



OUR HONG KONG
FOUNDATION
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Unleashing our museums:
Reforms toward a new
governance model

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P R E F A C E

Development of the Cultural & Creative Industries in Hong Kong

CULTURE, CULTURAL INDUSTRIES, CULTURAL & CREATIVE INDUSTRIES

“Wen Hua” (文化) is a word often seen but hard to define. Its English and French equivalent is “Culture”, originated from the Latin word “Cultus”, which means “Cultivation”. It is also similar to the concept of “Wen Zhi Jiao Hua” (文治教化) found in ancient Chinese texts, meaning “Civilization and Education for Cultivation”. Scholars in the modern era created the new word “Wen Hua” (hereinafter referred to as “Culture”) on this basis.

“Culture” can be defined in a general as well as in a narrow sense. Generally speaking, “Culture” refers to a collective belief or behavioural standard of a certain community, including language, attire, festivals, courtesies and religions, etc. In a narrow sense, it is defined as a higher level of intellectual activity that reflects a common set of values and aesthetics via literature, art and philosophy.

“Cultural Industries” is a constituent of the economic eco-system of a society, consisting sectors like food & beverages, entertainment, tourism, publications and religious articles, etc. In recent years, the international community has recognized the significance of creativity in modern economics, giving rise to the concept and category of “Cultural and Creative Industries”.

According to the categorization defined by the Statistics Division of the United Nations and the actual situation in Hong Kong, the Census and Statistics Department included the below sectors in Hong Kong’s cultural and creative industries:

1. Artworks, Antiques and Crafts;
2. Cultural Education & Libraries, File Archiving and Museum Services;
3. Performing Arts;
4. Movies, Video Recording and Music;
5. Television and Radio;
6. Publications;
7. Software, Computer Games and Multimedia;
8. Advertising;
9. Design;
10. Architecture;
11. Entertainment Services.

The average annual growth of the aggregated GDP of the above 11 categories in Hong Kong has increased by 8.6% from 2005-2014 while that of the nominal GDP of Hong Kong as a whole in the same period was 5.4%. The aggregated GDP of the cultural and creative industries accounted for 5% of Hong Kong’s GDP in 2014. The average annual growth rate of employed population in Hong Kong has been stagnant in recent years at 1.3%, while that of the cultural and creative industries has been 2.4%, accounting for 5.7% of the total employed population in Hong Kong in 2014.

From the above statistics, it is evident that developing the **cultural and creative industries** could be and should be an indispensable aspect of the cultural and economic development strategy of Hong Kong.

HONG KONG'S CULTURAL POSITION

Identifying Hong Kong's cultural position is the prerequisite of developing the cultural and creative industries in Hong Kong.

After three years of discussion, studies and consultation, the Culture and Heritage Commission, appointed by the HKSAR government in 2000, submitted a "Policy Recommendation Report" to the Chief Executive in 2003. The report has been endorsed by related authorities such as the Home Affairs Bureau and the Leisure and Cultural Services Department of every HKSAR government term. Some of the recommendations have already been implemented.

"Hong Kong's Cultural Position", the second chapter of this report, articulates well on the subject. Some of the passages therein are quoted below:

- "Hong Kong's culture is a component of Chinese culture."
- "While the majority of the population in Hong Kong is Chinese, the non-Chinese communities contribute to the city's pluralistic and international character... "Diversity with Identity" aptly depicts Hong Kong's unique cultural position."
- "Many of the older generation were born and raised in the mainland of China; even if they had the so-called "refugee" mentality, they generally did not have any problem of cultural identity. The refugee mentality does not exist in the younger generation. Since there are great differences between Hong Kong and the Mainland in living standard, education and social values, many Hong Kong people do not show a strong affiliation with their ethnic cultural identity."
- "Hong Kong's local culture has strong Lingnan influences. Some see the rapid economic development in the 1970's and

1980's as having eroded many of the qualities of our traditional local culture such as diligence, forbearance, industriousness and strong moral values. The mass media (including television, radio, newspapers and magazines) plays a vital role in reflecting and shaping the social environment. The mass media in Hong Kong enjoys a high degree of freedom and independence as it operates on free market principles. Local popular culture has grown to be highly commercialised."

- "Hong Kong is a special administrative region of China and a modern international city. Its strength in cultural development lies in its foundation of Chinese culture and its open and receptive attitude towards other cultures. Without this, Hong Kong's cultural position would be obscure, cultural exchange meaningless, and Hong Kong would be unable to contribute to the further development of Chinese culture."
- "In the latter half of the 20th century, with its unique position, Hong Kong became a special channel through which China reached the world. While the world and China underwent tremendous changes over the past one and a half centuries, the role of Hong Kong as a bridge between China and the world remained unchanged. It is imperative for Hong Kong to maintain and develop this role."
- "As a special administrative region of China, Hong Kong should position itself as a metropolis in China which is most capable of bridging China and the world."

The above quotes have already been published for over 13 years, but are still important references to the cultural and creative industries in Hong Kong.

BECOMING AN INTERNATIONAL METROPOLIS

Although the museums in Hong Kong are largely reputable in Southern China and South-east Asia, their management model and funding mechanism require a thorough reassessment. There are a lot of outstanding visual arts practitioners in Hong Kong. The music produced by Hong Kong, whether it is live performances or recorded products, has a long history and profound foundation. The movies and television dramas from Hong Kong were once top-notch in South-east Asia - the pride of the global Chinese community.

Following the opening of world-class galleries, the robust auction market and booming international art exhibitions, Hong Kong is now known as "Asia's Art Hub".

While Hong Kong's music products are now facing great challenges from the Mainland, the industry also faces an excellent opportunity for market expansion, with tough yet exciting requirements and expectations on quality creation, planning, production, performance, sales and marketing.

Hong Kong is situated at the mouth of the Pearl River in the Lingnan region, enjoying an impeccable geographical location. Benefitting from its historical advantages, Hong Kong is where Chinese and Western cultures meet, and acts as an exceptional display window of Chinese culture. As stated in the preceding section on "Hong Kong's Cultural Position," Hong Kong should continue to be committed to its role of being a bridge between China and the world.

Over the past decade, Hong Kong has made active investments in establishing the West Kowloon Cultural District, with a view to developing a cultural, art and entertainment district, making Hong Kong a brilliant cultural centre in the region.

The above advantages and opportunities would require the hard work and support from the HKSAR government and related industries to materialise, in order to make Hong Kong an international metropolis and cultural centre.

DEVELOPMENT STRATEGY: ESTABLISHING PARTNERSHIPS WITH A COMMUNITY-DRIVEN APPROACH

The HKSAR government accepted the recommendations made by the Task Force on Economic Challenges in 2009, with a view to developing the “Six Priority Industries”, including the cultural and creative industries that our group focuses on. The HKSAR government has put in extra resources to these six priority industries for further development since.

Among the various aspects in the cultural and creative industries, Our Hong Kong Foundation, after careful consideration, has selected a few facets to discuss in upcoming policy recommendation papers. The first recommendation paper is on museum governance, followed by art, music, movies, television and multimedia, etc.

These aspects represent Hong Kong’s cultural and creative strengths with great potential that are yet to be highly recognised by society currently.

Before discussing these facets one by one, the overall recommendation proposed by Our Hong Kong Foundation to the HKSAR government is **“Establishing Partnerships with a Community-driven Approach”**.

The government should allocate adequate resources to the cultural and creative industries (such as financial support, land, venues, regulation amendments etc.) in order to strengthen the infrastructure of the industry. Seed funding should also be granted to encourage community engagement, establish positive interactions and partnership among the government (including the administration and the Legislative Council), the business sector and the cultural sector.

According to the “One Country Two Systems” concept, Hong Kong shall remain a capitalism-driven economy. Investment and management made by the community should be the main engine for the cultural and creative industries. The government can gradually decrease direct involvement in cultural industry development. This approach is not only the epitome of Hong Kong’s cultural and economic development, but also a demonstration of the ideal operation of Hong Kong as per the “One Country Two Systems” concept.

CHALLENGES AND RESPONSES

The success of any emerging enterprise relies on its philosophy, talent, finance, management and market. This is especially true for the cultural and creative industries. Among these five key elements, philosophy should run supreme, talent delivers the results and the market gives the examination.

Hong Kong is a place where creation is free, intellectual property rights are protected, capital inflow is abundant and potential market is enormous. Therefore, the much needed element for Hong Kong currently is creative and practical ideas. In the long run, enhancing the education on civic culture and fostering innovative practice would be the key to high quality creative ideas for a city, a region or a country.

Whether it is museum governance, visual arts, music production, movies, television or multimedia, Hong Kong, as just one of the many Chinese societies in the world, cannot nurture all of the necessary talents. Instead, Hong Kong has to offer incentives to attract

more quality talents to join the cultural and creative industries. The experience in London and New York suggests that only by attracting more non-local quality talents can more jobs be created for the local population. While local protectionism is understandable, it is proven by history that such policy brings no benefits.

The potential market of Hong Kong's cultural and creative industries is global. However, the Mainland is undoubtedly the most important market amidst the facets that we are going to discuss. Currently, the museum service, art creation and commercialisation, music creation and performance as well as movie and television production in the Mainland are all booming. Our biggest challenge would be attracting the Chinese audience while introducing our products to the mainland market under the comparative advantage granted by "One Country Two Systems." Identifying a proper cultural position with reference to the relevant terms in "CEPA" would be the priority to consider in responding to the challenge.

RETROSPECT AND PROSPECT

Back in 1900, troops from the Eight Powers occupied Beijing and the Chinese Empire was on the verge of collapse. This was due to the Empire's inability to respond effectively to challenges coming from abroad. Responses from elites of Chinese society at that time included constitutional monarchy proposed by Kang Youwei and Liang Qichao, as well as the establishment of a republic proposed by Sun Yat-sen. Kang Youwei, Liang Qichao and Sun Yat-sen were all Guangdong locals born in the Pearl River Delta.

This phenomenon is no coincidence. Lingnan has been a major part of the Chinese civilization since the Qin and Han dynasties, frequently interacting with foreign counterparts. The actions of these Lingnan locals were the result of interactions with geography and historical imprints.

A century later, the Chinese government launched the "Belt & Road" Initiative which opens up new opportunities for Hong Kong. The land and maritime blueprint of the "Belt & Road" initiative encompasses dozens of countries, which account for nearly half of the world's population. Hong Kong is situated at the gateway of the Pearl River Delta in Southern China, where the East has met the West since the Qin and Han dynasties. Blessed with such geographical and historical advantages, Hong Kong should pro-actively advocate cultural exchanges among the countries and cities in the "Belt & Road" regions, in addition to being an important platform for finance and trade, in order to contribute positively to Hong Kong, China and the world.

The long term implication of Our Hong Kong Foundation's recommendation to promote music and art as well as the development of the cultural and creative industries can be divided into three levels.

First of all, promoting and enhancing Hong Kong citizens' appreciation for music and art would be an effective approach to foster the physical and mental health of the people and elevate the overall civic quality. Eventually, this could ameliorate interpersonal relationships in society, thereby enhancing harmony among different segments of society.

Second, well-developed cultural and creative industries can create jobs and promote economic prosperity, especially when a new high-growth sector is a much needed breakthrough for Hong Kong's economic development. The growth brought by the cultural and creative industries would not jeopardize existing jobs nor would it add burden to current public facilities. The success of it would be beneficial for all while the opposite would not bring harm.

If we take it to the next level, the robust cultural and creative industries would definitely facilitate Hong Kong's interactions and cooperation with surrounding regions, which could help eliminate the estrangement between Hong Kong and the Mainland and enhance the overall harmony of the country. This would be an enormous yet intangible advantage for both Hong Kong and China.

Fostering Hong Kong into a stable society with a prosperous economy and thriving cultural scene is not only for the betterment of Hong Kong citizens and China, it is also the highest wish of Our Hong Kong Foundation.

Executive Summary

The majority of public museums in Hong Kong are run by the Leisure and Cultural Services Department (LCSD). They are staffed by highly qualified professionals, have important collections, and hold excellent exhibitions accompanied by outreach and educational activities. According to opinion surveys in recent years, over 90% of visitors were “satisfied” or “very satisfied” with their museum experience. Having said that, we see our museums as hidden gems because the Hong Kong museums scene as a whole lacks the vibrancy and international recognition that it deserves given the aforementioned strengths. On an international scale, Hong Kong fares poorly in terms of visitor numbers, membership figures, digital presence and tourist rankings. Equally importantly, the legal status of our museums is less than ideal, with our museums currently covered under the Public Health and Municipal Services Ordinance, in a brief section alongside sewers and drains, public slaughterhouses, cemeteries, libraries and civic centres.

In this report, we submit that the full potential of Hong Kong’s museums can only be unleashed under a publicly funded, autonomously managed governance model. This would be an improvement from the status quo, where museums are managed as line departments under the LCSD. Instead, we propose that legislation be enacted to establish a statutory Museums Board with advisory committees for the art, history and science streams. Existing

LCSD employees would be given the choice of transferring to other parts of the department or exiting the civil service to become employees of the new Museums Board. Museums would continue to receive funding at least at current levels from the government.

To begin with, we summarize the historical debates on museum governance in Hong Kong and highlight recommendations from four separate reports in 2003, 2006 and 2007 urging the government to reform the LCSD museums under an autonomous Museums Board. While the issue of museum governance has been raised multiple times in the past, we believe that it is timely to revisit the issue as the government is pouring resources into a major extension of the Hong Kong Museum of Art and renewal projects for other major museums. Indeed, the government’s investment into the physical infrastructure of our museums sector would be enhanced and reinforced if accompanied by improvements in the governance model of LCSD museums. A publicly funded, autonomously managed governance model would unleash the potential of our museums, including staff potential.

As an overview to our argument, we go beyond the previous reports on museum governance, which were more theoretical in nature, to underscore the unmistakable, rising trend of publicly funded museums adopting a more autonomous

management model through legislation and reform. While privately funded museums, such as the majority of renowned museums in the United States, are beyond the scope of this report, some of the most prominent and most visited publicly funded museums in London, Melbourne, Paris, Madrid, Amsterdam, Tokyo and Singapore have through legislation and reform achieved a higher degree of effectiveness stemming from autonomy in their management. Indeed, M+ of the West Kowloon Cultural District in Hong Kong, which aims to be the defining museum of 20th and 21st century visual culture in Asia, has adopted this model. In addition, while museums run as line departments, such as the Palace Museum in Taipei and the National Museum of Korea in Seoul, are among the most visited museums in Asia, we recognize that the high visitor numbers for these two museums stem from unique circumstances that cannot be replicated in Hong Kong.

Next, we go on to show that there are at least three distinct advantages offered by our proposal of a publicly funded, autonomously managed governance model, which would consist of a statutory, governing Museums Board, a diversified funding model, and a departure from the civil service system. First, a statutory, governing Museums Board would allow for greater integration of the museum with the broader community. Under the right conditions, a governing board would

be instrumental in pooling resources to support museum development, and acting as a sounding chamber while also providing checks and balances vis-à-vis the senior management team. We point out the shortcomings of the LCSD Museum Advisory Panels (MAPs), which have just been replaced by the Museum Advisory Committee (MAC), and recommend that the government reference best practices locally and overseas in establishing and appointing a statutory Museums Board. Importantly, we note that the statutory solution we are proposing allows the government to participate in - but not micro-manage - the museums, not the least by appointing members of the Board. Indeed, we envision the government to continue to play an active and important role in museum development in Hong Kong post-reforms.

Second, a departure from the status quo where museums are line departments of the government would diversify the sources of museum funding, bringing in corporate sponsorships and individual philanthropy while also encouraging museums to develop additional sources of income. We recommend that the government maintain at least current levels of funding to the museums sector, simultaneously encouraging private sector contribution, which is currently very limited, so as to enlarge the entire pie for museums funding. In particular, this would have the effect of enhancing the quality of exhibitions

and increasing the resources available for educational and outreach activities. Indeed, not only do publicly funded, autonomously managed museums such as the British Museum (London), National Gallery (London), Tate (London), Victoria & Albert (London), National Gallery of Victoria (Melbourne), the Louvre (Paris) and the Rijksmuseum (Amsterdam) have a balanced mix of government subsidy versus self-generated income; more importantly, for the museums such as the Prado (Madrid) and Tokyo National Museum (Tokyo) that recently went through reforms to achieve more independent management, an analysis of the financial statements shows a clear trend toward increased self-generated income post-reforms.

