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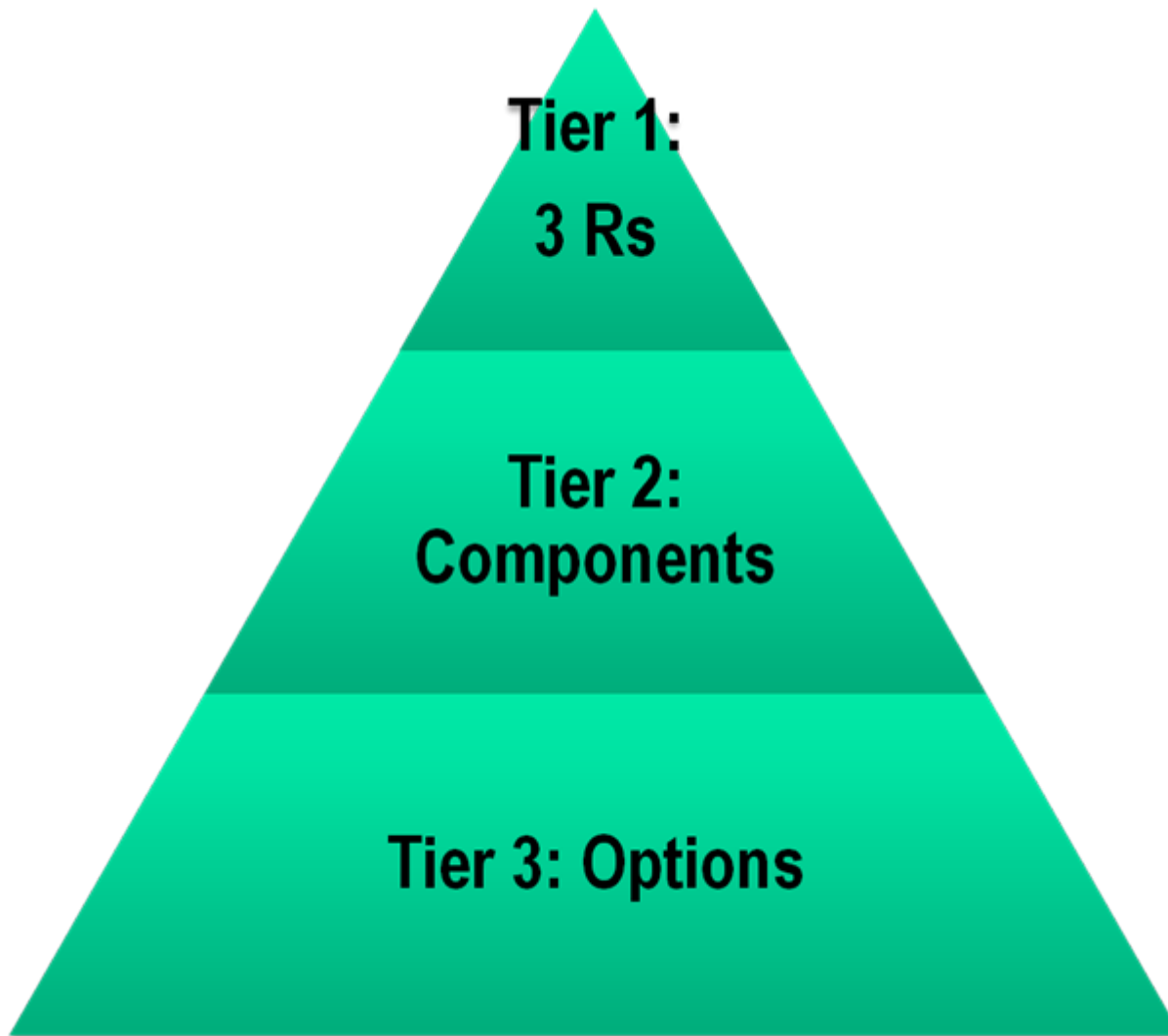
A 3 tier framework for creating a harbour authority…
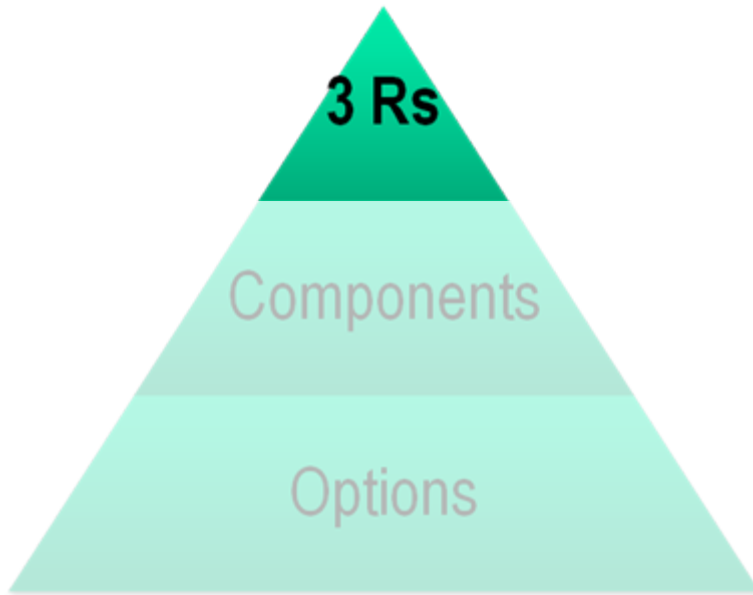
# Tier 1: The '3 Rs'

