

A Chronicle of the Corporatization of Museums (1998- 2010)

Compiled by Lam Ka-man Carmi, Chow Yuen-ying Translated by Michelle Rocha

The corporatization of museums was first put on the table by the Hong Kong SAR government in 1999 with the aim of researching the possibility of having the 14 museums governed by the Home Affairs Bureau to run independently. It is hoped that corporatization can alleviate problems like low utilization rate and inflexible bureaucracy of museums.

Over the ten-year discussion period, the government had set up the “Culture and Heritage Commission” (2000-2003) and the “Committee on Museums” (2004-2007) to follow up and research on the matter. Both reports supported the corporatization of museums and believed that it could catalyze their development. In February 2010, the Home Affairs Bureau announced in a press conference that they have rejected the proposal of corporatizing the museums.

Information: (More detail please refer to the footnote of Chinese version)

- Local newspapers
- Press release of the Information Services Department, HKSAR
- Legislative Council meeting minutes
- Official website of the Culture and Heritage Commission (CHC)
- *Report No. 46 of the Director of Audit*
- *Committee on Museums Recommendation Report*
- *Panel on Home Affairs: Committee on Museums Recommendation Report*

1998

November

The HKSAR government appointed Lam Chi-chiu Albert, the ex-Director of Urban Services Department as consultant to research on the administrative organization of arts and cultural services in the future. The report was submitted in February 1999.

1999

On 26 March

The government released and commented on the *Consultant's Report on Culture, the Arts, Recreation and Sports Services* (consultant: Lam Chi-chiu Albert).

Lan Hong-tsung David, the Secretary for Home Affairs stated that the government would proactively consider introducing private participation to alter the state of direct management of leisure and cultural services by the government. They have accepted three main suggestions from the report:

1. Establish the Leisure and Cultural Services Department;
2. Establish the Culture and Heritage Commission to advise the government on its cultural policies and funding systems;

3. Expand its scope of outsourcing to attract participation from the private sector.

Lan also stated that a focus group would be set up to research the possibility of corporatizing museums.

2000

On 1 April

The Culture and Heritage Commission (CHC) was established. Its members include: Chang Hsin-kang (Chairman), Van Lau, Wu Suk-ching Annie, Lee Chack-fan, Lam Joy-shan, Ma Fung-kwok, Allan Zeman, Wong Ying-kay Ada, Tai Hay-lap, Lo Kai-yin, Kwan Sin-ming Simon; Chairpersons of four statutory groups (Antiquities Advisory Board, Hong Kong Academy for Performing Arts, Hong Kong Arts Centre, and Hong Kong Arts Development Council) as ex officio members; two official members, namely, the Secretary for Home Affairs and the Director of Leisure and Cultural Services; and Ngai Wing-chit, Principal Assistant Secretary for Home Affairs, as the Commission's secretary.¹

2001

March

CHC released its first consultation document, *Gathering of Talents for Continual Innovation*, and held three public consultation meetings.

The document stated that in the development of arts and culture in Hong Kong, "Partnership" and "Community-driven" would be two main principles and strategies. In the long run, private organizations should become the major powering force of arts development and the government should gradually reduce its direct intervention and management.

The "Working Group on Museum" under CHC started preliminary studies on the overlapping of museums' functions and roles, management, operations, collections, exhibition and education policies, and researched on whether change was necessary.

On 5 March

In a report by *Sing Tao Daily*, Chang Hsin-kang, chairman of CHC stated that the corporatization of certain government departments would be an important developmental direction as it could increase community participation and resources and attract diverse operation systems.

2002

June

The Leisure and Cultural Services Department appointed "LORD Cultural Resources Planning and Management Inc." and "Deloitte and Touche Management Solutions Ltd." to research the mode of governance of the museums and the Hong Kong Film Archive.

On 10 September

Ming Pao reported that, Wong Ying-kay Ada, member of CHC stated that the biggest benefit of the corporatization of museums is the free flow of talents: "overseas graduates do not need to queue up for a lengthy period of time to enter the government". Corporatization also implied that resources could be shared more equally. For instance, university museums can apply for government funding.

On 15 October

Chang Hsin-kang, chairman of CHC stated in an interview with *Ming Pao* that the Commission would suggest the government to increase the organizational efficiency and the cost-effectiveness of cultural expenditure, and mentioned that "corporatization is definitely one of the possibilities".

