

EXECUTIVE SUMMARY

1 Objective and Approach

The objective of the Study is to provide a Vision and Delivery Plan that will convince the public to support and the Government to adopt, a new integrated approach to the planning, development and management of Victoria Harbour.

The rationale for undertaking the Study and proposing a new approach is that HBF recognises that the current state of Victoria Harbour is a missed opportunity. Liveability and the urban environment are increasingly important as cities compete for business and talent and whilst other cities are using their water-fronts to enhance their attractiveness, Victoria Harbour is undermining our competitiveness and our status as a world-class city.

HBF appreciates that realising a Vision for the harbour is not just about beautification but about improving efficiency and creating value for public money; as well as providing greater opportunities for growth, jobs and community value, and this makes good business sense.

In the same way a manager would address the problems of an ailing business, the Study examines the underlying causes as to why Victoria Harbour, one of Hong Kong's greatest assets, is no longer our comparative advantage. HBF's approach is a business approach, not a bureaucratic one. The Study sets out our Vision of what the harbour could do for Hong Kong; and shows how that Vision can

be realised through the adoption of a new integrated approach, as detailed in the Delivery Plan.

The Study adopted a rigorous, evidence-based and participatory approach over a nine month period. This included a review of relevant studies and literature on the harbour, examination of physical, social and economic evidence, analysis of governance and institutional processes, international case studies and options for harbour management, investigation into funding mechanisms and best practice in water-front policy and planning. Three workshops were held with senior Government officials and HBF members and individual meetings were held with chambers of commerce and relevant Government departments and bureaux.

2 Underlying Causes

The underlying causes behind why Victoria Harbour is failing to live up to its potential include:

- Lack of a vision, leadership and a set of clear policies that prioritise the harbour
- No strategic plan for the harbour. A plan done in 2003 was inadequate in both depth and coverage and the recommendations were not implemented
- An inadequate plan-making system that prioritises transport and other infrastructure whilst aspects such as open space, design, economic and community activities are given less or little attention

- Lack of implementation tools and precedents to provide guidance in how to deliver projects and programmes
- Restrictive and inflexible management practices for harbour-front public places
- Dichotomy of capital and recurrent funding and limited funds available for ongoing maintenance and site animation
- Absence of a project cycle to facilitate appropriate decision making and evaluate outcomes against targets
- Weak governance structure for the harbour; existing bodies lack remit, responsibility and resources to deliver multi-dimensional solutions

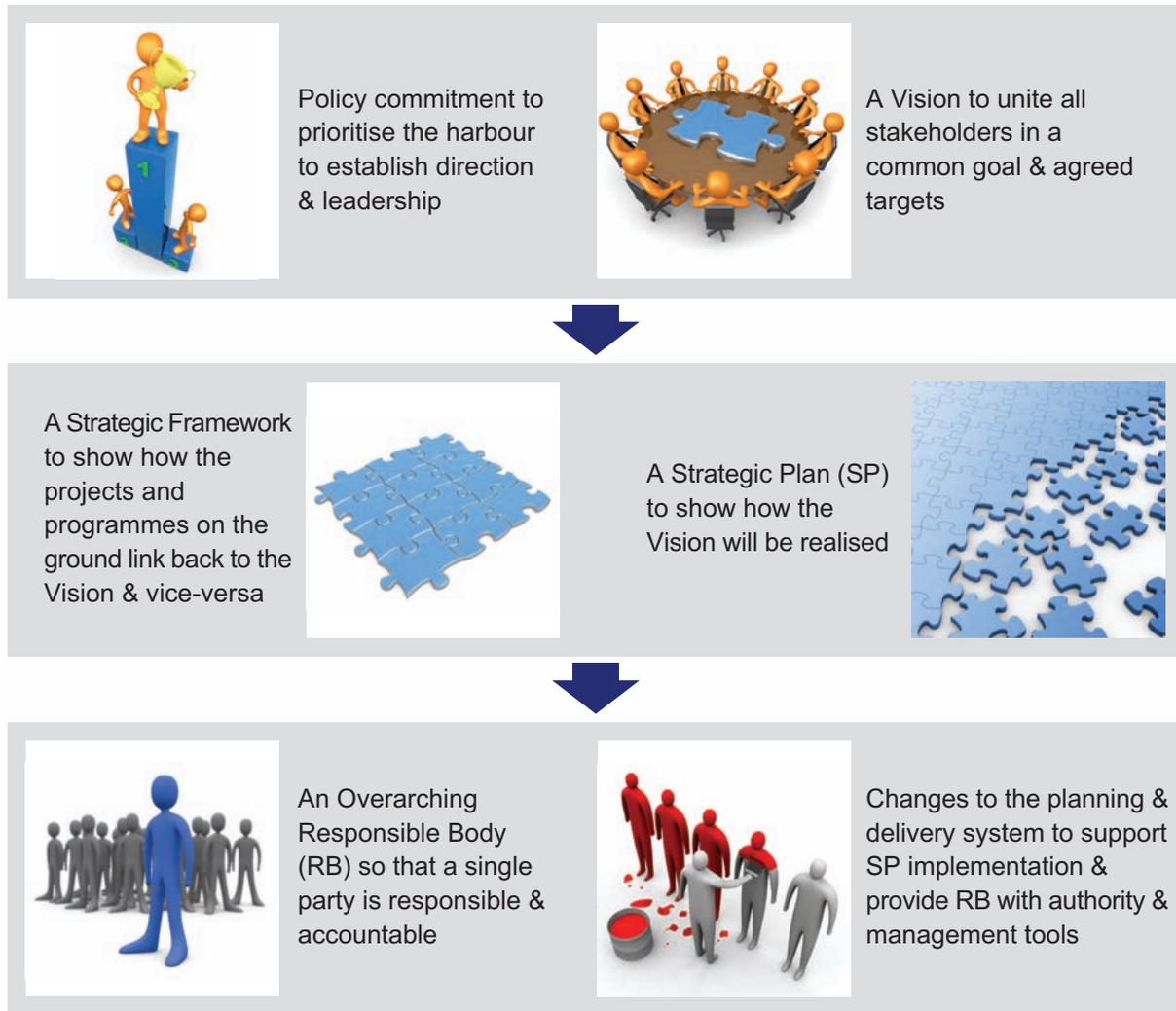
The issues affecting the delivery of a Harbour Vision are complex and multi-dimensional. The analysis of the underlying causes suggests that few of the problems are harbour specific. Instead, the harbour is a symptom of endemic deficiencies and inadequacies in the planning and delivery systems in Hong Kong.