- 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?
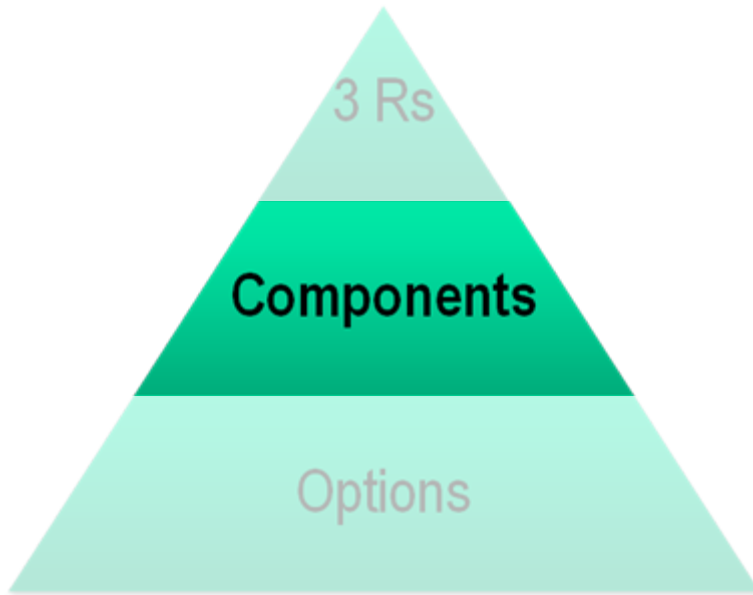
# Tier 2:

# The Components of each 'R'

- Remit
  - Geographical
  - Functional

- Responsibility
  - Planning
  - Delivery
  - Management

- Resources
  - Land
  - Financial
  - Staff
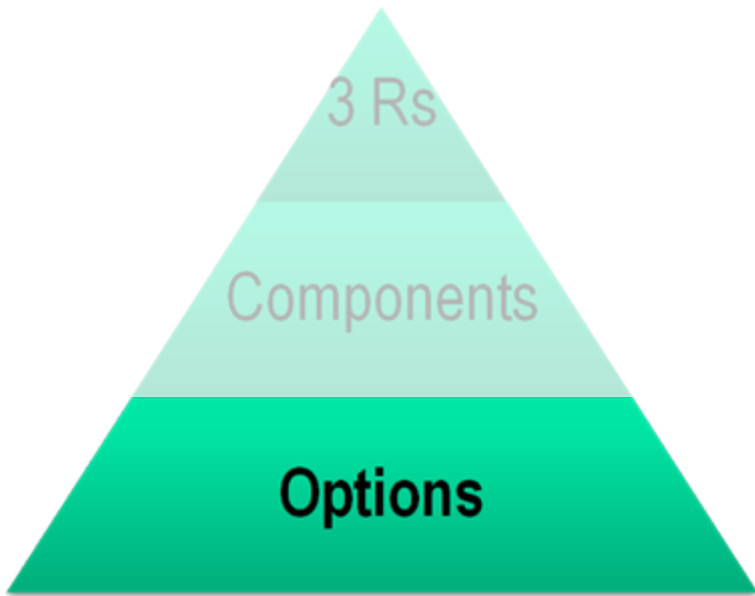
# Tier 3: The Options for each Component

