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

Information Paper

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1   INTRODUCTION

1.1   The Objective of this Information Paper

This Information Paper has been prepared for the benefit of the Harbourfront Commission (HC). Its objective is to assist HC Members in better understanding the issues involved in the possible establishment of a statutory harbour authority in Hong Kong. In particular, this Paper seeks to:

- Introduce Members to the range of possible forms that a harbour authority could take
- Define a common set of terms to describe these forms such that their pros, cons and constituent components can be debated and compared on a consistent basis
- Highlight international experience in the structure of overarching harbour bodies and how this compares to the structure of authorities tasked with the planning, delivery and management of areas in Hong Kong
- Raise awareness about the key issues for setting up a harbour authority in Hong Kong

Importantly, this Paper does not attempt to identify or propose the best structure for an authority in Hong Kong. Its aim is purely to raise HC Member awareness of the key issues that need to be taken into consideration and the key questions that need to be answered such that an ideal form can be determined. In doing so, this paper hopes to provide a framework for the HC's upcoming debates, thereby facilitating a more informed and practical discussion.

1.2   Background and Context

This Information Paper has been produced in response to the debate held at the HC meeting on May 17, 2011. At this meeting, the Society for the Protection of the Harbour tabled a letter suggesting the establishment of a Central Harbourfront Development Authority. The letter was well received by HC Members.

In the ensuing debate, Ms Carrie Lam, Vice-Chair of the HC and Secretary for Development, agreed that "it might be opportune to revisit the idea of a statutory harbourfront authority." The HC's Chair, Mr Nicholas Brooke, agreed, saying that "the establishment of a harbourfront authority would be a natural progression [from the HC] and the ultimate objective."

Following this meeting, the HC Secretariat[1] proceeded to sound out potential consultancies with regards to the time and cost involved to prepare a piece of background research on relevant international and local experience. In response, the Harbour Business Forum (HBF)[2] offered to produce this Information Paper on the HC's behalf at zero cost to the HC. The rationale behind HBF's offer reflects HBF's considerable experience in this matter. Primarily a research driven think

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[1] Secretariat services to the HC are currently provided by the Harbour Unit of the Hong Kong Government Development Bureau

[2] The Harbour Business Forum (HBF) is one of Hong Kong's largest business alliances. Formally launched in June 2005, its establishment and continued member support reflects a common concern: that developments in and around our harbour could have a negative impact upon the future development and competitiveness of Hong Kong. HBF is a forum of the Business Environment Council, which is represented on the Harbourfront Commission by Mrs Margaret Brooke, Chair of HBF's Best Practice Committee.

tank, HBF has long argued for the creation of an overarching harbour agency and has undertaken significant research into local and international best practice in this matter and its applicability to Hong Kong[3]. HBF is therefore already aware of many of the issues involved in this complex matter and thought it of benefit to the HC to share this knowledge rather than have the HC spend valuable resources on hiring their own consultants to start this work from scratch.

1.3   Important Caveats

- In Ms Lam's address to the HC on May 17, she stated her wish for "the idea of a statutory harbour authority [to be revisited now] such that a concrete recommendation could be put forward for consideration by the Government of the next term". This imposes a tight timetable for proceedings, given the depth of debate and further work that will be necessary. As a result, this background Information Paper has been produced in within some 3 months so that the debate may proceed as quickly as possible. As a result there has been no time for site visits or interviews with key stakeholders; rather, the case studies have been developed solely on the basis of a review of publically available literature. The timeframe also means that it has not been possible to conduct a detailed review of each body's performance, the extent to which it has been a success or otherwise as an organisational structure. However, case studies were selected which at least appear to have delivered (or are in the process of delivering) physical results which are generally regarded as being or are anticipated to be successful within their own context.

- HC Members should also be aware that international experience shows harbour and harbourfront planning, delivery and management to be a complex challenge with no 'one-size-fits-all' solution. Rather, the range of authority structures highlighted in the international case studies shows many different forms, each reflecting local legacies, laws, customs, characteristics, challenges and preferences. As Ms Lam advised, "Members should not draw a direct reference from local and overseas authorities". Rather, as Mr Nicholas Brooke, Chair of the HC, added, "Members need to get a good understanding of the relevance of various models for devising a tailor-made model that would work for Hong Kong's harbourfront". Where possible, this Paper seeks to show the relevance of local and international examples to the unique circumstances of Hong Kong's harbour.

- It should be noted that the focus of this Information Paper is solely on the potential components of an overarching responsible body holding ultimate responsibility. This does not preclude the possibility of second-tier area or sector specific organisations undertaking delivery or management functions beneath the overarching body..

- Given the complexity of issues involved, this Paper has examined those matters that HBF consider to be of greatest importance. An authority will only be as good as the strength and commitment of its members. However, the focus of this Paper is on the authority's remit, the overall responsibilities with which an authority should be tasked and the resources it needs to be given to deliver those responsibilities effectively. Matters such as who might sit on the authority, and in what capacity, require further work once the HC has determined a preferred overall structure.

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[3] See for example: *Integrated Harbour Vision and Delivery Plan – The Business Case*, November 2009; and *Managing the Vision – Organisational Structures & Harbourfront Management*, March 2008.

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- It should also be noted that the objectives of this Paper relate solely to informing the debate about what sort of harbour authority might work best in the Hong Kong context. The question as to whether there is need of such an authority is not part of this Paper's scope and is taken as given. If a harbour authority is to be introduced in Hong Kong then a persuasive case will still need to be made, but this is the subject of future work.

1.4 Structure of this Information Paper

This Information Paper comes in five further sections:

- Section 2 provides a framework for considering forms of harbour authority
- Section 3 provides a review of how the debate regarding the need for a harbour authority in Hong Kong has evolved, so that Members can see where issues have been discussed and/or discounted before
- Section 4 presents the results of the local and international case studies
- Section 5 summarises the Hong Kong context against which the international and local case studies should be viewed, drawing out the key issues for establishing a harbour authority
- Section 6 concludes by proposing a possible format that the HC could use to structure its upcoming debate on the possible creation of a harbour authority in Hong Kong

2 A FRAMEWORK FOR A HARBOUR AUTHORITY

2.1 Introduction

Harbour authorities throughout the world come in many different shapes and sizes. These different forms reflect each body's ultimate objective and the local circumstances within which each has to operate. In the face of such range and complexity, considerable simplification is required such that key characteristics can be identified and compared. The aim of this section is therefore to:

- Provide HC members with a framework for analysing various harbour authority forms in a simple and straightforward manner
- Introduce a set of terms to define these various forms and their constituent components such that they can be compared and discussed on a consistent basis

This framework and terminology is used throughout the rest of this Paper.

2.2 A Framework for Considering Different Harbour Authority Forms

Through its research, HBF has identified that the best framework for reviewing alternative harbour authority forms is to use the following three tier approach.

The first tier sets the overall structure, henceforth referred to as the '3Rs', by asking the following questions:

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

The second tier starts to populate this framework by setting out the key components of a harbour authority under each of the above '3Rs'. As shown below in Table 2-1, each of the '3Rs' has a number of key components.

Table 2-1: Key Harbour Authority Components

The 3Rs	Key Components	Intuitive Explanation
Remit	**Geographical remit**	Should the body's remit include the entire harbour or just some of it?
	Functional remit	Should the body's remit include just physical development or economic development as well?
Responsibility	**Planning**	Should the body have responsibility for planning the harbour?
	Delivery	Should the body have responsibility for delivering what it or others plan?
	Area Management	Should the body have responsibility for managing areas on/around the harbour?
Resources	**Land Holding**	Should the body hold land?
	Financial Independence	Should the body hold funds?
	Staffing	Should the body have its own staff?

Source: GHK / HBF

For each component there is then a range of alternative options. This third tier is provided in Table 2-2. Indeed, this Table shows the framework in full:

- The first tier of the framework, the 3Rs, is shaded in blue to left

- The second tier of the framework provides the key components for each 'R', and is shaded in red in the next column along

- The third tier of the framework is the range of options for each key component. These cells are shaded in green.

Each green cell shows an option for each key component. For example, under the geographical component remit, the options are for the body to have a remit that covers the entire city, the entire harbour (land and water), just the land around the harbour or just particular pieces of land around the harbour. Each cell represents a discrete option. By selecting one cell on each row, a high-level harbour authority form can be created (see Text Box 2-1 below for a practical example). It should also be noted that the options on each row get progressively weaker as the row is read from left to right. The extent to which the selected cells for each component are more to the left or the right hand side of the table reflects the overall power of the authority.

Definitions for all the terms can be found in the Appendix.

TEXT BOX 2-1: CREATING YOUR OWN HARBOUR AUTHORITY – A SIMPLE EXAMPLE

Table 2-2 provides a high-level framework for simplifying various harbour authorities down to just their key characteristics. This is achieved by selecting the option (i.e. one cell) on each row that best describes the authority in question.

This structure not only allows existing authorities to be compared but also allows HC members to start to think about what sort of harbour authority they would like to see in Hong Kong.

For example, the image below shows an authority with the following structure:

- Remit: includes economic, community, physical development, environmental conservation and heritage for the entire harbour (land and water)

- Responsibilities: includes planning (but not statutory planning) but not delivery (it can only ask other parties to implement its projects) or area management.

- Resources: since it has no delivery or area management responsibilities it does not need to hold land but it does need to hold funds to finance its planning responsibilities, for which it also needs staff.

In this manner, possible harbour authority forms can be developed for analysis. Importantly, this example also shows the necessary inter-relationship between remit, responsibilities and resources; this is discussed further in Section 2.3.

Table 2-2: A Harbour Authority 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**

How to use this Table

Table 2-2 provides a simple, straightforward framework by which the powers of the different statutory bodies can be compared. The table covers the key characteristics of a harbour authority, namely its remit, responsibilities and resources – the so-called '3Rs', shaded in blue. For each R, there are number of constituent components, shaded in red. For each component, there is then a range of options, shaded in green. Looking from left to right along each key component row, the range of options gets progressively weaker. The form of a harbour authority can effectively be determined or built-up from scratch by selecting the most appropriate option (i.e. one cell) on each row. By imposing this framework onto the statutory body of interest, one can immediately identify the key characteristics of that body and the broad extent of its powers. It should be noted that this table is designed to be viewed horizontally, row by row, and not vertically; that one cell sits above another cell does not necessarily mean that they reflect similar powers or that they are natural complements.

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[4] Possible upfront and ongoing revenue sources could theoretically include but are not limited to : government equity injection, capital endowment injection, government loan, commercial loans with government acting as guarantor, rental income, sponsorship income, annual subventions from general government revenue, hypothecated funding from specific tax levied by government, land sales, 'economic rent' tax levied by the body itself on nearby landlords that see uplift in values as a result of the body's work, project specific funding from government, income from advisory/consultation/permission granting services etc

2.3 Appreciating Interrelationships in Harbour Forms

2.3.1 Introduction

The way Table 2-2 is structured, and in particular the sequential focus on the 3Rs and the need to select a cell on each and every row, brings out a key logic: that the 3Rs are inter-related and that to focus solely on one would be insufficient. In its simplest form, this interrelationship reflects the simple fact that the larger the remit and/or the greater the responsibilities with which a body is tasked, the more resources the body will need. It is important to appreciate some components fit naturally together and can often be dependent upon one-another. The aim of this section is to highlight a few of these relationships for the readers' information.

2.3.2 Interrelationships Within the 3Rs: How Responsibilities Fit Together

The Responsibility for Planning and the Responsibility for Delivery

Handing an authority the responsibility for both planning and delivery could help reduce lead-times in moving from project conception to implementation. Bringing two powers into one organisation could avoid otherwise potentially complicated bureaucracy issues when taking the project from the planning stage to execution. Moreover, it would also help ensure the finished product fully reflects the original plans.

However, while there may be benefits in combining these responsibilities, it may be necessary to limit the power of the authority to discharge these responsibilities. For example, handing an authority full delivery powers and full planning powers, including statutory planning, could raise questions of impartiality and interface with other adjoining districts. There may be a conflict of interest if the authority could approve its own plans and then deliver them itself without oversight to ensure it was acting within a strategic context and in the best overall public interest.

The Responsibility for Delivery and the Responsibility for Area Management

The benefits of linking up delivery and subsequent management responsibilities have long been recognised in procurement contracts, for example Design-Build-Operate contracts where the works agent has responsibility for design as well. By combining responsibilities for each stage of an asset's life, the right balance can be struck between cost and quality. The agent has a greater incentive to get the initial design and construction right so as to minimise its recurrent maintenance obligations.

The question of functionality is also important. If a body has to operate sites, not just deliver them, then greater attention is invariably paid to the utility of space and how different areas interact to form a coherent whole.

2.3.3 Interrelationships Within the 3Rs: How Resources Fit Together

Land-Holding and Financial Independence

Statutory bodies in Hong Kong are allowed to recoup their operating costs. and even make a profit, by charging for the services they provide, so long as they operate in the public interest. As shown in Table 2-2, if an authority is able to hold land then the possible options allow it to either lease this land or even sell it if its powers are greater. This would increase the authority's revenue generating potential and reduce its dependence on other funding sources. The more financially autonomous a body, the less it has to rely on other parties for funding support and thus the less other parties could potentially veto plans or projects by withholding this support.

2.3.4 Interrelationships Across the 3Rs: How Remit Fits with Responsibilities

If an authority's functional remit is limited to just physical development, its responsibilities could theoretically be limited to just planning, with other parties then taking on delivery and management responsibilities. However, if is to handed a remit including community development the delivery responsibilities for discharging these community programmes will also be required. Likewise, if it is to take on heritage conservation, the big issue there is the management of heritage assets so area management responsibilities/capabilities would also be needed.

2.3.5 Interrelationships Across the 3Rs: How Responsibilities Fit with Resources

The Responsibility for Delivery and Land-Holding

The extent to which an authority is able to deliver projects independently (the most high-powered option under the delivery component) depends primarily on its ability to hold land. Development rights require control over land. Land would therefore have to be granted, vested, leased or transferred to an authority for it to be able to deliver projects independently. If only weaker delivery powers are handed to an authority, such that it has to join with other parties or ask them to deliver on its behalf, the requirement for the authority to hold land diminishes: the land-holding requirement can be satisfied if the land belongs to the other party.

The Responsibility for Delivery and Financial Independence

The more powerful an authority's delivery powers the more difficult it would be for the body to be fully financially autonomous. Capital works are costly and government subventions may be necessary. Given the standard scales of capital expenditure, it would be unlikely that works could be funded through recurrent subventions alone.

The Responsibility for Area Management and Financial Independence

Area management responsibilities do not tend to include just the management of areas, but also area upkeep and maintenance. Any authority would most likely be asked to take over area management responsibilities for the public realm. However, such areas offer limited revenue generating potential but come with significant maintenance liabilities. The same can also be said of public piers, for example, if the authority is to be tasked with fostering greater water-borne connectivity. Transferring these maintenance responsibilities from the government to an authority would increase the authority's need to raise and hold funds.

3 THE HISTORY OF THE HARBOUR AUTHORITY DEBATE IN HONG KONG

3.1 Introduction

The need for, and possible structure of, a single statutory authority empowered to oversee all matters on and around Hong Kong's Victoria Harbour has long been the subject of debate. The first official acknowledgement of the issue by the Hong Kong Government came in 2003 with the publication of Planning Department's *Planning Study on the Harbour and its Waterfront Areas* (the Harbour Plan). Since then the matter has been taken on by the Harbourfront Enhancement Committee (HEC) and Harbourfront Commission (HC), it has been the source of considerable debate among harbour-related NGOs like HBF and has been debated in the Hong Kong Legislative Council (LegCo) twice.

With the re-emergence of this subject, it is important to reflect on what has been said before on the matter and what issues have been raised, appreciating that such historical context allows the debate to move forward rather than simply picking over old ground. Using the framework developed in the last section, this section aims to provide a brief history of the debate, its evolution and the points made. Members are encouraged to refer to the original sources for greater detail.

Figure 3-1: A Timeline Summary of the Debate

2003	**PlanD Releases the Harbour Plan** The objective of the Harbour Plan was to identify tourism projects around the harbour to help achieve the TPB's 1999 Vision. With regards to a harbour authority, the plan recognised that simply identifying projects would not be enough and that a new, effective delivery agency would be required.
2004	**Creation of the Harbourfront Enhancement Committee** Part of the HEC's terms of reference was to "explore optimal ways to manage harbourfront areas". In its 1st term, it published the Harbour Planning Principles and Guidelines, which acknowledged the need for a more holistic approach to planning, development and management. In its 2nd term, it created a specific task group on harbourfront management (see TGMMH below).
2006	**The First Legislative Council Debate** A non-binding motion was moved in LegCo, calling for the creation of a statutory body capable of making legally enforceable decisions on waterfront developments with extensive planning and delivery powers. The motion was defeated on the grounds that a new body would slow down the development process. Government was also against the motion.
2009	**The HBF Releases its Integrated Harbour Vision and Delivery Plan (IHS)** HBF's IHS set out the business case for a new integrated approach to harbour planning, delivery and management. This new integrated approach comprised six key components, one of which was the creation of an overaching responsible body, initially in the form of a harbour committee, then a statutory agency.
2010	**The HEC TGMMH Releases its Recommendations** The HEC Task Group on Management Model for the Harbourfront recommended the creation of a non-statutory Harbourfront Commission (HC) to resolve conflicting institutional objectives and acknowledged that a statutory body may be required in the longer run. **Creation of the Harbourfront Commission** The HC was established to "advocate, oversee and advise" on harbour matters.
2011	**The Second Legislative Council Debate** An amended motion to "perfect harbourfront planning and management" was debated and passed by LegCo. This time Government supported the motion.

3.2 First Official Recognition: The Harbour Plan, 2003

The need for a more comprehensive approach to harbourfront development was first officially recognised in 2003 when the Planning Department (PlanD) published its *Planning Study on the Harbour and its Waterfront Areas* (the Harbour Plan). The study was commissioned to propose ways to realise the 1999 Town Planning Board's Vision for the harbour, which was "to make Victoria Harbour attractive, vibrant, accessible and symbolic of Hong Kong – a harbour for the people and a harbour of life."

