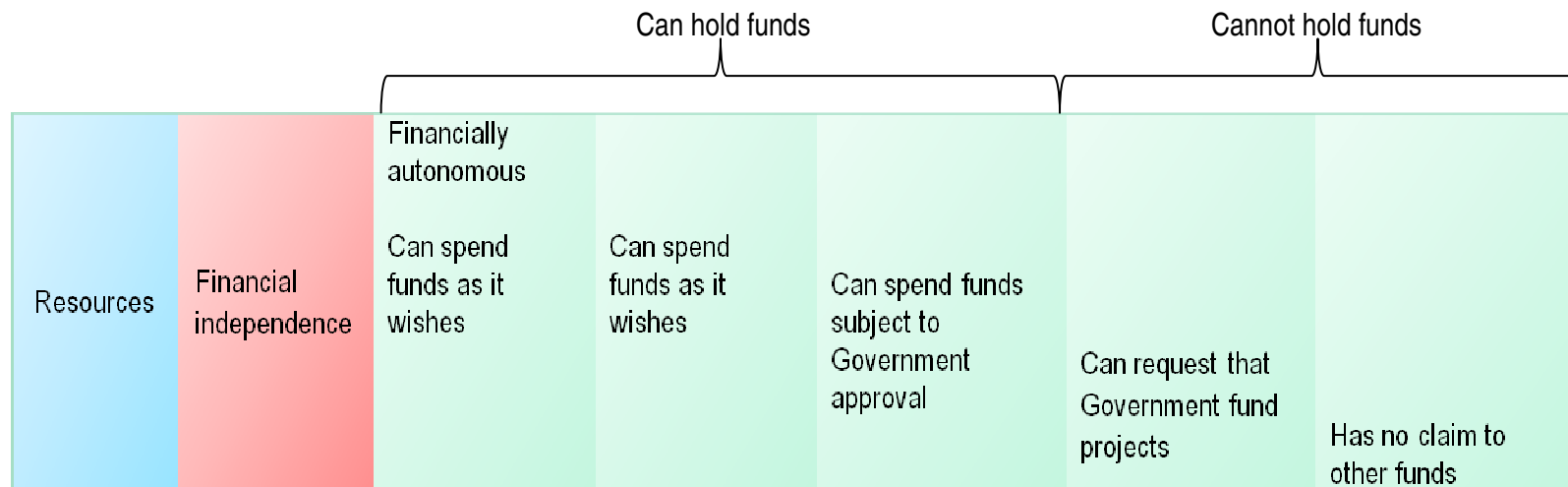
- Geographical
- Functional

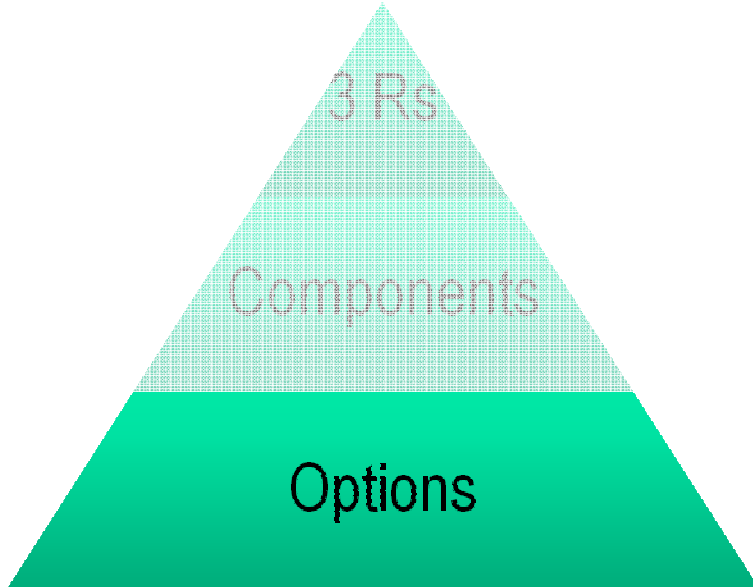
•Responsibility

- Planning
- Delivery
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•Resources