Third, a weaning off from over-reliance on the civil service system would enable openness, diversity and flexibility in human resources, as an improvement to the status quo where the system constrains the potential of the staff and the ability to employ the most suitable personnel, especially at the mid and senior levels. British museums such as Tate and the Victoria & Albert in particular have made great efforts to ensure a transparent system for welcoming diverse talent who are dedicated to museum management. With reference to the Dutch experience, we recommend that the government include provisions for the compensation and pension benefits of existing LCSD staff, so as to ensure a smooth transition

toward a statutory, autonomous Museums Board. Indeed, an analysis of employment in the museums sector in the Netherlands shows increased employment after the reforms, supporting our thesis that employment would likely increase - rather than decrease - as the entire pie for museum funding is enlarged.

Finally, we survey museum legislation worldwide and recommend legislation for Hong Kong that benchmarks a combination of relevant local and overseas legislation for the creation of a new entity to manage the museums, for setting the roles and responsibilities of the Museums Board, and for including provisions for the compensation and pension benefits of LCSD museum staff during the transition.

While we labour under no illusion that a change in the mode of governance is the silver bullet, it is clear that the establishment of a statutory, autonomous Museums Board would appear to be a necessary condition for enlivening our public museums, releasing management discretion and breathing new energy into the entire sector, resulting in improvements on all fronts, not least in increasing stakeholder participation in our museums, generating private sector support, and delivering favourable public educational outcomes for the benefit of Hong Kong as a whole.

Table of Contents

1.	Introduction: Our Museums the Hidden Gems of Hong Kong	17
1.1	High Levels of Satisfaction with Our Museums	19
1.2	Lack of Vibrancy and Recognition of the Hong Kong Museums Scene	21
1.2.1	Visitor Numbers	
1.2.2	Membership or "Friends" Numbers	
1.2.3	Digital Presence	
1.2.4	Tourist Rankings	
1.3	Lack of Specific Museum Legislation in Hong Kong	29
2.	Historical Debates on Museum Governance in the Legislative Council	30
2.1	Culture and Heritage Commission Report (2003)	32
2.2	LCSD Report on Mode of Governance of Public Museums and the Hong Kong Film Archive (2003)	32
2.3	Audit Commission Report on Public Museum Services (2006)	33
2.4	Committee on Museums Recommendation Report (2007)	33
2.5	HAB Decision to Improve Museum Services within Existing Structure (2010)	34
2.6	Measures to Improve Museum Services Since 2010	36
3.	Global Trends in Museum Governance	38
3.1	The Modes of Museum Governance	40
3.2	Rising Trend of Publicly Funded, Autonomously Managed Museums	42
3.2.1	London: British Museum, National Gallery, Tate, Victoria & Albert	
3.2.2	Melbourne: National Gallery of Victoria	
3.2.3	Paris: The Louvre	
3.2.4	Madrid: Museo del Prado	
3.2.5	Amsterdam: The Rijksmuseum	
3.2.6	Tokyo: Tokyo National Museum	
3.2.7	Singapore: National Museum of Singapore	
3.2.8	Hong Kong: M+ of the West Kowloon Cultural District	
3.3	A Close Look at Most Visited Museums Run as Line Departments	48
3.3.1	Taipei: Palace Museum	
3.3.2	Seoul: National Museum of Korea	

4.	The Merits of a Publicly Funded, Autonomously Managed Museums Board	51
4.1	Integration with the Broader Community through the Board System	54
4.1.1	Shortcomings of the LCSD Museum Advisory Panels	
4.1.2	A Solution in Line with the Tradition of Public Service through Statutory Bodies	
4.1.3	Arguments for a Two-tier Governance Structure	
4.1.4	Government Involvement and Selection of Board Members	
4.1.5	Overseas Best Practices in the Governance of Publicly Funded, Autonomously Managed Museums	
4.2	Diversification in Sources of Museum Funding	59
4.2.1	Low Levels of Self-Generated Income among LCSD Museums	
4.2.2	Current State of Giving to Arts and Culture in Hong Kong	
4.2.3	Bringing in Private Funding in the Museums Sector	
4.2.4	Diversified Museum Funding in London, Melbourne, Paris and Amsterdam	
4.2.5	Increasing Self-generated Income in Museums in Madrid and Tokyo	
4.3	Openness, Diversity and Flexibility in Human Resources	66
4.3.1	Shortcomings of Employing Museum Staff through the Civil Service System	
4.3.2	Human Resources Practices at the Tate and Victoria & Albert	
4.3.3	Increase in Employment in the Dutch Museums Sector Post-Reforms	
4.3.4	Provisions for Existing LCSD Museum Staff	
5.	A Proposal for Museum Legislation in Hong Kong	71
5.1	Australia: National Gallery of Victoria Act 1966	73
5.2	Spain: Museo del Prado Law 2003	73
5.3	United Kingdom: National Heritage Act 1983 & Museums and Galleries Act 1992	74
5.4	Singapore: The National Heritage Board Act 1993	74
5.5	Japan: Independent Administrative Institution National Institutes of Cultural Heritage Law 1999	75
5.6	The Netherlands: Privatisation of National Museums Act 1993	75
5.7	Hong Kong: Hospital Authority Ordinance 1990, Airport Authority Ordinance 1995 & West Kowloon Cultural District Authority Ordinance 2008	76
5.8	A Proposal for Museum Legislation in Hong Kong	77
6.	Conclusion	79



1

Introduction: Our Museums the Hidden Gems of Hong Kong

In this paper, we define museum governance as the system of providing leadership and stewardship for a museum, in terms of setting direction, strategy and priorities, providing support and guidance for the management team, and conducting oversight and monitoring of all aspects of the museum, so as to achieve accountability to stakeholders and the wider community. With the notable exception of M+ in the West Kowloon Cultural District, the majority of public museums in Hong Kong are currently managed as line departments under the Leisure and Cultural Services Department (LCSD), which reports to the Home Affairs Bureau (see Figure 1).

LCSD is directly funded by the Government, with an expenditure amount of \$800 million allocated to Heritage, Museums and Exhibitions in 2016 - 2017¹.

► Figure 1: Museums under LCSD



Source: LCSD

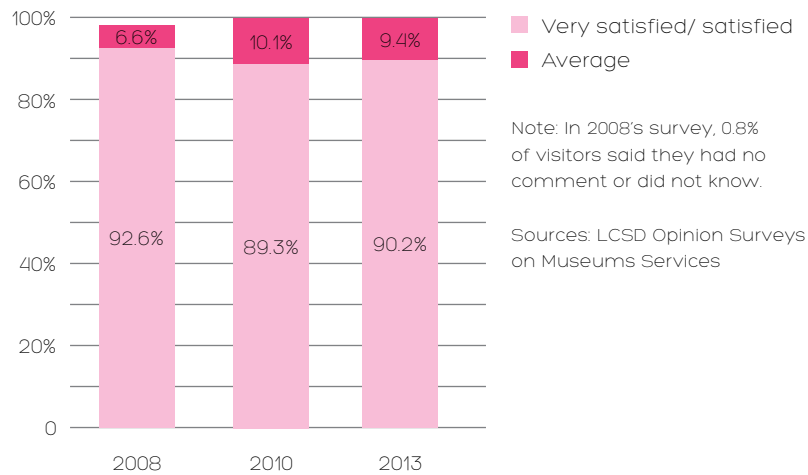
¹ Home Affairs Bureau website. http://www.hab.gov.hk/en/policy_responsibilities/arts_culture_recreation_and_sport/arts.htm

HIGH LEVELS OF SATISFACTION WITH OUR MUSEUMS

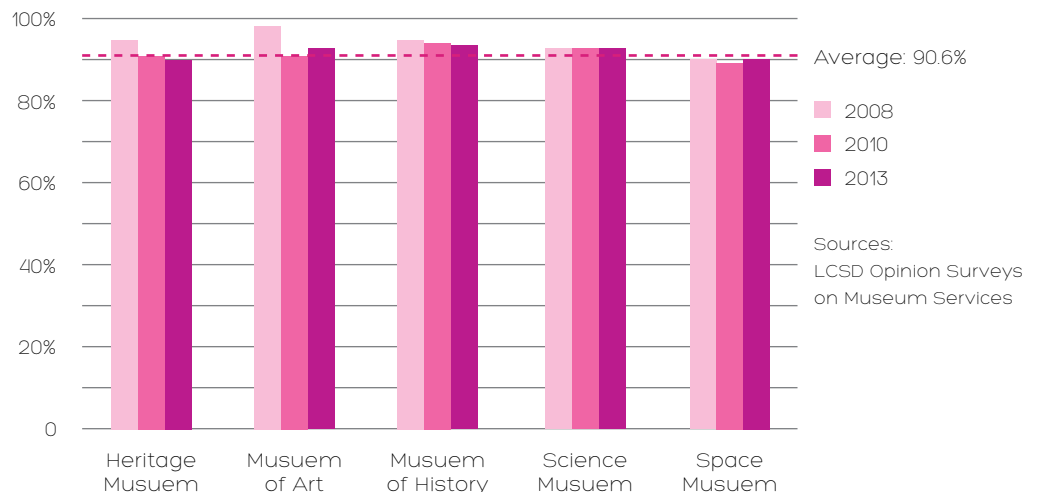
Overall, LCSD museums have been well received by visitors. According to opinion surveys conducted in 2008, 2010 and 2013, visitors were highly satisfied by their museum experiences. Around 90% of visitors responded that they were very satisfied or satisfied with LCSD museums. (Figure 2) For the five major LCSD museums, 90.6% of visitors were very satisfied or satisfied during the period from 2008 to 2013. (Figure 3)

Visitors have also been very satisfied with the education and extension activities at LCSD museums. The LCSD Opinion Survey in 2010, which covered nine museums in total, is the latest survey that evaluated visitors' satisfaction levels of education and extension activities. While only about 10% of total visitors had participated in these activities, 85.4% of those who had joined found their experience to be "very satisfying" or "satisfying."

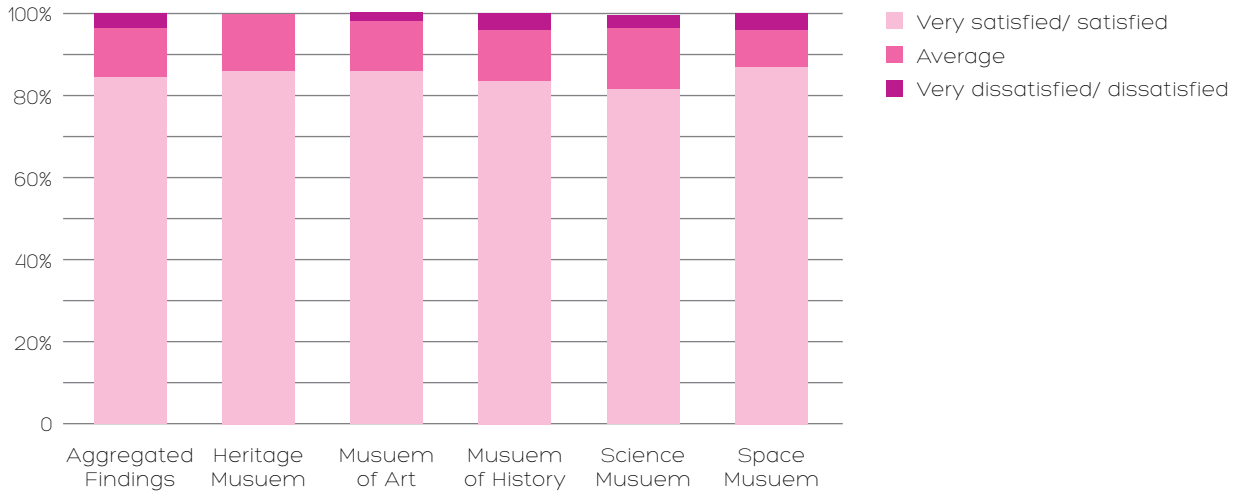
► Figure 2 : Visitors' satisfaction of LCSD museums



► Figure 3 : Percentage of visitors who were very satisfied / satisfied with overall experience at the five major LCSD museums



► Figure 4: Visitors' satisfaction with education and extension activities



Source: LCSD 2010-2011 Opinion Survey on Museum Services

LACK OF VIBRANCY AND RECOGNITION OF THE HONG KONG MUSEUMS SCENE

Despite high levels of satisfaction of visitors who do go to the museums, we see the LCSD museums as hidden gems because the museums scene as a whole lacks the vibrancy and international recognition that it deserves.

1.2.1 Visitor Numbers

While there are many indicators of museum performance, one objective metric is the number of visitors. Hong Kong fares poorly in this regard, without a single museum among the top 20 most visited art museums in the world (Figure 5), or even on a regional level in Asia (Figure 6).

► Figure 5 : Top 20 Most Visited Art Museums in the World

	Name of Museum	City	Attendance
1	Louvre	Paris	8,600,000
2	British Museum	London	6,820,686
3	Metropolitan Museum of Art	New York	6,533,106
4	Vatican Museums	Vatican City	6,002,251
5	National Gallery	London	5,908,254
6	Palace Museum	Taipei	5,291,797
7	Tate Modern	London	4,712,581
8	National Gallery of Art	Washington, DC	4,104,331
9	State Hermitage Museum	St. Petersburg	3,668,031
10	Musée d Orsay	Paris	3,440,000
11	Victoria and Albert Museum	London	3,432,325
12	Reina Sofía	Madrid	3,249,591
13	Somerset House	London	3,235,104
14	National Museum of Korea	Seoul	3,129,680
15	Museum of Modern Art	New York	3,084,624
16	Centre Pompidou	Paris	3,060,000
17	Tokyo Metropolitan Art Museum	Tokyo	2,772,829
18	National Folk Museum of Korea	Seoul	2,762,143
19	Museo Nacional del Prado	Madrid	2,696,666
20	National Art Center Tokyo	Tokyo	2,466,311

Source: The Art Newspaper 2015

► Figure 6 : Top 10 Most Visited Art Museums in Asia

	Name of Museum	City	Attendance	Global Ranking
1	Palace Museum	Taipei	5,291,797	6
2	National Museum of Korea	Seoul	3,129,680	14
3	Tokyo Metropolitan Art Museum	Tokyo	2,772,829	17
4	National Folk Museum of Korea	Seoul	2,762,143	18
5	National Art Center Tokyo	Tokyo	2,466,311	20
6	National Gallery of Victoria	Melbourne	2,411,311	21
7	Shanghai Museum	Shanghai	1,923,504	29
8	Tokyo National Museum	Tokyo	1,914,880	30
9	Australian Centre for Moving Image	Melbourne	1,343,450	42
10	National Art Museum of China	Beijing	1,190,000	50

Source: The Art Newspaper 2015

► Figure 7 : 2015/2016 Attendance of LCSD Museums

Heritage Museums

Hong Kong Heritage Museum	430,000
Hong Kong Railway Museum	224,000
Sheung Yiu Folk Museum	40,000
Sam Tung Uk Museum	91,000

Art Museums

Hong Kong Museum of Art	118,000
Hong Kong Museum of Art (2014/2015)	414,000
Flagstaff House Museum of Tea Ware	215,000

History Museums

Hong Kong Museum of History	764,000
Dr Sun Yat-sen Museum	64,000
Fireboat Alexander Grantham Exhibition Gallery	88,000
Hong Kong Museum of Coastal Defence	127,000
Law Uk Folk Museum	13,000
Lei Cheng Uk Han Tomb Museum	37,000

Science Museums

Hong Kong Science Museum	1,125,000
Hong Kong Space Museum (Exhibition & Space Theatre Program)	534,000

Source: LCSD

For comparison, the most visited LCSD museum is the Hong Kong Science Museum, with 1,125,000 visitors in 2015/2016 (Figure 7). While the 2015/2016 attendance figure of 118,000 for the Hong Kong Museum of

Art is not representative due to the closure of the museum for renovation since August 2015, even in 2014/2015, the corresponding attendance figure was just 414,000, suggesting room for improvement.

1.2.2 Membership or “Friends” Numbers

Second, we consider membership or “friends” organisations of museums as an indicator of success in community outreach and engagement. These membership organizations constitute a core group of museums’ support base, as a way of soliciting donations and harnessing community involvement. The small membership base of the “Friends of the Hong Kong Museum of Art” - at 750 members - stands in stark contrast to some of the more successful “Friends” programs overseas. In addition, it seems that other LCSD museums in Hong Kong have yet to launch a “Friends” program.

Membership schemes come in various forms with differing degrees of membership commitment. For example, the Prado runs a local “Prado Friends Foundation”, alongside of an “American friends of Prado”, which specifically garners American support abroad. The Tate Modern is supported by the umbrella organisation of “Tate members”, which encompasses all Tate museums. The Centre Pompidou divides their members into patrons and cardholders, whereby individuals of the former group donate a significantly larger amount than the latter; of the 62,000 members recorded below, only 2000 are patrons. Regardless of the specific structures of individual membership organisations that run in tandem with museums, these overseas models should serve as benchmarks for Hong Kong museums to strive towards.