Institutional arrangements were not the plan's focus. Its focus instead was on the identification of potential tourism projects around the harbour; implementation of these projects would require other bodies to take them on. However, the Harbour Plan did recognise potential challenges in delivery. It acknowledged that implementation of its projects would be a "formidable undertaking" and that "no existing body has all the attributes for implementation". Rather, it recommended that "alternative approaches need to be considered" and that "a continuation of existing procedures is unlikely to provide satisfactory mechanisms for realising the vision", as has since been borne out. The Plan concluded by outlining the attributes that an effective delivery agency would require, as shown below in Text Box 3-1.

TEXT BOX 3-1: KEY QUOTES FROM THE PLANNING STUDY ON THE HARBOUR AND ITS WATERFRONT AREAS, PLANNING DEPARTMENT, 2003

"Implementation… to realise the Vision for Victoria Harbour will be a formidable undertaking. It will involve planning, design, management and co-ordination of tasks of the highest order."

"Key requirements of an effective agency to guide and direct implementation:

- Strong vision to ensure implementation is pursued with vigour and imagination
- Correct focus for setting appropriate priorities between competing demands
- Sufficient powers and authority to achieve effective action directly, by coordinating other organisations, or by partnership with the private sector
- Sufficient financial resources to respond adequately to harbour needs
- Appropriate manpower resources and expertise to ensure high quality design of buildings and open spaces"

3.3 The Creation of the Harbourfront Enhancement Committee, 2004

Following on from the 2003 Harbour Plan and in light of the Court of Final Appeal's 2004 judgement in the case of Town Planning Board v. Society for the Protection of the Harbour and the concurrent rise in community aspirations for better harbourfront planning, the Government announced in March 2004 the setting up of the Harbour-front Enhancement Committee (HEC) which came into existence on 1 May 2004. As part of its terms of reference, the HEC was tasked with "exploring optimal ways to manage the harbour-front areas, including private sector participation."

Under its first term, the HEC's main contribution to the issue of harbour management came through its publication of Hong Kong's *Harbour Planning Principles* and *Harbour Planning Guidelines* in 2006. In particular, of the eight Principles, Principle 4 acknowledged the need for a holistic approach when it called for:

"Integrated and long-term planning, development and management of infrastructure, land and marine uses, and water quality is essential to ensure that Victoria Harbour and its harbour-front areas support and enhance the economic, environmental and social aspirations of Hong Kong."

During the HEC's second term from 2007 - 2009, its remit for reviewing harbour management was expanded to include exploring "a sustainable framework to manage the harbour-front areas, including public-private partnership." In response, the HEC established a new sub-committee: the Task Group on Management Model for the Harbourfront (TGMMH). The recommendations of this Task Group are dealt with in Section 3.6 below.

3.4 The First Legislative Council Debate, 2006

In July 2006, a non-binding motion was moved in the Legislative Council calling for the creation of a harbour district authority. Based on the success of Sydney's Darling Harbour, independent lawmaker Kwok Ka-Ki called on the Government to set up a statutory body that could make legally enforceable decisions and that would have extensive powers over planning, land ownership, acquisition and development of the sites and facilities in all waterfront areas.

Although supported by the majority of geographical constituencies, who primarily believed that conducting a study on the feasibility of establishing such an authority would be beneficial, the motion failed to secure the support of the functional constituencies and was dismissed. The motion was defeated mainly on the grounds that being a statutory body, the actions of the authority would be subject to public consultation and approval by the Executive Council, which would slow down the development process. There was also concern that the introduction of such a body would lead to duplication of functions and duties with the HEC and could create public controversy. There was a view that adherence to the Protection of the Harbour Ordinance and to the verdict meted out by the Court of Appeal regarding the lawsuit on harbour reclamation was sufficient.

Speaking at the debate, the Secretary for Housing, Planning and Lands said the Government was also against the motion. The Government thought it "not appropriate at this stage to consider the establishment of a harbour district authority" and that the "the formation of a harbour district authority was not a model with universal relevance".

3.5 The Harbour Business Forum releases its Business Case for Change, 2009

In 2009, HBF released its year-long study, the *Integrated Harbour Vision and Delivery Plan – The Business Case* (the IHS). The IHS called on the Government to adopt a new integrated approach to the planning, development and management of Victoria Harbour, comprising six necessary and complementary components. One of these components was the need for a new overarching responsible body:

"Hong Kong needs a body capable of addressing the political, financial and institutional complexities of harbour planning and delivery, as well as ongoing management and maintenance, to have any hope of success"

HBF recommended a two stage process to creating this body, reflecting the circumstances of Hong Kong and the necessary roles and responsibilities required.

As a first step, HBF recommended that a Government-funded 'Harbour Committee' be created to provide vision, leadership and policy direction. The Harbour Committee would also oversee the development of many of the IHS's other component recommendations, such as developing a strategic framework and plan

for the harbour as well as overseeing necessary changes in Hong Kong's planning and delivery systems such that these plans could be effectively implemented when ready.

However, HBF also noted that since a Harbour Committee would not be able to hold funds, it would have to rely on other departments and bureaux for delivery and thus would not be sustainable in the long run. To that end, HBF recommended that the Harbour Committee manage the creation of a statutory Harbour Agency to be responsible for delivering the Harbour Committee's plans and managing the results. HBF recommended that the Harbour Agency be established under specific legislation, be granted autonomy and be provided both the necessary seed funding and public land to implement plans as required.

3.6 The HEC TGMMH Releases its Recommendations, 2010

HBF's suggestion of a two stage process was broadly shared by the Task Group on Management Model for the Harbourfront (TGMMH) when it released its recommendations in early 2010.

The TGMMH final report specifically pointed out the existing problems of management along the harbourfront with different projects being undertaken and managed by different departments and agents with different mandates. Understanding the need for a single entity to resolve conflicting institutional objectives, the TGMMH recommended the establishment of the overarching non-statutory Harbour Commission (HC) with members from the public and private sectors to advocate, advise, coordinate and monitor the planning, urban design and development of the harbourfront. It was further recommended that "in the longer run the aspiration for an independent statutory authority, supported by its own executive and dedicated funding, to plan, design, operate and manage the harbourfront should be revisited" to more effectively overcome these issues.

3.7 The Creation of the Harbourfront Commission, 2010

Upon these recommendations, the HC was established in summer 2010. The HC has brought a welcome dose of 'joined-up thinking' to harbour matters and has facilitated much greater debate and cross-government policy co-ordination. In many respects it has become a true harbour watchdog, with the influence to support or oppose projects brought before it beyond those powers with which it was officially endowed.

However, the HC remains advisory in nature, cannot hold funds, is insufficiently resourced to be really proactive and insufficiently powered to task or require others to do its bidding. As a consequence, despite the HC's undeniable clout, the issue of a statutory authority remains and was revisited in the HC's May 2011 meeting by the Society for the Protection of the Harbour and supported by the Chair and Vice-Chair. The Vice Chair, Ms Carrie Lam, went on to express in the meeting that "a statutory and independent authority with its own finances and executive powers would provide better assurances and capacity to deliver the vision [for Victoria Harbour] by overcoming difficulties associated with the division of work within the Administration". Ms Lam proceeded to encourage members to "work towards setting up an authority as their ultimate target".

3.8 The Second Legislative Council Debate, July 2011

Following Ms Lam's statement to the HC, an amended motion to establish a statutory body to "perfect harbourfront planning and management in all districts of Hong Kong" was debated and passed by the Legislative Council in July 2011. The motion was put forth by Prof Hon Patrick Lau to urge the Government to establish a

statutory body that would be able to "implement strategic harbourfront development, formulate harbourfront development master plans.....construct harbourfronts of different styles by integrating the special features of various districts" and to "manage harbourfront with sustainable modes of financial operations" with the aim of "providing local community residents with harbourfront community facilities that suit their needs"

This time the motion had Government support with Ms Lam acknowledging that "it could be difficult to manage public assets [such as the harbourfront] with different bureaux and departments". Ms Lam went on to say that "the successful precedents set by existing statutory bodies such as the Hospital Authority, the West Kowloon Cultural District Authority, the Urban Renewal Authority and the Airport Authority to overcome such difficulties set a good example for the establishment of the Harbourfront Authority".

3.9   Conclusion

It is interesting to see how the debate has evolved over the past decade, with both the case for an authority and views as to what that authority might do developing over time. This evolution, in particular the differing interpretations of what a harbour authority would do and why it may be needed, reflects an important conclusion from the debate: that the concept of a 'harbour authority' is in reality just a name. What matters is what issues the authority is being created to resolve, and what responsibilities and resources it is endowed with to enable it to do so.

In the context of the harbour authority framework described in Section 2, it is interesting to note that the question of remit has largely been overlooked. Rather the focus has predominantly been on the second of the 3Rs, responsibilities, starting with an appreciation of a need for a new delivery agency, then for a body to take on planning and latterly area management too. With these evolving responsibilities has also come a growing awareness in recent years of the need to provide any authority with the necessary supporting resources to deliver these responsibilities and in doing so help overcome Hong Kong's entrenched difficulties in such areas as funding and governance arrangements[5].

The debate now appears to have reached a broad consensus. There seems to be general agreement that any harbour authority in Hong Kong would need to take on at least some responsibility for planning, delivery and management of harbour areas, and be resourced with its own finances and executive staff. In moving this debate forward, greater attention now needs to be paid to the extent of the authority's powers to discharge these responsibilities, its resources and the remit within which it must operate.

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[5] See HBF, *Integrated Harbour Vision and Delivery Plan – The Business Case*, 2009, for a comprehensive discussion of the challenges that need to be overcome to turn Hong Kong's Victoria Harbour around.

4 RELEVANT HARBOUR AUTHORITY CASE STUDIES

4.1 Introduction

In order to assist HC Members in understanding how harbourfront governance is handled in other jurisdictions, a range of structured case studies have been developed. A long list of candidate case studies was presented to the HC by Mrs Margaret Brooke, Chair of the HBF Best Practice Committee and member of the HC, in July 2011. Of this long list, four examples were selected for detailed analysis:

- The Boston Redevelopment Authority
- Waterfront Toronto
- Singapore's Urban Redevelopment Authority
- Sydney Harbour Foreshore Authority

In addition, five local case studies have been developed. The purpose of these local case studies is to compare how international experience relates to the traditional Hong Kong approach to establishing statutory authorities. The local case studies also show the extent to which the Hong Kong Government has been willing to relinquish and transfer responsibilities to external bodies, thereby setting a precedent for potentially similar transfers to an independent harbour authority. The local case studies cover:

- The Housing Authority
- Hong Kong Science & Technology Park
- West Kowloon Cultural District Authority
- The Urban Renewal Authority
- The Airport Authority

Full, structured versions of each local and international case study can be found in Appendix 2. Short-form write-ups are provided in this section for summary review and analysis. A further text box (4-2) provides information on the Hospital Authority in Hong Kong – a useful reference owing to the different funding structure it uses. Where possible, the framework and terminology outlined in Section 2 has been used to describe the bodies in question.

4.2 International Case Studies

The Boston Redevelopment Authority

The Boston Redevelopment Authority (BRA) has played a key role in planning and delivering Boston's harbour as it stands today. As the planning and economic development agency of Boston, the BRA takes on planning and delivery but not area management responsibilities. For planning, it has the power to conduct statutory, strategic, land-use and implementation planning for the city. Importantly, the BRA is responsible for preparing Boston's Municipal Harbour Plan (MHP) – the regulatory planning framework that guides all physical development on and around the harbour.

Since the BRA is also responsible for delivery it can develop and subsequently implement harbour-enhancement plans, for example the HarborWalk, either independently or in collaboration with other parities. Indeed, the BRA's delivery powers extend to being able to set economic incentives to encourage private sector involvement, in this case by granting tax concessions to developers.

The BRA is also powerfully resourced. It is the largest landowner in Boston and is empowered to resume, buy, sell, lease and sub-lease the land it holds. As a result, the BRA can generate its own revenue from leasing and selling land, thereby freeing itself from financial dependence on the city, although for some larger projects the BRA may still seek project funding from the City Government. The BRA has its own independent staff, albeit all of whom are regarded as municipal employees.

Also of interest to Hong Kong, one of the key strengths of the BRA appears to be the way it has worked with local stakeholders and interest groups. The Boston Harbour Association, for example, has played a pivotal role in aligning the interests of different harbour stakeholders and providing the BRA with harbour-planning advice based on the views of the community.

Waterfront Toronto

Waterfront Toronto (WT) was originally established to design and develop the Toronto waterfront as part of the City's plans to bid for the 2008 Olympics. The body is a special purpose vehicle (SPV), especially created by the national, provincial and local governments to bypass complex inter-jurisdictional relationships and thereby effectively plan, design and deliver projects for the waterfront (both land and water).

Its planning responsibilities encompass just land-use and implementation planning. However, its delivery powers are much stronger, including the ability to deliver projects independently on behalf of the three governments. Project planning and delivery is undertaken on a precinct-by-precinct basis because this was the best way to deal with the fact that each precinct may contain lands owned by different governments. For each precinct, WT has to submit its design in the form of a business-case to the respective government(s) in order to obtain its approval, as well as the financial resources and the land for the project to be implemented. However, the land is not owned by WT; land is only temporarily transferred to WT so that it may have primary development control for the duration of the project. Once the project has been built, the land is returned to its original government owner for management. To that end, like BRA, WT has no area management responsibilities itself.

In addition to temporary land transfers from government for specific projects, WT also has the power to buy, sell, lease land. Initial funding for the body was provided in the form of seed capital, injected by the three governments, to kick-start its 25-year mandate. WT operates with around 60 full-time staff.

Singapore's Urban Redevelopment Authority

Singapore's Urban Redevelopment Authority (SURA) was first created in the 1970s to regenerate the then derelict central area of Singapore. The authority has since become Singapore's national planning and conservation agency with a remit to guide Singapore's infrastructure development and preserve Singapore's existing heritage.

Similar to the BRA, it has extensive planning responsibilities that cover statutory planning, strategic planning, land-use planning and implementation planning. However, ever since the SURA discarded most of its property development and management functions to its subsidiary, Pidemco Holdings, the SURA bears few delivery and area management responsibilities beyond managing Singapore's public parking facilities and the newly built Marina Bay. Delivery of projects is instead often private-sector led with the SURA using its role as the Government's main land sales agent, as well as its responsibility for development control, to sell and lease land as well as monitor development proposals. It holds the developed

land on the Government's behalf once the project tenure has expired. The SURA is also financially autonomous and has a very large workforce.

The Sydney Harbour Foreshore Authority

The Sydney Harbour Foreshore Authority (SHFA) is a dedicated body set up in 1999 to plan, develop and manage a number of prime sites around the world famous Sydney Harbour in a more coordinated manner. Its remit is not only to promote economic development in Sydney through the better use of Sydney's valuable harbourfront areas, but also to facilitate heritage preservation within the precincts it owns.

Unlike the other international case studies, area management is the primary responsibility of the SHFA; planning and delivery are only secondary responsibilities. This is because most of Sydney's foreshore areas have already been developed so usually require no more than simple site regeneration, or restoration or adaptive reuse works for heritage sites. As such, SHFA's planning responsibilities are limited to land-use planning and implementation planning, with its delivery responsibilities restricted to delivering mostly small scale projects, albeit usually independently.

In terms of resources, the SHFA owns a considerable amount of Sydney's harbour foreshore land. It also has the power to resume, buy, sell, lease and sub-lease its lands. SHFA is a self-financing body that has its own staff who are de jure employees of the state government.

4.3   Local Case Studies

Housing Authority

The Housing Authority (HA) is a statutory body established in 1973 to implement the Government's public housing programme. It was the only Government funded institution to build, allocate and manage public housing at that time. Following structural reforms in 2002, the HA's primary role is now to advise the Government on its strategic plans for public housing, for which it retains primary planning, delivery and management responsibility, under the aegis of the Transport and Housing Bureau. Actual implementation of these functions rests with the Housing Department (HD).   The HA is technically financially autonomous, and holds extensive public land in various forms, but it is also subject to resource allocation constraints similar to those applying to other key public service providers within the Government. The HA relies on the Housing Department to provide secretarial services.

Hong Kong Science & Technology Park

The Hong Kong Science and Technology Parks Corporation (HKSTPC) is a public corporation established to plan, develop and manage Hong Kong's Science Park and the InnoCentre, as well as three industrial estates inherited from the Hong Kong Industrial Estate Corporation.

HKSTPC is responsible for strategic planning within its own boundaries, as well as the preparation of land-use plans for the Science Park's phased development, which are then subject to the usual TPB approvals. In terms of delivery, HKSTPC can deliver projects on its own or join with others, and has used both means to develop the Park's different phases. It is responsible for area management within its own domain, namely to run the Science Park and its other assets commercially.

TEXT BOX 4-1: AN INTRODUCTORY GUIDE TO ADVISORY AND STATUTORY BODIES IN HONG KONG

INTRODUCTION

Hong Kong has a host of advisory and statutory bodies (ASBs) that are set up to complement the Government in its policy-making and policy-implementation functions. In general, ASBs are bodies that have been given a particular mandate and, sometimes, authority, to undertake a function on the Government's behalf. In most cases, the operation of these bodies is separated from that of the Government so as to instil a degree of autonomy, objectivity and flexibility, although the Government usually maintains a certain level of involvement in order to ensure the body operates in accordance with the Government's directions.

In the context of Hong Kong, ASBs can either be set up by enabling legislation or by administrative means, for example by appointment by the Chief Executive. Those that have a status in law are further defined as statutory bodies; those without are regarded as non-statutory bodies. All statutory bodies are established as a corporate body irrespective of the functions they undertake. The enabling legislation prescribes the remit, power, responsibilities and resources to be conferred and that determine the function of the ASB. Non-statutory bodies do not have a founding ordinance, therefore they are mainly advisory in nature.

FUNDING

Unlike standard government bureaux and departments, ASBs are not meant to be funded by annual appropriations from Government. They are usually given a capital lump-sum on establishment, most often in the form of an equity injection or a capital endowment depending on the type of ASB.