- Land
- **Financial**
- Staff





### Tier 3: The Options for each Component

•Remit

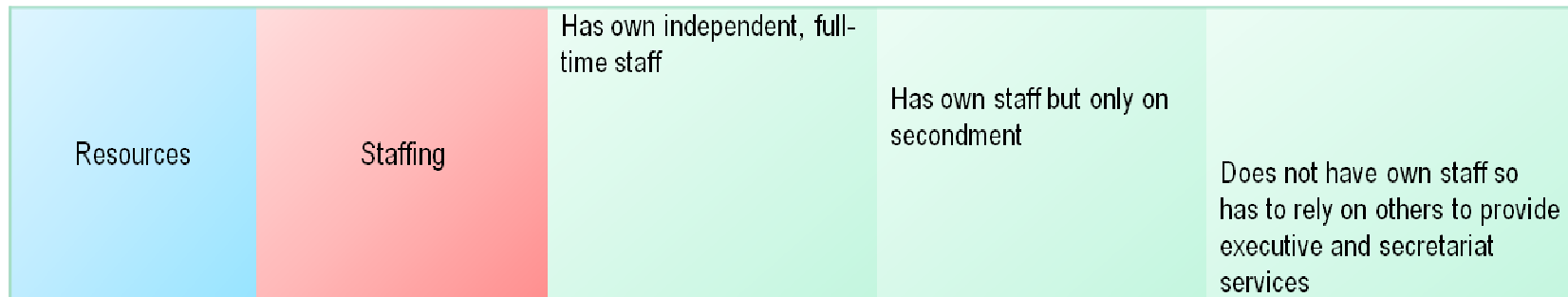
- Geographical
- Functional

•Responsibility

- Planning
- Delivery
- Management

•Resources

- Land
- Financial
- **Staff**



# The Overall Framework



# 3. INTERNATIONAL AND LOCAL CASE STUDIES

# Choice of Case Studies

- In order to understand how harbourfront governance is handled in other jurisdictions, a range of structured case studies were reviewed as part of the exercise:
  - Boston Redevelopment Authority (BRA)
  - Waterfront Toronto (WT)
  - Singapore Urban Redevelopment Authority (SURA)
  - Sydney Harbour Foreshore Authority (SHFA)
- Five local case studies were also undertaken to illustrate structures 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)

# Remits Vary

- Geographical
  - Some are city-wide; some are more limited, for example, just to the waterfront itself or a specific designated area
- Functional
  - All have physical development remit
  - Some have economic development remits (internationally); and locally some have sector-specific economic responsibilities
  - Other functional remits such as community, environment and heritage conservation are quite common both internationally and locally

# Responsibilities Vary

- Planning
  - All have land-use and implementation planning responsibilities
  - Strategic planning: internationally (Boston/Singapore), and locally on a sector-specific basis – Airport Authority, Science Park and Housing Authority
  - Statutory planning: internationally in Boston/Singapore. Not in HK – this rests with the Town Planning Board
- Delivery
  - All have strong delivery powers including power to act as developer, except Housing Authority in HK which delivers through Housing Department
- Management
  - Varies according to functional remit (international) or geographical remit (local)

