



23rd December 2014

Development Bureau
17/F West Wing
Central Government Offices
2 Tim Mei Avenue
Tamar
Hong Kong

By Post

Dear Sirs,

**Proposed Establishment of a Harbourfront Authority
– Phase II Public Engagement**

We refer to our response to Phase I of the Public Engagement Exercise dated 3rd January 2014 ("Response") supporting the establishment of a new harbourfront authority ("Harbourfront Authority") to develop and manage the Victoria Harbourfront, and are pleased that our view is generally shared by the public.

In formulating our view for the Phase II of the Public Engagement Exercise, we have studied the overseas experience in Sydney and Vancouver, and believe that the Sydney Harbour Foreshore Authority could be an appropriate model to follow in establishing the proposed Harbourfront Authority in Hong Kong. However, the real challenge will be on its planning and setup. Our feedback on the proposed framework of the Harbourfront Authority is given below.

Remit of the Harbourfront Authority

It is crucial to clearly define the remit of the Harbourfront Authority, without any doubt or ambiguity. Whilst it is logical and prudent to delineate the jurisdiction of the Harbourfront Authority over Victoria Harbour by referring to the Harbour Limit as defined in Interpretation and General Clauses Ordinance (Cap. 1), the extent of inland ambit, as proposed, by referring to "the land area between the shoreline and the first main road/segregator" seems arbitrary and without clear criteria. In particular, the areas under such coverage include some sites in Central, Wanchai, Kwun Tong, Kai Tak and West Kowloon, which are far from the shoreline, but exclude those in Kowloon Bay, Tsimshatsui and Kwai Chung, which are close to the harbour.

On the other hand, the Harbourfront Authority should have statutory roles over the waterbody within Victoria Harbour, and work closely with the Marine Department, in particular at the interface of the harbour and the harbourfront facilities. This is to enable the Authority to have better co-ordination for and planning of the activities in the Victoria Harbour, so as to create a seamless experience of a recreational and working harbour for the public.

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Key Objectives of the Harbourfront Authority

In general, the key objectives as stipulated in the Public Engagement Consultation Digest ("Consultation Digest") are in line with public aspirations and expectations of the Harbourfront Authority. However, the challenge will be in translating these high-level key objectives into working targets and performance indicators. There should be a mechanism and guiding principles to offer broad directions in setting the importance and priorities of these key objectives, which can become the mission of the Harbourfront Authority.

Governance and Management Functions

(a) Board Composition and Functions

As stated in our Response, the Board of the Harbourfront Authority should include representatives from relevant stakeholders, similar to the setup of the Harbourfront Commission. Like other statutory bodies in Hong Kong, it should comprise both ex-officio and non-official members. The latter may include members of the Legislative Council and the relevant District Councils, and representatives from professional bodies as well as delegates of the business communities. Such a composition can allow the Board to have access to comprehensive views, experience and expertise in shaping the harbourfront areas. The current practice of having a non-official Chairman for the Harbourfront Commission should be preserved in the Harbourfront Authority.

One of the salient functions of the Board is to draw up corporate and business plans. Other than the three-year corporate plan and one-year business plan, it is important for the Authority to devise a long-term strategic plan ("Strategic Plan") so as to set clear, concerted directions and goals for the entire Victoria Harbourfront in the longer run. In particular, the planning and development of sites may take more than three years to complete, and it may be a challenge to formulate plans with consistency and continuity. The Strategic Plan will therefore form the blueprint for all the corporate and business plans. In addition, key performance indicators and benchmarks should be set against the long-term Strategic Plan as well as the corporate and business plans to evaluate and measure the performance of the Authority and its executives.

In order to facilitate better public participation and interaction with the stakeholders in the process of planning, development and management of the harbourfront areas, the proposal to establish committees under the Board is supported. However, it is important that these committees should also be widely represented in order to carry out their functions fruitfully and properly.

(b) Public Accountability

In terms of public accountability, similar arrangements applicable to other statutory bodies should apply to the Authority. In addition, it would be helpful if the Authority can organise public forums on a regular basis to promote its new plans, and report its performance to the public and stakeholders.