ASBs are normally required to become self-financing through generating their own revenue streams. Hence, they usually charge for the services they offer, although the degree to which the revenue can cover the expenditure varies. An exception to the rule is the Hospital Authority which receives 90% of its annual funding from government subventions; the URA is also entitled to subventions.

The power to borrow is commonly written into ASB enabling legislation. The most basic type of borrowing is to borrow from the Government. Almost all of the ASBs covered by the case studies are permitted to exercise this right but subject to the approval of the Financial Secretary. ASBs such as AAHK and the URA are able to raise debt from sources other than the Government and both have earned credit ratings from Standard and Poor. In regards to other financial arrangements, provisions can be designed to permit the ASB to invest in surplus funds, to hedge its financial risks, to establish funds and to set up subsidiaries.

LAND HOLDING

All ASBs can hold land. Most of the land allocated to the ASBs covered in the case studies was by way of land grant. Such land was granted to the ASBs by way of a private treaty land grant, usually with certain terms and conditions that are tailored to the policy objectives of the particular ASB. This also implies such terms and conditions determine the powers the ASB can exercise over that land. The power to sub-lease is one that is commonly conferred to ASBs, mainly for the purpose of revenue generation. The powers to acquire, disposed of and lease more land appear to be ones that are selectively granted to ASBs based on their specific functions.

All of HKSTPC's land is land granted to it by the Government. The terms of this grant allow HKSTPC to sub-lease land to relevant science and technology companies only. HKSTPC is financially autonomous, can hold funds and has its own independent, full-time staff.

West Kowloon Cultural District Authority

The West Kowloon Cultural District Authority (WKCDA) was set up in 2008 to take over the planning and delivery of the West Kowloon Cultural District (WKCD) project from Government. Its planning responsibilities include land-use planning and implementation planning and it is assuming both delivery and area management responsibilities as the project advances. WKCDA has its own independent, full-time staff to help it carry out these responsibilities. In the meantime, the Government has not made any formal announcement regarding the precise treatment of the land allocation to the WKCDA. However, Government is planning to vest the Retail, Dining and Entertainment (RDE) floor areas in the WKCDA to provide a steady stream of future income to underpin its ongoing financial sustainability. This income stream is in addition to the $21.6 billion endowment that the WKCDA has already received.

Urban Renewal Authority

The Urban Renewal Authority (URA) was set up in 2001, replacing the former Land Development Corporation, to implement the Government's 20-year comprehensive urban renewal program in a more efficient manner. It takes on land-use and implementation planning responsibilities to complement its mandate to redevelop rundown districts. It operates very similarly to a developer - it partners with private developers in the actual delivery of its redevelopment projects; for rehabilitation and revitalization projects which are relatively smaller in scale, delivery may be undertaken independently. Area management is out of the scope of the URA, however. The URA holds lands and is given the power to lease, purchase, acquire and resume land. The URA can hold its own funds and can spend funds as it wishes. In regards to staffing, it has its own independent, full-time staff.

Airport Authority

The Airport Authority Hong Kong (AAHK) was set up in 1995 to replace the Provisional Airport Authority to develop, operate and maintain the new Hong Kong International Airport (HKIA) at Chek Lap Kok. Its geographic remit is limited to the statutory boundaries of HKIA and its outreach ventures but its functional remit includes not only physical development but also a strong economic development focus.

AAHK has the full range of planning powers, excluding statutory planning. It is able to deliver projects independently and then manage these areas on a commercial basis as a result of its status as a public corporation.

In so far as the resources it was given are concerned, the airport site at Chek Lap Kok is grant land that AAHK can sub-lease or dispose of at will. The enabling legislation also empowers it to acquire extra land. Financially, the AAHK is financially autonomous and can spend funds as it wishes. It also has its own independent, full-time staff.

TEXT BOX 4-2: HOSPITAL AUTHORITY IN HONG KONG

The Hospital Authority is a statutory body with a large budget, predominantly financed through government subventions. The Authority plays an integral role in Hong Kong's healthcare system, owning and managing over 40 public health institutions and providing over 90% of the hospital beds in Hong Kong.

Under the current system, health care services, in particular primary health care services, are provided by institutions of the Authority at a heavily subsidised rate. To maintain that system, the Government finances over 90% of the HA's annual budget through subventions. In the financial year 2009-2010, the Government subvention amounted to $32 billion.

The Government makes both recurrent subvention and capital subventions to the Authority. The former covers annual operational costs, whilst the latter goes to paying for capital expenditure on furniture, fixtures, equipment, motor vehicles, computer hardware, software and systems. The remaining portion of the Authority's income comes from hospital and clinical charges, donations, income from renting out hospital walls as advertising spaces, and other investments. If the Authority requires additional finances, the Hospital Authority Ordinance (Cap. 113) provides that it can borrow by way of overdraft.

4.4 Comparison of Local and International Experience

Table 4-1 below provides a summary of how international and local experience compares in terms of the structure of relevant authorities and harbour bodies. The table adopts the three tier framework developed in Section 2 with options for each key component presented on a different row. This means that in general, options towards the top of each component row are more high powered that those towards the bottom. It is interesting to note that the Hong Kong examples appear to be broadly just as powerful as the international examples in terms of their responsibilities, albeit perhaps operating within a narrower remit and, in certain cases, with fewer resources at their disposal.

4.4.1 Comparison of Remits

Of the international case studies, SURA and BRA have a wide geographical remit that includes most of the city while WT and SHFA have a specific harbour remit, spanning both land and water. It is interesting that although WT's remit covers the entire harbour, it is only given powers on a precinct by precinct basis once its plans for that precinct have been approved. Authorities in Hong Kong tend to be more focused on a particular geographic area, although URA and HA are notable exceptions.

All the case studies, both local and international, have a function remit that includes physical development. The more high-powered international examples also take on wider functional remits, for example including economic and heritage responsibilities. Economic development remits can also be found in the local examples but tend to be tightly defined to the development of a single sector rather than to the development of Hong Kong's economy as a whole. HA and WKCDA also has a community development remit and the URA takes on some environmental and heritage conservation work, although this latter component is starting to be taken on by DevB instead.

4.4.2 Comparison of Responsibilities

Planning and delivery tends to be the focus of the international case studies, with less emphasis on area management. This is less true of the local case studies where area management tends to be a by-product of handing over a tightly-defined geographic remit to the authority in question.

In terms of planning responsibilities, land-use and implementation planning responsibilities are common across all local and international examples. Of the international examples, the BRA and SURA have additional statutory powers and strategic planning responsibilities. Statutory planning is undertaken by the Town Planning Board in Hong Kong, never by an independent statutory authority. A couple of the local examples do undertake strategic planning, but again this tends to be single sector focused.

All case studies show significant delivery responsibilities, including the power to act as a developer, except HA which delivers through HD. Area management responsibilities vary according to the strategic body's focus for the international case studies and its geographic focus for the local case studies.

4.4.3 Comparison of Resources

All the local and international authorities are reasonably well resourced, with the possible exception of WT which obtains financial resources by submitting business cases to the relevant Government authorities, thereby providing a system of checks and balances. Each of the local case study authorities has a large degree of financial autonomy, although the Hospital Authority is an example of a body with a large budget financed primarily through Government subventions.

The main distinction between the local and international examples is when it comes to land holding. All local and international examples hold land but the international examples then appear to have generally greater powers to use that land as they wish to generate revenue. Where Hong Kong authorities have a tightly defined geographic remit, their powers to resume, buy and sell land tend to be limited, with the exception of the Airport Authority given its more commercial orientation. All employ a dedicated full-time staff, except the HA which relies on HD for secretarial staff.

Table 4-1: Summary of How International and Local Case Study Authorities Compare with respect to the 3Rs

		International				Local				
		Singapore (URA)	Toronto (WT)	Boston (BRA)	Sydney (SHFA)	Hong Kong (AAHK)	Hong Kong (HKSTPC)	Hong Kong (URA)	Hong Kong (WKCDA)	Hong Kong (HA)
Remit	**Geographic Remit**	City wide	Harbour wide	City wide	Limited geographical area(s) within harbour	Limited geographical area(s)	Limited geographical area(s)	City wide	Limited geographical area(s)	City wide
	Functional Remit	Physical development	Physical development / Environmental	Economic / Community / Physical development	Economic / Physical development / Heritage Conservation	Economic / Physical development	Economic / Physical development	Physical development / Environmental / Heritage Conservation	Community / Physical development	Community / Physical development
		Heritage Conservation								
Responsibilities	**Planning**	Statutory Planning / Strategic Planning / Land-use Planning / Implementation Planning	Land-use Planning / Implementation Planning	Statutory Planning / Strategic Planning / Land-use Planning / Implementation Planning	Land-use Planning / Implementation Planning	Strategic Planning / Land-use Planning / Implementation Planning	Strategic Planning / Land-use Planning / Implementation Planning	Land-use Planning / Implementation Planning	Land-use Planning / Implementation Planning	Strategic Planning / Land-use Planning / Implementation Planning
	Delivery	Acts as a developer	Acts as a developer	Acts as a developer / Can set incentives for others to deliver	Acts as a developer	Acts as a developer / Joins other parties to deliver	Acts as a developer / Joins other parties to deliver	Acts as a developer / Joins other parties to deliver	Acts as a developer / Joins other parties to deliver	Asks other parties to deliver

		International					Local				
		Singapore (URA)	Toronto (WT)	Boston (BRA)	Sydney (SHFA)		Hong Kong (AAHK)	Hong Kong (HKSTPC)	Hong Kong (URA)	Hong Kong (WKCDA)	Hong Kong (HA)
Responsibilities (cont.)	**Area Management**	Acts as manager			Acts as manager		Acts as manager	Acts as manager		Acts as manager	
							Joins with other parties to manage				
		Asks other parties to manage	Asks other parties to manage						Asks other parties to manage		Asks other parties to manage
											Advises on management
				Monitors area management							
Resources	**Land Holding**	Owns public land	Owns public land	Owns public land	Owns public land		Owns public land	Owns public land	Owns public land	Owns public land	Owns public land
				Can resume land	Can resume land				Can resume land		
		Can buy / sell land	Can buy / sell land	Can buy / sell land	Can buy / sell land		Can buy / sell land		Can buy / sell land		Can buy / sell land
		Can lease / sub-lease land to others	Can lease / sub-lease land to others	Can lease / sub-lease land to others	Can lease / sub-lease land to others		Can lease / sub-lease land to others	Can lease / sub-lease land to others	Can lease / sub-lease land to others	Can lease / sub-lease land to others	Can lease / sub-lease land to others
	Funding	Can hold funds		Can hold funds	Can hold funds		Can hold funds	Can hold funds	Can hold funds	Can hold funds	Can hold funds
		Financially autonomous		Financially autonomous	Financially autonomous		Financially autonomous	Financially autonomous	Financially autonomous	Financially autonomous	Financially autonomous
		Can spend funds as wishes		Can spend funds as wishes	Can spend funds as wishes		Can spend funds as wishes	Can spend funds as wishes	Can spend funds as wishes	Can spend funds as wishes	
			Can request that Government fund projects	Can request that Government fund projects							Can request that Government fund projects
	Staffing	Has own independent, full-time staff	Has own independent, full-time staff	Has own independent, full-time staff	Has own independent, full-time staff		Has own independent, full-time staff	Has own independent, full-time staff	Has own independent, full-time staff	Has own independent, full-time staff	
											Does not have own staff, relies on HD to provide

4.5   Guiding Principles

The analysis of international and local case studies shows that the remit, responsibility and resources available to a harbour authority necessarily depends on the political, financial and institutional context within which the body operates. The applicability of international and local experience to the Victoria Harbour context in terms of these 3Rs is the focus of the next section.

It is worth noting at this juncture that a debate about the form of a harbour authority will necessarily be guided by the philosophy of the decision makers of the day. It is possible here to identify some questions on which decision makers would need to come to a view, in order to set the over-riding guiding principles according to which a harbour authority would operate, for example:

- 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 a harbour authority be made accountable for its decisions?
- Directiveness: should a harbour 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 a harbour authority be able to prevent third party actions that run counter to the Vision?

Views on these questions will be crucial in setting the terms of the debate as to the appropriate remit, responsibility and resources of a harbour authority.

5 KEY ISSUES FOR ESTABLISHING A HARBOUR AUTHORITY IN THE HONG KONG CONTEXT

5.1 Introduction

As noted by the HC's Chair and Vice Chair during the HC's May 11 debate, and by Mr Suen, the then Secretary for Housing, Planning and Lands when the non-binding harbour authority motion was first dismissed by LegCo in 2006, the applicability of various possible authority structures and components to Hong Kong needs to be viewed in the light of the unique circumstances of Hong Kong's Victoria Harbour. This section highlights certain key issues that need to be considered when discussing the creation of a harbour authority in the Hong Kong context.

5.2 The Physical Context

5.2.1 The Scale of Victoria Harbour

Victoria Harbour has a statutory boundary as defined in Schedule 3 of the Interpretation and General Clauses Ordinance (Cap.1). This boundary is defined as:

"On the east – A straight line drawn from the westernmost extremity of Siu Chau Wan Point to the westernmost extremity of Ah Kung Ngam Point (sometimes known as Kung Am). On the west – A straight line drawn from the westernmost point of Island of Hong Kong to the westernmost point of Green Island, thence a straight line drawn from the western point of Green Island to the south-eastern most point of Tsing Yi, thence along the eastern and northern coast lines of Tsing Yi to the westernmost extremity of Tsing Yi and thence a straight line drawn true north therefrom to the mainland."

According to this definition, Victoria Harbour's waterfront is some 73km long, split 25-75 between Hong Kong Island and Kowloon and the New Territories.

Table 5-1: The Length of Victoria Harbour's Waterfront

	Frontage (km)	Percentage (%)
Hong Kong side of Victoria Harbour	18.2	25%
Kowloon & New Territories side of Victoria Harbour	54.9	75%
Total	73.1	100%

Source: HBF Harbour Database

It is worth noting that while the eastern and western edges of Victoria Harbour are defined by this Ordinance, the definition of 'harbourfront' land has no such official definition. The HEC therefore came up with its own definition when developing its Harbour Planning Guidelines. HEC's suggestion was that harbourfront land be defined as "the land between the harbour up to and including the first major road that segregates the hinterland from the harbourfront". Figure 5-1 opposite shows both the statutory boundary and the HEC's definition of harbourfront land.

The scale of Victoria Harbour raises a number of issues for the creation of a potential harbour authority:

- At some 73km in length, handing over authority for the whole of Victoria Harbour's harbourfront to a harbour authority would require the authority to be highly resourced, both in terms of funds and manpower, to deal with all the issues that may arise

- ▪ The official limits of Victoria Harbour exclude areas that may be of considerable relevance to a harbour strategic plan, including for example Chai Wan. Should such areas be included in a harbour authority's remit, despite lying outside the official harbour boundaries?

- ▪ If the authority is to be given land around the harbourfront or some say over this land, where should the boundary of that land be drawn? At some points, going back to the first major road means a few hundred metres. At others, the road lies right on the water's edge, sometimes over the water itself

Figure 5-1: The Statutory Boundary of Victoria Harbour
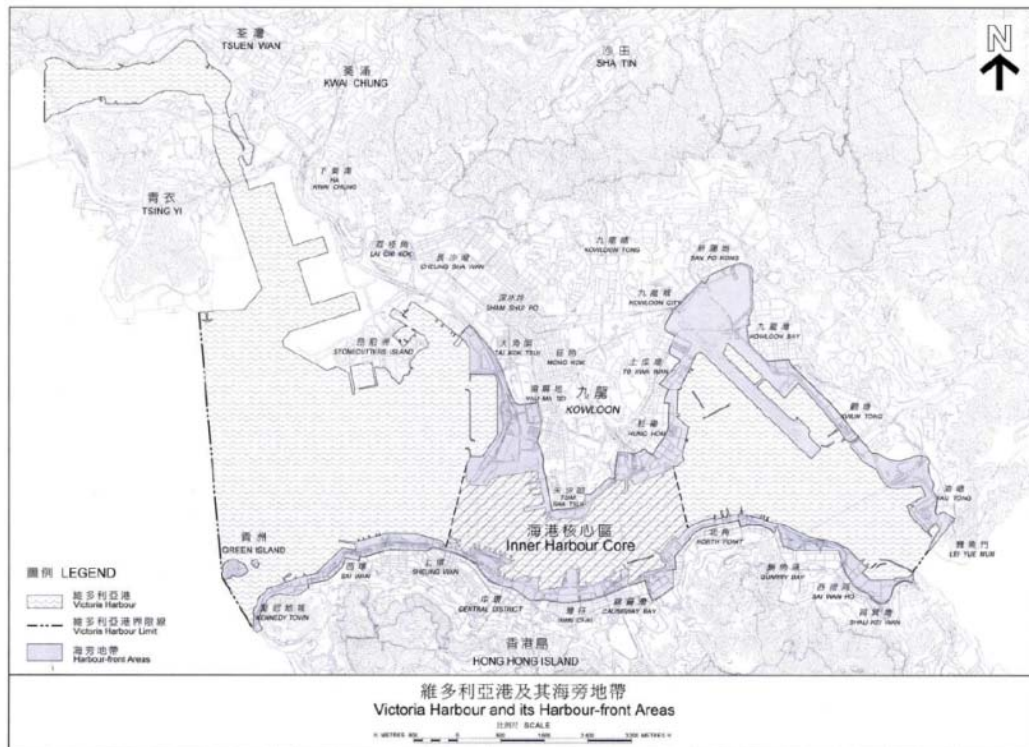
Source: HEC, TGMMH, Recommendation Report on Management Model for the Harbourfront

5.2.2   *The Lack of Vacant Land*

A common issue with applying international examples to Hong Kong is that many international authorities were born out of the need to revitalise run-down docklands or under-utilised areas. Hong Kong's development density makes for a stark contrast. According to the HBF Harbour Database [6], just 3.3km of Victoria Harbour's waterfront is currently vacant or unused [7] with a further 10.9km currently undergoing development. Once these developments are completed, there will almost no vacant land around the harbour should a new harbour authority wish to develop new projects. Issues arising out of this lack of vacant land include:

- ▪ If a harbour authority is to have a say in existing projects then it will need to be in place and operational in the very near future

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[6] See the HBF-created website, www.victoriaharbour.hk, and HBF, 2011, *Victoria Harbour as a Harbour: The Importance of Integrated Land-Water Planning*

[7] Vacant/unused land refers mostly to waterfront areas declared as vacant lots. This includes items like demolished shipyards, Kowloon city vehicular ferry pier and bridge structures; but excludes roads, temporary car parks, and PCWAs.