3 A New Integrated Approach

Given the multitude of underlying causes it is clear that we need more than just a new plan; rather we need an entirely new approach to harbour planning, development and management. Moreover, this new approach needs to be integrated, meaning that all relevant actions are undertaken in a joined-up fashion in order to achieve a common goal. HBF's recommended new approach is designed to



A New Integrated Approach



address harbour specific issues as well as wider issues that impact on the harbour. It is a conservative, progressive and effective approach, comprising six key components, all of which are complementary.

Importantly, none of the components are individually controversial. All six were discussed and generally supported at the three joint HBF-Government workshops.

4 Policy Commitment and Vision

First, the Government needs to announce a clear policy commitment with respect to the harbour. All decisions that affect the harbour should assign highest priority to the harbour itself. Clear commitments should include adopting a Vision, appointing a Harbour Champion and changing the way the harbour is currently planned, developed and managed,

HBF's Vision is: "to revitalise Victoria Harbour and its harbour-front areas to become an attractive, diverse, vibrant, accessible and sustainable world-class asset for the economy, people and visitors of Hong Kong: a harbour for the people, a harbour of life"

This Vision was tested at the second joint HBF-Government workshop. The Vision is articulated by a set of Priorities, developed at the workshop. Priorities represent the most important elements necessary to achieve success. HBF's seven Priorities for the Harbour are:

Source: GHK Study Team

- Ownership, as a public asset
- Diversity of activities, vibrancy and distinctive district identities
- Pedestrian accessibility and connectivity
- Development of harbour-front businesses and maritime assets
- Destination and heritage
- Environmental quality
- Design excellence

The main report sets out targets and monitoring mechanisms for each of these priorities so that it is possible to determine performance of those responsible for delivering the Vision. The Vision and Priorities are intentionally aspirational. They represent the long term position that Hong Kong can achieve.

5 Strategic Framework and Strategic Plan

The new approach also includes the development of a Strategic Framework and Strategic Plan. The Strategic Framework and Strategic Plan would further develop the Vision and Priorities and set them within a spatial context. The Strategic Plan considers the existing situation and sets out what should be done where, when, how and by whom in order to deliver the Vision. It should clearly show how its proposed projects and programmes will deliver the Priorities, which in turn deliver the Vision and vice-versa. A Strategic Framework and Plan with such a wide ranging, cross-sector scope will

need an overarching body to be responsible for delivery. These actions are usual in successful water-front regeneration elsewhere in the world.