► Figure 8 : Membership Organizations for Major Museums around the World

Museum	Organisation	No. of members
Tate Modern	Tate members (for all Tate museums)	100,000
British Museum	British Museum Membership	70,000
National Gallery of Art	Memberships for ‘The Circle’, ‘The Exhibition Circle’ and ‘The Tower Project’	70,000
Centre Pompidou	Centre Pompidou Membership	62,000
Victoria and Albert Museum	V&A Membership	41,700
Museo Nacional del Prado	Prado Friends Foundation	30,000
Musee d’Orsay	Musee d’Orsay Membership	18,846
Vatican Museums	Patron of the Arts in the Vatican Museums	2,500
Hong Kong Museum of Art	The Friends of the Hong Kong Museum of Art	750

Source: Individual Museums

1.2.3 Digital Presence

Third, we measure the digital presence of top museums on the Internet, using the number of likes on Facebook as an indicator (Figure 9). While top museums in Paris, New York and London have more than 1 million “likes,” The Hong Kong Space Museum and the Hong Kong Science Museum have a little more than 10,000 “likes.” A number of LCSD museums also do not appear to have official Facebook pages. Given the prevalence of Facebook in Hong Kong, the digital presence of our museums seems to be somewhat lagging.

1.2.4 Tourist Rankings

Lastly, the attractiveness of museums in Hong Kong as a tourist destination is also relatively weak compared to that in other major cities (Figure 10). In London, for example, the British Museum, National Gallery and Victoria and Albert Museum are the top three ranked attractions on Trip Advisor. Similarly, in Paris, the Musee d’Orsay and Musee du Louvre are the No. 1 and No. 3 ranked attractions respectively. In Madrid and Amsterdam, the Prado and the Rijksmuseum claim the top spots in the respective cities. Museums also fare better in Trip Advisor attraction rankings for New York, Tokyo, Seoul, Taipei, Beijing and Shanghai than for Hong Kong, where the Hong Kong Museum of History is the only museum among the top 25 attractions, at eleventh place.

► Figure 9 : Facebook “Likes” for Most Visited Museums in the World

Name of Museum	City	Number of Facebook Likes
Louvre	Paris	2,237,660
Museum of Modern Art	New York	1,921,383
Metropolitan Museum of Art	New York	1,775,673
British Museum	London	1,239,999
Tate Modern	London	992,420
Museo Nacional del Prado	Madrid	874,213
National Gallery of Art	Washington, D.C.	792,023
National Gallery	London	779,730
Musée d’Orsay	Paris	697,471
Centre Pompidou	Paris	597,835
Victoria and Albert Museum	London	530,689
Smithsonian	Washington, D.C.	495,719
Centro Cultural Banco do Brasil	Rio De Janeiro	387,201
Reina Sofía	Madrid	345,656
Rijksmuseum	Amsterdam	306,705
Vatican Museums	Vatican City (Rome)	201,806
National Gallery of Victoria	Melbourne	120,663
Palace Museum	Taipei	85,465
State Hermitage Museum	St. Petersburg	55,664
National Art Center Tokyo	Tokyo	21,696
National Museum of Korea	Seoul	15,733
Hong Kong Space Museum	Hong Kong	13,457
Hong Kong Science Museum	Hong Kong	10,249

Source: Facebook. Information Gathered October 2016

► Figure 10 : Tourist Attraction Rankings on Trip Advisor in Selected Cities in October 2016

London	Paris	Madrid
1 British Museum	Musee d'Orsay	Prado National Museum
2 National Gallery	Eiffel Tower	Retiro Park
3 V&A - Victoria and Albert Museum	Musee du Louvre	Thyssen-Bornemisza Museum
4 Tower of London	Notre Dame Cathedral	Stadio Santiago Bernabeu
5 Big Ben	Luxembourg Gardens	Royal Palace of Madrid
6 Churchill War Rooms	Sainte-Chapelle	Sorolla Museum
7 Walking Tours	Palais Garnier - Opera National de Paris	Sightseeing Tours
8 Houses of Parliament	Musee de l'Orangerie	Museo Arqueologico Nacional
9 Tower Bridge	Pont Alexandre III	Room Escape Games
10 St. James's Park	River Seine	City Tours
11 Natural History Museum	Arc de Triomphe	Private Tours
12 Theater & Performances	Basilica du Sacre-Coeur de Montmartre	Cultural Tours
13 Hyde Park	Private Tours	Queen Sofia Arts Center
14 City Tours	Le Marais	Museo Cerralbo
15 Wallace Collection	Food Tours	Mercado San Miguel
16 Westminster Abbey	Tours de la Cathedrale Notre-Dame	Paseo del Prado
17 Borough Market	City Tours	Palacio de Cibeles
18 The London Eye	Musee Rodin	Gran Via
19 Room Escape Games	Room Escape Games	Templo de Debod
20 Regent's Park	Montmartre	Plaza Mayor
21 Private Tours	Cultural Tours	Real Basilica de San Francisco el Grande
22 Brick Lane Music Hall	Saint Germain des Pres Quarter	Plaza de Cibeles
23 Up at The O2	Ile de la Cite	Museo Lazaro Galdiano
24 Camden Lock Market	Ile Saint-Louis	Barrio de Salamanca
25 Sky Garden	Musee Jacquemart-Andre	Parroquias de San Antonio de la Florida y San Pio X

► Figure 10 : Tourist Attraction Rankings on Trip Advisor in Selected Cities in October 2016 (Cont.)

Amsterdam	New York	Melbourne
1 Rijksmuseum	Central Park	Melbourne Cricket Ground
2 Anne Frank House	The Metropolitan Museum of Art	Royal Botanic Gardens Melbourne
3 Van Gogh Museum	The National 9/11 Memorial & Museum	Shrine of Remembrance
4 Vondelpark	Top of the Rock Observation Deck	City Circle Tram
5 City Tours	Manhattan Skyline	Wine Tours & Tastings
6 The Jordaan	The High line	National Gallery of Victoria
7 Private Tours	Broadway	Walking Tours
8 Museum Ons'Lieve Heer Op Solder	City Tours	Block Arcade
9 De Duif	Grand Central Terminal	Port Campbell National Park
10 Central Library	Frick Collection	State Library of Victoria
11 Room Escape Games	Broadway Shows	Sightseeing Tours
12 Walking Tours	Empire State Building	Melbourne Museum
13 Sightseeing Tours	Ground Zero Memorial	Melbourne Zoo
14 Heineken Experience	Walking Tours	Eureka Skydeck 88
15 Museumplein	Bryant Park	Rod Laver Arena
16 Boat Tours	Statue of Liberty	Old Melbourne Gaol
17 The Resistance Museum	One World Observatory World Trade Centre	National Sports Museum
18 Herengracht	St. Patrick's Cathedral	St. Patrick's Cathedral
19 Dutch National Opera & Ballet	Ground Zero Museum Workshop	Southbank
20 Artis Zoo	Staten Island Ferry	Australian Centre for the Moving Image
21 Emperor's Canal	Radio City Music Hall	Queen Victoria Market
22 Centraal Station	Rockefeller Center	The Ian Potter Centre: NGV Australia
23 Museum Het Rembrandtthuis	Private Tours	Melbourne Visitor Centre
24 Micropia	The Met Cloisters	Fitzroy Gardens
25 Food Tours	New York Public Library	Immigration Museum

► Figure 10 : Tourist Attraction Rankings on Trip Advisor in Selected Cities in October 2016 (Cont.)

Tokyo	Seoul	Taipei
1 Shinjuku Gyoen National Garden	Seoul Metro	Elephant Mountain
2 Meiji Jingu Shrine	The War Memorial of Korea	Maokong Gondola
3 Asakusa	Gyeongbokgung Palace	Longshan Temple
4 Senso-ji Temple	Bukhansan National Park	Chiang Kai-Shek Memorial Hall
5 Tokyo Metro	City Tours	Palace Museum
6 Cooking Classes	Changdeokgung Palace	Taipei 101
7 Tokyo Metropolitan Government Office	National Museum of Korea	Yangmingshan National Park
8 Tokyo Tower	Myeongdong Shopping Street	Taipei Zoo
9 Ueno Park	Hangang Park	Private Tours
10 Edo-Tokyo Museum	N Seoul Tower	Beitou Hot Spring
11 Tokyo Skytree	Insadong	National Revolutionary Martyrs' Shrine
12 Cultural Tours	Bukchon	TAIPEI 101 Observatory
13 Odaiba	Cheonggyecheon Stream	National Taiwan University
14 Chidorigafuchi	Hongik University Street	Railways
15 Shibuya Pedestrian Scramble	Namsan Park	Taxis & Shuttles
16 Nezu Museum	Bongeunsa Temple	Hsing Tian Kong
17 Samurai Museum	Yeouido Hangang Park	Ximending
18 Ryogoku Kokugikan	Yeouido Park	Beitou Public Library, Taipei
19 Ginza	Trickeye Museum	Maokong mountain
20 Tokyo Central Railway Station	Dongdaemun Design Plaza	Taipei Confucius Temple
21 Tokyo City View Observation Deck	Changgyeonggung Palace	Songshan Cultural and Creative Park
22 Akihabara	Jamsil Baseball Stadium	Daan Forest Park
23 Tokyo National Museum	Leeum Samsung Museum of Art	Taipei Children's Amusement Park
24 Lessons and Workshops	Ewha Womans University	Gift & Specialty Shops
25 Yoyogi Park	Jogyesa Temple	Huashan 1914 Creative Park

► Figure 10 : Tourist Attraction Rankings on Trip Advisor in Selected Cities in October 2016 (Cont.)

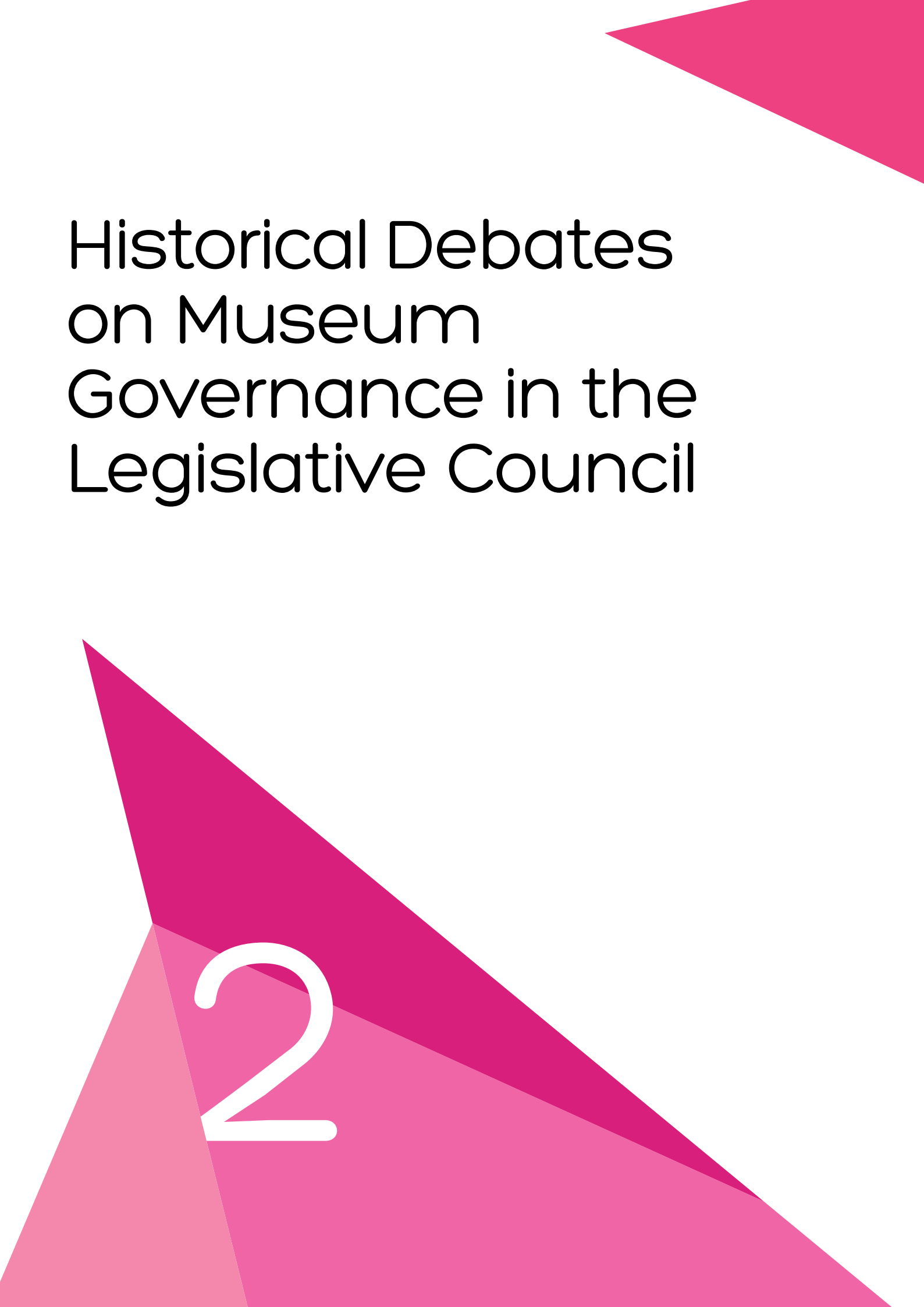
Beijing	Shanghai	Hong Kong
1 Great Wall at Mutianyu	The Bund (Wai Tan)	Hong Kong Skyline
2 Private Tours	Private Tours	Star Ferry
3 Summer Palace (Yiheyuan)	Shanghai World Financial Center	Victoria Peak (The Peak)
4 The Great Wall at Badaling	Shanghai Circus World	Walking Tours
5 City Tours	Bund International Architecture Exhibition	Tian Tan Buddha
6 Temple of Heaven (Tiantan Park)	Shanghai Museum	Hong Kong Tramways
7 Great Wall at Huanghuacheng	Yu Garden (Yuyuan)	Nan Lian Garden
8 The Great wall of Jiankou	Oriental Pearl Tower	Lantau Island
9 Forbidden City - The Palace Museum	Old French Concession	Chi Lin Nunnery
10 Cultural Tours	Huangpu River	Victoria Harbour
11 Juyong Pass of Great Wall	Shanghai Propaganda Poster Art Centre	Hong Kong Museum of History
12 Jingshan Park	Riverside Promenade	Dragon's Back
13 Lama Temple (Yonghegong)	Shanghai Tower	Ocean Park
14 Hiking & Camping Tours	Peace Hotel (Heping Fandian)	Happy Valley Racecourse
15 Long Corridor at the Summer Palace	Shanghai Urban Planning Exhibition Hall	Hong Kong Disneyland
16 Beihai Park (Beihai Gongyuan)	Pudong New Area	Hong Kong Park
17 Hall of Great Harmony (Taihe Dian)	Three on the Bund	Ten Thousand Buddhas Monastery
18 Chaoyang Theater	Shanghai Jewish Refugees Museum	Po Lin Monastery
19 National Center for the Performing Arts	Jin Mao Tower	Private Tours
20 798 Art Zone	Shanghai History Museum	Tsim Sha Tsui Promenade
21 The Imperial Garden of The Palace Museum	Longhua Temple	Sai Kung
22 Gate of Heavenly Peace (Tian'an Men)	Fuxing Park	Ngong Ping Village
23 Meridian Gate (Wu Men)	Zhujiqiao Ancient Town	Sky100 Hong Kong Observation Deck
24 Photography Tours	Old Town (Nanshi)	Stanley
25 Day Trips	Xintiandi	Cheung Chau Island

Not only does our museums scene lack the vibrancy and international recognition it deserves; on a legislative level, there is a lack of specific museum legislation in Hong Kong. Contrary to overseas practice where there is often museum-specific legislation (Figure 11), museums in Hong Kong are included

instead under the Public Health and Municipal Services Ordinance, where a brief section on museums exists alongside discussion of sewers and drains, public slaughterhouses, cemeteries, libraries and civic centres. This brief section does not provide for the governance model of museums.