On 6 November

CHC released the second consultation paper, *Identity with Diversity: Evolution through Innovation*.³

With regards to the management structures of museums, the Commission believed that the government should increase community participation in the museums' development, and suggested the setting up of a "Museums Board" to coordinate the overall development of museums, establish each museum's role and allocate funding etc. Furthermore, museums should expand their partnerships with private collectors, enterprises, the academia and other museums to develop resources.

The document re-emphasized the six main principles put forward in the first consultation paper, and restated that "Community-driven" should be the foundation for development. The government should step down from being a "manager" of the arts and become a "catalyst" for the arts, an example of which can be seen in the corporatization of three arts groups under the Leisure and Cultural Services Department.⁴

Chairman Chang Hsin-kang emphasized at the press conference that the establishment of a Museums Board does not imply privatization or corporatization. Member of the Commission, Wong Ying-kay Ada stated that the corporatization of museums will improve service qualities and solve current problems like overlapping of resources and uncreative cultural promotion strategies etc.

On 8 November

In response to Legislative Council member Lee Cheuk-yan's enquiry on whether "the setting up of a Board is equaled to corporatization", Chang Hsin-kang, Chairman of CHC stated at the Home Affairs Panel of the Legislative Council that the aim of establishing a board is to streamline operations, enhance professional standards and increase community participation in management.⁵

2003

On 31 March

CHC submitted its Policy Recommendation Report.

The report emphasized on the two main principles of "people-oriented" and "community-driven", most of its contents were similar to that of the second consultation paper.⁶

The same day marks the end of term for the Commission's members.

On 13 June

In June 2002, the Leisure and Cultural Services Department hired two companies to carry out research on the management of Hong Kong's public museums and the Hong Kong Film Archive. The reports were delivered in the Legislative Council and had 10 suggestions:

1. Draft and enact a Museum Ordinance;
2. Draft and enact an Indemnification section to the Museum Ordinance;
3. Conduct internal restructuring of the Museum institutions to reflect the community-centred approach;
4. Place the museums under one Museums Board;
5. Set up a shared services department for museums using Service Level Agreements for common services such as conservation;
6. Consider placing museums under the Education and Manpower Bureau to facilitate effective collaboration on education;
7. Allow museums to retain proceeds and self-generated income;
8. Draw up a master plan of development for Hong Kong museums and conduct an Archival Collection Study;

9. Introduce a modern qualitative and quantitative management control framework for museum accountability and evaluation; and
10. Implement grand-fathering of staff to retain staff on existing terms, for preserving expertise and to ensure continuation of service.⁷

2004

On 27 February

In response to the CHC's Policy Recommendation Report, the government stated that they have accepted 90% of its suggestions and will consider establishing three advisory committees to examine the suggestion of restructuring the cultural administration.

Chang Hsin-kang, the ex-Chairman of the CHC noted that the core of the report is the restructuring and the would "rather the government down-right rejects the proposal". Ex-member of the Commission Wong Ying-kay Ada criticized that the Commission had spent three years on the research and the government's action of establishing another 3 commissions is an insult to the consultation body.

On 25 October

Fong Ngai, Assistant Secretary (Culture) of the Home Affairs Department, stated at a press conference that the government will set up a Committee on Performing Arts, a Committee on Museums, and a Committee on Public Libraries at the end of 2004 to advise the Secretary of Home Affairs.

Ex-member of CHC Wong Ying-kay Ada criticized that the advisory committees were powerless, lacked the macro and high-level views of the CHC, set up just for the sake of "lip service".

2005

On 1 November

The Home Affairs Bureau established the Committee on Museums to follow-up on the Cultural and Heritage Commission's and the consultant companies' suggestions and to provide advice related to museum services to the Secretary of Home Affairs.