- **Remit**
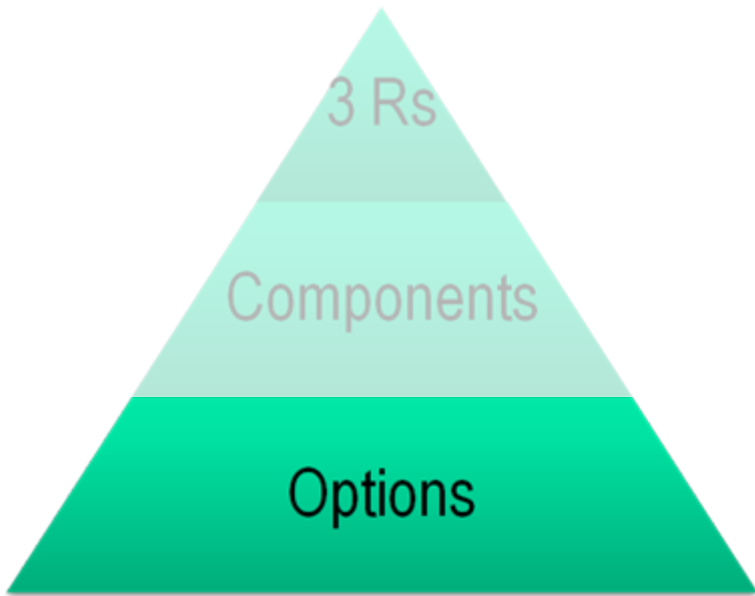  - Geographical
  - Functional

- Responsibility
  - Planning
  - Delivery
  - Management
- Resources
  - Land
  - Financial
  - Staff

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

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# Tier 3: The Options for each Component

- Remit
  - Geographical
  - Functional

- **Responsibility**
  - **Planning**
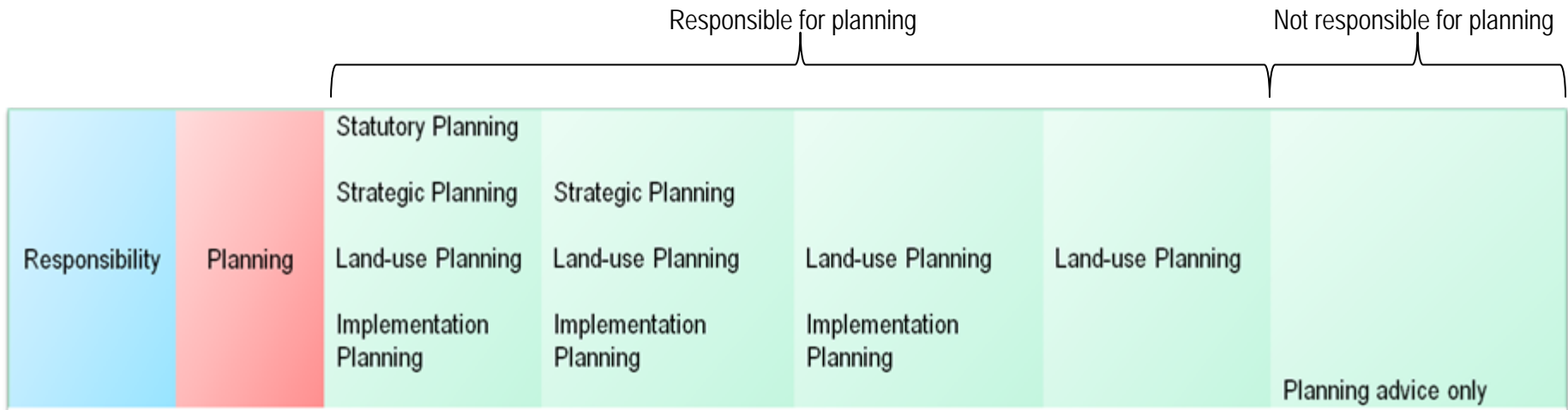  - Delivery
  - Management
- Resources
  - Land
  - Financial
  - Staff