► **Figure 11:**
Examples
of Overseas
Legislation
on Museum
Governance

Jurisdiction	Legislation	Museums
United Kingdom	British Museum Act 1963	British Museum
	National Heritage Act 1983	Victoria and Albert Museum Science Museum Armouries Royal Botanic Gardens, Kew Armed Forces Museum
	Museums and Galleries Act 1992	National Gallery Tate Gallery National Portrait Gallery Wallace Collection
Australia	National Gallery of Victoria Act 1966	National Gallery of Victoria
France	Decree No. 92-1338 of 22 December 1992 establishing the Public Corporation of the Louvre	The Louvre
Spain	Law 46/2003 of 25 November, regulating Museo Nacional del Prado	Museo del Prado
	Royal Decree 433/2004 of 12 March	
	Royal Decree 1713/2011 of 18 November	
Netherlands	1993 Privatisation of National Museums Act	National Museums
	Act of 9 December 2015, Relating to the Combining and Amendment of Rules Regarding Cultural Heritage (Heritage Act)	Public Museums
Japan	Independent Administrative Institution National Institutes of Cultural Heritage Act (1999)	National Institutes of Cultural Heritage: Tokyo National Museum, Kyoto National Museum, Nara National Museum, Kyushu National Museum
Singapore	National Heritage Board Act 1993	National Heritage Board: National Museum of Singapore, Asian Civilisations Museum, Peranakan Museum, Singapore Philatelic Museum, Reflections at Bukit Chandu
Hong Kong	Public Health and Municipal Services Ordinance	LCSD Museums



Historical Debates on Museum Governance in the Legislative Council

2

While LCSD museums are currently governed as a line department of the government, we make the case for legislation and reform toward a publicly funded, autonomously managed governance model. To be sure, Hong Kong is no stranger to the debate on what would be the most suitable mode of governance for our museums. To begin with, we revisit four separate reports published prior to ours and echo their recommendations that LCSD museums should be reformed so that they are governed by a statutory Museums Board. We also suggest that it is timely to revisit this issue as the government is pouring resources into the expansion of the Hong Kong Museum of Art and the renovation of other major museums. In our view, investment into the physical infrastructure of our museums would only be more fruitful and effective if it is accompanied by reforms in the governance of our museums.

CULTURE AND HERITAGE COMMISSION REPORT (2003)²

In 2000, the Hong Kong government set up the Culture and Heritage Commission as a high-level advisory body on the policies as well as funding priorities on arts and culture. Its key responsibility was to formulate a set of principles and strategies to promote the long-term development of culture in Hong Kong. In 2003, the Culture and Heritage Commission Report recommended that the government should gradually strengthen community involvement in museum development through

a statutory Museums Board. The Museums Board would coordinate the overall development of museums, define the role of individual museums, and determine the allocation of government resources. In particular, the report pointed out that most large-scale museums in the world are managed by a Board of Trustees, and recommended a similar mechanism for the management and resource development of Hong Kong's museums.

2

Culture and Heritage
Commission Report
p.33

LCSD REPORT ON MODE OF GOVERNANCE OF PUBLIC MUSEUMS AND THE HONG KONG FILM ARCHIVE (2003)³

In 2002, the LCSD commissioned Deloitte & Touche Management Ltd. and Lord Cultural Resources Planning and Management Inc. to conduct a consultancy study on the mode of governance of Hong Kong's public museums and the Hong Kong Film Archive. According to the Executive Summary, two of the major governance issues identified for Hong Kong museums include the absence of a Board structure for community or expert representation, and the absence of a Museum Ordinance for the legal status of museums. As a

conclusion, the report recommended that the government appoint a Museums Board to oversee the operations of the museum system in Hong Kong.

In addition, the consultants recommended that a Museum Ordinance be passed to form the legal basis for the proposed Museums Board. Specifically, the Museums Ordinance should set the general terms for the creation of the Museums Board.

3

Lord Cultural
Resources Planning
& Management Inc.
& Deloitte & Touche
Management Solutions
Ltd., Consultancy
Study on the Mode of
Governance of Hong
Kong's Public Museums
and the Hong Kong
Film Archive, May 2003.

4

Audit Commission, op. cit., March 2006

In 2006, the Audit Commission produced a Report on Public Museum Services, including a section on the Governance and Strategic Planning of Museums. In this report, Audit reiterated the proposals in the previous two reports mentioned above, recommending that the HAB and LCSD benchmark the governance of museums in Hong Kong against

that of overseas cultural metropolises, in particular in the setting up of a statutory governing body. Audit also recommended that the government should introduce legislation to regulate museums in Hong Kong, including the establishment of a governing body and regulatory framework for public museums.

5

CoM
Recommendations
Report, op. cit., 2007

To follow up on the recommendations of the Culture and Heritage Commission Report and the Consultancy Study on the Mode of Governance of LCSD Museums and the Hong Kong Film Archive, the Committee on Museums was set up in November 2004 to advise the Secretary for Home Affairs on the provision of public museum services.

In May 2007, The Committee on Museums set out their recommendations in a report, reiterating the need to set up a dedicated statutory Museums Board. Specifically, the Committee recommended the governance of public museums under a two-tier structure, comprising a

statutory Museums Board and several mini-boards for different clusters of museums. Under this recommendation, the Board would provide functions such as creating development strategy, allocating resources and setting targets, while each mini-board would be responsible for overseeing the management and operation of the relevant museum cluster.

The enabling legislation would clearly set out the definition and mission of public museums, and provisions for the establishment of both the single umbrella board and mini-boards, such as their terms of reference, powers and responsibilities.

HAB DECISION TO IMPROVE MUSEUM SERVICES WITHIN EXISTING STRUCTURE (2010)⁶

Despite recommendations from four separate reports all reiterating the need for a statutory Museums Board with enabling legislation, the government decided in 2010 that Hong Kong public museums should continue be managed by LCSD, with their public missions strengthened and their identity and focus sharpened.

In defence of this position, the government highlighted that there was no universally applicable mode of governance. They recognised that museums are not homogenous entities, with their differing themes, missions, sizes, organisations, cultural, educational and historical significances, community support, and financial situations. Further, unique historical and cultural contexts are shaping forces on governance structures.

The government drew particular attention to the financial implications of a statutory Museum Board, and envisaged that the required level of Government funding for a statutory Museums Board would not be less than recurrent costs incurred by LCSD at that moment. The exit pay for civil servants unable to be absorbed elsewhere in other departments would also be needed during the transition of public museum governance from LCSD to a statutory Museums Board.

Rather than change the mode of museum governance, the government promised to address shortcomings of current governance within its existing framework.

6

"Future Development of Museum Services", under Legislative Council Panel on Home Affairs, February 2010.

► Figure 12 : Details and Estimated Expenditure of the Renewal Projects

Museum	Duration of Renewal	Details	Estimated Cost (HK\$ million)
Hong Kong Museum of Art	From 2015 to 2019	To increase the exhibition space by 42% from 7,080 m ² to 10,073 m ² and to sharpen the focus of the museum on Hong Kong art. The proposed scope of works include provision of new galleries, refurbishment of existing galleries, relocation and upgrading of the museum ancillary facilities, provision of new entrances and outdoor open space.	934.4
Hong Kong Science Museum	From 2015 to mid-2020	To convert the existing Life Sciences Hall to Biodiversity Gallery and Palaeontology Gallery, and part of the Occupational Safety and Health Gallery to Earth Science Gallery, as well as to renew the existing Children Gallery, Transportation Hall, Home Technology Hall and Food Science Hall.	76
Hong Kong Heritage Museum	From 2015 to end-2019	To convert the New Territories Heritage Hall into Hong Kong Culture Gallery, and the Orientation Theatre into Jin Yong Gallery.	43.5
Hong Kong Museum of History	From 2015 to mid-2021	To renew "The Hong Kong Story" permanent exhibition to offer new experiences for visitors to appreciate the history of Hong Kong.	466
Hong Kong Museum of Coastal Defence	From 2015 to end-2018	To renew the permanent exhibition on coastal defence and the historical trail to show a more vivid and comprehensive picture of the military and defence history of Hong Kong.	30.8

Note: The estimated cost of the Hong Kong Science Museum's project excludes \$18.075 million, which is the total cost of design-and-build of systems and equipment for two new galleries.

Source: Legislative Council documents

Upon deciding to keep public museum governance under the LCSD in 2010, the government undertook measures to distinguish museums' identities and focus while remaining within the existing governance structure. The government set out several goals for new directions of museum development: to create a clear identity and character for individual public museums; to enhance their educational aspect; to increase community involvement through establishing the Museum Advisory Panels on art, history and science, inviting guest curators and nurturing young artists; to strengthen the cultural software and expertise; to adopt greater flexibility and entrepreneurship in marketing, and promoting exhibitions and activities through a diversity of channels.

In fact, in 2016, the government is pouring resources into a major extension and renovation of the Hong Kong Museum of Art and renewal projects for other major museums. In our view, this makes it timely to revisit the issue of museum governance as the government's investment into the physical infrastructure of our museums sector would only be enhanced and reinforced if accompanied by improvements in the governance model of LCSD museums.

As is widely known in the art community and beyond, the government is spending some \$934.4 million for the expansion and renovation of the Hong Kong Museum of Art during its closure from 2015 to 2019 (Figure 12). With the HKMA's facilities mostly falling short of modern-day requirements, especially with insufficient space to stage blockbuster exhibitions, the renovation plan aims at increasing the exhibition space by 42% through the expansion and upgrading of museum facilities. In addition, more internal and external space would be provided to sharpen the museum's focus on Hong Kong art. Not only will the Hong Kong Art Gallery be re-instated for staging exhibitions on local art, a double ceiling height gallery in the new annex block building will also be specified for large-size works of Hong Kong artists with an experimental orientation.

In addition to the Hong Kong Museum of Art, renewal projects of the permanent exhibitions of four LCSD museums have also been carried out in phases since 2015, with the government spending a total estimated funding of another 616 million HKD (Figure 12). For the Science Museum, the government is converting or renewing six of the existing halls as a response to deterioration of exhibits and the fast-paced presentation technology in modern times. The Hong Kong Heritage Museum is revamping a hall and a theatre into two galleries. One gallery would present a broader scene of the unique features of Hong Kong culture, while the other will feature Jin Yong, an influential modern Chinese language novelist of Hong Kong. For the Hong Kong Museum of

History, innovative technologies and a creative approach would be adopted to present its new The Hong Kong Story exhibition and hence enhance the visiting experience. As for the Hong Kong Museum of Coastal Defence, the museum will undergo an overhaul to enhance the content, coverage, presentation and attractiveness of its display, especially because there is room for improvement in the space use, traffic flow and display format of the museum. While we welcome these infrastructural improvements, we continue to believe that a reform in the governance model - instead of simply improvements in the hardware alone - would bring about significant improvements in the future development of our museums scene.



3

Global Trends in Museum Governance

In this section, we go beyond the previous reports on museum governance, which were more theoretical in nature, to illustrate the unmistakable, rising trend of public museums adopting an autonomous management model. As we will show, notwithstanding notable exceptions, some of the most renowned museums in the world have chosen to adopt this model, often through legislation and reform.

First, we present our adaptation of Lord and Lord's modes of museum governance as shown in Figure 13. Placed along an imagined continuum, line departments lie on the "public" end of governance, while private ownership sits on the "private" side. In between the "public" and "private" ends are publicly funded, autonomously managed governance

models, where museums receive funding from the government, but enjoy a higher degree of autonomy than is possible if they were governed as a line department. In addition, we note that there are a variety of structures within a publicly funded, autonomously managed governance model, as shown in Figure 14.

► Figure 13 : Modes of Museum Governance

Factor	Line Departments	Publicly Funded, Autonomously Managed	Privately Funded, Independently Managed	Private Collections on Public Display
Ownership	Government	Government, Corporation or Foundation	Non-profit Entity	Individual or Family
Board	Advisory	Governing or Advisory	Governing	Advisory
Funds	Government Funding	Government Funding and Earned Income	Private Funding	Private Funding
Donations	Less likely	More likely	Most likely	Less likely
Staff	Civil service	May be civil service or museum employees	Museum employees	Museum employees
Examples	LCSD Museums (Hong Kong) Palace Museum (Taipei) National Museum of Korea (Seoul)	British Museum (London) National Gallery (London) Tate (London) Victoria & Albert (London) National Gallery of Victoria (Melbourne) Louvre (Paris) Museo del Prado (Madrid) Rijksmuseum (Amsterdam) Tokyo National Museum (Tokyo) National Museum of Singapore (Singapore) M+ (Hong Kong)	Museum of Modern Art (New York) Metropolitan Museum of Art (New York) Whitney Museum of American Art (New York) Frick Collection (New York) Museum of Fine Arts (Boston) Chicago Art Institute (Chicago) J. Paul Getty Museum (Los Angeles)	Long Museum West Bund (Shanghai) Yuz Museum (Shanghai) Liang Yi Museum (Hong Kong) Sun Museum (Hong Kong)

Source: Our Hong Kong Foundation adaptation of table from Lord and Lord's Manual of Museum Management [Note 7](#)

[Note 7](#): Lord, Gail D., and Lord, Barry. "The manual of museum management."

► Figure 14 : Different Structures within Publicly Funded, Autonomously Managed Governance Models

Museum(s)	Type of Institution	Board	Government Funding	Employees
United Kingdom				
British Museum	Executive non-departmental public body (NDPB) under the Ministry of Culture, Sport and Tourism	Board of Trustees	38%	Museum employees with civil service pension benefits
National Gallery			52%	
Tate			34%	
Victoria & Albert			31%	
Australia				
National Gallery of Victoria	Statutory authority which sits within the Department of Economic Development, Jobs, Transport and Resources	Council of Trustees	52%	Museum employees with public service wages and pension benefits
France				
The Louvre	Établissements public administratifs (EPA) or public administrative establishments under the Ministry of Culture.	Conseil d'administration	50%	68% civil servants; the rest are contract staff
Spain				
Museo del Prado	'Special' public institution under the Ministry of Culture.	Board of the Prado	46%	Mostly civil servants
Netherlands				
Rijksmuseum	Private foundation	Supervisory Board	31%	Museum employees
Japan				
Tokyo National Museum	Independent Administrative Institution National Institutes of Cultural Heritage under the Ministry of Culture	Special Advisory Board External Evaluation Board	58%	Museum employees with public service wages and pension benefits
Singapore				
National Museum of Singapore	National Heritage Board, a statutory body under the Ministry of Culture, Community and Youth	Board	Data unavailable for individual museums	Civil servants
Hong Kong				
M+	M+ Museum Limited, a company limited by guarantee under the Companies Ordinance, is a wholly owned subsidiary of the West Kowloon Cultural District Authority, a statutory body established by the Hong Kong SAR government.	Board of Directors	N/A (museum not yet in full operation)	Museum employees
LCSD Museums (Proposed Reforms)	Establishment of a statutory, autonomous Museums Board	Governing Museums Board with advisory committees for art, history and science streams	Maintain at current levels, but bring in private funding	Civil servants transfer to other divisions within LCSD or transition to museum employees

Source: Our Hong Kong Foundation

Our proposal for the reform of LCSD museums is the establishment of a statutory, governing Museums Board with advisory committees for the art, history and science streams. Funding would become more diversified while existing LCSD civil servants would transfer to other divisions of the LCSD or transition to become museum employees.

As an overview to our argument, we present a survey of some of the most prominent and most visited public museums around the world, revealing an unmistakable trend toward the adoption of a publicly funded, autonomously managed mode of governance, often through legislation and reform. Privately funded museums, such as the majority of renowned museums in the United States, are beyond the scope of this paper. On the other hand, as our examples from London, Melbourne, Paris, Madrid, Amsterdam, Tokyo, Singapore and Hong Kong will show, while public museums differ in their historical roots and social origins, at some point in the late 20th and early 21st century, there has been a decisive shift toward more autonomous governance, even as some are closer to the government than others.

3.2.1 London: British Museum, National Gallery, Tate, Victoria & Albert

In London, the British Museum was founded in 1753 by an act of Parliament as the first national public museum in the world, granting from the very beginning free admission to all “studious and curious persons”.⁸ The origins of the British Museum lie in the will of the physician, naturalist and collector, Sir Hans Sloane (1660 - 1753), who bequeathed his entire collection of more than 71,000 books, manuscripts and natural specimens to King George II for the nation in return for a payment of 20,000 pounds to his heirs.⁹ Around two hundred years after its establishment, the British Museum Act of 1963 legally set out the terms and principles under which the museum would be governed by a Board of Trustees. This arrangement, at arm’s length to the government, was further confirmed by the Museums and Galleries Act of 1992. Today, the British Museum is classified as an executive non-departmental public body (NDPB) for policy purposes and as part of the central government sector for national accounts purposes.

Also in London, the National Gallery, which houses one of the greatest collections of Western European paintings in the world, similarly owes its beginnings to individual collectors, notably the landscape painter Sir George Beaumont (1753 - 1827), who in 1826 promised his collection of pictures to the nation on the condition that suitable

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British Museum website. http://www.britishmuseum.org/about_us/the_museums_story/general_history.aspx

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Ibid.

¹⁰ National Gallery website. <https://www.nationalgallery.org.uk/about-us/organisation/constitution>

¹¹ Tate website. <http://www.tate.org.uk/about/who-we-are/history-of-tate>

¹² Ibid.