# Resources Vary

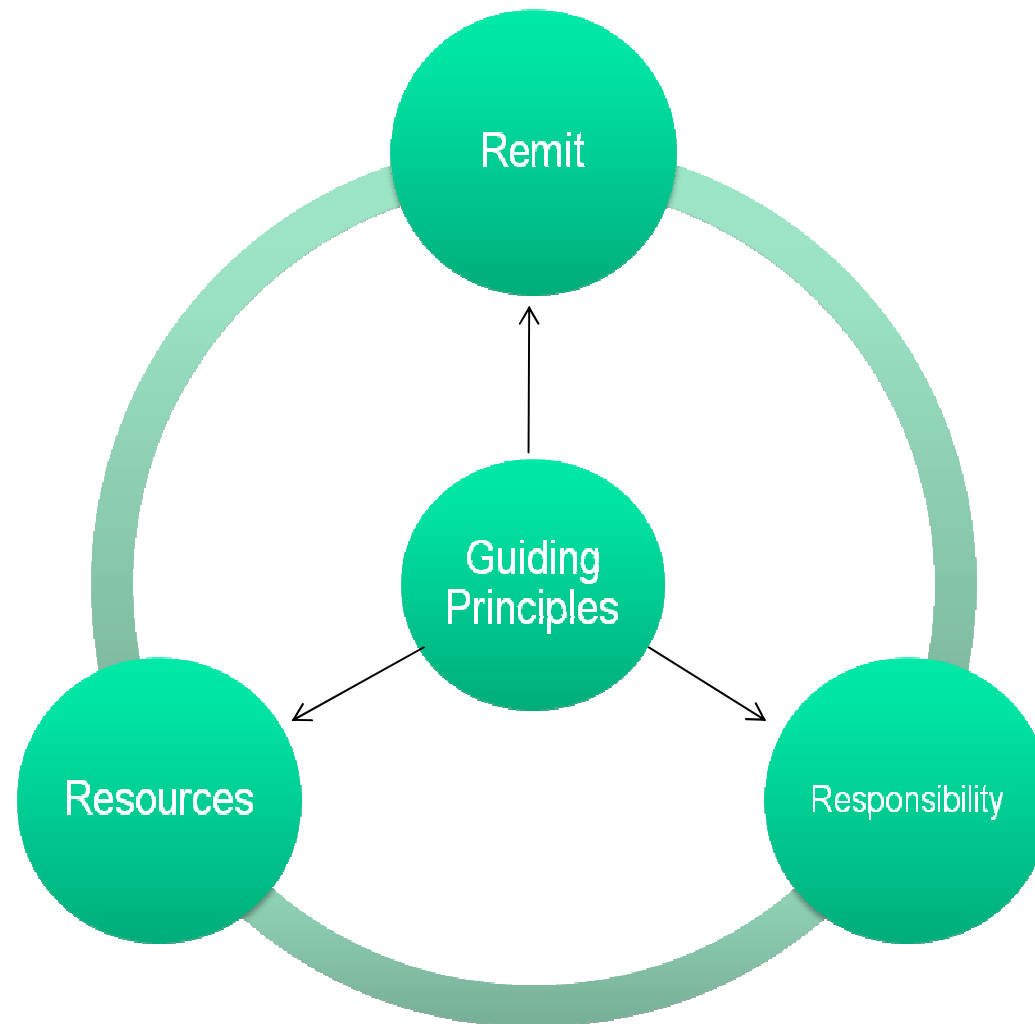
- Land
  - All own land and have power to lease land to others
  - International examples all have powers to buy/sell, and Boston and Sydney can resume land. Local examples with defined geographic remit tend to have less power, except HKAA given its more commercial orientation
- Funding/Staffing
  - All well resourced, with financial autonomy. Waterfront Toronto obtains resources by submitting business case to Government
  - All employ dedicated full-time staff, except Housing Authority