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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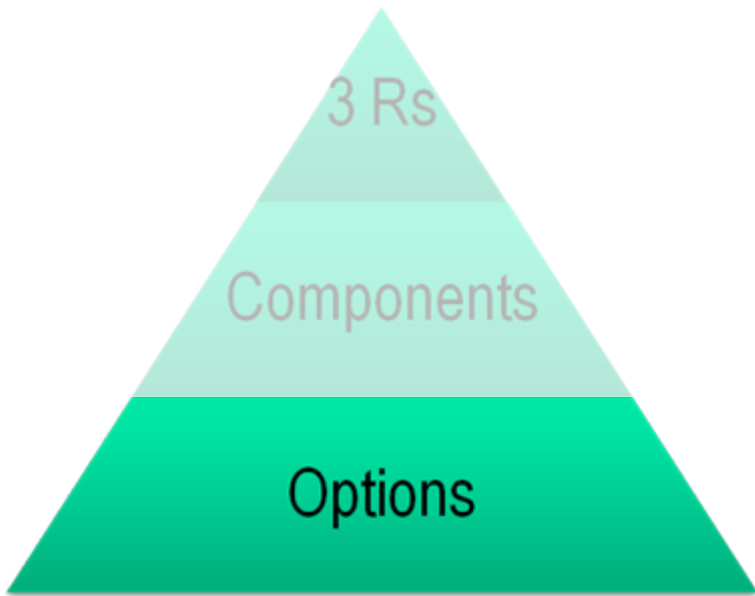
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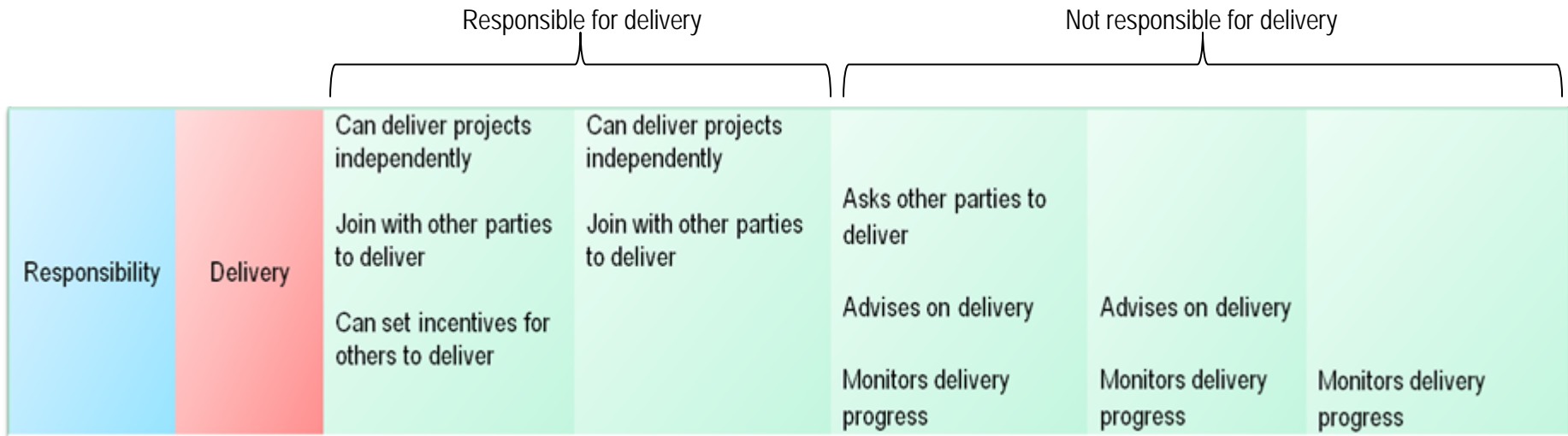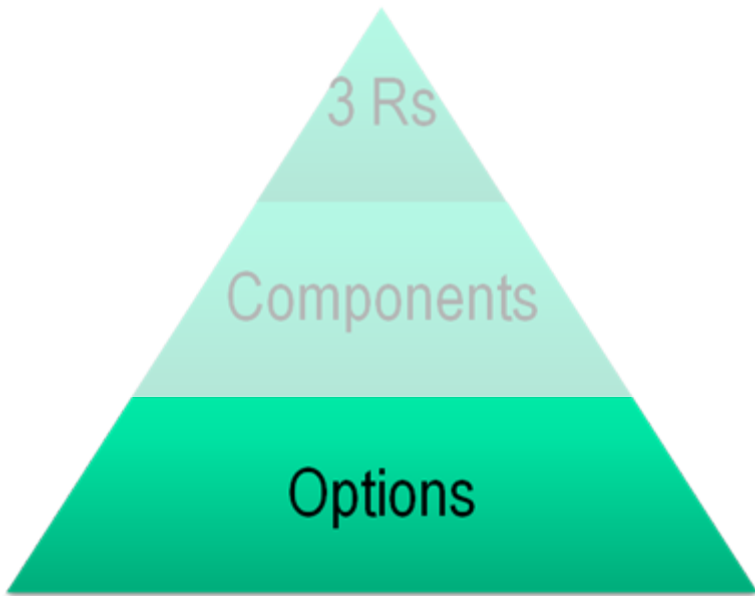# Tier 3:  The Options for each Component