¹³ Victoria & Albert Museum website. <https://www.vam.ac.uk/>

¹⁴ Victoria & Albert Museum website. <http://www.vam.ac.uk/content/articles/f/freedom-of-information/>

¹⁵ National Gallery of Victoria website. <http://www.ngv.vic.gov.au/about/>

accommodation would be provided for their display and conservation.¹⁰ More than one hundred and fifty years later, it would be the Museums and Galleries Act 1992 that would become the governing law of the National Gallery, stipulating the establishment, constitution, functions and property of the Board of Trustees. Like the British Museum, the National Gallery is governed at arm's length to the government, as a non-departmental public body whose sponsor body is the Department for Culture, Media and Sport.

The history of Tate is also along similar veins. In 1889, Henry Tate, an industrialist who had made his fortune as a sugar refiner, offered his collection of British art to the nation, resulting in the creation of a new gallery dedicated to British art. The site of a former prison was chosen for this new gallery, which opened its doors to the public in 1897.¹¹ It was not until 1932 that the gallery officially adopted the name Tate Gallery. Subsequently, Tate Liverpool opened to the public in 1988, Tate St Ives in 1993 and Tate Modern in 2000.¹² Like the National Gallery, while the history of Tate dates far back to the 19th century, it is the Museums and Galleries Act 1992 which mandates that the museum is governed by a Board of Trustees. Tate is an executive non-departmental public body under the Department for Culture, Media and Sport, governed at arm's length from the government.

Finally, the Victoria & Albert Museum was originally established in 1852, with the founding principle of making works of art available to all, educating working people, and inspiring British designers and manufacturers. The museum moved to its present site in 1857 and today has a permanent collection of over 2.3 million objects in architecture, furniture, fashion, textiles, photography, sculpture, painting, jewellery, glass, ceramics and more.¹³ Again, while the Victoria & Albert Museum's history dates back to the 19th century, it is much more recent legislation, the National Heritage Act 1983, which states its principal aims and the statutory duties of the Trustees of the museum.¹⁴ As a non-departmental public body under the Department for Culture, Media and Sport, the Victoria & Albert is also governed at arm's length from the government.

3.2.2 Melbourne: National Gallery of Victoria

In Australia, the National Gallery Victoria was founded in 1861 and is today the oldest and most visited gallery in Australia.¹⁵ The Gallery holds one of the most significant collections of art in the region, with 70,000 works that span local and international artists, in disciplines ranging from architecture, fashion and design, sound and dance to contemporary art. Around one hundred years after its establishment, the National Gallery of Victoria Act 1966 established the National Gallery Victoria as a statutory authority which sits

within the Department of Economic Development, Jobs, Transport and Resources.¹⁶ In accordance with the legislation, the museum is governed by a Council of Trustees, where the Council has overall responsibility for collections, programs and exhibitions, and reports to the Minister for Creative Industries.

3.2.3 Paris: The Louvre

In France, the Louvre opened to the public in 1793. By the 20th century, the Louvre, with other French national museums, came to be part of a community of institutions directly dependent upon the Ministry of Culture through the Réunion des Musées Nationaux (RMN).¹⁷ In 1990, the RMN evolved into *Établissement public à caractère industriel et commercial* (EPIC).¹⁸ Under this new administrative status, national museums still retained their status as public establishments, for instance in being owned and financed by state and run by state employees administered according to the public law regime.¹⁹ At the same time, the hybrid nature of this status endowed EPIC with the ability to run under private law which allows it to use its own profits to finance its activities. In 1992, the Louvre was declared as *Établissement public à caractère administratif* (EPA)²⁰, meaning that it is state owned and accountable to the Ministry of Culture, but managed as an autonomous national museum with its own Board of Directors.²¹ This was particularly so in terms of the budget, such that the museum can

use the profits it generates and re-inject them directly back into their own projects, provided decisions are approved by the Board.²² Since 2003, with the French government introducing progressively the notion of result oriented management for public administrations, the Louvre has gained even more autonomy in its administration and management.

3.2.4 Madrid: Museo del Prado

In Spain, the building that houses the Prado was constructed by orders of King Charles III, but it was the decision of King Ferdinand VII to make it the new Royal Museum of Paintings and Sculptures. The Royal Museum, subsequently renamed the Museo Nacional del Prado, opened to the public for the first time in 1819. While the Prado had become a line department within the Ministry of Culture by the 20th century, the museum's latest efforts toward modernization took place in 2004 when changes of its legal and statutory framework were approved. The administrative status of the Prado is today a 'special' public institutions under the Ministry of Culture²³; this change was based on the need to provide more flexible management, speed up performance and increase the museum's capacity to self-finance. Today, the Prado has its own law, own budget and own Board (Real Patronato) under the Museo Nacional del Prado Act November 2003, and a subsequent amending Statute approved by Royal Decree, 12 March 2004.

16

Council of Trustees of the National Gallery of Victoria, Australia. (2015). "NGV Annual Report 2014/15". <https://www.ngv.vic.gov.au/wp-content/uploads/2015/10/NGV-2014-15-Annual-Report.pdf> accessed on 5 October 2016.

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Bodenstein, Felicity and Poulot, Dominique, "From Politics to Policy: Two Decades of National Museum Development in France (1989-2012)", in *Museum Policies in Europe 1990-2010: Negotiating Professional and Political Utopia*, Linköping University Electronic Press, 2012, p. 15

18

Ibid., p. 16

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Bodenstein, "National Museums in France", p. 300

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Decree no. 92-1338 of 22 December 1992

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Bodenstein, Felicity, "National Museums in France", in *Building National Museums in Europe 1750-2010*, Linköping University Electronic Press, April 2011, p. 313

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Ibid.

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Moustaira, Elina, "Art Collections, Private and Public: A Comparative Legal Study - Chapter 6: Governance of Museums", SpringerBriefs in Law, Springer International Publishing, 2015

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Rijksmuseum website. <https://www.rijksmuseum.nl/en/organisation/history-of-the-rijksmuseum>

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Ibid.

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Engelsman, Steven, "Dutch National Museums go 'private'", in *Museum International* no. 192 vol. 48, 1996

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Ibid.

28

Engelsman, Steven, "Privatization of Museums in the Netherlands: twelve years later", in *Museum International* vol. 4, 1996

29

Bina, Vladimir, "Netherlands", Ministry of Research, Education and Science

30

Boylan, "Current Trends in Governance and Management of Museums in Europe", p. 211

31

Outline of the National Institutes for Cultural Heritage 2016. http://www.nich.go.jp/wp/wp-content/uploads/2016/08/gaiyo2016_e.pdf

32, 33, 34

Ibid.

35

Oka, Mariko. "The Governance of National Art Museums in Japan: The Impact of the Independent Administrative Institution Law." American University, 2004

3.2.5 Amsterdam: The Rijksmuseum

In the Netherlands, the Rijksmuseum first opened its doors in 1800, housed in The Hague.²⁴ In 1808, the museum moved to Amsterdam, with a collection mainly comprising paintings and historical objects.²⁵ By the 20th century, the Rijksmuseum was managed as a line department under the Ministry of Culture, which was responsible for the hiring and firing of personnel, although housing and maintenance, the installation of security systems or the fitting of a new electric plug socket were the responsibility of the Ministry of Housing.²⁶ Museum directors were also eminent scholars instead of trained administrators.²⁷ This outdated management structure was pointed out in a report by the National Audit Office in 1988 identifying problems in the operations of Dutch museums.²⁸ Subsequently, the Netherlands Parliament passed the 1993 Privatisation of National Museums Act, paving the path for twenty-four National Museums to be accommodated into private foundations.²⁹ In particular, the Rijksmuseum became privatised in 1995, when state authority and responsibility was transferred to the internal administration of the museum, which became a private foundation constituting a Supervisory Board. While flexibility in policy and finance increased, the government still retained close control over key areas, such as ownership of sites.³⁰

3.2.6 Tokyo: Tokyo National Museum

In Japan, the beginnings of the Tokyo National Museum go back to 1872 when the Ministry of Education held the first public exhibition in Japan at the Taiseiden Hall in Tokyo.³¹ In 1875, authority over the museum was transferred to the Ministry of Interior, and the collection was divided into eight categories, including nature, agriculture and forestry, industry, fine art, history, education, law and land & sea.³² The museum would later become part of the Imperial Ministry in 1889 and the Ministry of Education in 1947, when it was renamed the National Museum.³³ It was not until the late 20th century when the Japanese government would reform the museum toward more independent management.³⁴ In 1999, the Japanese government promulgated the Independent Administrative Institution General Law as part of administrative reforms. Among nationally administered organizations, some were selected to become independent administrative institutions according to three criteria: 1) where the activities and outputs of the organizations are critical to the maintenance of stability for people's life and social development; 2) where organizations' activities need not be directly controlled by government but where there is risk of being badly managed if controlled and run by the private sectors; 3) where organizations' activities need to be administered exclusively by an independent entity.³⁵ In 2001, along with the Kyoto National Museum

and Nara National Museum, the Tokyo National Museum became one of the three national museums in the Independent Administrative Institution National Museum. In 2007, the Independent Administrative Institution National Museum was merged with the Independent Administrative Institution Research Institute of Cultural Properties to become the Independent Administrative Institution National Institute for Cultural Heritage.

3.2.7 Singapore: National Museum of Singapore

In Singapore, the National Museum of Singapore had its beginnings in 1849 as the Singapore Library-Museum located at Singapore Institution.³⁶ In 1863, the Library and Museum moved to the Town Hall, and in 1874 it was handed over to the colonial government.³⁷ In 1887, the Raffles Library and Museum building was opened, and major extensions of the museum took place subsequently.³⁸ In 1960, the museum separated from the library and was renamed National Museum to reflect its role in nation-building.³⁹ It was not until 1989 when proposals were put forward to create a single authority to manage heritage matters. The 1989 Advisory Council on Culture and the Arts recommended that the Singapore government set up a Singapore National Arts Council, a Literature Board and a National Heritage Trust to foster the development of arts and culture in the city-state. This formed the basis

for the establishment of the National Arts Council (NAC), National Library Board (NLB) and National Heritage Board (NHB) in Singapore today. The National Heritage Board was formed in August 1993, with the merger of the National Archives, National Museum and Oral History Department, under the purview of the then Ministry of Information and the Arts in Singapore. The birth of the NHB was a significant step toward the national plan of developing a museum precinct within the Civic and Cultural District in Singapore. The offices of NHB were housed in the heart of the precinct, in a renovated row of old shophouses along Armenian Street. Today, the National Heritage Board is a statutory body with its own Board under the Ministry of Culture, Community and Youth.

3.2.8 Hong Kong: M+ of the West Kowloon Cultural District

In Hong Kong, M+ of the West Kowloon Cultural District, which has ambitions to be the defining museum of 20th and 21st century visual culture in Asia, has also moved toward more autonomous management in its brief history. While M+ originally sat as a functional department within the West Kowloon Cultural District Authority, a separate governance structure was put in place with the incorporation of M Plus Museum Limited as a company limited by guarantee under the Companies Ordinance (Cap 622), with its own Board of Directors, that is a wholly owned subsidiary of the West

36

National Museum of Singapore website. <http://nationalmuseum.sg/about-nms/history>

37

Ibid.

38

Ibid.

39

Ibid.

40

Update on the Development of M+, Panel on Home Affairs and Panel on Development, Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project, Legislative Council, 21 June 2016

41
Ibid.

42
Ibid.

43
Ibid.

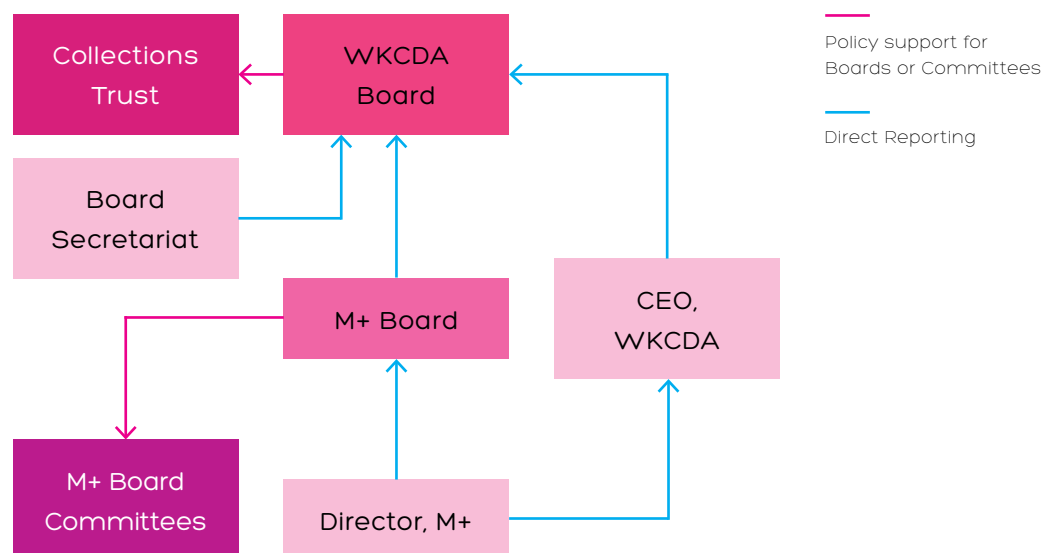
44
Ibid.

Kowloon Cultural District Authority, with effect from 14 April 2016.⁴⁰ This new M+ Board effectively took up the responsibilities of the former Museum Committee under the Board of the West Kowloon Cultural District Authority.⁴¹ While the West Kowloon Cultural District Authority Board has retained overall monitoring and control over the finances of M+ Limited, matters concerning curatorship, programming, collection and acquisition are under the purview of the M+ Board.⁴² This move toward more autonomous management for M+ was to create a clearer identity

for M+ as an institution by avoiding legal ambiguity in the eyes of M+ stakeholders and partners such as exhibition artists, potential donors and other museums with which international collaborations will be explored.⁴³ In addition, this was to ensure that a more autonomous M+ governance structure has the right expertise to support M+ as the only visual arts venue in West Kowloon that fully programmes and produces its content through extensive exhibitions, a learning centre, a moving image centre and a research centre.⁴⁴

► Figure 15 : M+ Governance Model

Implementation and oversight



This model was presented and endorsed by the WKCDA Board on 27 June 2014.

Of course, while all of the examples above suggest a rising trend toward publicly funded, autonomously managed museums, it would be rather simplistic to suggest a “one size fits all” concept for museum governance all over the world. The list of most visited museums in Asia, for example, sees two standout museums run as line departments - the Palace Museum in Taipei and National Museum of Korea in Seoul, which in 2015 attracted over 5 million and 3 million visitors respectively. We submit that high visitor numbers is not necessarily indicative of good museum governance that is often accompanied by extensive engagement with the community and the private sector. Nonetheless, the sheer number of visitors at these two museums makes it worthwhile to explore the unique circumstances behind their ability to attract visitors.

3.3.1 Taipei: Palace Museum

In our view, the Palace Museum in Taipei, which is run as a line department, is an exceptional case where its ability to attract visitors rests on unique advantages that cannot be easily replicated in Hong Kong.

First, the Palace Museum has an exceptional collection of priceless Chinese art treasures, ranging from ink painting from the Ming Dynasty to the bronzes from the Western Zhou period. While the collection was originally housed in the Forbidden City in Beijing, a lot of important items were taken to Taipei in 1948. This crucial historic decision laid a strong foundation for the Palace Museum’s collection. By 1949, the museum had already gathered more than 50,000 antiques, 600 paintings and calligraphies, and 545,000 rare books and documents, resulting in a combined total of 608,985 cultural relics.⁴⁵

Second, the Palace Museum enjoys an exceptionally high status within the government structure in Taiwan. The Palace Museum is under the direct supervision of Executive Yuan, the executive branch of the central government of Taiwan, for the purpose of “organizing and safeguarding the antiquities of the original Beijing National Palace Museum and Central Museum”, along with the enhancement and promotion of ancient Chinese artifacts in order to bolster the social education functions of the museum.⁴⁶

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Samuels, A.J. (2010). The Dramatic Story of Chinese Art at Taipei’s National Palace Museum. Retrieved from <https://theculturetrip.com/asia/taiwan/articles/the-dramatic-story-of-chinese-art-at-taipei-s-national-palace-museum/>

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National Palace Museum. (2016). Current Organization and Tasks. Retrieved from <https://www.npm.gov.tw/en/Article.aspx?sNo=03001504>

47

Statistics Korea.
"Complete
Enumeration Results of
the 2015 Population and
Housing Census."

3.3.2 Seoul: National Museum of Korea

In addition to the Palace Museum in Taipei, the National Museum of Korea in Seoul - also run as a line department - similarly ranks high among the most visited museums in Asia. Contrary to the Palace Museum, however, the visitors to the National Museum of Korea are predominantly drawn from the domestic population in the Seoul Capital Area.