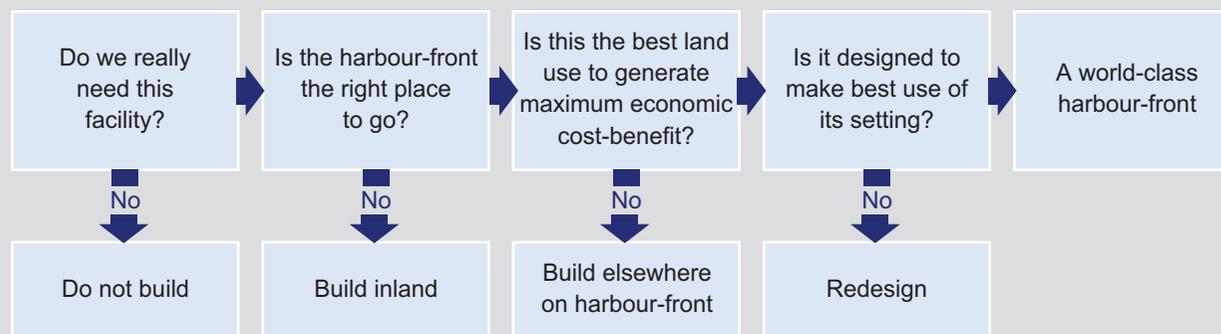
6 Planning and Delivery Systems

The new integrated approach also includes necessary changes to the existing planning and delivery systems in Hong Kong. Even with a new Strategic Plan in place, Hong Kong lacks the tools and precedents to get projects and programmes successfully implemented and the management experience to create vibrant places. The need for

such changes was established at the third joint HBF-Government workshop in which attendees were asked to apply projects and programmes to the area of Kwun Tong. Attendees quickly realised that unless decision making processes and the planning and delivery system changed, the projects and programmes could not be successfully implemented.

Without solutions that overcome the endemic problems in the planning and delivery systems specific to Hong Kong, Hong Kong will never realise the Harbour Vision.

A Simple Harbour Land Allocation Decision Tree



The decision tree demonstrates the necessary steps in land allocation. There are many developments around the harbour-front that we all know would not pass these simple tests.

Source: GHK Study Team



7 A Responsible Body

Given Hong Kong's unique situation, HBF proposes two different forms of overarching responsible body to match the circumstances and the roles and responsibilities required at different stages in the delivery process.

In the early years, the tasks of the overarching body will need to focus on planning and managing what are currently Government activities. This is a task for a high level committee. HBF proposes a Harbour Committee (HC) headed by the Chief Secretary in order to ensure sufficient authority within the Government hierarchy to manage conflicting bureaux and departmental objectives. Membership would include both public and private sector representatives.

The HC would be supported by a dedicated executive team seconded from relevant Government departments and specialist individuals from the private sector / overseas to pioneer new approaches to harbour delivery and management, such as place-making and effective stakeholder engagement.

The HC would provide vision, leadership and policy direction for the harbour. It would be responsible for establishing a new modus operandi with respect to decision making and be tasked with the power to stop inappropriate and pre-emptive development as well as any design that does not celebrate its harbour-front location.

HC would be responsible for developing the Strategic Framework and Strategic Plan and, with others, providing the tools to implement it. Three new guides are recommended:

- Project Cycle Manual to facilitate appropriate decision making and evaluate outcomes against targets
- Project Implementation Guide to provide practical tools and step by step advice for turning plans into reality
- Area Management Guide to provide mechanisms and guidance including how to involve the private sector and how to animate the harbour-front

The HC with others would be responsible for pilot projects to establish precedents for implementation and provide evidence of what could be achieved. The HC would also harness support and manage its own exit strategy through the establishment of a statutory Harbour Agency (HA).

As with the Airport Development Steering Committee leading to the Airport Authority and the Consultative Committee for West Kowloon leading to West Kowloon Cultural District Authority, the HC would be the first step en-route to a statutory body. However, since a committee cannot hold or control funds, this form of overarching body is not sustainable in the long run. The chairman of a committee is not solely dedicated to this responsibility, and in practice a committee can only really be advisory in nature. Given these limitations, a committee is unlikely to deliver the Vision in the long term but is the most effective first step.

HBF therefore proposes establishment in the medium term of an HA, established under specific legislation, to be responsible for the delivery and management of the harbour. The HA would be autonomous and chaired by a private sector individual. The HA would have its own staff and provide the relevant checks and balances required of a publicly funded body.