- Remit
  - Geographical
  - Functional

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

- Resources
  - Land
  - Financial
  - Staff

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

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Tier 3:  The Options for each Component
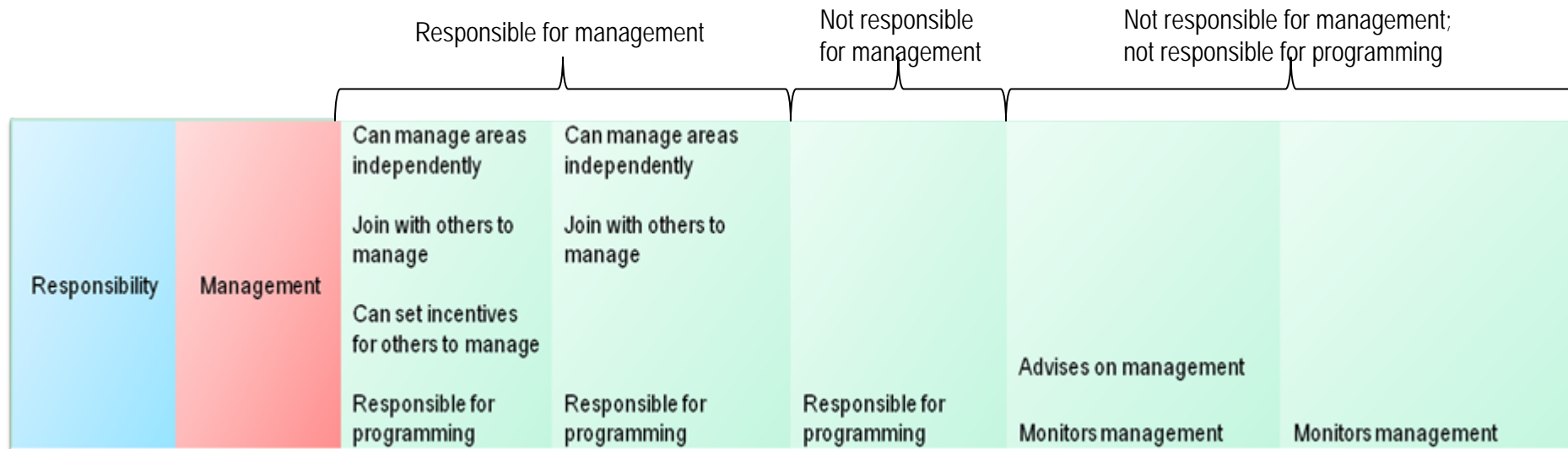
- Remit
  - Geographical
  - Functional

- **Responsibility**
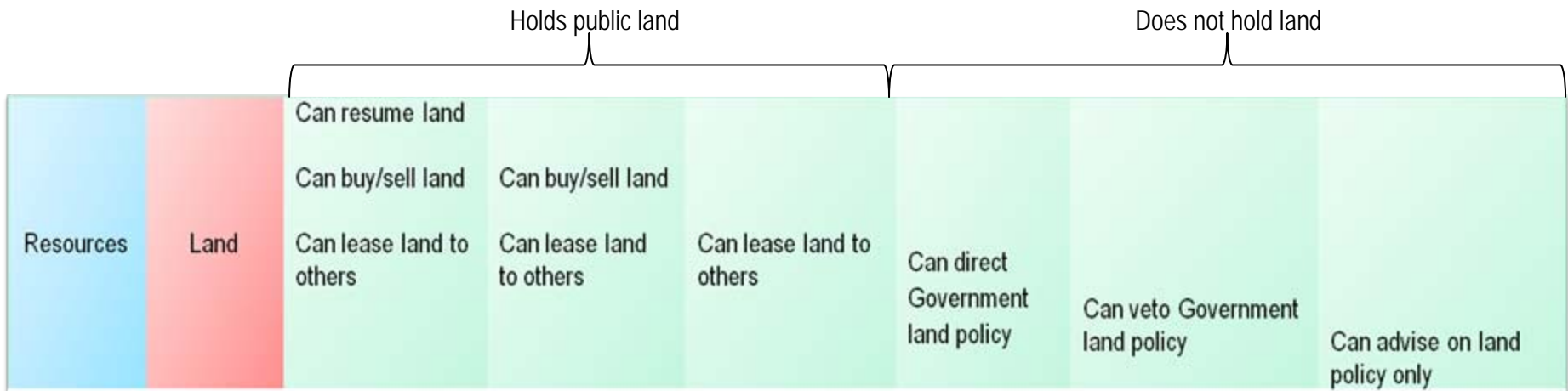  - Planning
  - Delivery
  - **Management**
- Resources
  - Land
  - Financial
  - Staff