Official statistics from the National Museum of Korea estimate that only 130,000 visitors out of more than 3 million visitors in 2015 were foreigners, meaning that over 95% of total visitors to the museum were Koreans. While the museum acknowledges caveats to the counting methodology - museum staff eyeball visitors to determine whether they are Koreans or foreigners, resulting in the possible undercounting of visitors from other Asian countries who may resemble Koreans in physical appearance - it is fair to say that the National Museum of Korea serves a primarily domestic constituency.

In fact, the large population of the Seoul Capital Area provides a large domestic base for visitors at the National Museum of Korea. According to the 2015 Population and Housing Census conducted by Statistics Korea, the population of the Seoul Capital Area (Seoul, Incheon, and Gyeonggi) stood at 25,274 thousand

persons, accounting for 49.5% of the total population of South Korea.⁴⁷ This translates into the fourth largest built-up urban area in the world, just behind Tokyo-Yokohama in Japan, Jakarta in Indonesia and Delhi, Uttar Pradesh and Haryana in India.

Of course, the large population in the Seoul Capital Area alone cannot fully explain the high attendance figures at the National Museum of Korea. Another crucial factor is the high level of importance attached to the learning of national history and culture, as recognized by the Korean government and Korean society at large. In particular, this is evidenced and reinforced by the education system in Korea. In the College Scholastic Ability Test (CSAT), also known as Suneung, Korean history, along with Korean language, English language and Mathematics, is one of the four mandatory subjects for students wishing to enter university. It should come as no surprise then that students make up a very sizable proportion of visitors to the National Museum of Korea, a representative museum on Korean history and culture which has also become an extremely successful educational tool.

Hence, a close look at the Palace Museum of Taipei and the National Museum of Korea in Seoul shows that both museums enjoy unique circumstances in their collection,

administrative structure, and appeal to tourists or domestic visitors, which cannot be easily replicated in Hong Kong. In addition, as much as they could be cited as examples of two of the most visited museums in Asia, we continue to believe that high visitor numbers alone are not necessarily indicative of an ideal governance model. On the contrary, we submit that a publicly funded, autonomously managed governance model presents distinct advantages over a line department in terms of enlivening the museums sector with private sector support and broad community engagement - which would naturally lead to higher visitor numbers.

► Figure 18 : Largest Built-up Urban Areas in the World in 2016

Rank	Geography	Urban Area	Population Estimate
1	Japan	Tokyo-Yokohama	37,750,000
2	Indonesia	Jakarta	31,320,000
3	India	Delhi, Uttar Pradesh, Haryana	25,735,000
4	South Korea	Seoul-Incheon	25,274,000
5	Philippines	Manila	22,930,000
6	India	Mumbai, Maharashtra	22,885,000
7	Pakistan	Karachi	22,825,000
8	China	Shanghai	22,685,000
9	United States	New York, New Jersey, Connecticut	20,685,000
10	Brazil	Sao Paulo	20,605,000
51	China	Hong Kong	7,280,000

Source: Demographia

The Merits of a Publicly Funded, Autonomously Managed Museums Board

4

Notwithstanding notable exceptions, we have shown in the previous section that there is an unmistakable, rising trend for renowned, publicly funded museums to move toward a more autonomously managed governance model. As shown in Figure 14, however, there are nuances and variations even within this governance model.

To begin with, within a publicly funded, autonomously managed governance model, there are wide variations in the level of involvement of the government in the museum boards. In terms of the type of institution for museum governance, there could be an overarching statutory body that manages several museums - similar to the Museums Board that we are proposing for Hong Kong - or a situation where individual museums are directly publicly funded and autonomously managed, without an additional layer of oversight. Depending on various factors, museum staff within a publicly funded, autonomously managed governance model could also be civil servants or non-civil servants.

While we believe that these details should be open to discussion and debate by various stakeholders in Hong Kong's museum development, we analyse the differences in this section and select the most relevant overseas examples in recommending the way forward for Hong Kong. We also look

at statutory bodies in Hong Kong as relevant local examples for reference purposes. Indeed, under our proposal, a publicly funded, autonomously managed governance model in Hong Kong would consist a statutory, governing Museums Board, a diversified funding model, and a departure from the civil service system. This would offer at least three distinct advantages: 1) integration with the broader community through the Board system; 2) diversification in sources of museum funding; and 3) openness, diversity and flexibility in human resources.

► Figure 19 : Details of our Proposal for a Publicly Funded, Autonomously Managed Museums Board in Hong Kong

	Board	Funding	Personnel
Details	Statutory, governing Museums Board overseeing committees for art, history and science streams.	Maintain government funding at current levels, but bring in private funding.	Civil servants transfer to other divisions within LCSD or transition to become museum employees.
Additional Remarks	Government to continue to play an active role through appointment of Board members and ex-officio members.	Diversified funding would bring in additional resources, especially for educational and outreach programs.	Departure from civil service system would be necessary to address current shortcomings; provisions for LCSD personnel would soothe staff concerns.
Relevant Overseas Examples	In terms of type of institution, Japan's National Institutes for Cultural Heritage and Singapore's National Heritage Board both manage a number of important national museums. In terms of government involvement and representation on the Board, one of the more relevant examples would be Melbourne's National Gallery of Victoria, which Council of Trustees is appointed by the Governor in Council and subject to control of the Minister.	There are various examples of diversified funding in museums in London, Melbourne, Paris, Amsterdam, Madrid and Tokyo.	Tate and Victoria & Albert in London have sought to have a diverse workforce; while Dutch reforms included provisions for existing civil servants in the museums sector.

First, management of our museums by a statutory, governing Museums Board would deepen integration of the museums with the broader community. Indeed, under the right conditions, a Board system enables the engagement of experts and professionals in relevant fields, with their experiences aligned with specific needs of the museum.⁴⁸ The Board would be instrumental in pooling resources to support museum development, and acting as a sounding chamber while also providing checks and balances vis-à-vis the senior management team. While boards could be either a governing board, which has final legal responsibility for the museums, or an advisory board, which role is to provide advice to a higher authority, our recommendation is for a governing Museums Board that would be a statutory authority established by the Hong Kong SAR government.

4.1.1 Shortcomings of the LCSD Museum Advisory Panels

While the LCSD set up three Museum Advisory Panels (MAPs) in art, history and science in October 2010 to enhance accountability and public involvement in the management of museums, which are currently run as line departments, we note that these advisory panels were not governing boards and did not have the power or authority to enact real change in

our museums. Not only have our museums lagged their peers in visitor numbers, membership figures, digital presence and tourist rankings, as we elaborate in our subsequent points in this paper, private sector support and involvement has been limited, and the shortcomings of employing museum staff through the civil service system have not been addressed.

Indeed, during their six years in operation, the MAPs themselves appear to have been constrained by the current system, where decision-making on such issues such as the strategic positioning of museums, business development, and human resources remained highly concentrated at the LCSD level. While the government announced on 20 October 2016 that a newly formed Museum Advisory Committee (MAC), supported by three standing sub-committees on art, history and science, would replace the former Museum Advisory Panels, we submit that substantive change will continue to be difficult in the absence of a statutory, governing Museums Board, as the new committee may, similar to its predecessor, become a venue for the LCSD to report on decisions already made at the Department, rather than a governing body with authority over important issues in Hong Kong's museum development.

48

Committee
on Museums:
Recommendation
Report under the
Legislative Council
Panel on Home Affairs,
8 June 2007, p. 28

4.1.2 A Solution in Line with the Tradition of Public Service through Statutory Bodies

Instead of settling for a Museum Advisory Committee that is likely to have minimal effect on enlivening our museums scene, we recommend that the government establish a statutory, governing Museums Board. The governing Museums Board would oversee three advisory committees for the art, history and science streams.

Hong Kong has a long and successful track record of providing important services to the public through statutory bodies. Notable examples include the Hospital Authority, the Airport Authority and the West Kowloon Cultural District Authority. A statutory Museums Board would follow this tradition and employ a method that has been tried and tested over time.

4.1.3 Arguments for a Two-tier Governance Structure

The two-tier governance structure we are advocating for, comprising an overarching statutory Museums Board overseeing advisory committees, is in line with the recommendations of the Committee on Museums Report in 2007. The idea of an umbrella Museums Board with oversight over a number of museums is also in line with current practice in Japan and Singapore. In Japan, the National Institutes for

Cultural Heritage manages national museums in Tokyo, Kyoto and other cities; their mission is to preserve tangible cultural properties in Japan to disseminate Japan's history and traditional culture nationally and internationally. In Singapore, the National Heritage Board manages important national museums; their mission is to nurture a deeper appreciation of Singaporean roots and heritage as the "social glue" that gels their multi-racial society. Internationally, the National Heritage Board seeks to help Singapore develop into a regional cultural hub attracting visitors from all over the globe.

In the case of Hong Kong, the overarching Board would set development direction and strategy, and be responsible for resource allocation, while each advisory committee would advise the management on the operations of their relevant cluster of museums in art, history or science. By choosing either a statutory museums board without advisory committees or vice versa, disadvantages are likely to arise. Implementing a single Museum Boards without being underpinned by advisory committees would risk generalising operational strategies and goals for all types of museums, without taking into account the individual needs and characteristics of museums. Moreover, some museums may be less competitive and not equally as well-equipped

without additional support in obtaining funding allocation. Conversely, only implementing advisory committees without the overarching support of a statutory Museums Board would compromise a streamlined management system, as each advisory committee may adopt different developmental strategies and performance assessment indicators. The pooling together of resources and possibility of collaborations would be undermined. We believe that these issues can be circumvented by combining a series of advisory committees for each cluster of public museums, with the oversight of a statutory Museum Board.

Major strengths of this governance system would include creating distinct identities for individual museums, and increasing public accountability and transparency through performance and management control. The statutory Museums Board and advisory committees would have greater autonomy and flexibility over budgeting and planning, procurement, collections acquisition and management, staffing and programming. With the ability to control its own budget and retain its own income comes great incentive to diversify funding sources, autonomously generate revenue and solicit donations. Overall, museum operations and management would be brought closer to the public community and stakeholders, deepening integration and involvement.

4.1.4 Government Involvement and Selection of Board Members

Importantly, a statutory solution for museums allows the government to participate in - but not micro-manage - the museums, not the least by appointing members of the Board and advisory committees. Examples of government participation in statutory bodies include the active role of the Secretary for Food and Health in the Hospital Authority, as well as the role of the Chief Secretary as the Chairman of the Board of the West Kowloon Cultural District Authority.

We note that overseas practice differs from country to country in the level of government involvement and representation in the Board of the museum. In Spain, for example, the Minister of Culture is the Institutional President of the Board of the Prado, while The King and The Queen of Spain is the Honorary President. There is also a total of 12 ex-officio members, including the Mayor of the city of Madrid, the Secretary of State for the Civil Service, the Secretary of State for Finance and Budget, the Undersecretary of the Ministry of Culture, and other government officials. On the other end of the spectrum, in the Netherlands, the Minister of Education, Culture and Science has since 2012 no longer been involved in the appointment of the Supervisory Board of the Rijksmuseum.

In Hong Kong, we echo the recommendations by Deloitte &

Touche Management Ltd. and Lord Cultural Resources Planning and Management Inc. and propose that the government would appoint the Board members of the proposed Museums Board. While the examples of the Prado in Madrid and the Rijksmuseum in Amsterdam are at two ends of the spectrum of government involvement in the museum board, we find the National Gallery of Victoria in Melbourne as a more relevant example for Hong Kong. As laid out in the National Gallery of Victoria Act, the Council of Trustees of the National Gallery of Victoria consists of eleven members, four of which are persons who are respectively distinguished in the field of university, regional art galleries, business administration and finance.⁴⁹ The Council is subject to the direction and control of the Minister, whereby the President of the Council reports to the Minister for Creative Industries. Members of the Council of Trustees are also nominated by the Minister and appointed by the Governor in Council.

49

Council of Trustees of the National Gallery of Victoria, Australia. (2015). 'NGV Annual Report 2014/15'. <https://www.ngv.vic.gov.au/wp-content/uploads/2015/10/NGV-2014-15-Annual-Report.pdf>

In the case of Hong Kong, the government would also appoint ex-officio members and retain the authority to decide on the establishment of new museums or merger or closing down of existing museums. This would allow for the maximum level of stability possible during and after the reforms, with the government retaining responsibility for the overall health of the museums system.

4.15 Overseas Best Practices in the Governance of Publicly Funded, Autonomously Managed Museums

In addition, we suggest that the government reference best practices overseas in ensuring good governance in the Museums Board. At the British Museum, for example, the museum has developed a set of Governance Principles and Procedures, including a Standards of Conduct policy that references Nolan's Seven Principles of Public Life, a Code of Conduct for Board Members of Public Bodies issued by the U.K. Cabinet Office, as well as a guide to conflict of interest policies, trustee benefits and transactions between trustees and charities developed by the Department of Culture, Media and Sport and the Charity Commission in the U.K. In particular, we find Nolan's Seven Principles of Public Life to be relevant to holders of public office.

The second argument for an autonomous Museums Board is the positive effect that this will have on diversifying sources of museum funding. As a line department, a museum is almost completely dependent on the government for its funding, as is the case for LCSD museums in Hong Kong. Corporates and individuals alike are less inclined to

make donations or give sponsorships to a line department, and the museum itself has inadequate incentives to generate additional sources of income. Reforms toward a publicly funded, autonomously managed governance model would change the funding structure and have the effect of diversifying museum income streams.

► Figure 20 : Nolan's Seven Principles of Public Life

Selflessness	Holders of public office should act solely in terms of the public interest.
Integrity	Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
Objectivity	Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
Accountability	Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
Openness	Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
Honesty	Holders of public office should be truthful.
Leadership	Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

4.2.1 Low Levels of Self-Generated Income among LCSD Museums

In Hong Kong, LCSD museums currently receive low levels of corporate sponsorship and individual philanthropy. While the Hong Kong Jockey Club has made some contributions to LCSD museums, the overall involvement of the private sector is very limited. In 2015- 2016, for example, the Hong Kong Museum of Art and its branch museum received HK\$0.03 million sponsorship in cash and earned HK\$2.54 million in self-generated revenue, compared to a total expenditure of HK\$91.75 million. The Hong Kong Museum of History and its branch museums received HK\$14.66 million sponsorship in cash and earned HK\$5.95 million in self-generated revenue, compared to a total expenditure of HK\$123.25 million.

The Hong Kong Space Museum did not receive any sponsorship in cash. In addition, museum shops are also outsourced to bookstores when they could be developed as an additional source of self-generated income.

While some may feel that the culture of giving to the arts is not yet developed in Hong Kong, we see this as a function of the current governance of museums as a line department rather than simply the unwillingness to give on the part of corporates and individuals. And while some may argue that the low tax regime in Hong Kong is such that there is little incentive to give, others could argue that the resulting increase in disposable income creates room for charitable endeavours.

► Figure 21: Financial Figures of Museums under LCSD in 2015 - 2016 (HK\$ millions)

	Museum	Expenditure	Revenue	Sponsorship in cash
Note 1 Including Hong Kong Museum of Art and Flagstaff House Museum of Tea Ware.	Hong Kong Museum of Art and its branch museum Note 1	91.75	2.54	0.03
Note 2 Including Hong Kong Museum of History, Dr Sun Yat-sen Museum, Fireboat Alexander Grantham Exhibition Gallery, Hong Kong Museum of Coastal Defence, Law Uk Folk Museum and Lei Cheng Uk Han Tomb Museum.	Hong Kong Museum of History and its branch museums Note 2	123.25	5.95	14.66
	Hong Kong Heritage Museum and its branch museums Note 3	112.35	3.25	1.33
	Hong Kong Science Museum	94.26	11.01	5.78
	Hong Kong Space Museum	62.02	7.90	NIL

Source: LCSD

4.2.2 Current State of Giving to Arts and Culture in Hong Kong

To take a close look at the current state of giving to arts and culture in Hong Kong, we analyse the Coutts Million Dollar Donor Report which identifies charitable donations worth USD\$1 million or more in Hong Kong as well as the U.S., U.K and other countries. According to Coutts, giving to “Arts, Culture and Humanities” in Hong Kong rose from HKD\$40 million in 2014 to HKD\$57 million in 2015, representing 5% of total giving to local causes (excluding giving to international organizations) in both years. In 2015, “Arts, Culture and Humanities” was ranked fifth place in Hong Kong in terms of the amount of giving to local causes, behind “Foundations,” “Higher Education,” “Human Services,” and “Government,” but ahead of “Health,” “Public & Social Benefits,” “Environment” and “Religious” causes. In addition, in 2015, “Arts, Culture and Humanities” was ranked fifth place and fourth place in the U.S. and U.K., where it made up 8% and 3% of total giving to local causes respectively. This result suggests that “Arts, Culture and Humanities” fares similarly in Hong Kong as in the U.S. and the U.K. in terms of attracting funding in relation to other causes such as “Higher Education” and “Health.” In fact, the substantial giving in Hong Kong to “Arts, Culture and Humanities” in both 2014 and 2015 suggests that the appetite is there for giving to museums under

the right conditions, including a departure from their status as a line department of the government. In our view, a change in the governance of LCSD museums would unleash the potential of our museums by drawing in private sector support.