The HA would be funded through an upfront capital endowment as seed capital and hypothecation of land (giving them the right to develop, manage and/or earn income) to implement the Strategic Plan. The HA would likely manage harbour-wide programmes but task and fund other bodies such as community-based trusts, partnerships or the private sector to implement specific projects, depending on the type of project being proposed. As a statutory body, the HA would be able to partner more effectively with the private sector and leverage private sector funds for both implementation and management.

8 Recommended Delivery Plan

The Study shows how this new approach can be implemented through a series of step by step actions, a summary of which are shown on the opposite page. The main report provides further details as well as critical supporting actions undertaken by others and a timeline, explained as a roadmap. The roadmap explains why each proposed action in the Delivery Plan is necessary and how they interact and mutually support each other to deliver the Vision.



Outline Delivery Plan, Critical Actions

Action	Description and Responsibility	Problems Addressed
Policy Commitment	<ul style="list-style-type: none"> Government announce strong policy statement to prioritise the harbour, including an overarching body, identifying a Harbour Champion and adopting the HBF Vision 	<ul style="list-style-type: none"> Lack of a vision, leadership and policies which prioritise the harbour
Establish Harbour Committee	<ul style="list-style-type: none"> HC amend current harbour-front statutory plans to put all infrastructure into column 2 which requires Town Planning Board (TPB) approval; develop new master explanatory notes for harbour-front statutory plans which include TPB approval for exterior design; remove clause allowing any temporary uses HC develop a Harbour Strategic Plan i.e. a multi-sector comprehensive strategy HC develop design criteria and vet design of new development on the harbour prior to TPB approval HC vet all harbour related development prior to funding approval to ensure compliance with the new policy commitment Government provide additional recurrent funding to LCSD for managing harbour-front sites 	<ul style="list-style-type: none"> Inappropriate uses and designs on harbour-front for current development sites including Central & Kai Tak Lack of an integrated vision and strategy Inappropriate design Inappropriate plan-making and implementation on harbour Lack of funds for LCSD to take new sites
Develop Necessary Tools for Plan-Making, Implementation and Management	<ul style="list-style-type: none"> HC support Planning Standards Subcommittee (PSSC) to develop a new chapter of the HKPSG for the harbour HC support the PSSC to amend the HKPSG on recreation and open space planning HC jointly with Efficiency Unit to develop a new Project Cycle Manual with specific chapters on (i) determining value for money, (ii) sustainability assessment, (iii) stakeholder engagement and consultation HC with support of LandsD to develop a new Project Implementation Guide which provides guidelines and criteria for: (i) premium concession for certain specific lease modifications, (ii) compensation of land-owners for loss of development rights, (iii) public purpose for resumption along the harbour-front; (iv) over-riding public need for small scale reclamation / harbour sculpting, (v) use of entrusted works to promote private sector provision of public facilities, and (vi) development of a tender system for key harbour-front sites HC with support of LCSD, PlanD, HBF and others, develop a new Area Management Guide which includes: (i) mechanisms and guidelines for involving the private sector, (ii) mechanisms and guidelines for involving the community, (iii) guidelines for adopting tendering systems for public open space management, (iv) guidelines regarding interpretation of relevant ordinances 	<ul style="list-style-type: none"> Lack of appropriate land-use guidance for harbour-front in existing HKPSG Inaccessible / inactive open space Lack of tools for appropriate plan-making and effective decision making and lack of a project cycle Lack of tools for implementation leading to delays, inefficiency, vacant sites and wasted resources. Lack of proactive actions by Government officials resulting from lack of guidance and precedents, in dealing with private sector Lack of tools for creating vibrant public open space, including management by private and community sectors and greater permitted uses and activities
Implement the Guides and Manuals	<ul style="list-style-type: none"> HC implement pilot projects using the new Project Implementation Guide and Area Management Guide (see above) All implement the new Project Cycle Manual, Project Implementation Guide, Area Management Guide and Harbour Chapter of the HKPSG. HC vet all developments prior to funding approval to ensure compliance with the new guides and manuals 	<ul style="list-style-type: none"> Lack of precedents and experience to show what could be achieved Inappropriate plan making and implementation around the harbour
Establish Harbour Agency	<ul style="list-style-type: none"> HC harness support for HA, prepare for ordinance and funding application HA adopt new tools, as well as relevant powers to implement the Strategic Plan, amend statutory plans for TPB approval, fund projects and programmes, partner / task others etc. 	<ul style="list-style-type: none"> 2009 too early for HA, 2nd step Impossible to implement Strategic Plan without necessary tools and mechanisms

Source: GHK Study Team