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

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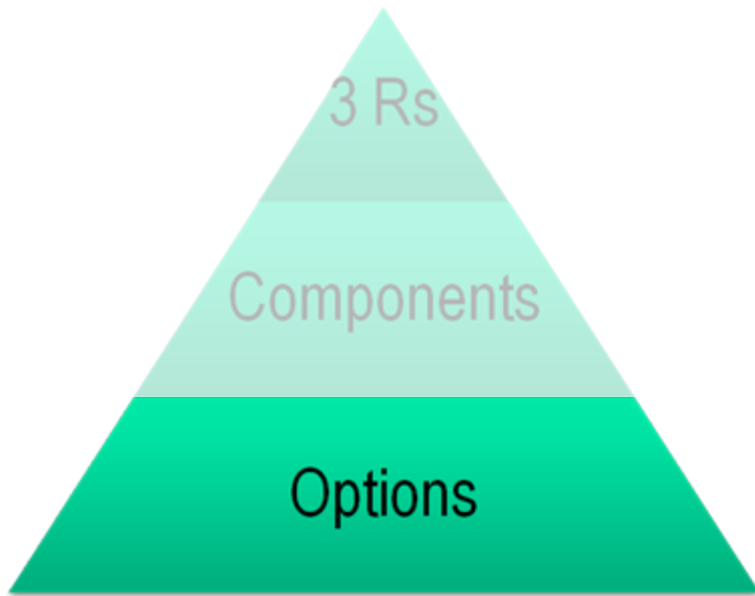
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# Tier 3:  The Options for each Component

• Remit
  – Geographical
  – Functional

• Responsibility
  – Planning
  – Delivery
  – Management

• **Resources**
  – **Land**
  – Financial
  – Staff



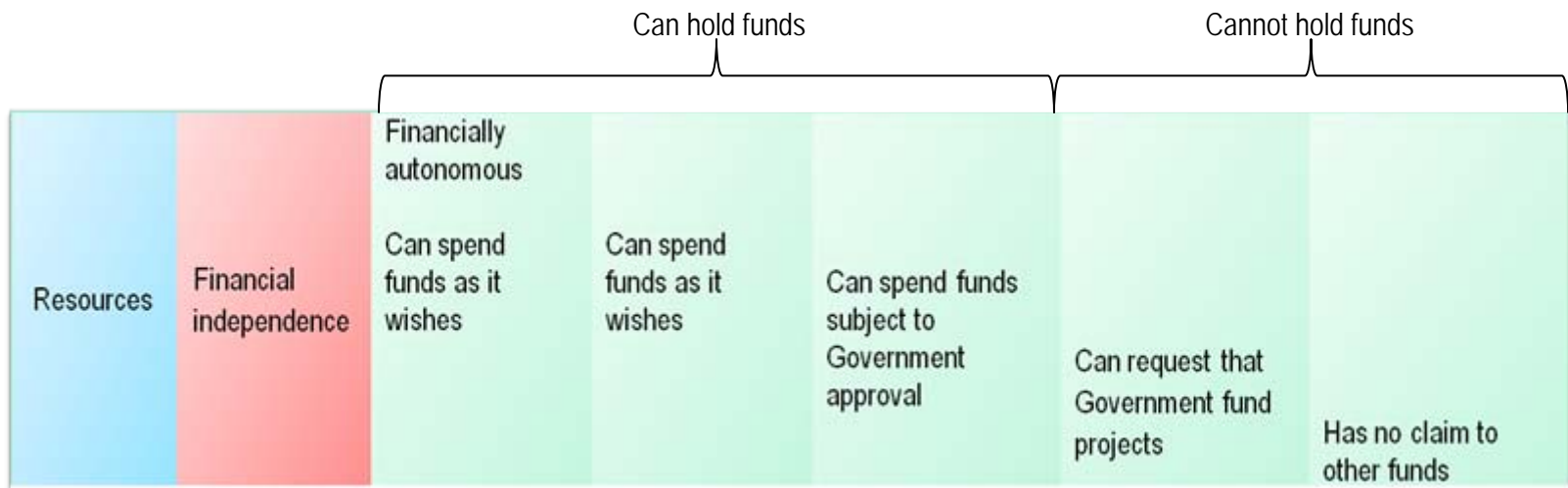| | | Holds public land | | | Does not hold land | | |
|---|---|---|---|---|---|---|---|
| Resources | Land | Can resume land<br><br>Can buy/sell land<br><br>Can lease land to others | Can buy/sell land<br><br>Can lease land to others | Can lease land to others | Can direct Government land policy | Can veto Government land policy | Can advise on land policy only |