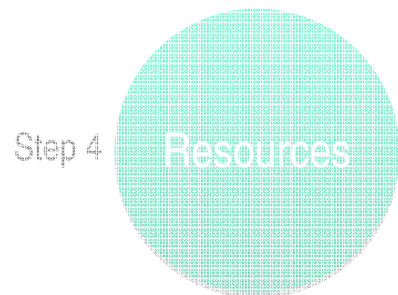
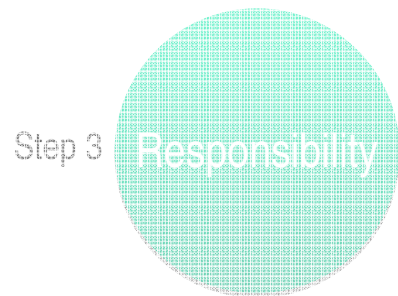
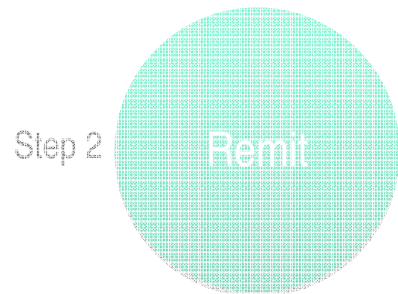
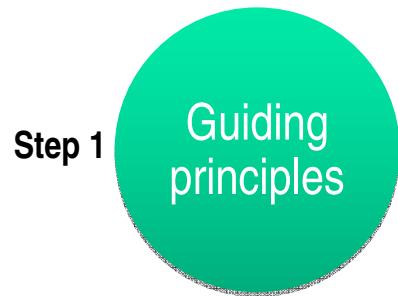


In other words, it is important to take note of the local context – one size does not fit all

# 4. NEXT STEPS: OPTIMISING THE STRUCTURE

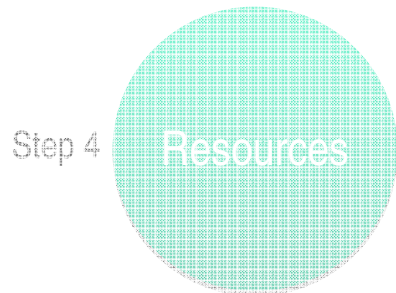
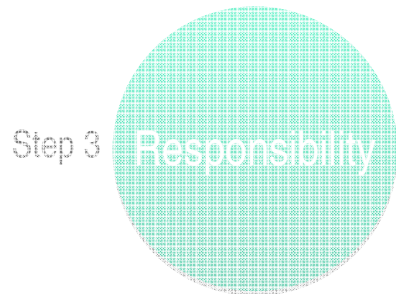
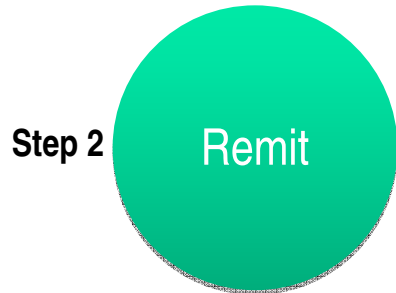
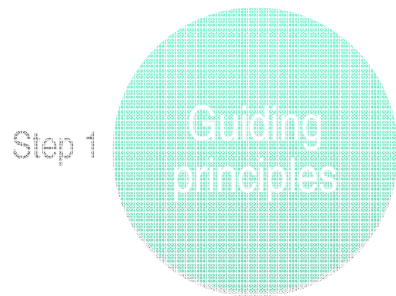
# Proposed 4 Step Framework





## What principles should guide the work of the authority?

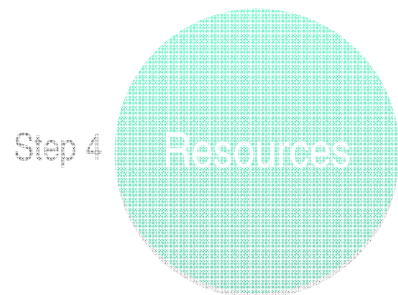
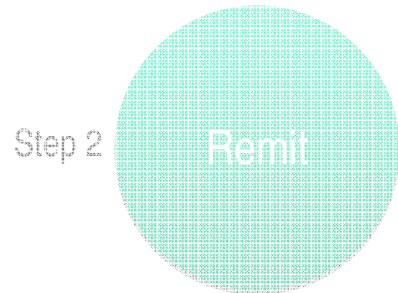
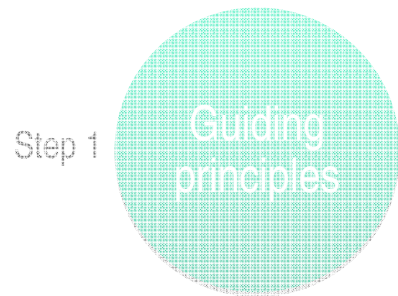
- *Visionary*: to what extent should the authority be able to set its own vision for the harbour?
- *Independence*: how much power should be vested in a harbour authority?
- *Accountability*: how should an authority be made accountable for its decisions?
- *Directness*: should an authority play a hands-on 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?