Its members included: Wu Po-him Philip (Chairman), Lung Ping-yee David (Vice-Chairman), Chan Kwok-chiu, Chan Tung-ngok Tony, Chow Wing-shing Vincent, Chow Yick-hay, Jane DeBevoise, Fan Yiu-kwan, Ho Chiu-king Pansy, Ip Kwok-him, Kan Wing-ching Richard, Kwok Siu-tong, Kwok Vien Peter, Lam Siu-lo Andrew, Lau Chi-pang, Lo Kai-yin, Lo Wing-sang Vincent, Poon Huen-wai, Sinn Yuk-yee Elizabeth, Sy Chin-mong Stephen, Tong Tai-wai Raphael, Alan Yip, as well as Principal Assistant Secretary (Culture) of the Home Affairs Bureau, and Assistant Director (Heritage and Museums) of the Leisure and Cultural Services Department. Chief Executive Officer (Culture), Home Affairs Bureau, and the Chief Executive Officer (Heritage), Home Affairs Bureau acted as the advisory secretary.⁸

2006

On 31 March

The *Report No. 46 of the Director of Audit* documented the following opinions and suggestions with regards to the current management and strategic structuring of museums:

1. No specific museum legislation;
2. Desirability of establishing a statutory governing body for public museums;
3. Formulation of a long-term strategic plan for museum development.

The report has recommended that the Secretary for Home Affairs and the Director of Leisure and Cultural Services should, in consultation with the Committee on Museums, consider introducing legislation to regulate museums in Hong Kong, and benchmarking the practice of the Leisure and Cultural Services Department with that of overseas cultural metropolises in the governance of museums, in particular, the setting up of a statutory governing body. Financially, 94% of the museums' operational expenses came from government subvention, attendance and utilization rates are low. The Report suggested the Leisure and Cultural Services Department encourage corporate sponsorship or increase the entrance fees of museums.⁹

2007

May

The Committee on Museums released its Recommendation Report¹⁰, and had the following suggestions on management structure:

1. To bring up five reform programmes:
 - Status quo;
 - A Single Statutory Museums Board;
 - A single statutory Museums Board;
 - A separate Museums Board for each cluster of public museums, or;
 - An independent non-profit organization, a non-statutory public supervisory body;¹¹
2. To support that museums should be operated as independent entities to improve problems caused by bureaucracy, “corporatisation of public museums under one single board by statue would be the recommended way forward...The Committee recommends that the proposed statutory Museums Board should be set up in 3 years' time as far as practicable”;¹²
3. A Provisional Museums Board should be set up in the interim to oversee the preparation and examine relevant issues for the eventual establishment of the statutory Museums Board.¹³

With regards to the Museum Ordinance, the report stated under its Indemnity Arrangements that there are not a lot of privately-operated museums in Hong Kong and thus the need for legislation was not urgent. “In order to facilitate the new governance structure to be set up as soon as possible in 3 years' time, the enabling legislation would mainly provide for the formation of the statutory Museums Board and related matters.”¹⁴

On 30 May

In the press release “Government accepts proposals to improve public museum services”, Patrick Ho, Secretary for Home Affairs, stated that “the government accepts in principle all the recommendations put forward by the Committee, and would carefully consider each of the recommendations with a view to drawing up detailed implementation plans”.¹⁵

On 8 June

With regards to the *Committee on Museums: Recommendation Report*, the Legislative Council Panel on Home Affairs responded that it had accepted in principle the recommendations put forward by the Committee in the Report, but confessed that there would be difficulties in setting up a statutory Museums Board in three years' time. Meanwhile, “special and careful attention should be paid to the concerns of the serving museum staff towards the proposed changes”.¹⁶

July

Patrick Ho stepped down as the Secretary for Home Affairs and was replaced by Tsang Tak-sing.

Patrick Ho previously supported the *Committee on Museums: Recommendation Report*.

On 26 August

Ta Kung Pao reported that Edward Tse, member of the Hong Kong Film Archive concern group, stated that the *Committee on Museums: Recommendation Report* did not respond to the 2003 report, had not addressed the issue of Hong Kong not having a Film Archive Ordinance, and confused the roles of the Film Archive and other museums.

2010

On 1 February

The Home Affairs Bureau rejected the proposal of corporatization at a media briefing and stated that Hong Kong's museums would remain under the Leisure and Cultural Services Department's management. Furthermore, three professional museum advisory panels (art, history and science) would be established.

For the first time in 11 years, the Home Affairs Bureau recruited a total of 70 museum civil servants.

On 20 October

The Home Affairs Bureau announced the establishment of 3 advisory panels (Art Museum Advisory Panel, History Museum Advisory Panel, and Science Museum Advisory Panel), each with a 2-year term.