# Tier 3: The Options for each Component

- Remit
  - Geographical
  - Functional

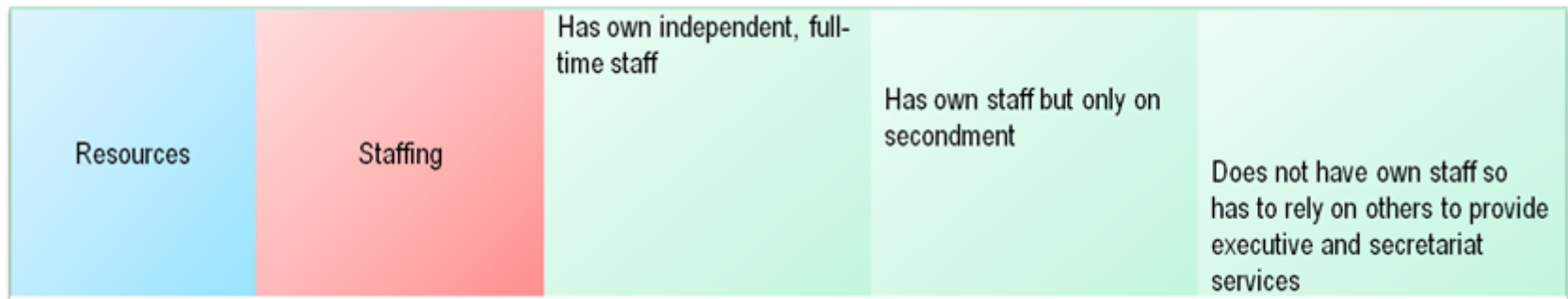- Responsibility
  - Planning
  - Delivery
  - Management

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

Can hold funds      Cannot hold funds

| Resources | Financial independence | Financially autonomous<br><br>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 |
| --- | --- | --- | --- | --- | --- | --- |

# 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<br>• Community<br>• Physical development<br>• Environmental<br>• Heritage Conservation | • Economic excluding Port<br>• Community<br>• Physical development<br>• Environmental<br>• Heritage Conservation | | • Economic excluding Port<br>• Community<br>• Physical development | | • Physical development<br>• Very limited economic /community activity |
| **Responsibility** | Planning | Responsible for planning:<br>• Statutory Planning<br>• Strategic Planning<br>• Land-use Planning<br>• Implementation Planning | Responsible for planning:<br>• Strategic Planning<br>• Land-use Planning<br>• Implementation Planning | Responsible for planning:<br>• Land-use Planning<br>• Implementation Planning | Responsible for planning:<br>• Land-use Planning | | Not responsible for planning:<br>• Planning Advice Only |
| | Delivery | Responsible for delivery:<br>• Can deliver projects independently<br>• Join with other parties to deliver<br>• Can set incentives for others to deliver | Responsible for delivery:<br>• Can deliver projects independently<br>• Join with other parties to deliver | Not responsible for delivery:<br>• Asks other parties to deliver<br>• Advises on delivery<br>• Monitors progress of third party plans | Not responsible for delivery:<br>• Advises on delivery<br>• Monitors delivery progress | | Not responsible for delivery:<br>• Monitors delivery progress |
| | Area Management | Responsible for management:<br>• Can manage areas independently<br>• Join with others to manage<br>• Can set incentives for others to manage<br>• Responsible for programming | Responsible for management:<br>• Can manage areas independently<br>• Join with others to manage<br>• Responsible for programming | Not responsible for management:<br>• Responsible for programming | Not responsible for management,<br>Not responsible for programming:<br>• Advises on management<br>• Monitors management | | Not responsible for management,<br>Not responsible for programming:<br>• Monitors management |
| **Resources** | Land Holding | Holds public land:<br>• Can resume land<br>• Can buy / sell land<br>• Can lease this land to others | Holds public land:<br>• Can buy / sell land<br>• Can lease this land to others | Holds public land:<br>• Can lease this land to others | Does not hold land:<br>• Can direct Govt land policy | Does not hold land:<br>• Can veto Govt land policy | Does not hold land:<br>• Can advise on land policy only |
| | Financial Independence[4] | Can hold funds:<br>• Financially autonomous<br>• Can spend funds as it wishes | Can hold funds:<br>• Can spend funds as it wishes | Can hold funds:<br>• Can spend funds subject to Govt approval | Cannot hold funds:<br>• Can request that Govt fund projects | | Cannot hold funds:<br>• 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 | |

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# 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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| | Area Management | Responsible for management:<br>• Can manage areas independently<br>• Join with others to manage<br>• Can set incentives for others to manage<br>• Responsible for programming | Responsible for management:<br>• Can manage areas independently<br>• Join with others to manage<br>• Responsible for programming | Not responsible for management:<br>• Responsible for programming | Not responsible for management,<br>Not responsible for programming:<br>• Advises on management<br>• Monitors management | | Not responsible for management,<br>Not responsible for programming:<br>• Monitors management |
| **Resources** | Land Holding | Holds public land:<br>• Can resume land<br>• Can buy / sell land<br>• Can lease this land to others | Holds public land:<br>• Can buy / sell land<br>• Can lease this land to others | Holds public land:<br>• Can lease this land to others | Does not hold land:<br>• Can direct Govt land policy | Does not hold land:<br>• Can veto Govt land policy | Does not hold land:<br>• Can advise on land policy only |
| | Financial Independence[4] | Can hold funds:<br>• Financially autonomous<br>• Can spend funds as it wishes | Can hold funds:<br>• Can spend funds as it wishes | Can hold funds:<br>• Can spend funds subject to Govt approval | Cannot hold funds:<br>• Can request that Govt fund projects | | Cannot hold funds:<br>• 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 |