(c) Land Matters

It is prudent to adopt an incremental development approach in allocating sites to the Harbourfront Authority for development and management. In this way, the Authority can focus its resources to deliver early success and establish its credibility. However, this approach may give rise to fragmented developments along the Victoria Harbourfront, if not co-ordinated in a holistic manner. To avoid such an outcome, it is strongly recommended to prepare a master plan ("Master Plan") to identify all of the potential harbourfront sites, which could be allocated to the Authority. The Master Plan can help to create the vision of the future Victoria Harbourfront in the long term, and help to ensure that the harbourfront areas will be developed in a co-ordinated approach.

Once the Master Plan is adopted, an indicative land allocation programme can be prepared such that all of the potential harbourfront sites can be allocated to the Authority by phases over an appropriate timeframe. The timing of the site allocation can be based on the availability of the sites and priority in developing the various harbourfront areas. The land allocation programme can also serve as the basis for the Authority to come up with its long-term Strategic Plan and corporate plans.

In addition to the potential sites for allocation to the Harbourfront Authority as indicated in the Consultation Digest, the public promenade in Tsimshatsui between the Hong Kong Cultural Centre and Hung Hom Railway Terminus can be added to the list of initial land allocation. This promenade is in a prominent location and readily available, but needs further improvement. The improvement to the promenade will make a huge impact to the Tsimshatsui harbourfront, and gives early success and credibility to the Authority. Moreover, its allocation to the Authority will put the entire harbourfront of south-east Kowloon under single control and ownership.

The Harbourfront Authority should conduct its day-to-day business by taking into account the benefit and cost considerations. Appropriate performance indicators and benchmarks should be established to monitor the performance of the Authority on a project-by-project basis. In addition, the Authority should be allowed to identify potential government properties for potential inclusion in its portfolio. However, it should justify the tangible and intangible benefits for taking over these sites, instead of leaving them to the management of other government departments.

The Authority should be encouraged to join forces with commercial and non-profit making organisations in developing and managing its properties, whenever possible. This approach could help it to mitigate the commercial and development risks in undertaking the projects. In addition, regular dialogue between the Authority and these organisations is encouraged to exchange ideas and views for improving the Victoria Harbourfront.

(d) Financial Matters

Whilst there are strong benefits in not giving an upfront capital endowment to the Harbourfront Authority, this arrangement also has its drawbacks. Without the certainty of financial backing, the Authority would find it difficult to carry out the medium- and long-term planning for the harbourfront projects, as any funding approval needed from the Legislative Council may be delayed due to filibustering.

As the Authority is not expected to operate under strict commercial principles, it may be difficult to evaluate the financial performance and efficiency of the Authority and its projects. Benefit and cost analysis should be conducted wherever and whenever possible.

Advisory and Advocacy Functions

It is proposed that the Harbourfront Authority takes over the current advisory and advocacy roles of the Harbourfront Commission when the latter is disbanded. Unlike the Harbourfront Commission, the Authority will plan, develop and manage its own properties. There may exist the potential for conflict of interest when the Authority assumes the advisory and advocacy roles for competing new developments in the neighbourhood of its properties. Protocol should be established in advance in case such situations arise.

Executive Functions

Similar to the Sydney Harbour Foreshore Authority, the Harbourfront Authority will need to have executive power in order to carry out its functions in creating the Victoria Harbourfront that meets public expectations. However, it should be subject to the powers and functions of the existing Government bureaux and departments as well as statutory bodies, like the Town Planning Board, in discharging its functions.

There are, of course, advantages in having a number of experienced civil servants seconded to the Authority at the initial setup stage. But, in order to ensure the Authority possesses the right competence and expertise to plan and develop its strategies and programmes in creating a working and vibrant Victoria Harbourfront, it is suggested that the majority of the staff of the Harbourfront Authority be recruited from outside of the Government so that new ideas and thoughts can be generated in shaping the future Victoria Harbourfront.

We are pleased to offer our views and comments on the establishment of the Harbourfront Authority as outlined above. With the collaboration of both the public and private sectors, we are confident that the Harbourfront Authority can turn Victoria Harbour into both a working harbour and a harbour for leisure and enjoyment.

Yours faithfully,
for HONGKONG LAND LIMITED



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