- If there is no land available to deliver projects then maybe more weighting should be given to handing the authority area management powers over delivery powers
- Once existing developments are completed, approaching half of all of Hong Kong's harbourfront will be used for recreation and open space. If the authority is to be given area management responsibilities for this public realm then it will require considerable resources to fund site upkeep and maintenance, as well as funds to proactively manage and animate areas
- There is a general consensus that Victoria Harbour will still be some way short of maximizing its potential, even when the current developments are complete. To that end, if an authority is to deliver further change and improvement, strategic planning responsibilities will be necessary to identify under-utilised sites as well as means of relocating existing inappropriate uses. Overcoming existing inappropriate uses that form barriers along the harbourfront will be particularly necessary if harbourfront connectivity and accessibility is to be improved

5.2.3 *Water-Uses around Victoria Harbour*

While the Harbourfront Enhancement Committee and the Harbourfront Commission were officially limited in their remit to the harbourfront, the HC has recognised the importance of the land-water interface and has set up a fourth Task Force to deal with necessary matters of integration. If a harbour authority were to be given control of Victoria Harbour's waters as well as its waterfront land then this, too, would have implications, for example:

- Including all the water in a harbour authority's remit would also give it responsibility for Hong Kong Port. While international harbour authorities have tended to evolve out of port authorities, Hong Kong has no such comparable authority – Marine Department's remit is focused on marine safety rather than port operations as such - and port operators and users are likely to have reservations about any third party involvement in their day to day activities
- If the 'port' is not to be included, then what about other water bodies around the harbour that provide port-related services, such as the PCWAs and management of the main fairway and key anchorage and bunkering areas?

5.3 The Institutional and Administrative Context

5.3.1 *Governance Arrangements*

As Ms Carrie Lam noted in the most recent LegCo debate, one rationale for the creation of a harbour authority is the "difficulty in managing public assets [such as the harbourfront] with different bureaux and departments". The lack of a responsible, overarching body was a key conclusion of HBF's Integrated Harbour Vision and Delivery Plan study, and was reiterated in the TGMMH Final Report:

"There is no single department within Government that has an overall mandate for the management of all harbourfront areas and facilities in an integrated and coordinated way."[8]

However, the creation of a harbour authority to unify harbourfront planning, delivery and management behind a single vision and goal will be controversial and many

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[8] HEC TGMMH, 2010, Recommendation Report on Management Model for the Harbourfront, paragraph 3.2.

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existing bureaux and departments may object to their reduced influence. Any harbour authority will need to create a forum for open debate on appropriate land and water uses, and offer all stakeholders, including Government bureaux and departments, the right to voice their views. In the absence of a clear project appraisal framework in Hong Kong to weigh competing projects, a harbour authority would need to be strong to resist the considerable pressures that it would likely face.

5.3.2   *Planning, Delivery and Management Systems*

A key finding of HBF's Integrated Harbour Vision and Delivery Plan study was that a new overarching body alone would not be sufficient to resolve all the underlying issues affecting Victoria Harbour. Wider reforms are needed as well, in particular to Hong Kong's planning and delivery systems. In the context of the possible creation of a harbour authority, the issues here include:

- There is no strategic plan for the harbour. Planning is instead done on an area by area basis using Outline Zoning Plans (OZP). These plans are approved by the Town Planning Board via Hong Kong's statutory planning processes. It would be unprecedented for an authority in Hong Kong to take over these statutory planning powers around the harbour, and this would raise questions over impartiality. However, precedents do exist in other countries (BRA and SURA). What seems clear is that there would need to be some way for the authority to provide input into OZP development and approval as part of its planning and urban design responsibilities. Without this input, it would be powerless to control the development of land around the harbour. Moreover, the structure of OZPs themselves requires review so as to prevent unintended use outcomes

- Delivery has long been a major problem in Hong Kong. Land uses that are considered inappropriate given their unique waterfront settings can still be found around Victoria Harbour. A harbour authority in Hong Kong would need to be able to relocate these uses and then ensure that any vacant sites arising are developed in a timely and public-orientated manner. This latter point suggests that an authority may need some say over land disposal arrangements

- Handing strong delivery powers to a harbour authority would make it difficult for the body to be fully financially autonomous. Given the high cost of capital works, it would likely need to apply for funding from the Public Works Sub-Committee on a project by project basis, thereby subjecting plans to LegCo sign-off.

- Hong Kong lacks truly vibrant public open spaces, particularly around its harbourfront. There is a realisation that much of this lies in the Government's interpretation of the Pleasure Grounds Regulation, part of the Public Health and Municipal Services Ordinance, as well as a failure to integrate open space with appropriately-scaled commercial activities. As a result, there has been a recent push to involve the private sector more in the management of public open space. However, there is also a concern about using public funds to pay the private sector for these services. An independent authority could potentially overcome this resistance but would need to be well funded if it is to take on these management responsibilities for the public realm, as noted previously

5.3.3   *The Importance of Appreciating Land Holding Issues in Hong Kong*

Land administration in Hong Kong is established upon a leasehold tenure system. Under this system, the Government holds the superior ownership of all land within

the HKSAR with the only exception of the site of St. John's Cathedral. Put differently, virtually all land in Hong Kong is leased or otherwise held from the Government. As of now, land leases are normally granted at a premium for a term of 50 years and are subject to the payment of an annual Government rent. In fact, this uniform arrangement was not enforced until 1 July, 1997; leases that took effect before 1997 have periods varying from 75, 99 to 999 years with or without the right of renewal. At present, there are two main ways in which the Government can dispose of its land. One way is to sell the lease via the Government's land sales programme or via tender; the other is to grant the land directly, usually to its statutory bodies.

Land earmarked for meeting specific policy objectives is usually allocated by way of a private treaty grant. This mode of allocation is also known as a direct grant. Land granted using this approach is usually used for building schools, hospitals, power stations, public housing or even certain commercial structures such as the Science Park and properties alongside railway development. Normally, a nominal/ concessionary premium will be charged if the land is used for non-profit making purposes but a full market premium if commercial operations are involved. In some situations, the disposition process continues after a certain land parcel is granted to, for instance, an authority. Land can be further allocated by way of a tender process through which the authority vests the land title in another party, usually along with the development and operating rights of the proposed establishments. The Home Ownership Scheme (HOS) flats built under the Private Sector Participation Scheme fall under this category.

The Government has also an Abbreviated Tender System whereby un-leased government land that is not immediately required for development can be released for temporary use through the issuance of Short-Term Tenancies (STTs). STTs are normally tendered for periods of 1-3 years, although a term of up to 7 years is permissible. They are most common amongst applicants who wish to use the land for open car parks, storage spaces, plant nurseries and other activities which do not require large structures. In terms of the granting of STTs, the tender system is applied to land that is to be used for commercial purposes with the highest bidder taking on the site. If the land is of no commercial interest, the Government can grant the STT directly to the interested party. STTs are also issued to resolve unlawful occupation problems of Government land and to replace old land licenses which were issued in the past.

If the Government wishes to recover the possession of land that had been previously leased to a private owner, the government can use its statutory resumption power to compulsorily purchase land from the private owner(s) and other parties' interest in the land for the implementation of public projects such as road schemes, public housing development, schools etc. Under the current system, there is no standard process as to how the Government resumes land, especially on how the owners are compensated. Depending on the purpose of the project, the Government shall follow the resumption proceedings instituted under the provisions of the relevant corresponding ordinance(s). The Lands Resumption Ordinance (Cap 124), the Roads (Works, Use and Compensation) Ordinance (Cap 370) and the Urban Renewal Authority Ordinance (Cap 563) are examples of such ordinances. If the guidance given by these ordinances is inadequate in leading to a mutually-agreeable compensation arrangement in a land resumption event, the matter will then be referred to the Lands Tribunal for adjudication.

Land exchange is another way in which the Government can take back private land but it will only be used under limited circumstances. It is also known as 'surrender

and re-grant', which means the Government granting developable public land to a landowner in exchange for the surrender of his land.

With direct reference to the possible creation of a harbour authority, local precedence is for authorities to be granted land or some degree of control over land to deliver its responsibilities. Possible means of doing this could include the Government vesting the land occupied by the various Bureaux/Departments in the harbour authority and granting the authority currently unoccupied government lands, such as STT sites.

6 CONCLUSION AND NEXT STEPS

6.1 Conclusion

This Information Paper seeks objectively and impartially to assist HC Members in better understanding the issues that would be involved in the establishment of a statutory harbour authority in Hong Kong. We trust it will raise awareness of the wide range of factors that need to be considered.

This Paper has proposed a framework for considering alternative possible harbour authority forms; it has described the history of the harbour authority debate in Hong Kong; it has analysed relevant local and international experience in the establishment of analogous authorities; and finally it has highlighted the key issues that should be taken into consideration in debate about alternative structures. HBF hopes that this Paper will be studied in depth by HC Members then debated at forthcoming meetings.

Section 6.2 below proposes a possible framework for the initial debate, which will need HC Members to reach a broad agreement on the key components of a harbour authority in Hong Kong and the extent to which such a body should be a high-powered institution or otherwise. Once this agreement has been reached, more detailed study of the administrative, legal and financial ramifications will be necessary so that a practical and implementable harbour authority structure can be identified.

6.2 Immediate Next Steps: A Framework for the Upcoming HC Debates

HBF recognises that achieving consensus is difficult in situations which require a balance to be reached between a range of principles and aspirations. Therefore, in order to secure majority support for the establishment of a meaningful harbour authority, decisions will need to be reached in a number of key areas – some of which may be seen as having positive attributes by some but by others as having negative connotations. The issues are contentious and the debate will not be an easy one to manage. To that end, the framework suggested in Figure 6-1 on the following page may be of use.

The proposed framework suggests that the debate should proceed in four steps, starting with the guiding principles for operation of a harbour authority then moving on to each of the 3Rs in turn: Remit, Responsibility, Resources. This structure mirrors the harbour authority framework established in Section 2 for analysing alternative harbour authority forms, and highlights a number of considerations to be borne in mind at each stage, particularly the recognition that needs to be accorded to other legitimate interests. It is hoped that this framework will allow for an informed, structured and practical debate of the possible forms of harbour authority that might be appropriate for Hong Kong.

Figure 6-1: A Framework for a Harbour Authority Debate

Steps in the Process	Key Considerations
Step 1: Set the Guiding Principles Determine the Guidling Principles according to which the overaching body would operate	• Guiding Principles set the overall tone for t he responsible body • To what extent should the body be independent? • To whom should the body be accountable and to what extent?
Step 2: Review the Body's Remit What geographic remit should the body be given authority over? What functional remit should the body be given authority over?	• The greater the geographic remit the greater the body's ability to deliver consistent plans for the harbour as a whole • The greater the functional remit the greater the body's ability to deliver a working, vibrant harbour • The greater the body's remit the greater the resource requirements and more existing bodies would be affected
Step 3: Review the Body's Responsibilities Should the body be given responsibility for planning? Should the body be given responsibility for delivery? Should the body be given responsibility for area management?	• To what extent should the body have ultimate responsibility for these components? • Should its powers be broadly consistent across all three components or focus on just one or two? • The greater its powers the more the body can achieve itself without having to rely on others • Checks and balances still likely to be required • The greater the body's responsibility the greater the resource requirements and more existing bodies would be affected
Step 4: Review the Body's Resources Should the body be provided with any land to help it deliver its responsibilities? Should the body be provided with any funding to help it deliver its responsibilities? Should the body be provided with its own staff?	• Resources provide the all-important means for the body to deliver its responsibilities • Some responsibilities and remits will be mo re resource-intensive than others • Land-holding will be a very sensitive issue • Requring the body to apply for public funding could provide checks and balances but would also impair indepedence • Securing annnual public funding could be difficult given the dichotomy between capit al and recurrent funding in Government

Appendix 1: Definitions of Key Harbour Authority Options

		Definition
Geographic Remit	City wide	A geographical remit that extends beyond just the harbour areas to cover other/all parts of the city in question as well
	Harbour wide (Land and Water)	A geographical remit that only covers the area around the harbour, including the actual water
	Harbour wide (Land)	A geographical remit that only covers the area around the harbour, but excludes the actual water
	Limited Geographical Area(s) within the Harbour	A geographical remit that is restricted to specific areas around the harbour, not the entirety of the harbour
Functional Remit	Economic, including / excluding port	A functional remit that has a strong focus on economic development, inclusive/exclusive of port management
	Community	A functional remit that includes responsibility for improving the social well-being of the community, for example, training and skills or jobs creation programmes
	Physical development	A functional remit that entails responsibility for area, site, infrastructure and/or facility development
	Environmental	A functional remit that includes environmental protection/improvement and/or ecological conservation
	Heritage Conservation	A functional remit that includes protecting / restoring / promoting tangible / intangible cultural and/or heritage assets
Planning	Statutory Planning	The determination of permissible development parameters for sites, as well as development control responsibilities to grant or deny planning permission for development to commence
	Strategic Planning	Multi-sector planning for a wide area that determines the existing physical, economic and social conditions and sets out what should be done where, how, by whom and why in order to deliver a certain vision. A strategic plan normally outlines the goals, objectives and priorities for the area in question and the probable strategic and resource implications of attaining these goals.
	Land-Use Planning	Spatial planning on a smaller scale that shows land-uses and infrastructure layouts in accordance with the relevant statutory plan
	Implementation Planning	The laying out of a implementation schedules and allocation of responsibilities for effective delivery of specific projects
Delivery	Can deliver projects independently	Can commission contractors or other private sector parties directly for the delivery of works (and pay this party directly)
	Joins with other parties to deliver	Can partner with other bodies to commission contractors or other private sector parties for the delivery of works
	Can set incentives for others to deliver	Can commission contractors or other private sector parties directly for the delivery of works, and create incentives to induce private sector participation, such as tax breaks and/or reduced land premiums
	Asks other parties to deliver	Cannot commission projects itself but can ask others (government agencies for example) to deliver projects on its behalf, although this means the project falls subject to the other party's priorities, capacity and resources to deliver. In particular, the project would need to be delivered using funding from the other party with no financial assistance from the harbour authority

		Definition
	Advises on delivery	Has no ultimate responsibility for delivery but can provide advice to the delivery agent (government agencies for example)
	Monitors delivery progress	Has no ultimate responsibility for delivery and can only monitor progress
Area Management	Can manage areas independently	Responsible for area management and maintenance, either directly or through the commissioning of management agents
	Joins with other parties to manage	Can partner with others to undertake area management and maintenance, including marketing and branding
	Can set incentives for others to manage	Can create incentives for others to undertake area management and maintenance, including marketing and branding
	Asks other parties to manage	Cannot manage areas itself but can ask others (government agencies for example) to do so, although this means the quality is subject to the other party's priorities, capacity and resources. In particular, the area would have to be managed using funding from the other party with no financial assistance from the harbour authority
	Responsible for programming	Responsible for working with the management agent to develop and programme events, marketing activities and branding
	Advises on management	Has no ultimate responsibility for area management and maintenance but can provide advice to the management agent (government agencies for example)
	Monitors area management	Has no ultimate responsibility for area management and maintenance and can only monitor agent performance
Land Holding	Holds public land	Can hold public land by secure tenure, either through public land grant, vested land or purchase of land from Government and/or private land-owners
	Can resume land	Has resumption powers to compulsory purchase private land for a public purpose
	Can buy / sell land	Can buy / sell land it owns at its own discretion
	Can lease / sub-lease land to others	Rather than sell land, it can lease or sub-lease land to other parties
	Can direct Government land policy	Cannot resume / buy / sell / lease land itself but can direct Lands Department to do so on its behalf
	Can veto Government land policy	Cannot direct Government land policy but can stop Government from using its lands in a manner that contravenes the harbour vision
	Can advise on Government land policy	Cannot direct or veto Government land policy and can only provide advice to the land agent
Financial Independence	Can hold funds	Can hold its own funds
	Financially autonomous	Can fund its operating and capital expenses out of its own resources without recourse to further funding from Government
	Can spend funds as it wishes	Can spend funds at its own discretion without Government approval
	Can spend funds subject to Government approval	Can spend funds at its own discretion, subject to Government approval for either major items or on an annual basis
	Can request that Government fund projects	Cannot hold its own funds but can request that Government provide capital and / or recurrent funding for specific projects / programmes
Staffing	Has own independent, full-time staff	Has its own independent, full-time staff
	Has own staff but on secondment	Has its own staff but officially on secondment from other bodies, predominantly Government agencies

		Definition
	Does not have own staff so has to rely on others to provide executive and secretariat services	Does not have own staff so has to rely on others to provide executive and secretariat services

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Appendix 2: Local and International Case Studies

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BOSTON - BOSTON REDEVELOPMENT AUTHORITY

1.1 Introduction and Context

Study Context	In 1957, the Boston Redevelopment Authority (BRA) was established by the Boston City Council and the Massachusetts Legislature to oversee the design and implementation of Boston's urban renewal plans. BRA assumed the development powers previously held by the Boston Housing Authority and expanded them beyond public housing. In 1960, the City Planning Board was abolished and its powers were transferred to the BRA. Subsequently, it became the planning and economic development agency of the City of Boston.
Legal Status of the Body in Question	Public (Statutory) Body Enabling legislation: the Massachusetts General Laws, chapter 121B, section 4 in 1957 and Chapter 652, section 12
Vision, Mission and Objective	Objective: "To enable Boston to generate innovative and sustainable plans that allow the City's neighbourhoods and residents to flourish through the BRA's comprehensive approach to planning, economic development and workforce development." Mission: "In partnership with communities, the BRA plans Boston's future while respecting its past. We prepare our residents for new opportunities through training, human service and job creation. The BRA guides physical, social and economic change in Boston's neighbourhoods and its downtown to shape a more prosperous, sustainable and beautiful city for all."