Tsang Tak-sing, Secretary for Home Affairs stated that the aims of these advisory panels is to “enhance the management and operation of museums so as to better cater for the needs of the society”, “enhance their educational role... inject new ideas into the work and operation of the museums and formulate dynamic and creative plans to attract young visitors and widen the audience base”.

Panel members include: Lo Wing-sang Vincent (Art Museum Advisory Panel, Chairman), Wu Po-him Philip (History Museum Advisory Panel Chairman), Chin Tai-hong Roland (Science Museum Advisory Panel Chairman), etc.¹⁷

¹ Membership, Official website of the Commission

<http://www.smart-streaming.com/client/chc/bak/english/membership.asp>

² CHC Consultation Paper I, Official website of the Commission, March 2001

http://www.smart-streaming.com/client/chc/bak/english/images/consultation_paper/2001ConsultationPaper.pdf

³ CHC Consultation Paper II, Official website of the Commission, November 2001

http://www.smart-streaming.com/client/chc/bak/english/images/consultation_paper/2002ConsultationPaper.pdf

⁴ In February 1999, the ex-Provisional Urban Council accepted the principles of corporatization of the three arts organizations directly managed by the ex-Urban Services Department (Hong Kong Chinese Orchestra, Hong Kong Dance Company, and Hong Kong Repertory Theatre). On 1 April 2001, those three organizations were officially corporatized and were managed by new companies under independent operation, but still received government subvention in its early period.

⁵ Minutes of meeting of Panel on Home Affairs, LC Paper No. CB(2)590/02-03, 8 November 2002

<http://www.legco.gov.hk/yr02-03/english/panels/ha/minutes/ha021108.pdf>

⁶ *Culture and Heritage Commission Policy Recommendation Report*, 31 March 2003

http://www.hab.gov.hk/file_manager/en/documents/policy_responsibilities/CHC-PolicyRecommendationReport_E.pdf

http://www.smart-streaming.com/client/chc/bak/english/policy_recommendation_letter.asp

⁷ *Consultancy Study on the Mode of Governance of Hong Kong's Public Museums and the Hong Kong Film Archive*,

LC Paper No. CB(2)2355/02-03(06), 13 June 2003.

<http://www.legco.gov.hk/yr02-03/english/panels/ha/papers/ha0613cb2-2355-6e.pdf>

⁸ Appendix 4: “Terms of reference and membership of Committee on Museums”, *Committee on Museums Recommendation Report*, May 2007

http://www.hab.gov.hk/file_manager/en/documents/policy_responsibilities/arts_culture_recreation_and_sport/Museum_Report_e.pdf

- ⁹ Chapter 5 “Provision of public museum services” (Summary), *Director of Audit’s report No. 46*, March 2006.
http://www.aud.gov.hk/pdf_e/e46ch05_summary.pdf
- ¹⁰ *Committee on Museums Recommendation Report*, May 2007.
http://www.hab.gov.hk/file_manager/en/documents/policy_responsibilities/arts_culture_recreation_and_sport/Museum_Report_e.pdf
- ¹¹ For the pros and cons of the above five options, please refer to Appendix 14, *Committee on Museums Recommendation Report*, p74.
- ¹² Chapter 6, *Committee on Museums Recommendation Report*, p41.
- ¹³ Chapter 6, *Committee on Museums Recommendation Report*, p42.
- ¹⁴ Chapter 6, *Committee on Museums Recommendation Report*, p44.
- ¹⁵ “Government accepts proposals to improve public museum services”, press release of The Information Service Department, 30 May 2007.
<http://www.info.gov.hk/gia/general/200705/30/P200705300249.htm>
- ¹⁶ Legislative Council Panel on Home Affairs: Committee on Museums: Recommendation Report, LC Paper No. CB(2)2042/06-07(05), 8 June 2007.
<http://www.legco.gov.hk/yr06-07/english/panels/ha/papers/ha0618cb2-2042-5-e.pdf>
- ¹⁷ “Advisory panels established for public museums”, press release of The Information Service Department, 20 October 2010.
<http://www.info.gov.hk/gia/general/201010/20/P201010200225.htm>

Copyright 2010 Department of Fine Arts, the Chinese University of Hong Kong. All rights reserved. 香港中文大學藝術系版權所有。