4.2.3 Bringing in Private Funding in the Museums Sector

To be clear, our recommendation for museum reforms do not include proposals for the government to cut spending on museums. Instead, we propose that the government push through reforms to enliven the museums sector while maintaining funding at least at current levels. In that way, the reforms would bring in funding from the private sector and enlarge the entire pie of museum funding, for the benefit of the museums as well as the general public. Indeed, funding from the private sector is likely to go into higher quality exhibitions and increased educational activities, for the benefit of the general public. Our case studies of London, Melbourne, Paris and Amsterdam illustrate the diversified sources of funding for museums that can be achieved under a publicly funded, autonomously managed governance model. We also trace the financial reports of the Museo del Prado in Madrid and the Tokyo National Museum in Tokyo, both of which went through reforms relatively recently, to show the increase in self-generated income post-reforms.

4.2.4 Diversified Museum Funding in London, Melbourne, Paris and Amsterdam

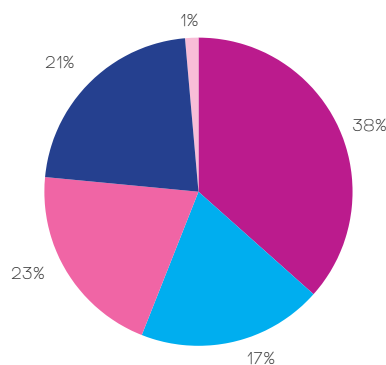
In London, with reference to the four museums we take as case studies, government grant in aid ranges from 31% at the Victoria & Albert, 34% at Tate, 38% at the British Museum to 52% at the National Gallery. As shown in Figure 22, the remaining are covered by donations and legacies (ranging from 19% at Tate to 40% at Victoria & Albert), charitable activities (ranging from 7% at National Gallery to 17% at British Museum) and other trading activities (ranging from 15% at the Victoria & Albert to 36% at

Tate). Charitable activities include Care, Research and Conservation (including research grants and grants for acquisitions), Public Access and Events (sales of guides, lectures and recovery of costs relating to loans of the collection and includes grants for programmes to promote and assist access) and Charitable Trading (admission fees, sponsorship of the exhibition programme and membership fees). Trading activities include net profit from activities which involve selling a product or service to a customer, including international touring exhibitions, consultancy and retail.

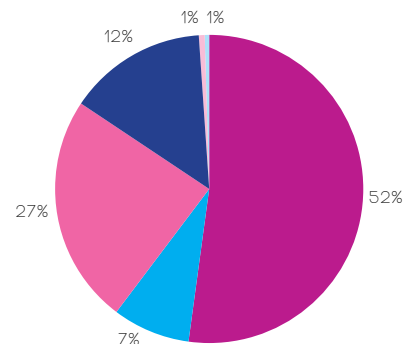
► **Figure 22 :**
Percentage
breakdown
of income
sources for
British Museum,
National Gallery,
Tate and Victoria
& Albert

- Government grant in aid
- Charitable activities
- Donations and legacies
- Other trading activities
- Investment income
- Other

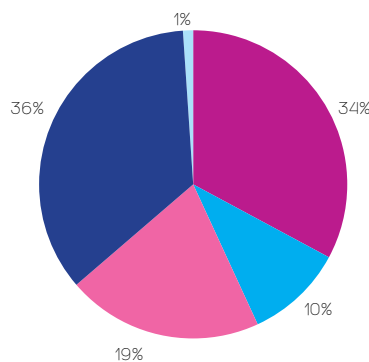
Source:
Analysed from the
2015-2016 Annual
Accounts of The British
Museum, the Tate and
the National Gallery,
and from the 2014-2015
Annual Account of
The Victoria and Albert
Museum.



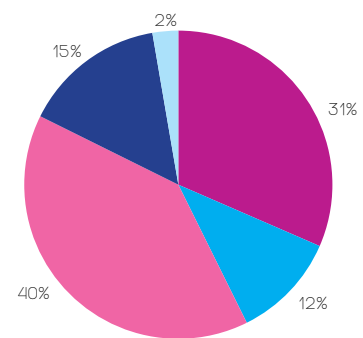
British Museum



National Gallery



Tate



Victoria and Albert

In Melbourne, the National Gallery of Victoria (NGV) receives 53 million AUD grants from the Australian State Government and State Government entities, which constituted 52% of its total income for the financial year ended 2015. The NGV actively seeks and relies upon financial and in-kind support from private and corporate sources. Accounting for 18% of the total budget, 18.5 million AUD was raised by the NGV from fundraising activities including cash and non-cash donations, proceeds from bequests and philanthropic grants income, which assisted in the delivery of exhibitions and programs to engage a broad audience at the NGV. Together with the operating activities income, the NGV's total self-generated income was 41.3 million AUD, or 40% of its total income. Operating activities income includes revenue from exhibition and program admissions, retail shop sales, membership fees, cash sponsorship, contra sponsorship, retail and function catering, advertising, functions fees, booking fees, venue hire fees and work of art loan fees.

In Paris, the new administrative status of autonomous state establishments bestowed upon museums such as the Louvre has encouraged them to seek out additional methods of funding through developing museum shops and seeking private patronage. The Louvre, for example, has seen a fall in government subsidies as a percentage of its budget. While the French government provided 57% of the budget in 2002, by 2014 this had fallen to 50%.⁵⁰ As an analysis of the Louvre's financial statements shows, in 2014, the Louvre generated revenues amounting to 204 million euros. 50% of it was made up of 102 million euros of state subsidies while another 50% was self-generated income. Self-generated income came from ticket sales (65 million euros), patronage and media partnerships (13 million euros), economic development of the estate (13 million euros), earnings related to the collections (5 million euros, DVD production, documentary resources, royalty fees for exhibitions held abroad), as well as the Louvre Abu Dhabi project (5 million euros).⁵¹

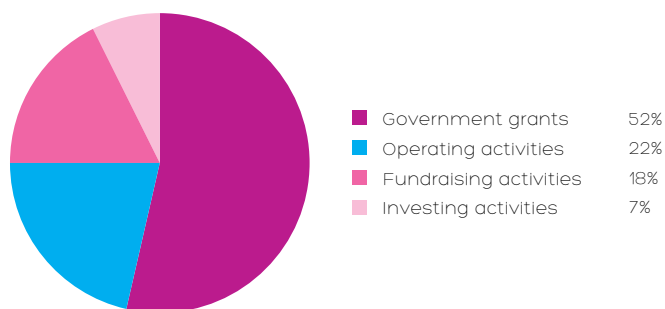
50 The New York Times. "European Museums Adapt to the American Way of Giving." March 15, 2016.

51 The Louvre Abu Dhabi is an art museum created by the governments of the United Arab Emirates and France

52 Oliver, Georgina, 1999

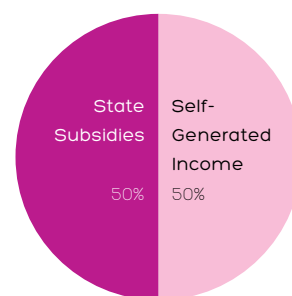
53 Bodenstein and Poulot, 2012, p. 16

► Figure 23 : Percentage breakdown of income sources for National Gallery of Victoria



Source: Analysed from the 2014-2015 Annual Report of the NGV

► Figure 24 : Percentage breakdown of income sources for the Louvre



Source: Analysed from the 2014 Annual Report of the Louvre

55

Engelsman, Steven, "Privatization of national museums. The example from in the Netherlands" lecture at the National Museum of Western Art in Tokyo, 11th December 2000, p.8.

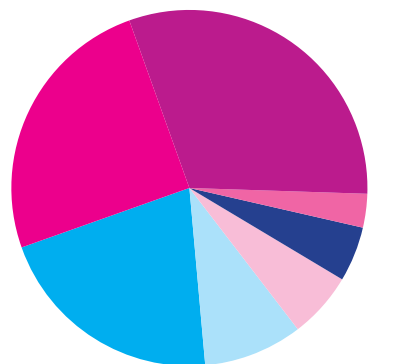
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The New York Times, "European Museums Adapt to the American Way of Giving," March 15, 2016.

Indeed, rather than shying away from sponsorship as the state once did, national museums in France today have adopted an unambiguous approach in attracting new sources of support, from individuals to organisations and corporates.⁵² Thus, the new laws have had the effect of encouraging the financial viability of museums through novel and entrepreneurial approaches in financing.⁵³

In Amsterdam, the Rijksmuseum also has diversified funding sources. In 2015, Rijksmuseum in the Netherlands received a grant of 36.8 million Euros from the Ministry of Education, Culture and Science (OCW). This portion accounted to 31% of the museum's total income. The rest 69 % was made up by Rijksmuseum's self-generated income summed up to nearly 83 million Euros. Indeed, after becoming a government-subsidized private foundation in 1993, the Rijksmuseum has evolved into a cultural enterprise through developing new sources of revenue.⁵⁴ The museum has also increased the number of staff in the museum's development office, which now has a total of fifteen people, up from just three in 2009.⁵⁵

► Figure 25 : Percentage breakdown of income sources for the Rijksmuseum



Government Subsidies	31%
Image Fees	0.04%
Investments	3%
Museum Shops	5%
Sponsorship	6%
Other Income	9%
Contributions on Art Purchases	21%
Entrance Fees	26%

Note: the Percentage might not necessarily added up to 100% due to rounding.

Source: 2015 Financial Report of Rijksmuseum

4.2.5 Increasing Self-generated Income in Museums in Madrid and Tokyo

The effect of museum governance on diversifying sources of funding can also be shown in an analysis of the levels of government subsidy versus self-generated income before and after the reforms in Madrid and Tokyo, which took place more recently than in other countries. After the reforms in 2003, the Prado attained a higher level of financial autonomy through which it came to control its own income and expenditure budget. As Figure 26 shows, the Prado's self-generated income has been on a clear upward trend, which has compensated for decreasing government subsidy. Indeed, under the leadership of Miguel Zugaza, the Prado started the museum's first corporate fund-raising drive in 2004 and secured funding from the likes of Banco Bilbao Vizcaya Argentaria and the Winterthur Foundation.⁵⁶

The museum has also developed its own line of merchandise, from jewelry to scarves to souvenirs of the Valquez masterpiece "Las Meninas."⁵⁷ In Hong Kong, where there is no financial pressure for a decrease in government funding, maintenance of current levels of government funding would only draw in support from the private sector and enlarge the entire pie for museum funding.

Similarly, in Tokyo, we can observe a steady increase in self-generated income in the past fifteen years at the Tokyo National Museum, which became part of the Independent Administrative Institution National Museum in 2001 and Independent Administrative Institution National Institutes of Cultural Heritage in 2007. At the Tokyo National Museum, self-generated income includes admission revenue, exhibition revenue, property use revenue, donations and other revenues.

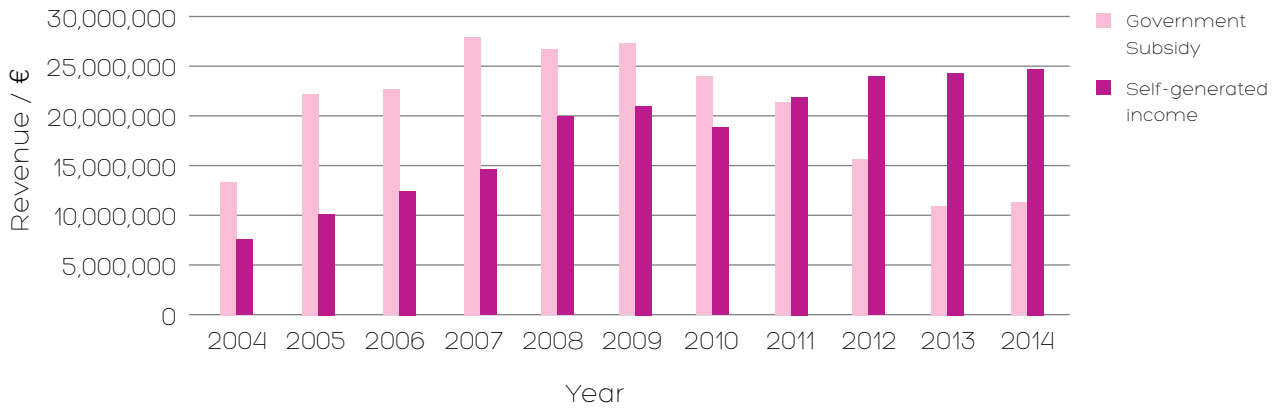
56

The New York Times.
"Spotlight: The art of financing the Prado."
December 24, 2004.

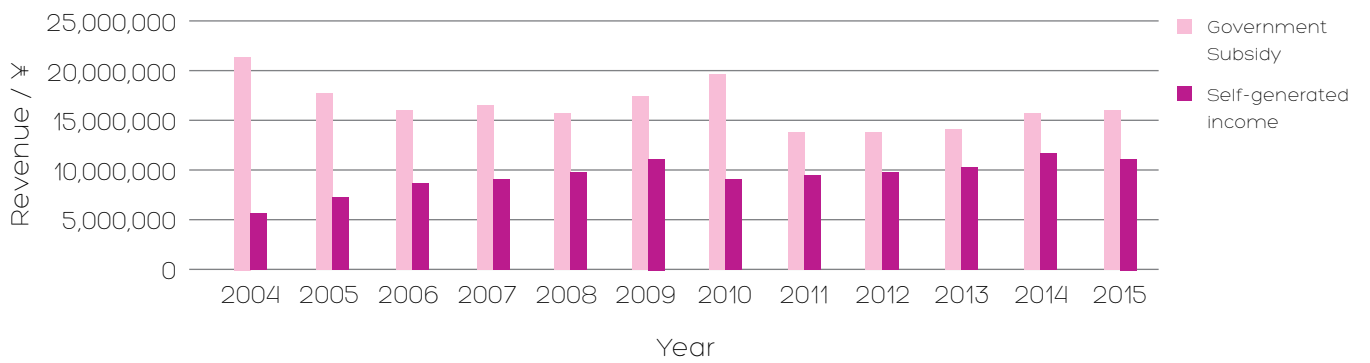
57

Ibid.

▶ Figure 26 : Government Subsidy Compared to Self-Generated Income for the Museo del Prado



▶ Figure 27 : Government Subsidy Compared to Self-Generated Income for the Tokyo National Museum



OPENNESS, DIVERSITY AND FLEXIBILITY IN HUMAN RESOURCES

The third argument for a statutory Museums Board is the possibility of a departure from the civil service system that allows for greater flexibility in human resources management. While some museums under this model have staff who are civil servants, such as museums in France, Spain and Singapore, we favour a departure from the civil service model where existing civil service staff would be given the option of transferring to other divisions within the LCSD or becoming employees of the proposed Museums Board. Not only are the problems of employing museum staff through the civil service system well-known; as the Dutch reforms show, provisions for existing LCSD staff can ensure an orderly process by which existing staff in public museums would leave the civil service system and become museum employees.

To be clear, the museum reforms we are recommending do not include proposals for layoffs. To the contrary, employment in the museum sector is likely to increase, as the expected increase of private funding into the system would enlarge the entire pie for museum funding, allowing museums to hire more staff and expand the outreach and education programmes. Current civil servants would be beneficiaries of the new system as well, as they would likely become more motivated, not the least through interactions and positive competition with the additional staff, making it a win-win situation for museums, employees and the general public.

The LCSD currently employs around 440 civil servants in its museums, as shown in Figure 28.

► Figure 28: Number of Staff at LCSD Museums (as at 1 April 2016)

Museum	No. of Staff Establishment
Hong Kong Museum of Art and its branch museum Note 1	72
Hong Kong Museum of History and its branch museums Note 2	90
Hong Kong Heritage Museum and its branch museums Note 3	102
Hong Kong Science Museum	92
Hong Kong Space Museum	69
Intangible Cultural Heritage Office and its museum Note 4	16
Total	441

[Note 1](#)
Including Hong Kong Heritage Museum, Hong Kong Railway Museum and Sheung Yiu Folk Museum.

[Note 2](#)
Including Hong Kong Museum of Art and Flagstaff House Museum of Tea Ware.

[Note 3](#)
Including Hong Kong Museum of History, Dr Sun Yat-sen Museum, Fireboat Alexander Grantham Exhibition Gallery, Hong Kong Museum of Coastal Defence, Law Uk Folk Museum and Lei Cheng Uk Han Tomb Museum.