Organisational Structure

The BRA is governed by a five-member board. Four members are appointed by the Mayor and one member by the Director of the Massachusetts Department of Housing and Community Development. Within the Board, three members will be appointed to be the Chairman, Vice Chairman and Treasurer.

The Board oversees the development review process, advises on the major construction and redevelopment activities in the City and makes recommendations to the Board of Appeal on applications for zoning relief. The Act requires the Board to decide on the final determinations of the large project proposals which have successfully gone through the Large Project Review, the Planned Development Area Review, and the Institutional Master Plan Review.

The BRA comprises seven divisions: Office of the General Counsel, Executive Director/Secretary's Office, Economic Development, Administration and Finance, Jobs and Community Services, Planning and Research.

Interaction with Existing Bodies

The BRA is positioned under the Economic Development Department, as a planning and development arm of the City government. Although it operates within the structure of the city government, it does so with a considerable degree of independence. Part of its independence comes from the fact that the BRA is a powerful planning unit. It is charged by Article 80 of the Zoning Code to review all development applications submitted to the city government. The

BRA is the principal point of contact, as well as the first line of screening, in the development review process. It reviews all applications for variances, conditional use permits and zoning changes and makes recommendations to the Zoning Commission and the Board of Appeal for zoning amendments and applications for zoning relief. The other part comes from its authority to acquire, resume, lease, sell and dispose of land at its discretion, and also its authority to give out tax incentives.

The BRA puts a heavy emphasis on collaboration between government departments and agencies (e.g. the Massachusetts Turnpike Authority and the Boston Redevelopment Authority), close partnerships with the private sector and civic organisations (e.g. the Boston Harbour Association and Save the Harbour), and participation of neighbourhood residents in many of its undertakings.

Accountability

The BRA has been heavily criticised for its lack of accountability to the city council. It appears that the city council's involvement in the BRA activities is mainly confined to the mayor's appointment of the Board. Apart from that it looks as if the city council is sidelined throughout the entire urban renewal process. In principle, the Zoning Commission is responsible for amending the statutory zoning code and review zoning relief applications. However, the reality is that the BRA is the staff and the legal advisor of the City's Zoning Commission, hence there is little difficulty for the BRA to influence the city's zoning decisions. The planning and development powers and the land ownership combined make the BRA powerful enough to circumvent the city council in the development decisions it makes.

In terms of performance pledges, publicly available key performance indicators are absent, though the details of all project undertakings can be readily seen on its website.

1.2 Remit

Geographical Remit	City wide
Functional Remit	Economic excluding Port, community, physical development

1.3 Responsibilities

Planning

The BRA has strong planning powers. It is vested with a range of planning responsibilities, stretching from statutory planning, to strategic planning, land-use planning and to implementation planning. It is the agency responsible for city-wide planning and development control in Boston.

Statutory planning refers to enforcing development control regulations across the City. All proposed development projects have to be submitted to the BRA for its review and endorsement. Internally, the approval mechanism is structured into two tiers. Staff below board level can only give approval to small-medium sized projects whilst the Board of the BRA, over which the Mayor has considerable influence, has the final say on large-scale projects. In Boston, there is a set of procedures and guidelines written into the Zoning Code - Article 80 of the Zoning Code - governing who takes the responsibility of reviewing and approval which project and how and against what each project is examined. Apart from that, the BRA can also make recommendations to the Zoning Commission – Boston's statutory authority that amends zoning parameters – for zoning amendments and zoning relief.

Strategic planning is largely the responsibility of the BRA's Economic Development Division which plans, coordinates and manages activities, for example large-scale development projects, and tools, for example tax concession measures, that are conducive to Boston's economic growth and development. The BRA also has its in-house research division that supports its planning work but more importantly ensures planning is in line with its economic

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goals.

Land-use planning functions of the BRA encompass planning, zoning and urban design work. As regards harbour planning, the BRA is responsible for formulating Boston's Municipal Harbour Plan (MHP). The MHP is a regulatory planning framework that guides all physical development on and around the harbour. In Massachusetts, the state law, specifically the Waterways Regulations, governs the development of waterfront areas across the state. However, the state government acknowledges that each harbour within Massachusetts has its unique characteristics and circumstances, allowing the state law, i.e. standards regarding use, height, site coverage and open space limitations, to be flexibly applied to waterfront development of the harbours across the state. Each city and town can produce its own waterfront development plan (i.e. Municipal Harbour Plan) but on condition that it must be consistent with the statewide policy. Now, one of the goals underpinning Boston's harbour plans is to ensure public access to the Boston Harbour.

Delivery

Actual physical development is usually carried out through the BRA orchestrating relevant government agencies, private developers and, perhaps, non-governmental organisations to deliver a project. Usually, projects are delivered in one of the following ways: (1) selling land to private developers for greenfield/ brownfield development; (2) collaborating with the private sector or other government agencies, such as the Public Works Department, in delivering projects. An example of this would be co-financing a project with the city government and the private sector; (3) contracting out projects to private developers. To foster public-private partnerships, the BRA is empowered to grant tax concessions to incentivise private developers to take part in the development of commercial and residential real estate in the city.

On community development, the BRA delivers many city service programs related to jobs, literacy and youth education through administering and allocating federal and state grants.

Area Management

It does not appear that area management is a principal responsibility of the BRA.

1.4   Resources

Land Holding

The BRA is a big landowner in downtown Boston, Charlestown and South Boston waterfront. It owns a considerable amount of waterfront real estate. The BRA has the power to take properties by compulsory purchase, purchase, lease, gift, bequest or grant, and hold, clear, repair, operate, dispose of land.

Funding

Funding for the Authority's daily operation is separate from that for individual projects. The city government does not fund the operating budget of the BRA but it injects capital into the BRA on a project-by-project basis. The Authority received significant initial funding when it was established in 1957 but has since had to rely on grant/contract income, contributions from the private sector, sales of property, and rental income, to cover its operational expenses. Borrowing is another channel for funds for the authority. The enabling legislation provides that the BRA can receive loans from any source, be it the public sector or private. It can also raise money using bonds, notes etc.

Staffing

The BRA is a well-established authority with its own in-house staff, which include urban planners, project managers, architects, and other professionals specialising in land use planning and economic development. All employees of BRA are municipal employees.

TORONTO –WATERFRONT TORONTO

1.1   Introduction and Context

Context	Driven by the intention to bid for the 2008 Olympics, the Toronto Waterfront Revitalisation Task Force was set up to plan and make recommendations on the development of the waterfront. The task force deemed that a revitalised waterfront would be of significant value to the city on many fronts and would enable the City to overcome many of the challenges that it was facing. Despite the fact that Canada failed in its bid, the local, provincial and national governments agreed to take the initiative forward. With a strong mandate to oversee the estimated US$17 billion redevelopment project, Waterfront Toronto (WT) – then named the Toronto Waterfront Revitalisation Corporation – was established in 2001 as a special purpose vehicle to lead the various levels of government, different government agencies, the private sector and other stakeholders involved in this initiative.
Legal Status of the Body in Question	Not-for-Profit Corporation Enabling Legislation: Toronto Waterfront Revitalisation Corporation Act, 2002
Vision, Mission and Objective	Vision: "To rethink, reimagine and redefine what the waterfront can be. The Corporation should work with the community, the public and private sector, ensuring that Toronto becomes the city where the world desires to live." Objectives: - "To implement a plan that enhances the economic, social and cultural value of the land in the designated waterfront area and creates an accessible and active waterfront for living, working and recreation, and to do so in a fiscally and environmentally responsible manner - To ensure the ongoing development in the designated waterfront area can continue in a financially self-sustaining manner - To promote and encourage the involvement of the private sector in the development of the designated waterfront area - To encourage public input into the development of the designated waterfront area"

Organisational Structure

Waterfront Toronto is governed by a three-tier governance structure. The Board of Directors comprises of a maximum of 13 members: up to four members from each of the three governments (the Government of Canada, Province of Ontario, and City of Toronto) and a chair who is jointly appointed by all three governments. There are also five committees established by the Board to assist them in specialised matters, including finance and audit, real estate, governance, human resources, and communications and marketing. At the

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management level, the CEO/president is supported by 6 vice presidents and 1 CFO.

Interaction with Existing Bodies

WT is an arm's length corporation operating outside the three levels of government. The governments can only exercise their interest, obligations and responsibility through their membership on the Board. As such, many of the major decisions, such as asset acquisitions, leasing etc., require the joint approval of the three levels of government. To facilitate delivery, a dedicated interface is established at each level of government. At the city level, the Toronto Waterfront Project Secretariat representing the City government monitors and advises the City Council on the business performance and fiscal requirements of WT, and coordinates all the relevant departments, agencies, commissions in delivering the initiative. At the provincial level, the Inter-Governmental and Economic Infrastructure Branch of the Ontario Ministry of Infrastructure is responsible for building consensus amongst the waterfront stakeholders. It works with federal entities and partners to produce waterfront plans. At the federal level, the Department of Finance injects funds into WT through its Toronto Waterfront Revitalisation Initiative, of which WT is the main eligible recipient.

The SPV is conducive to attracting private equity investment, too. The establishment of WT reflects the collective will of the federal, provincial and city government to bring a revitalised waterfront into fruition.

Accountability

The Corporation is accountable to the federal government, the provincial government and the city government. A Contribution Agreement was agreed between WT and the three levels of government at the outset. The Contribution Agreement is a legally binding agreement that requires WT to meet specific provisions, which are set to be consistent with federal and provincial policies, regarding planning, budgeting, reporting, audit and evaluation in order to ensure accountability and transparency. It is revised from time to time to keep up with the latest circumstances.

1.2   Remit

Geographical Remit	Lake–wide, including water
Functional Remit	Physical development, environmental

1.3   Responsibilities

Planning

WT is responsible for both planning and design of the waterfront only. It is responsible for land-use and implementation planning but not statutory and strategic planning. It prepares precinct plans which outline specific guidelines for development in the specific waterfront areas to dictate land use, building height, building design, street design etc. Every plan has to go through the Design Review Panel, an independent advisory board formed by WT, before planning applications are submitted to the city government. It also prepares the Development Plan and Business Strategy that addresses the design, financing and implementation for the next 30 year starting from 2002.

Delivery

WT coordinates making the plans into reality. Most of the waterfront revitalisation is private sector led. The usual way of delivery is the developers drawing up plans based on the precinct plan guidelines. WT will review these proposals and will selectively adopt them according to its internal priorities. Once a plan is given the green light, the Corporation will sell or lease out the particular tract of land to the private developer(s) to deliver. From then on, WT has to ensure projects are in compliance with the land transfer agreements and the

precinct plan guidelines. There are also instances where projects are contracted out to developers and construction firms purely for physical development.

Area Management

WT does not manage nor operate any developments upon completion. For structures built on public land, WT will return the developed land to the appropriate governments or agencies once construction is complete. All assets are supposed to be transferred back to the government once the 25-year mandate period is up. For instance, if the developed structures are turned back to the City of Toronto, the City Parks Department will take over operations and maintenance for that particular plot of land. For structures on land that are sold/let out, the responsibility of ongoing management and maintenance will be transferred to the respective private developer.

1.4 Resources

Land Holding

Land ownership in the mandated area is complex. 70% of the 800 hectares waterfront area is publicly owned, of which landownership is further split amongst the three governments and their agencies. The remaining 30% is privately owned land. For the waterfront area to be developed in a coherent manner, WT must be granted, at least, primary development control over the lands in the designated area.

To that end, agreements were made between WT and the three governments for public lands to be transferred to WT on a precinct-by-precinct basis after the approval of the precinct business case justification by the respective government(s). WT will neither put a value on these lands nor write any cost into its books to gain control over the redevelopment of public lands. Once construction is completed, WT will return the lands back to the appropriate government as per their instructions.

The Act confers WT the power to buy, sell, lease and redistribute land. Not only does the power to acquire land allow the Corporation to buy private lands at fair market value but also enables it to carry out environmental remediation works for lands containing environmental contamination. All costs for this purpose are expensed to WT's account. In this way, the potential argument over how much each of the governments is responsible for the environmental damage can be avoided.

Funding

WT is funded by the three levels of government. Each committed $500 million as public seed capital to provide WT with effective development control over government owned waterfront lands. The seed capital was paid to WT in instalments over a five-year period. The collective $1.5 billion of investment was considered to be critical and instrumental to start the waterfront revitalisation initiative.

Under the Toronto Waterfront Revitalization Corporation Act 2002, Waterfront Toronto cannot borrow money or mortgage any of its assets, unless with the joint approval of the three governments. It relies on selling public land to reimburse its government funding. As WT is incorporated without share capital, issuing shares is not a financing option.

Funds are not transferred to the Corporation on a recurrent basis. Rather, WT has to request funds annually from the government(s) which approves development capital and other related corporation expenditure based on the business case it makes for the precinct to be developed and the annual rolling five-year business plan.
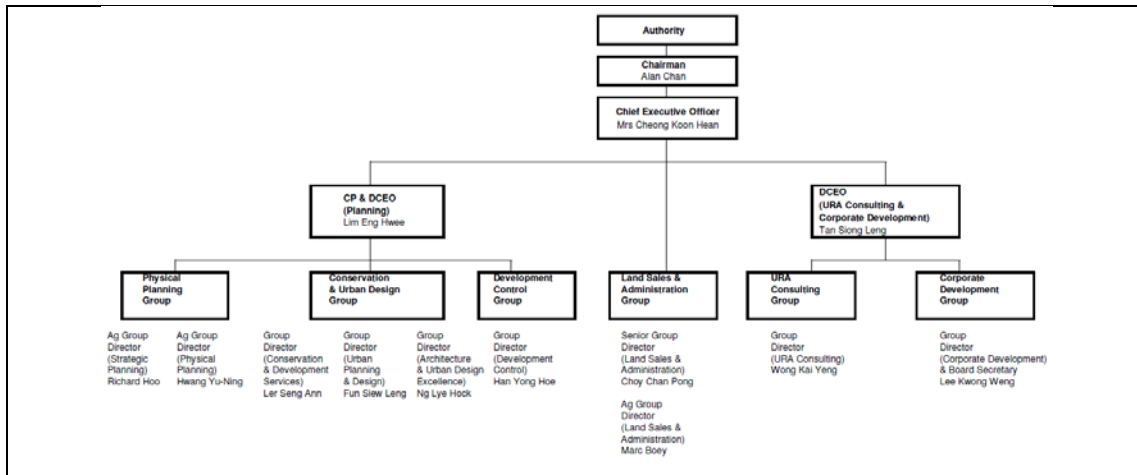
Staffing

In 2008, WT recorded having 58 full time staff members. This includes in-house project managers for planning and design, development, construction, and program controls and risk

management. WT's strategy is to staff core functions internally and outsource other requirements.

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SINGAPORE – URBAN REDEVELOPMENT AUTHORITY

1.1   Introduction and Context

Study Context	Singapore's Urban Redevelopment Authority (URA) came into being in 1974, evolving out of the Urban Renewal Department set up by the Housing and Development Board in the 1960s. Facing immense urban renewal pressure at that time, its foremost duty was to plan and redevelop Singapore's central area as that was deemed too large a task for the Urban Redevelopment Department, hence leading to the creation of the URA. Later in the 1980s, to equip the URA with the necessary statistical and research support for its planning functions, it merged with the Planning Department and Research and Statistics Units in the Ministry of National Development (MND). In 1989, it transferred its property development and management functions to its subsidiary – Pidemco Holdings – to become Singapore's national planning and conservation body.
Legal Status of the Body in Question	Statutory Body Enabling legislation: the Urban Redevelopment Authority Act (Cap. 340)
Vision, Mission and Objective	The vision: "To develop Singapore into a thriving world-class city in the 21st century." Mission: "To make Singapore a great city to live, work and play in by planning and facilitating the physical development of Singapore, in partnership with the community, to create a vibrant, sustainable and cosmopolitan city of distinction."

Organisational Structure

The URA Act provides for the URA to have a Chairman and up to 12 other Board members. The Board members are selected from both the public and private sectors, and except for the CEO, all board members are non-executive members. The Board meets six times a year. All members including the Chairman and the CEO are appointed by the Minister of National Development.

URA adopts a functional organizational structure with dedicated departments for each of its three main functions – planning, land sales and consulting services. However, there is one unit within the authority – the Marina Bay Development Agency (MBDA) – that amalgamates the functions of the three divisions. The MBDA was set up for the purpose of coordinating the planning and construction activities involved in the Marina Bay Project. As the development phase gradually winds down, the MBDA is taking on greater programming and place management functions at the newly created site.

Interaction with Existing Bodies

The MND is the government body that the URA interacts with the most. As an agency of the MND, the URA shares the physical development responsibility of the MND by undertaking the planning and implementation activities for the Ministry. To that end, the MND maintains significant control over the URA to ensure developments are carried out in accordance with the planning intention of the MND. First, the MND has control over board membership. Second, policies related to land-use planning, development control and property market regulation have to be developed closely with the Strategic Planning Division of the MND. Third, the power to approve major plans, like the Master Plan, is vested with the MND.

The URA also works with other government agencies such as the Public Works Department, Parks and Recreational Department etc. but usually on a project-by-project basis.

Accountability

The URA is accountable to the MND. It is required by the Act for the URA to submit its annual reports and financial estimates to the Minister of MND every year.

Public accountability has not been emphasised by the URA until recently. More public input has now been incorporated in the planning process. For instance, when preparing the latest Master Plan, the URA organised various public surveys and focus group discussions outside the public sector. Despite that, urban planning in Singapore is still characterised by a top-down approach.

URA also has a number of 'service standards' pledging services related to development applications, legal requisitions, permit provision, car parking application to be completed within a certain time limit.