## What geographic and functional remit should the body be given?

Considerations:

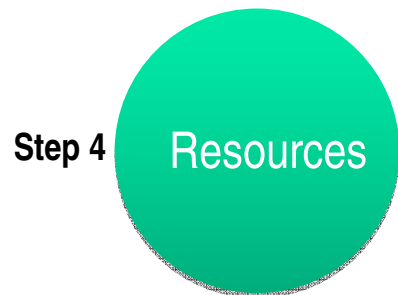
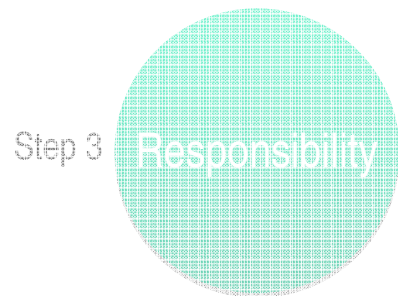
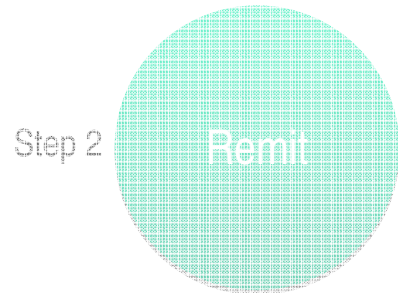
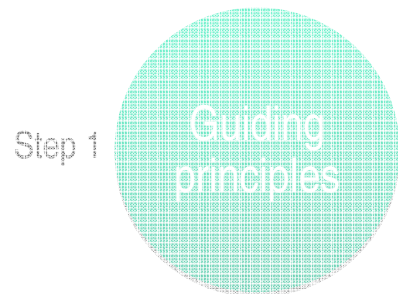
- Official harbour boundaries may exclude some key areas
- Inclusion of land and water allows more ability to deliver consistent plans for harbour as a whole
- Question over responsibility for port areas
- Greater functional remit allows more ability to deliver a working, vibrant harbour
- Greater remit implies more resource requirements and existing bodies would be more affected