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# 3. HISTORY OF THE DEBATE IN HONG KONG

| 2003 | **PlanD Releases Harbour Plan**<br>*First official acknowledgement that a new delivery agency might be required* |
|---|---|
| 2004 | **Creation of Harbourfront Enhancement Commission (HEC)**<br>*Published Harbour Planning Principles and Guidelines, acknowledging need for more holistic approach to planning, delivery and management*<br>*Created specific task group on harbourfront management (TGMMH)* |
| 2006 | **First LegCo Debate**<br>*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**<br>*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.<br>**Creation of Harbourfront Commission** to "advocate, oversee and advise" on harbour matters |
| 2011 | **Second LegCo Debate**<br>*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
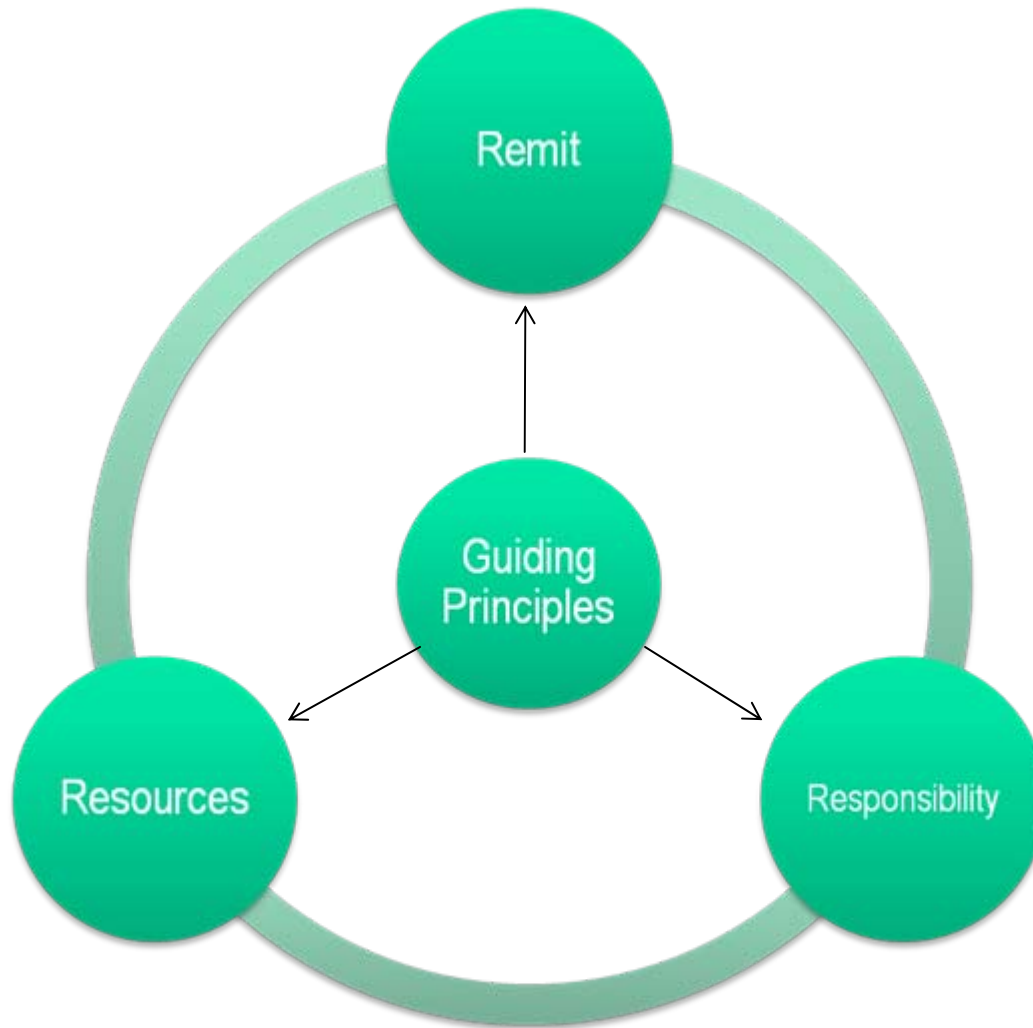
**Step 4** Resources

**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?

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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Guiding principles

Remit

Responsibility

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

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**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