1.5 Remit

Geographical Remit	Nation wide
Functional Remit	Physical development, heritage conservation

1.6 Responsibilities

Planning

The URA is involved in almost all levels of planning. It does strategic planning through the preparation of the Concept Plan. This plan is a long-range blueprint that outlines the land-use and transportation strategies for a timeframe of 40-50 years and is updated once every 10 years to guide Singapore's physical development. Moreover, the URA is responsible for reviewing Singapore's statutory land-use plan, by developing the Master Plan at regular intervals. The Master Plan is a comprehensive review of the land use, plot ratio and buildings

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heights. It is composed based on the interim reviews of the Concept Plan so as to guide Singapore's development in the medium term (i.e. 10-15 years). The URA also grants permits for development on behalf of the MND.

Delivery

After transferring the property development function to its subsidiary, the URA no longer has the manpower to deliver a project. Whenever there is a development project to implement, it has to orchestrate various government agencies and the private sector to deliver. Although the Marina Bay Development Agency is vested with implementation responsibilities, its role in delivery is limited to coordinating the private and public sector. The usual way of delivery is leasing out land to private developer(s) to deliver a project on the basis of a tender system that places significant emphasis on design. The developer designs the area including the waterfront in accordance with concepts usually first developed by the URA, and builds after approvals have been obtained. The ownership of the waterfront and public area are then returned to Government. The developer is given the right to short term tenancy/license to part or all of the public space for management. This ensures both the quality of the design and delivery, as well as public control over ongoing management.

However, as the land sales agent of the Government, it administers land sales programmes for the Government. The programme is a window through which the URA can channel private sector finance and expertise to achieving its planning and development goals.

The Authority is also responsible for the conservation of buildings, sites or even districts which have substantial historical value. Sometimes, conservation sites are sold to private developers for restoration or adaptive re-use purposes.

Area Management

Area management is not a core function of the URA. The management of its properties is usually contracted out with the exception of the approximately 60,000 parking places of which the URA assumes management responsibilities for the purpose of regulating parking demand in Singapore, and also the Marina Bay of which the URA is the place manager.

1.7   Resources

Land Holding

As the Government's land sales agent, the URA leases out land on behalf of the Government to private developers for development. When the tenure is due, the land reverts back to the Government. The URA will then take ownership over the land parcel on behalf of the Government. For promenade lands, the usual practice is that the Lands Office leases such lands back on short term occupation licenses, usually for one year, to encourage the provision of outdoor kiosks and refreshments. As at 31 March 2010, the authority controlled a total of 47 land parcels.

Funding

The URA is a self-financing organisation whose operating income is generated from development control charges, rental income, commissions for acting as the government's agent for the sale of site programme and consultation fees.

The Act also empowers the URA to raise debt from the Government with the approval of the Minister of MND. When necessary, the URA can issues shares to the Government in exchange for cash or other forms of investments. The URA can directly ask for funds from the MND, though this is strictly restricted to working capital only.

Original source of funding was in the form of "equity finance" from the Minister of Finance.

Staffing

The URA has a 1,200 – strong workforce, including urban planners, architects, system analysts, research and property officers. According to the Act, all members and employees of URA shall be deemed to be public servants.

SYDNEY – SYDNEY HARBOUR FORESHORE AUTHORITY

1.1 Introduction and Context

Context	The Sydney Harbour Foreshore Authority (SHFA) was formed in 1999 to consolidate the work and functions of the City West Development Corporation, Darling Harbour Authority and Sydney Cove Authority. The establishment of the SHFA was a progression towards reducing the number of authorities involved in the planning, development and management of the Sydney Harbour. There were three important factors:
	- The consensus that too many bureaucracies would hinder the future development of Sydney Harbour
	- The need for proper planning for development around Sydney harbour within a vision that was clearly articulated and widely understood
	- It was generally recognised that preserving the natural and cultural assets around the Sydney Harbour is important.
Legal Status of the Body in Question	Statutory Body Enabling Legislation: Sydney Harbour Foreshore Authority Act 1998
Objective and Terms of Reference	Vision: "To make unique places in Sydney that the World talks about." Terms of Reference:
	- "Managing places profitably and socially to deliver excellence in our role as manager for Sydney's significant waterfront and other precincts, balancing visitors, community and commercial expectations. As custodian, ensuring the preservation and the interpretation of Sydney's natural and cultural heritage.
	- Promoting places effectively to capitalise on the economic and cultural worth of Sydney's places, as core attractions for both Sydneysiders and visitors.
	- Developing places responsibly to demonstrate leadership in creating quality environments that are enriching, diverse, accessible and sustainable. To add value by redeveloping surplus government land through a highly-skilled organisation.
	- Managing the organisation efficiently to meet customers and stakeholder needs and expectations."

Organisational Structure

The SHFA is governed by a Board which consists of the CEO, the Director-General of Department of Planning and Infrastructure, and not more than 5 other persons appointed by the Minister of the Department of Planning and Infrastructure of the New South Wales (NSW) Government. There is no provision prescribing the criteria for the selection of the Board Chairman, members of the Board and the CEO. At present, the majority of the Board comes

from the private sector.

The role of the Board is to oversee the policies, management and performance of the SHFA, set strategic direction for the organisation as well as to ensure compliance with relevant statutory requirements. In 2003, the SHFA was conferred the authority to assess minor development applications and master plans within its boundaries.

The organisational structure is depicted in the chart below. A General Manager is placed in between the CEO and the 6 supporting directors.
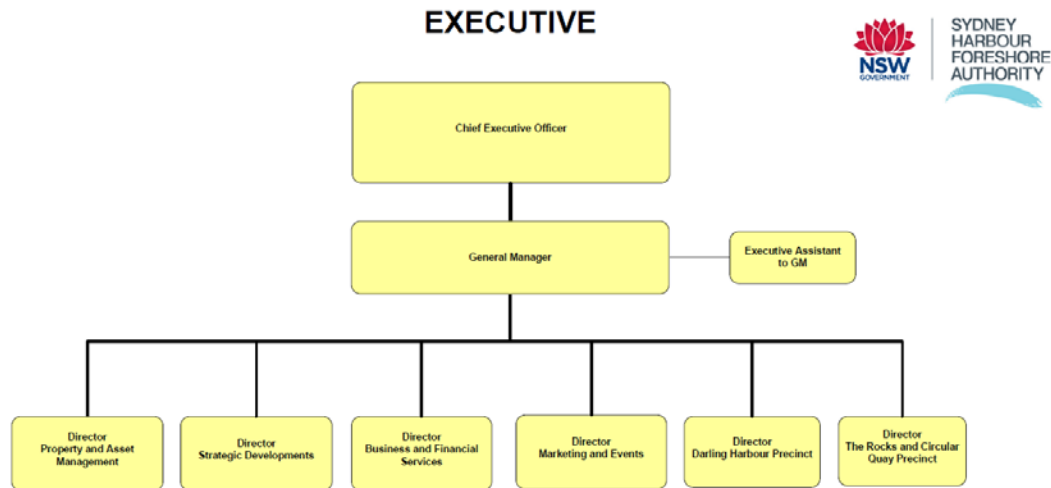
Interaction with Existing Bodies

The SHFA sits under the Department of Planning and Infrastructure as a statutory body along with other agencies such as Central Coast Regional Development Corporation, Office of Strategic Lands, Hunter Development Corporation and the Luna Park Reserve Trust.

The degree of the Authority's interaction with existing bodies is limited to it (1) managing the land of other agencies, (2) working closely with the Department of Planning and Infrastructure to ensure compliance with the broader legislation and relevant documentation and (3) cooperating with other agencies on several initiatives and programmes.

In a less direct manner, the SHFA shares the overall responsibility for planning, operating, developing and regulating the Sydney Harbour with 27 other organisations and government agencies. These include, but are not limited to: Waterways, Authority, Sydney Ports Corporation, Sydney Harbour Council, Sydney Harbour Federation Trust and around 20 Local Councils.

The SHFA enjoys a high degree of autonomy over its land and assets. The Authority can exercise most of its functions and powers stated in the Act at its discretion. Only in a few instances does the Authority require the approval of the Minister before execution. One such instance is the approval of major proposals for development on the authority's land.

Accountability

The SHFA is accountable to and subject to the control and direction of the Minister for Planning and Infrastructure. The Act requires that all draft Master Plans and development proposals must be submitted for the approval of the Minister and that all actions taken by the SHFA must conform to the Principles of Ecologically Sustainable Development stipulated in another Act.

For the SHFA, the bulk of the accountability mechanism was set out in the Statement of Business Intent (SBI) drawn up when the Authority was incorporated. The SBI provides a financial framework and business plan within which future decisions can be made. It also sets financial and operational performance targets for the SHFA. It includes indicative budgets

covering the next 10 years and outlines strategies for different scenarios. The NSW Treasury reviews performance quarterly against the targets laid down in SBI.

1.2 Remit

Geographical Remit	Foreshore area delineated in the map document, Sydney Harbour Foreshore Authority--Foreshore Area--Amendment No 5, and some other precincts beyond the Sydney Harbour foreshore area
Functional Remit	Economic, Physical development, Heritage Conservation

1.3 Responsibilities

Planning

Planning is not a principal function of the Authority. However, whenever an area within its legislative boundaries is earmarked for development or redevelopment, the SHFA will draw up a development plan for the area. The plan takes into consideration the community's expectations and conforms to the statutory requirements stipulated in the likes of the Sydney Harbour Foreshore Authority Act, 1998 and Environmental Protection Act, 1979. These plans are called 'master plans' in Sydney but would include setting out a vision for the site, outlining the board urban design principles and, perhaps, identifying the alternative development options only.

Delivery

Place development is the second of the SHFA's two main roles: place development and place management. According to the 2005 performance audit report, the SHFA's place development roles represents merely 5% of staff resources and around 13% of its annual operating expenditure.

Depending on the nature of the project, the two usual practices of delivery are (1) contracting out works through a tender process and (2) leasing or selling land to property developers for development.

Area Management

Place management is the core business of the SHFA. Not only does it provide the typical area management services such as cleaning services, security services to the properties under its ownership, but it also takes up the responsibility of marketing Sydney's most prominent tourist destinations – The Rock and Darling Harbour. It regularly holds large-scale events to boost the tourist image of its sites. It is also empowered to make bylaws for the sites it governs. Apart from its own sites, the SHFA also manages sites on behalf of other government agencies. On top of that, the SHFA is charged with the responsibility of maintaining, restoring, preserving and interpreting more than 100 buildings and structures listed on the State Heritage Register.

1.4 Resources

Land Holding

The SHFA is one of the largest landholders in Sydney, owning approximately 400 hectares of Sydney Harbour foreshore land. Many of the sites that it owns, such as The Rocks and Darling Harbour, are of significant economic and cultural value to Sydney. One feature about the sites under its ownership is that they are discrete and disconnected. See below.

According to the Act, land owned by the SHFA is classified into two types: core land and non-core land. Core land refers to the lands that were previously controlled by the three entities which were later combined to form the SHFA. Core land is distinguished from non-core land in that it cannot be sold unless under "extremely limited circumstances". Non-core land refers to the plots of land that are vested in the Authority at different points of time after its establishment.

The SHFA is vested with land acquisition, resumption, leasing, selling and exchanging powers. The Authority can acquire by agreement or it can compulsorily acquire land within its jurisdictions. As mentioned above, the SHFA can exercise its selling powers over non-core land provided that it has consent from the Minister. The Act allows the Authority to exchange core land for land within the foreshore area that adjoins or is adjacent to the core land to be exchanged.

Funding

The SHFA is not funded by the NSW Treasury. It is a self-financing body that relies principally on its rental and property income to finance operations. The usual recurrent income sources include car park revenue, Sydney Convention and Exhibition Centre revenue, revenue from property leases and visitor centre sales. It also earns income through the sale of its land.

Staffing

The Act stipulates that the Authority cannot employ any staff. The state government provides personnel services to enable the Authority to exercise its functions. As the SHFA became part of the Department of Planning and Infrastructure in April 2011, it is assumed that the entire staff force is provided in the name of this Department. As of June 2010, the SHFA reported to have 189 permanent and 30 temporary employees.

HONG KONG – HOUSING AUTHORITY

1.1   Introduction and Context

Context	The Housing Authority (HA) was established in 1973 to implement the Government's public housing programme, and to advise the Government on housing policy in general. It was the only Government funded institution to build, allocate and manage public housing at that time. The HA has gone through numerous institutional changes since then; the latest being in 2002 when the Government adopted most of the recommendations put forward by the Review of Institutional Framework for Public Housing (RIFPH) to integrate the operational and policy-making aspects of the Government's public housing programme. As a result, the HA is now primarily an advisory body to the Government on public housing, whilst retaining a supervisory role in programme implementation. The formulation of strategic policy for both public and private housing is now clearly the remit of the Transport and Housing Bureau (THB), reporting to the Chief Executive through the Minister for Transport and Housing.
Legal Status of the Body in Question	Statutory Body Enabling Legislation: Housing Ordinance (Cap. 283) It should be noted that the current de facto institutional arrangements have yet to be fully reflected in the Ordinance.
Vision, Mission and Objective	Vision**:** "To help low-income families with housing needs gain access to affordable housing" Mission: - "To provide affordable quality housing, management, maintenance and other housing related services to meet the needs of our customers in a proactive and caring manner - To ensure cost-effective and rational use of public resources in service delivery and allocation of housing assistance in an open and equitable manner - To maintain a competent, dedicated and performance-oriented team" Terms of Reference (Objective): - "To liaise with other bodies concerned with housing in both the public and private sectors and to advise the Chief Executive on matters relating to housing - To plan, build, and redevelop on its own or jointly with others rental housing estates, interim housing, transit centres, non-residential buildings or premises and such amenities ancillary thereto - To manage, maintain and improve the Authority's housing estates and non-residential buildings or

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	premises and such amenities ancillary thereto
	- To dispose of flats under the various residual subsidised home ownership schemes
	- To administer rent allowance and housing loan schemes
	- To act as Government's agent – (1) to clear land; (2) to prevent and control squatting; and (3) to plan and co-ordinate improvements to squatter areas
	- To approve the Annual Report for submission to the Chief Executive
	- To approve the annual Corporate Plan"

Organisational Structure

The HA consists of a Chairman, a Vice-Chairman, two official members and 26 non-official members. As an integral feature of the integrated policy-making framework for public housing, the Minister for Transport and Housing, as the official in charge of the THB with responsibility for housing policy, and the Permanent Secretary for Transport and Housing (Housing), as Director of the Housing Department (HD), the Government's main executive agency for delivering its public housing programme are ex officio Chairman and Vice-Chairman of the HA respectively. The other official members are the Permanent Secretary for Financial Services and the Treasury and the Director of Lands, both of whom have official duties immediately relevant to the implementation of the public housing programme. The non-official members are members of the public appointed ad personam by the Chief Executive from different sectors, normally for terms of two years.

Six standing committees and a number of sub-committees and ad hoc committees have been formed from the HA members and other adlected individuals. These committees have been delegated by the HA with the oversight of key aspects of the implementation of the Government's public housing programme, as shown in the diagram below.

Organisation Chart of HA's Committees and Sub-committees

Interaction with Existing Bodies

The HA is a statutory body which helps the Government to develop and deliver its public housing programme. The HA's job is thus twofold. First, it amalgamates views and ideas from stakeholders within and outside the Government and forwards them to the THB to aid policy design. In this way, the Government can better coordinate its public housing policies, as well as coordinate those policies with its policies towards the private housing sector, and its policies on social welfare, planning, lands, finance and infrastructure. Second, it maintains a statutory, supervisory role over the HD, the executive department charged with the physical delivery of Hong Kong's public housing programme.

However, it is important to note that the HA's role in the development and delivery of the Government's public housing strategy is sometimes less than clear-cut. This is partly because of the pluralistic makeup of the HA, which mingles policy-making politicians and public officers with other members in a statutory body with wide de jure powers over the HD (charged with executive implementation); and partly because the Ordinance has seldom if ever kept up the latest institutional changes. As a result, from policy-making to implementation, the extent and nature of the HA's decision making processes and inter-organisational links have been and are complex and dynamic. For example, the HA retains the power to acquire, hold, build and manage housing and other property.

Accountability

The HA is accountable to the THB and ultimately to the Chief Executive. Taking all relevant policy-making, advisory and implementation bodies together, the current integrated framework is intended to ensure that the Government is holistically accountable for the formulation and successful delivery of its public housing policies and programme. The relevant Principal Official under the accountability system – the Minister for Transport and Housing is not only the ex officio Chairman of the HA, but is also the Government's principal spokesman for all aspects of the Government's housing policy, from policy initiation to implementation.

1.2　　　Remit

Geographical Remit	Hong Kong wide
Functional Remit	Community
	Physical development

1.3　　　Responsibilities

Planning

The advisory part of the HA's remit covers both research and strategic policy making. Strategic planning advice is formulated by taking public and private housing, urban planning, lands, infrastructure and social welfare priorities into account in the context both of the Government's Long Term Public Housing Strategy (LTHS) and its short to medium term public housing policies. Advisory responsibilities also include advising the Government on programme delivery. The HA carries out implementation planning mainly through its Building Committee which advises the HA, and thus the Government, on public housing construction, improvement, renovation and rehabilitation.

Delivery

In practice, executive responsibility for implementing the public housing programme rests with the HD, as the de jure executive arm of the HA. However, the HA itself is not isolated from this responsibility. The Chairman of the HA takes part in deliberations on all housing related policies, and must explain them, and their success or otherwise, to the media and to the public. All Members of the HA have a major role both in advising on and monitoring the implementation of the Government's public housing programme.

Area Management

According to the Ordinance, the HA is legally responsible for the management of most public housing estates. This includes setting bylaws for a number of designated sites. However, the bulk of these area management responsibilities are in practice again undertaken by the HD.

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1.4 Resources

Land Holding

The HA holds proper legal title, in terms of land grants, over land of, inter alia, Home Ownership Scheme non-domestic properties, rental flats within Tenant Purchase Scheme estates, certain rental housing estates and blocks, two Head Office buildings and a customer service centre. These lands were previously granted by the Government without premium.