[Note 4](#)
Including Sam Tung Uk Museum.

Source: LCSD

4.3.1 Shortcomings of Employing Museum Staff through the Civil Service System

The numerous problems in employing museum staff through the civil service system are not new. While museums can be staffed with dedicated professionals, as civil servants they may have insufficient incentives to perform as they would when they are taken outside the civil service system. Some civil servants could be encouraged to simply 'clock in the hours', and may view their day-to-day work as tightly monitored and routine.

In the Hong Kong civil service system, staff positioning is also highly regulated and subject to regular changes and postings. Even though job postings only occur within the four streams of art, history, science and conservation, there are still cases where, for example, a curator who was responsible for traditional Chinese paintings was asked to take up a posting in contemporary art. While this practice may encourage versatility, it does not foster experience, talent and relationship-building that are inherent in the ability to choose to remain in a specific position. This is particularly problematic for the art community as staff rotations may occur after the art community has developed rapport with an individual in a community-facing position.

In addition, LCSD museums are restricted in their ability to hire mid-career professionals, and can only have senior staff promoted directly from the junior ranks. This effectively inhibits the ability to hire personnel from either Hong Kong or abroad who are well-suited for a particular position. There is also a danger that the mono-cultural working environment does not lend itself to the ability to respond swiftly and creatively to global ideas in art, history and science.

Lastly, museums in Hong Kong currently lag their counterparts in other cities in their intellectual output, partially because the recruitment process is not conducive to the hiring of professionals with doctorate credentials and with substantial working and publishing experience. While curators at leading museums regularly contribute articles to academic journals, this is currently not the case in Hong Kong. For example, it would be difficult to find academic journals written by art curators at LCSD museums at respected journals such as *Archives of Asian Art* published by the University of Hawaii Press, or *Artibus Asiae* published by Museum Rietberg in Zurich.

A departure from the civil service system in LCSD museums such that they would have direct control and flexibility in human resources management would be an improvement not only over the current system, but over M+ as well. While M+ has been incorporated with an independent Board of Directors, the human resources function still rests with the West Kowloon Cultural District Authority (WKCDA). This in particular casts limitations to the way Human Resources within M+ are managed, with salary negotiations in the hands of the Authority instead of the museum. M+ staff also face unnecessary paperwork and regulations, for example those that monitor staff expenses, which would not be commonly found in other museums around the world.

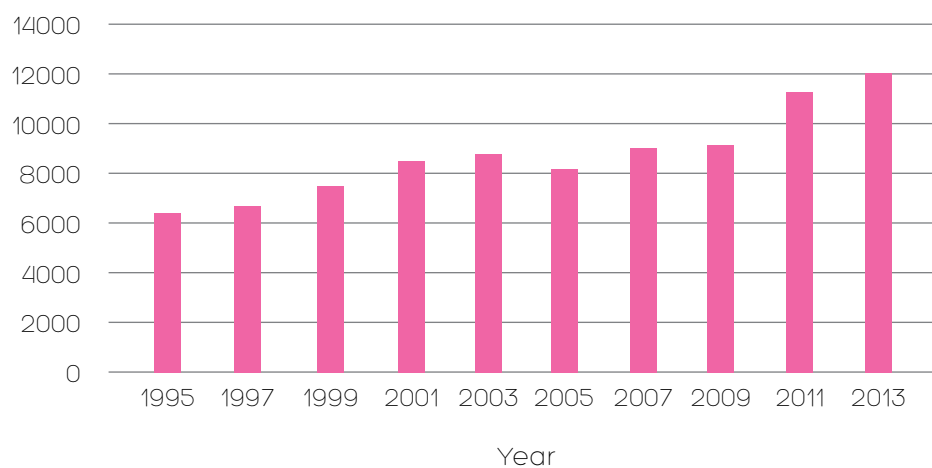
4.3.2 Human Resources Practices at the Tate and Victoria & Albert

British museums such as the Tate and Victoria & Albert in particular have been keen to welcome diverse talent who are committed to a career in museum management. All opportunities and job descriptions are advertised online and are open to anyone who shows dedication to the profession and possesses the right qualifications. While the museums value adaptability and responsiveness to new ideas, there are no automatic rotations or job postings to allow expertise to be developed in a specific position. The museums also have the ability to hire people at any level. And while they have already built up a diverse work force consisting British, European, Asian and North American nationalities, there continues to be a push to ensure even more diversity and equal opportunity in the museum workplace.

4.3.3 Increase in Employment in the Dutch Museums Sector Post-Reforms

While we understand concerns regarding potential layoffs in the museums sector, an analysis of employment in the museums sector in the Netherlands supports our thesis that employment would likely increase - rather than decrease - post reforms as the entire pie for museum funding is enlarged. Indeed, as Figure 29 shows, after the privatization of the twenty-four national museums into foundations in 1995, employment in the Dutch museums sector has actually increased significantly and continuously till 2013.

► Figure 29 : Number of Staff in the Dutch Museums Sector from 1995 - 2013



Source: CBS StatLine

4.3.4 Provisions for Existing LCSD Museum Staff

Furthermore, the Dutch reforms suggest that provisions for civil service staff can ensure an orderly process by which existing staff in public museums would leave the civil service system and become museum employees. At the time of the reforms in the Netherlands, the Dutch civil servants, like the civil servants in Hong Kong today, also placed great value on the status of a public servant.⁵⁸ With the museums becoming independent in the form of foundations, many Dutch public servants were worried about losing jobs and their pension rights.⁵⁹

While the context and conditions for museum staff in Hong Kong today are different from that during the Dutch reforms, we nonetheless look at the Dutch example to illustrate the importance of provisions for the

LCSD staff who would be affected by reforms. The Dutch reforms toward private foundations meant the unavoidable loss of the status of a public servant. However, anxieties and insecurities were removed once it became apparent that the collective labour agreements for the 1,500 concerned employees would be readily comparable to the status of a public servant, with very minor differences in pay before and after the reforms.⁶⁰ In fact, the provisions related to the conditions under which personnel would be transferred from the civil service system to the foundations were included in the National Museums and Museum Services (Autonomous Status) Act.⁶¹ The statutory guarantees in particular contributed to the broad level of acceptance among the personnel of the museums in the move toward a publicly funded, autonomously managed governance model.

58

Ministry of Education, Culture and Science. "Autonomy for the National Museums and Museum Services in the Netherlands: Background and Documentation." The Netherlands, Rijswijk. 31 December 1994.

59

Ibid.

60

Ibid.

61

Ibid.

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A Proposal for Museum Legislation in Hong Kong

5

As mentioned earlier in this report, contrary to overseas practice where there is often museum-specific legislation, museums in Hong Kong are included instead under the Public Health and Municipal Services Ordinance, where a brief section on museums exists alongside discussion of sewers and drains, public slaughterhouses, cemeteries, libraries and civic centres. In this section, we survey museum legislation worldwide to propose legislation for Hong Kong that considers a combination of local and overseas legislation for setting the roles and responsibilities of the newly created Museums Board, and making provisions for human resources management during the reforms and transition.

Museum legislation worldwide varies in scope, ranging from legislation in Australia and Spain which provided a Law for one museum, to legislation in the U.K. which set the roles and responsibilities of the Board of Trustees for several museums, to legislation in Singapore and Japan which provided for a brand new entity to manage several national museums, to legislation in the Netherlands which formed the legal basis for the privatization of a total of twenty-four national museums.

5.1

AUSTRALIA: NATIONAL GALLERY OF VICTORIA ACT 1966

The National Gallery of Victoria Act 1966 established the National Gallery of Victoria (NGV) as a statutory authority. The law also designated the Council of Trustees as the governing body of the National Gallery of Victoria, directly reporting to the Minister for the Arts. The Council is responsible for managing, promoting, developing and maintaining the land and

resources of the Gallery. There would be 7 minister-appointed members and 4 governor-in-council-appointed members possessing different credentials. The Act regulates the terms of office as well as the meeting frequency of the trustees and granted them with power to make by-laws and grant lease or licenses over the National Gallery Land.

5.2

SPAIN: MUSEO DEL PRADO LAW 2003

⁶²
G D Lord, *The Impact of Civil Society Models on Museum Management and Leadership*, speech at the 2007 International Council of Museums conference in Vienna, p. 4

The Prado Law 2003 reformed the Prado into a civil society institution. It was given a special autonomous status as an institution with an independent Board, while retaining a strong link with the government⁶² particularly through the museum presidency held by the Minister of Education, Culture and Sports. The

legislation states that the Prado Museum is to exercise its functions with management autonomy within legal limits. In terms of economic resources, various sources of income, including commercial activity, assets, sponsorship and contribution, constitute the museums' own resources.

5.3

UNITED KINGDOM: NATIONAL HERITAGE ACT 1983 & MUSEUMS AND GALLERIES ACT 1992

The National Heritage Act 1983 established the Boards of Trustees of the Victoria and Albert Museum, the Science Museum, the Armories and the Royal Botanic Gardens, accountable to the Secretary of State for Culture, Media and Sports. These Boards of Trustees are responsible for the operation, management, development and maintenance of the aforementioned museums and its valuable collections. The Prime Minister appoints 12-20 board members with desirable knowledge and skills that would be of use to the Board when exercising their functions.

The Museums and Galleries Act 1992 established individual Boards of Trustees for the National Gallery, the Tate Gallery, the National Portrait Gallery and the Wallace Collection. The legislation details the establishment, constitution, functions and property of the new Boards of Trustees, delineating the general functions of the respective Boards and the power of the new boards to form companies. In addition, it details processes of acquisition, disposal, lending and borrowing of pictures and other objects in relation to the boards. The act contains schedules specific to individual boards of trustees, in which details regarding status, membership proceedings, allowances, instruments and reports are provided.

5.4

SINGAPORE: THE NATIONAL HERITAGE BOARD ACT 1993

The National Heritage Board Act 1993 established the National Heritage Board (NHB) as a custodian of Singapore's heritage. It is a statutory board under the Ministry of Culture, Community and Youth. The legislation stipulates that the board shall consist of a Chairman, a Deputy Chairman and 10-25 members. Apart from the management of museums and its

properties, board members are also responsible for the policies related to heritage sites, national monuments and national collection for the sake of education, national-building and cultural understanding. The law also granted the NHB power to appoint directors and staff of museums and set up committees for specific matters.

5.5

JAPAN: INDEPENDENT ADMINISTRATIVE INSTITUTION NATIONAL INSTITUTES OF CULTURAL HERITAGE LAW 1999

The Independent Administrative Institution National Institutes of Cultural Heritage Law 1999 set out the name and objectives of the National Institutes of Cultural Heritage, with details on the senior management and employees of the entity. It also sets out the various activities

of the National Institutes of Cultural Heritage, including the stewardship of the museums, the collection and protection of tangible cultural heritage, the display of the objects to the general public, as well as the organization of educational activities through seminars and publications.

5.6

THE NETHERLANDS: PRIVATISATION OF NATIONAL MUSEUMS ACT 1993

In 1993, the Privatisation of National Museums Act 1993, as passed by the Netherlands Parliament, began the privatisation project for all national museums in the country. Although the act has since been replaced by the Heritage Act in 2016, at the time of the reforms the Museums Act played an important role in bringing forward the privatization of the Dutch

museums into foundations. The act states that “we have considered that it is desirable to privatize the existing state museum services in the form of a foundation.” Out of the 10 articles in the Act, Articles 5 and 6, which are also by far the lengthiest articles, are dedicated to the arrangements for the civil servant staff in the museums.

**HONG KONG:
HOSPITAL AUTHORITY ORDINANCE 1990,
AIRPORT AUTHORITY ORDINANCE 1995
& WEST KOWLOON CULTURAL DISTRICT
AUTHORITY ORDINANCE 2008**

In 1990, the Hong Kong Government established and funded the Hospital Authority to manage and control public hospitals system. Led by the Chairman, appointed by the Chief Executive, the Authority is responsible for the human resources, hardware, services and fees of hospitals. They are accountable to the Hong Kong SAR government and work closely with the Secretary for Food and Health, who formulates overall health policies for Hong Kong. As of today, there are 42 hospitals under the management of the Authority. According to Section 13, The Hospital Governing Committees have been established for particular public hospitals to monitor operational and financial performance, along with the community partnership activities of the institutions. Three regional advisory committee have also been formed to focus on the needs of public healthcare as well as the allocation of resources of respective regions, including Hong Kong, Kowloon and New Territories.

Established in 1995, the Airport Authority (AA) is a statutory body responsible for the operation, development and maintenance of the Hong Kong International Airport (HKIA). The Authority is under the management of a board with a Chairman, CEO and between 8-15 members. Apart from the HKIA, the

authority may also engage in airport-related activities in trade, commerce or industry in the Airport Island. Similar to the Hospital Authority, the Airport Authority Ordinance also allows members to establish committees to consider matters relating to specialized areas such as finance, audit and business development. The Ordinance also details the bylaws for regulating the use of the Airport, the conduct of all persons as well as the traffic within the Restricted Areas.

The West Kowloon Cultural District Authority is formed under the Ordinance to develop the designated land into an integrated arts and cultural district and to provide, operate and manage the related facilities. The Authority is governed by the board, consisting of a Chairman, a Chief Executive Officer, 8-15 members and 3 public officers. There are three separate committees under the board including the audit committee, M+ board and the executive committee, handling specific matters regarding the development of the West Kowloon Cultural District. Four sub-committees are also formed under the executive committee including Development, Performing Arts, Remuneration and Investment. A consultation panel is also formed under section 20 to gather public views on matters related to the functions of the Authority.

Among the various types of museum legislation surveyed above, for the purposes of our report, we propose legislation in Hong Kong that considers elements of Singapore legislation in the creation of a new entity for managing our museums; Australian legislation for setting out the roles and responsibilities of the statutory, governing Museums Board; and Dutch legislation for including provisions for the welfare of LCSD museum staff during the proposed transition.

In Singapore's National Heritage Board Act, the functions of the National Heritage Board are clearly laid out, including the following:

1. to explore and present the heritage and nationhood of the people of Singapore in the context of their ancestral cultures, their links with South-East Asia, Asia and the world through the collection, preservation, interpretation and display of objects and records;
2. to promote public awareness, appreciation and understanding of the arts, culture and heritage, both by means of the Board's collections and by such other means as it considers appropriate;
3. to promote the establishment and development of organisations concerned with the national heritage of Singapore;
4. to advise the Government in respect of matters relating to the national heritage of Singapore; and
5. to perform such other functions as are conferred on the Board by any other written law.

In Australia's National Gallery of Victoria Act, the constitution and composition of the Council of Trustees is clearly laid out, stipulating that the Council is subject to the direction and control of the Minister, and that it shall consist of 11 members appointed by the Governor in Council of whom -

- a. one shall be a person holding a senior academic office in the visual arts in a University in Victoria;
- b. one shall be a person having relevant experience in relation to regional art galleries within Victoria;
- c. one shall be a person who in the opinion of the Minister is distinguished in the field of business administration;
- d. one shall be a person who in the opinion of the Minister is distinguished in the field of finance;
- e. 7 others shall be nominated by the Minister.

In the Dutch Privatisation of National Museums Act 1993, Article 5 provides that any staff member of the service will continue to be employed in the private foundations under a contract under civil law, commencing on the date of transition, and that the employment is for an indefinite period unless the staff member had been engaged in temporary employment. Staff members will also perform a function as close as possible to the function fulfilled by the staff prior to the reforms. Article 6, on the other hand, goes into details of the pension arrangements.

In addition, the proposed legislation in Hong Kong could consider local legislation of statutory bodies such as the Hospital Authority, Airport Authority and the West Kowloon Cultural District Authority, especially in laying out the ways in which the relevant government bureaus and departments would continue to play an active and important role in museum development in Hong Kong.



6

Conclusion

In conclusion, in this paper we have shown the unmistakable rising trend for renowned museums to adopt a publicly funded, autonomously managed governance model. Our proposal of a statutory, governing Museums Board with diversified funding and a departure from the civil service system offers distinct advantages through integration with the broader community through the Board system, diversification in sources of museum funding and openness, diversity and flexibility in human resources. While the decision not to reform our museums after extensive debates in the Legislative Council was a missed opportunity for Hong Kong, we note that it is timely to revisit the issue as the government is pouring resources into upgrading the physical infrastructure of our museums. This investment would only be more fruitful and effective if it were accompanied by improved governance of our museums. While a change in the mode of governance is not the be all and the end all, the establishment of a statutory Museums Boards, accompanied by the enabling legislation, would enliven our public museums, open doors for management discretion and breathe new energy into the entire sector, resulting in improvements on all fronts, ultimately for the benefit of the general public.

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