## 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



## 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

# An Illustrative Example

3Rs	Key Components	Range of Options					
Remit	<b>Geographical remit</b>	<ul style="list-style-type: none"> <li>City wide</li> </ul>	<ul style="list-style-type: none"> <li>Harbour wide, Harbour only – land and water</li> </ul>	<ul style="list-style-type: none"> <li>Harbour wide, Harbour only – land only</li> </ul>	<ul style="list-style-type: none"> <li>Limited Geographical Area(s) within the Harbour</li> </ul>		
	<b>Functional remit</b>	<ul style="list-style-type: none"> <li>Economic including Port</li> <li>Community</li> <li>Physical development</li> <li>Environmental</li> <li>Heritage Conservation</li> </ul>	<ul style="list-style-type: none"> <li>Economic excluding Port</li> <li>Community</li> <li>Physical development</li> <li>Environmental</li> <li>Heritage Conservation</li> </ul>	<ul style="list-style-type: none"> <li>Economic excluding Port</li> <li>Community</li> <li>Physical development</li> </ul>	<ul style="list-style-type: none"> <li>Physical development</li> <li>Very limited economic /community activity</li> </ul>		
Responsibility	<b>Planning</b>	Responsible for planning: <ul style="list-style-type: none"> <li>Statutory Planning</li> <li>Strategic Planning</li> <li>Land-use Planning</li> <li>Implementation Planning</li> </ul>	Responsible for planning: <ul style="list-style-type: none"> <li>Strategic Planning</li> <li>Land-use Planning</li> <li>Implementation Planning</li> </ul>	Responsible for planning: <ul style="list-style-type: none"> <li>Land-use Planning</li> <li>Implementation Planning</li> </ul>	Responsible for planning: <ul style="list-style-type: none"> <li>Land-use Planning</li> </ul>	Not responsible for planning: <ul style="list-style-type: none"> <li>Planning Advice Only</li> </ul>	
	<b>Delivery</b>	Responsible for delivery: <ul style="list-style-type: none"> <li>Can deliver projects independently</li> <li>Join with other parties to deliver</li> <li>Can set incentives for others to deliver</li> </ul>	Responsible for delivery: <ul style="list-style-type: none"> <li>Can deliver projects independently</li> <li>Join with other parties to deliver</li> </ul>	Not responsible for delivery: <ul style="list-style-type: none"> <li>Asks other parties to deliver</li> <li>Advises on delivery</li> <li>Monitors progress of third party plans</li> </ul>	Not responsible for delivery: <ul style="list-style-type: none"> <li>Advises on delivery</li> <li>Monitors delivery progress</li> </ul>	Not responsible for delivery: <ul style="list-style-type: none"> <li>Monitors delivery progress</li> </ul>	
	<b>Area Management</b>	Responsible for management: <ul style="list-style-type: none"> <li>Can manage areas independently</li> <li>Join with others to manage</li> <li>Can set incentives for others to manage</li> <li>Responsible for programming</li> </ul>	Responsible for management: <ul style="list-style-type: none"> <li>Can manage areas independently</li> <li>Join with others to manage</li> <li>Responsible for programming</li> </ul>	Not responsible for management: <ul style="list-style-type: none"> <li>Responsible for programming</li> </ul>	Not responsible for management, Not responsible for programming: <ul style="list-style-type: none"> <li>Advises on management</li> <li>Monitors management</li> </ul>	Not responsible for management, Not responsible for programming: <ul style="list-style-type: none"> <li>Monitors management</li> </ul>	
Resources	<b>Land Holding</b>	Holds public land: <ul style="list-style-type: none"> <li>Can resume land</li> <li>Can buy / sell land</li> <li>Can lease this land to others</li> </ul>	Holds public land: <ul style="list-style-type: none"> <li>Can buy / sell land</li> <li>Can lease this land to others</li> </ul>	Holds public land: <ul style="list-style-type: none"> <li>Can lease this land to others</li> </ul>	Does not hold land: <ul style="list-style-type: none"> <li>Can direct Govt land policy</li> </ul>	Does not hold land: <ul style="list-style-type: none"> <li>Can veto Govt land policy</li> </ul>	Does not hold land: <ul style="list-style-type: none"> <li>Can advise on land policy only</li> </ul>
	<b>Financial Independence<sup>4</sup></b>	Can hold funds: <ul style="list-style-type: none"> <li>Financially autonomous</li> <li>Can spend funds as it wishes</li> </ul>	Can hold funds: <ul style="list-style-type: none"> <li>Can spend funds as it wishes</li> </ul>	Can hold funds: <ul style="list-style-type: none"> <li>Can spend funds subject to Govt approval</li> </ul>	Cannot hold funds: <ul style="list-style-type: none"> <li>Can request that Govt fund projects</li> </ul>	Cannot hold funds: <ul style="list-style-type: none"> <li>Has no claim to other funds</li> </ul>	
	<b>Staffing</b>	<ul style="list-style-type: none"> <li>Has own independent, full-time staff</li> </ul>		<ul style="list-style-type: none"> <li>Has own staff but only on secondment</li> </ul>		<ul style="list-style-type: none"> <li>Does not have own staff so has to rely on others to provide executive and secretariat services</li> </ul>	

High Powered ←

→ Low Powered



# Thank you

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