The HA is authorised to lease land on conditions that can be determined by the HA itself. Land owned by the HA is alienable, on approval by the Chief Executive.

Funding

The HA became a self-financing institution in 1988. The HA's recurrent income mainly comes from rentals and proceeds from the sale and resale of HOS (including Private Sector Participation Scheme) and TPS flats. Historically, the Government has also provided subsidy by means of land grants and Government loans – the Ordinance confers on the HA the right to borrow from the Government. In recent years, the HA had sold its Home Purchase Loan Scheme (HPLS) loans to the Hong Kong Mortgage Corporation, and divested its retail and car retail properties to the Link REIT, partly in order to generate additional funding.

Expenditure related to property development, acquisition of property plant and equity is financed from the HA's Housing Capital Works Fund and Development Fund.

Staffing

The HA relies on the HD to provide secretarial and other executive support to carry out all its tasks related to the public housing programme.

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HONG KONG - HONG KONG SCIENCE AND TECHNOLOGY PARKS CORPORATION

1.1 Introduction and Context

Context	Setting up the Hong Kong Science and Technology Parks Corporation (HKSTPC) was part of the Hong Kong Government's commitment to moving Hong Kong towards a knowledge and technology-based economy as outlined in the 1997 Policy Address. The HKSTPC was entrusted with the responsibility to plan, develop and manage the Science Park Project. As the hardware becomes operational phase by phase, the role of the HKSTPC gradually evolves from being a project manager to a provider of infrastructure, facilities and supporting services as well as a business facilitator between corporations, universities and research institutes.
Legal Status of the Body in Question	Statutory Corporation Enabling legislation: Hong Kong Science and Technology Parks Corporation Ordinance (Cap. 565)
Vision, Mission and Objective	Terms of Reference: - "To provide premises and services in the Science Park for applied research and development activities and InnoCentre for design and innovation - To nurture technology start-ups through the incubation programme - To provide developed land in the industrial estates for production and manufacturing facilities - To develop linkages with local and overseas institutions, other science parks and business, financial and industrial communities to facilitate technology transfer and commercialisation of R&D activities. " Vision: - "Transforming innovation and technological advancement into value creation that benefits Hong Kong, Mainland – and the world." Mission: - "In propelling Hong Kong towards a world-class hub for selected technologies, we provide facilities, services and a dynamic environment that enable companies to nurture ideas, innovate and develop."

Organisational Structure

The Board is the governing body of the Corporation. At present, it consists of a Chairman and 16 board members, amongst whom one is the Permanent Secretary for Commerce and Economic Development (Communications and Technology), two are university professors and the remaining come from various business fields in the private sector. Only the Chairman of the Board is appointed by the Chief Executive whilst the rest are by the Financial Secretary.

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Distinct from the statutory requirements of various statutory bodies, it is not provided in the Ordinance that the CEO ought to be a member of the Board.

The Corporation is organised into six different divisions/departments according to their respective function as shown in the diagram below. HKSTPC does not have a legal department.
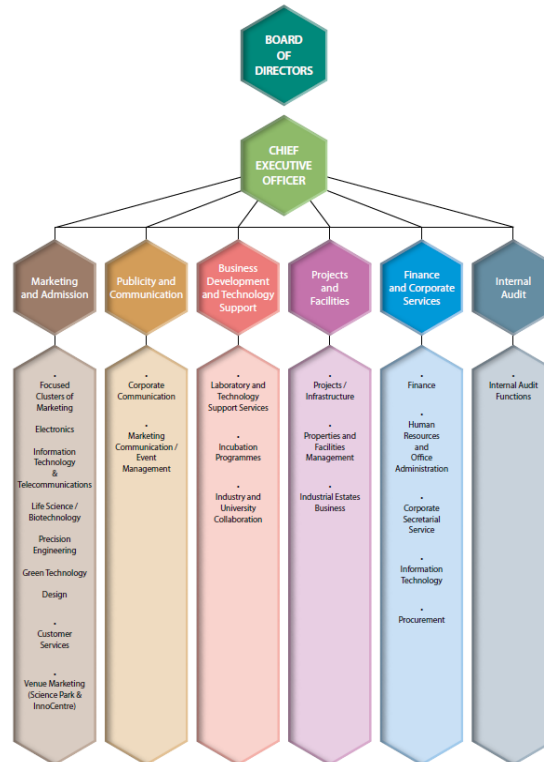
Interaction with Existing Bodies

The HKSTPC rarely enters into long-standing partnerships with other government bodies in implementing Government policies. The Corporation has cooperated with agencies like Invest Hong Kong and the Hong Kong Trade Development Council in certain activities.

The HKSTPC enjoys a fairly high degree of autonomy. First, as a statutory corporation, it operates at an arm's length to the Government. Second, although the Permanent Secretary for Commerce and Economic Development takes a seat on the Board, the Government constitutes a minority in terms of board membership. Nevertheless, it is Corporation practice for the Board Chairman to meet with the Permanent Secretary for Commerce and Economic Development on a regular basis together with the CEO and others to review the Corporation's business plans so as to ensure future development of the HKSTPC is in line with the Government's policy goals and objectives.

In so far as the day-to-day operations are concerned, the management of the HKSTPC has total control over the kind of services and facilities to be provided and the fees to be charged for its services and facilities. It can also establish its own subsidiary companies or funds and enter into any Joint Venture or trust with other parties.

Accountability

It is not provided in the Ordinance that the HKSTPC is required to report to any Principal Officers of Bureaux. The Corporation only reports annually to the Secretary for Commerce and Economic Development regarding the remuneration arrangements for senior management and to the Innovation and Technology Commission only.

There are no key performance indicators drawn up by the Government but the occupancy rates of its premises as well as the number of the start-up companies graduated from the incubation programme are often used to indicate operational performance. An Economic Benefit Study was conducted by the HKSTPC consultant as well for the Phase 3 Development.

Detailed key performance indicators (covering the Mission, Operational Performance, Financial Performance and Organization Development) have since been drawn up by the Board (including the Government representatives) and are regularly reviewed.

1.2   Remit

Geographical Remit	Limited to the area within the Science Park (Phase I, II and III), its three industrial estates and the InnoCentre.
Functional Remit	Economic, Physical development

1.3   Responsibilities

Planning

Science Park is subject to the usual TPB approvals although the HKSTPC is responsible for its own strategic planning within the Park boundaries.

Delivery

The Corporation has played different roles in the various phases of the Science Park Project. At one point, it acted as a developer itself with reference to government procurement procedures. At another, it appointed contractors and project management consultants.

Area Management

The Corporation is responsible for area management within its own domain (i.e. the Science Park, three industrial estates and the InnoCentre). It manages all the leasing as well as operating and maintaining the premises and facilities of the Corporation. It regularly organises seminars and exhibitions. It also markets the Science Park to businesses, institutes alike at home and aboard. The Ordinance also confers the Corporation with the authority to make bylaws for its designated sites.

1.4   Resources

Land Holding

All land the HKSTPC holds is grant land. The land for the Science Park itself was granted to HKSTPC at a nominal premium by way of a private treaty land grant on a term of 50 years and was treated as part of the authorized capital. Phase 1 is 80k sqm and Phase 2 is 77k sqm. The Corporation does not have the authority to lease more land. However, it can sub-lease the land/office space to tenants normally for 3-6 years.

Funding

The Corporation's "start-up" capital comes from the net assets of the Hong Kong Industrial Estates Corporation, the Hong Kong Industrial Technology Centre Corporation and the Provisional Hong Kong Science Park Company Limited. These assets were vested in the HKSTPC as authorized capital; the Government in return receives all the shares that the corporation issues based on these assets. A month after the vesting, LegCo injected another sum of money as equity and appropriated a separate sum as loan.

The Corporation is self-financing in nature but it requires the consent of the Financial

Secretary for high-level financing and investment-related arrangements. It does not receive any recurrent subvention from the Government. Its income is derived from the property and facility rentals, property management fees, income from technology support centres and consent fee income.

As a statutory corporation, the HKSTPC is exempted from profit tax payments under section 25 of the HKSTPC Ordinance. It has the power to raise funds through the issuance of securities, and also invest its surplus funds, although there must be approval of the Financial Secretary. It may establish funds, and accept gifts of money or other property from other parties.

Staffing

The HKSTPC has its own independent staff. At present, the Corporation has approximately 198 employees, and facilities management (including the security and cleaning) is outsourced to external parties.

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HONG KONG – WEST KOWLOON CULTURAL DISTRICT AUTHORITY

1.1 Introduction and Context

Context	The West Kowloon Cultural District Authority (WKCDA) was set up in 2008 to take over the planning of the West Kowloon Cultural District (WKCD) project from the Government, to steer the implementation of the project. As the arts and cultural facilities become operational phase by phase, the WKCDA will gradually pick up management, maintenance and development responsibilities of the site, so as to promote the development of arts and culture in Hong Kong.
Legal Status of the Body in Question	Statutory Body Enabling Legislation: West Kowloon Cultural District Authority Ordinance (Cap. 601)
Vision, Mission, Objective	Vision: "To develop the WKCD into an integrated arts and cultural district that will: - Provide quality culture, entertainment and tourism programmes with a must-visit appeal to both local residents and visitors around the world - Meet the long-term infrastructural needs of the arts and cultural development in Hong Kong and foster organic growth and development of culture and creative industries. - Become a cultural hub for attracting and nurturing talent, an impetus to improve quality of life, as well as a cultural gateway to the Pearl River Delta" Functions: - "To prepare a Development Plan ("DP") for the WKCD to lay out the plan area and set apart land within it for various land uses - To develop the WKCD in accordance with the land use and other requirements or conditions specified in the approved DP - To provide (including plan, design and construct), operate, manage and maintain arts and cultural facilities, related facilities and ancillary facilities - To advocate, promote, organise and sponsor, encourage and provide for the appreciation of and participation in arts and culture - To promote, exhibit and display the arts, public and otherwise; - To initiate and support the creation, composition,

	production, learning and practising of the arts;
	- To perform such other functions as are conferred or imposed on the Authority by or under the WKCDA Ordinance or other Ordinance."
	Objectives:
	- "To facilitate the long-term development of Hong Kong as an international arts and cultural metropolis
	- To uphold and encourage freedom of artistic expression and creativity
	- To enhance and promote excellence, innovation, creativity and diversity in arts and culture
	- To enhance the appreciation of a diverse and pluralistic range of the arts
	- To develop new and experimental works in arts and culture
	- To cultivate and nurture local talents in the arts (including local artists), local arts group and arts-related personnel
	- To encourage wider participation by the local community in arts and culture
	- To promote and provide arts education to the local community
	- To facilitate the development of cultural and creative industries
	- To facilitate and enhance cultural exchange and cooperation between the Mainland of China, Hong Kong and any other place
	- To facilitate and enhance cooperation between any government or non-government body or organisation and providers of the arts, within and outside Hong Kong
	- To encourage community, commercial and corporate support and sponsorship of arts and culture
	- To provide or facilitate the provision of free and accessible open space within the WKCDA to the general public; and
	- To strengthen the position of Hong Kong as a tourism destination."

Organisational Structure

The WKCDA Board consists of a Chairman who may or may not be a public officer, the CEO, 3 public officers and another 8-15 members who are not public officers. At least one member of the Board must be a LegCo member. All Board Members are appointed by the Chief Executive. The WKCDA Ordinance prescribes that an Audit Committee, Investment Committee and Remuneration Committee be set up. In addition, the Board also established the Development Committee, the Museum Committee and the Performing Arts Committee.

Public Engagement is a central feature of the WKCD project. For the purpose of gathering public views, the Ordinance provides that a Consultation Panel be set up which was tasked

by the Board to plan public engagement exercises.

The organisational structure of the WKCDA is evolving as the WKCD project progresses. The project is divided into 3 stages: (1) Planning, (2) Design and Construction and (3) Operation. The WKCDA is currently at the planning stage. The present organisation structure shown in the diagram below.
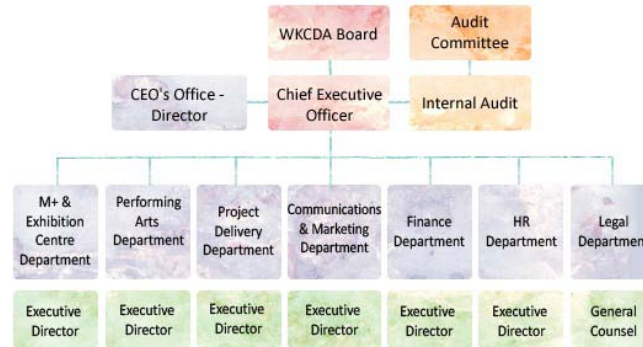
It is the intention of the Board to leave the internal audit, legal and human resources functions as separate departments to provide checks and balances within the organisation.

For later stages, it was deemed appropriate to tailor the organisational structure to fit the circumstances, including reflecting strategic changes, operational changes, and accumulation of experience in the future.

Interaction with Existing Bodies

The WKCDA works closely with the Home Affairs Bureau (HAB) throughout the project life cycle. HAB is appointed internally within the Government to be the project manager for the WKCD project. As such, it opened the WKCD Office for the purpose of assembling the WKCDA. It provided administrative and secretariat support at the early stages of the project, managed the finances of the project, conducted recruitment exercises for the WKCDA, and laid the ground work for the preparation of the Development Plan. Now that the WKCDA can stand on its own feet, it has retreated to monitoring the development of the project, making sure the project conforms to public views, delivery schedules, project budgets etc. When the project reaches the operation stage, it will carry on with its monitoring responsibilities to ensure that community expectations and the HAB's arts and cultural policy goals will be met.

Strong Government involvement in the WKCD project has diminished the autonomy of the WKCDA in spite of its statutory authority status. The Chief Secretary chairing the Board is one line of Government influence, and LegCo representatives sitting on the Board are another. Consultation with the Secretary for Home Affairs throughout the project is required, and there is the WKCD Office within the HAB monitoring development progress. Project design is not entirely at the WKCDA's discretion. The WKCDA will have greater autonomy over the site upon the completion of the project.

Accountability

The Secretary of Home Affairs is responsible for overseeing the WKCD project, for example to ensure the timely implementation of the capital works projects and the appropriate use of the Government endowment. Moreover, the Chief Executive and Financial Secretary may obtain information as they desire from the Authority at any time. The LegCo or any committees of LegCo can request that the Chairman and CEO attend its meetings. To enhance public accountability, the Ordinance requires the interests of Board members to be disclosed, and a Consultation Panel to be established primarily for gathering public views regarding the functions of the Authority.

1.2   Remit

Geographical Remit	Limited to the 40 hectares of Land designated for the WKCD project
Functional Remit	Community, Physical development

1.3   Responsibilities

Planning

One of WKCDA's priorities is to formulate the Development Plan (DP) for the WKCD site. The DP is a land-use plan that designates land for various arts and cultural facilities. The current site comprises venues, commercial, hotel, retail, and open space land uses and the WKCDA has to rearrange the land uses such that the configuration aligns with objectives of the WKCD project and can secure Town Planning Board approval. The WKCDA also comments on technical assessments and study reports prepared by other Government Departments and companies such as the MTR Corporation regarding infrastructural projects adjacent to the WKCD. Implementation planning will be carried out for the construction works in the next phase as soon as the DP is adopted.

Delivery

The Ordinance provides that the WKCDA may enter into any contract or obligation with other parties to design and construct the facilities within the site.

Area Management

The WKCDA is responsible for setting the performing arts and exhibition programmes within the site. As for other management tasks and maintenance works, the Ordinance confers authority to the WKCDA to contract out these responsibilities to other parties.

1.4   Resources

Land Holding

The WKCD site measures about 40 hectares. The WKCDA holds no land at the moment but the Government is planning to vest the Retail, Dining and Entertainment (RDE) part of the commercial sites in the WKCDA so that it can provide a steady source of income for the WKCDA to run arts and cultural facilities. The sites for residential, hotels and offices within the WKCD will be disposed of separately by the Government through the normal land disposal mechanism. However, the treatment of the rest of the sites has yet to be determined since the planning process is still underway.

Funding

The Government provided a one-off upfront capital endowment of HK21.6 billion to the WKCDA as a long-term commitment to the development of Hong Kong's arts and culture scene. This amount covers the capital costs of: planning, design and construction of core arts and cultural facilities, related facilities and RDE facilities'; periodic major repair and renovation costs of these facilities; exhibition development, conservation of laboratory equipment and library setup costs for the M+, as well as planning of the WKCD and project management. To ensure the initiative is financially viable and sustainable, the Government plans to vest the RDE sites in the WKCDA so that it can recoup the likely operating deficits of the core Arts and Cultural Facilities and other related facilities.

The WKCDA Ordinance opens the WKCDA up to a number of funding options. The Authority has the power to borrow from the Government, invest surplus funds and establish reserve funds, although for these to be exercised requires approval of the Financial Secretary. The WKCDA can also receive or solicit gifts, donations or sponsorships and act as a trustee of

moneys, without the need to obtain consent from the Financial Secretary. The LegCo can authorise the Financial Secretary to grant Government a guarantee to discharge the indebtedness of the Authority. The Authority is exempt from taxation and, unique to the WKCDA, from stamp duty.

Staffing

At the beginning of the project, a team of Government staff were seconded to the WKCDA to assist with legal, administrative and recruitment work and the WKCD office of Home Affairs Bureau also provided temporary secretariat support. As of end of May 2009, the Authority had a staff force of 28 members, with 10 officers seconded from the Government. The WKCDA now has a staff force of about 80 staff members and it is expected to rise.

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HONG KONG - URBAN RENEWAL AUTHORITY

1.1   Introduction and Context

Context	The Urban Renewal Authority (URA) was set up in 2001, replacing the Land Development Corporation (LDC), to implement the 20-year comprehensive urban renewal program in a more efficient manner.
Legal Status of the Body in Question	Statutory Corporation Enabling Legislation: Urban Renewal Authority Ordinance (Cap. 563)
Vision, Mission and Objective	Objective: "To improve the environment of the older urban areas and the living conditions of the residents therein." Terms of Reference: - "To improve the standard of housing and the built environment of Hong Kong and the layout of built-up areas by replacing old and dilapidated areas with new development which is properly planned and where appropriate, provided with adequate transport and other infrastructure and community facilities - To achieve better utilisation of land in dilapidated areas of the built environment of Hong Kong and to make land available to meet various development needs - To prevent decay of the built environment of Hong Kong by promoting the maintenance and improvement of individual buildings as regards their structural stability, integrity of external finishes and fire safety as well as the improvement of the physical appearance and conditions of the built environment - To preserve buildings, sites and structures of historical, cultural or architectural interest." Vision: "To Create quality and vibrant urban living in Hong Kong – a better home in a world-class city" Mission: "To realise our vision, we act on our priorities with ingenuity and sensitivity, join forces with our partners and nurture our people."

Organisational Structure

The URA is governed by a Board that comprises a Chairman and 24 other members. All Board members are appointed by the Chairman. The Chairman is not a public officer and is a non-executive director of the Authority. The rest of the Board consists of the Managing Director, who is by law the Deputy Chairman, two Executive Directors, four non-executive director who are the only public officers on the Board, four legislative councillors and other professional and academics from various fields. Six committees are established by the Board,

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each chaired by a Board member and members consist of other Board members and specialist professionals.

The Chairman of the Board assumes the role of CEO for the purpose of enhancing public accountability. The URA has no CEO – rather, a Managing Director serves as the administrative head of the organisation. The URA has 11 divisions, each having their own specialisation (see diagram below).
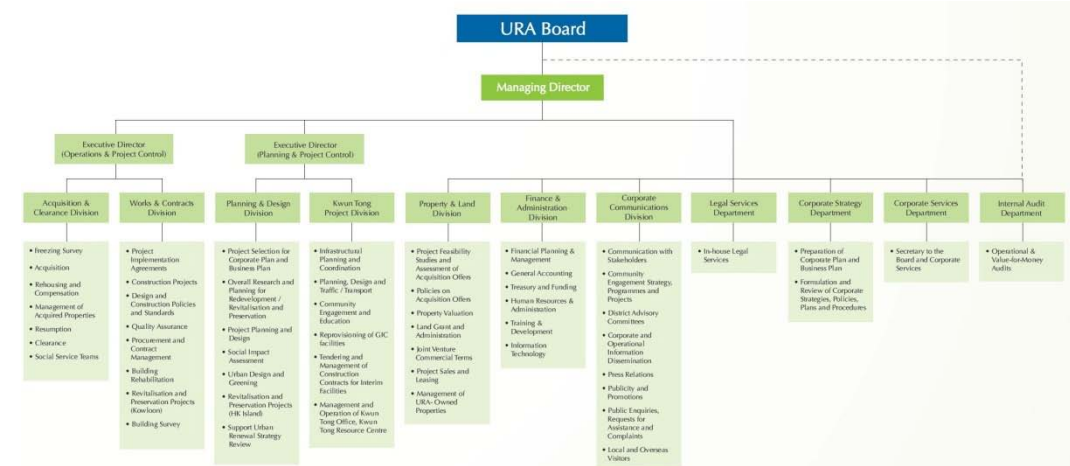
Interaction with Existing Bodies

The URA is in close working relationship with the Development Bureau (DevB). The URA provides financial and technical support to DevB in formulating the Urban Renewal Strategy (URS) and it has to follow the guidelines set out in the URS when drafting its corporate plan.

The URA is in a strategic partnership with the Housing Authority (HA) and the Housing Society (HS) to re-house affected families and individuals in the renewal projects. Beyond that, HS also bears the cost of some of the URA's projects, and undertakes acquisition, clearance and redevelopment work for these projects.

PlanD coordinates with the URA under the statutory provisions in planning, urban renewal and regeneration projects for the improvement of the old urban areas.

The URA liaises and collaborates with other government agencies, such as the Building Department, Highway Departments, District Councils etc., in different programmes, activities and projects that the URA has a part in.

The URA is given substantial operational flexibility at the implementation level. Each financial year the URA submits a corporate plan and a business plan to the Financial Secretary for approval. Once approved, the URA has total control over the development projects outlined in those plans. If someone lodges an appeal, a decision of the Secretary of Development must be sought and only then will the URA have to give way in that particular subject matter.

Accountability

Key accountability arrangements include: the Chairman is required to take executive functions; the interests of Board members needs to be disclosed; the Chairman and executive directors are required to attend meetings of committees and subcommittees of the Legislative Council (LegCo) and all urban renewal projects must be published for public inspection. An Appeal Board panel is in place to handle cases of objection. The final decision rests with the Secretary of Development to determine whether to proceed, amend or terminate the project of concern. The URA also has three Performance Pledges regarding response times for public enquiries, requests and complaints. Performance updates are regularly provided on the authority's website.

1.2 Remit

Geographical Remit	City wide
Functional Remit	Physical development, Environmental, Heritage Conservation

1.3 Responsibilities

Planning

The URA is responsible for land-use planning and implementation planning. The plans that the URA develops are subject to Town Planning Board regulations - statutory planning is beyond the responsibilities of the URA. Strategic planning is also out of the scope of the URA since the formulation of the Hong Kong-wide urban redevelopment strategy, the URS, rests with DevB rather than the URA. Land-use planning involves producing the Master Layout Plan (MLP) for sites identified for redevelopment. Implementation planning is embodied in the authority's Corporation Plan and Business Plan. The former is a 5-year plan that estimates the resources required to implement the proposals received, while the latter a 1-year plan that sets out an implementation programme for that year.

Delivery

The URA plays an active role in implementing redevelopment. It is the common practice of the URA to enter into joint venture agreements with property developers. A typical project would involve the URA taking responsibility for urban design, social development, acquisition, resumption and rehousing, with the property developer taking on construction.

Area Management

The URA is not closely involved in area management. However, the URA Ordinance stipulates that the URA has the authority to make bylaws regulating the conduct of persons on the land, building and premises that the URA owns or has leased.

1.4 Resources

Land Holding

Under the URS, the Government waives the land premia for redevelopment sites granted to the URA. So far, 14 land grants have been made since 2001. The URA has the power to lease, purchase, acquire and hold land of any kind either for undertaking development, providing accommodation for the authority or providing residential accommodation for people displaced by the URA's projects. The URA Ordinance also provides that the URA can write to the Secretary for Development to recommend the Chief Executive in Council resume land. Resumed land cannot be sold or disposed of unless approval is granted by the Chief Executive in Council.

Funding

The URA has three main sources of funding: Government subventions, income for its services and bond issues. Government subventions are one-off funds appropriated by LegCo from the Government's Capital Investment Fund as equity capital to be paid out in several tranches. The URA also earns its own income from fees, rents, interest, upfront payments by property developers, and returns on investments. Bearing a credit rating of AA+ from Standard and Poor's, the URA also has access to the debt market. It issues bonds through its Medium Term Note Programme.

Regarding other financial arrangements, the URA has the power to borrow additional money, as well as lend and invest surplus funds, but all are subject to approval of the Secretary of Financial Services, the Treasury or Financial Secretary. LegCo can by resolution authorise the Financial Secretary to grant guarantees in respect of repayment of loans made to the
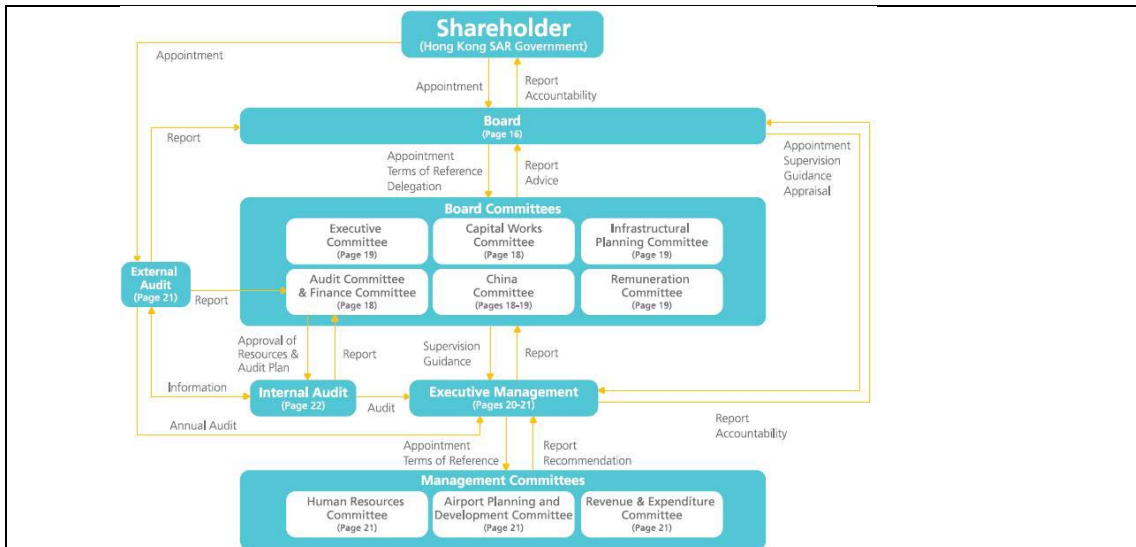
Authority.
Staffing
The URA has its own independent staff. According to its 2009/10 Annual Report, the URA has 395 staff members, of which 55 were under contracts of a term less than three years.

HONG KONG - AIRPORT AUTHORITY HONG KONG

1.1 Introduction and Context

Context	The Airport Authority Hong Kong (AAHK) was set up in 1995, replacing the Provisional Airport Authority (PAA), to develop, operate and maintain the new Airport at Chek Lap Kok. In its early stages, the new organisation was expected to operate as a commercial enterprise. However, owing to the strategic importance of the Hong Kong International Airport (HKIA), there were concerns that it should not operate outside Government's control. A hybrid organisation was therefore created, with a mandate to maximise the value of the new airport for the benefit of Hong Kong's prosperity.
Legal Status of the Body in Question	Statutory Corporation Enabling Legislation: Airport Authority (Cap. 483)
Objective and Terms of Reference	Objective: - "To maintain Hong Kong's status as a centre of international and regional aviation. - To conduct its business and perform its functions with regards to safety, security, economy and operational efficiency and the safe and efficient movement of aircrafts, air passengers and air cargo." Vision: "To be a world class corporation and a leader in the airport management and aviation business, contributing to the prosperity of Hong Kong." Mission: "To strengthen Hong Kong as a centre of international and regional aviation by: - Upholding high standards in safety and security - Operating efficiently with care for the environment - Applying prudent commercial principles - Striving to exceed customer expectations - Working in partnership with stakeholders - Valuing human resources - Fostering a culture of innovation"
Organisational Structure	

AAHK's Board determines strategic direction and oversees the performance of the Authority. At present, the Board consists of a Chairman, Chief Executive Officer (CEO) and 15 Board Members. A total of 6 Board Committees advise the Board on matters such as infrastructure planning and remuneration.

Given the airport's strategic importance, there are binding provisions in the Airport Authority Ordinance as to how the Board is structured. All Board Members are appointed by the Chief Executive of HKSAR, and the Chairman needs to be a Hong Kong permanent resident. It is required that public officers on the Board be kept in the minority to strike a balance between commercial principles and maintaining the public interest.

At the management level, the AAHK has an Executive Management Team that manages day-to-day operations and implements strategies laid down by the Board. The Team is led by the CEO. There are 3 Management Committees set up to assist with specific management issues. Under the Executive Management Team, the Authority is divided into functional departments. This management structure has been in place since 2008.

Externally, the AAHK has a controlling interest in five subsidiaries and has equity interest in several other Joint Venture companies.

Interaction with Existing Bodies

The AAHK works with various government agencies, e.g. air traffic control services, customs, fire services etc., to provide services within the area of the Airport. Notably, the Director-General of the Civil Aviation Department (CAD) is authorised to discharge Hong Kong's international obligations regarding civil aviation. The AAHK must ensure the operations of the HKIA comply with the safety and security requirements of the CAD in order to obtain the Aerodrome Licence from the CAD for operation of the Airport.

The autonomy of the AAHK, regarding operations and airport development, is stipulated in the Ordinance. First, as a statutory corporation, the AAHK must act in accordance with commercial principles. This means that the Authority must make a return on investment. Second, the Ordinance empowers the Government to give directions to the AAHK in the public interest and, when necessary, to intervene in the AAHK's affairs. In particular, there is a provision empowering the Chief Executive in Council to make regulations or give directions on any of the functions performed by the AAHK. Setting airport charges is one such example. Third, the AAHK is permitted to conduct airport-related activities beyond the ambit of the HKIA on condition that such activities serve to promote or maintain Hong Kong's status as an international and regional aviation hub - prior consent must be obtained from the Financial Secretary.

Accountability

The Board is directly accountable to the Chief Executive. The Ordinance empowers the Chief Executive to request any information related to the Authority, at any time, from AAHK. With respect to airport operations, the AAHK is answerable to the Director-General of the CAD to ensure compliance with relevant international obligations and standards. Each year, the AAHK prepares business plans and financial plans for the Financial Secretary.

Under the Ordinance, there are several accountability arrangements in place. The AAHK must disclose its register of Board Member interests for public inspection. An Airport Authority Audit Committee has been established. Also, the proceedings of the Board are designed to align with the Code on Corporate Government Practices of the Main Board Listing rules used by the Stock Exchange of Hong Kong Limited. To this end, attendance records of Board and committee meetings, and remuneration details of Board Members and Executive Directors, are also disclosed.

The Ordinance confers immunity to Board Members from personal liability provided that their actions are taken in good faith.

1.2 Remit

Geographical Remit	Limited to the boundaries of HKIA, and outreach ventures of AAHK
Functional Remit	Economic, physical development

1.3 Responsibilities

Planning

AAHK's main planning responsibility is strategic planning, focusing on the aviation sector. This responsibility is shared amongst the different Board committees. AAHK has a three-tier corporate planning process - a master plan with a long term planning horizon of 20 years is compiled every 5 years; a rolling 5-year business plan and financial plan are prepared every year; and company budgets are put together annually for short term planning and control purposes.

Delivery

It is stated in the AA Ordinance that AAHK may enter into a partnership with other companies, and employ agents or contractors to carry out works.

Area Management

Again, AAHK may enter into partnerships with other companies, employ agents or contractors to carry out works related area management. AAHK has the authority to make bylaws that are applicable within the airport domain.

1.4 Resources

Land Holding

On 1 December 1995, the AAHK was granted the rights to the airport site at Chek Lap Kok for a nominal land premium of $2000 by the HKSAR Government. The airport site measures about 1,255 hectares. The agreed lease period is from 1 Dec 1995 to 30 June 2047 and the Government has granted the AAHK the legal rights to the entire airport site at Chek Lap Kok, to develop it for the purposes of the Authority. Under the Land Grant, the AAHK may also sub-lease land for airport related development if necessary for periods ranging from 5 to 49

years. The AAHK is also allowed to acquire and dispose of land. The AA Ordinance prohibits any provisions contained in the Land Grant to be changed unless the consent of the Financial Secretary is obtained.

Funding

AAHK's initial funding came from a government equity injection of $36,648 billion which was divided into 366,480 shares of $100,000 each. The lump sum was paid out of the Government's Capital Investment Fund. Up to now, the Government has been the sole shareholder of the corporation.

Recurrent revenue comes from the following sources: (1) airport charges, (2) passenger security charges, (3) aviation security charges, (4) franchise revenue, (5) real estate revenue and (6) dividend income.

The Ordinance outlines several ways that the AAHK can obtain extra funding. The AAHK has the power to borrow and unlike other statutory bodies and corporations it does not have to obtain the approval of the Financial Secretary. The AAHK is one of the highest-rated corporations in Hong Kong with a Standard and Poor's credit rating of AAA for local and foreign currency debt. Also, the Authority may issue shares to the Government for additional capital, upon the direction of the Financial Secretary. It may also invest surplus funds.

There are a few other special financial arrangements specific to the AAHK. The Authority can enter into financial transactions, e.g. swaps, to reduce its exposure to certain financial risks. Specific guarantees can be given to the Authority in accordance with the resolution of LegCo. Contrary to other statutory bodies/corporations, the AAHK is not exempted from tax obligations.

Staffing

As of 31 March 2011, AAHK, exclusive of its subsidiaries, had a workforce of 1,083.

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Appendix 3: Functions of the Government's Advisory and Statutory Bodies

Advisory and Statutory Bodies	Functions
Advisory Boards and Committees (E.g. the Commission on Youth)	▪ Provide ongoing information or professional expertise in particular areas or subjects, and/or ▪ Advise on the development of policies or the delivery of services
Non-departmental public bodies (E.g. the Hospital Authority, the Housing Authority and the Trade Development Council)	▪ Play a role in the processes of Government, but is not part of a Government bureau or department ▪ They are not commercial enterprises, but they often operate on the basis of prudent commercial principles ▪ Provide specific services usually provided by a Government bureau/department, or they carry out specific functions unusually carried out by a Government bureau or department ▪ Enjoy a high degree of autonomy in its day-to-day operations; they operate to a greater or lesser extent at arm's length from the Government
Regulatory boards and bodies (E.g. Electoral Affairs Commission, the Securities and Futures Commissions)	▪ Regulate a profession or trade by way of registering entrants to profession or trade ▪ Regulate the licensing of premises or equipment for a specific purpose or function ▪ Supervise a specific activity or range of activities ▪ Responsible for regulating an industry or a sector of the economy in Hong Kong
Appeal Boards (E.g. the Hong Kong War Memorial Pensions Appeal board)	▪ Perform a semi-judicial function by adjudicating on appeals
Trusts (E.g. the Board of Trustees of the Sir Edward Youde Memorial Fund)	▪ Hold and control property for the benefit of named beneficiaries or for stated purposes
Public Corporations (E.g. the Board of URA, the Ocean Park Corporation Board)	▪ Commercial entities set up by law to provide goods or services. They are usually created by transferring the assets of Government department into a corporate structure
Other boards and committees (E.g. the Hong Kong Arts Centre, university councils)	▪ Monitor performance and use of public funds

Source: Legislative Council Panel on Home Affairs

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