

CHAPTER 5

Leisure and Cultural Services Department

Provision of public museum services
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PROVISION OF PUBLIC MUSEUM SERVICES

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PART 1: INTRODUCTION

1.1 This PART describes the background to the audit of the provision of public museum services by the Leisure and Cultural Services Department (LCSD – Note 1) and outlines the audit objectives and scope.

Background

1.2 The Government's policy towards arts and culture is to create an environment which is conducive to the freedom of expression and artistic creation, and which encourages participation in all aspects of cultural life. It is based on the principles that the Government:

- (a) encourages pluralism and diversity;
- (b) respects freedom of expression;
- (c) acts as a facilitator/catalyst; and
- (d) provides various kinds of support, including financial support, as and when appropriate.

The LCSD, the Hong Kong Arts Development Council and the Hong Kong Academy for Performing Arts (Note 2) are the major executive bodies of the Government in promoting and developing arts and culture. With government funding, these organisations perform their functions of developing a dynamic and diverse arts scene in Hong Kong with a view to improving the quality of life of the whole community.

Note 1: *The public museum services were provided by the then Municipal Councils (i.e. the then Urban Council and the then Regional Council) before their dissolution in January 2000.*

Note 2: *The Government allocates recurrent funding to the LCSD and recurrent subventions to the Hong Kong Arts Development Council and the Hong Kong Academy for Performing Arts in support of their activities. The Hong Kong Arts Development Council provides grants to six performing arts companies, and project grants and devolved grants to support local artists and arts groups in organising arts and cultural events. The Hong Kong Academy for Performing Arts provides professional education, training and research facilities in performing arts, theatre technical arts, and films and television.*

Public museums managed by the Leisure and Cultural Services Department

Historical developments

1.3 Modern museums in some international cultural metropolises have a history of over two hundred years. Public museums in Hong Kong have a shorter history. The first museum in Hong Kong was established in the 1870s. Its collections were untraceable when the old City Hall, where the museum was located, was demolished in 1947. In 1962, public museum services started afresh when the City Museum and Art Gallery was established in the Hong Kong City Hall by the then Urban Council. In 1975, the Gallery was split into the Hong Kong Museum of Art and the Hong Kong Museum of History. Developed by the then Urban Council, the Hong Kong Space Museum, focusing on disseminating knowledge in astronomy and space science, was opened in 1980 and the Hong Kong Science Museum, focusing on promoting science and technology, was opened in 1991.

1.4 Since the 1990s, public museum services in Hong Kong had witnessed major developments. Developed by the then Regional Council, the Hong Kong Heritage Museum, mainly devoted to Cantonese opera, folk art, folk craft and culture, and visual arts heritage, was opened in 2000. The Hong Kong Museum of Coastal Defence, developed by the then Urban Council, featuring Hong Kong's coastal defence history in the past 600 years, was also opened in 2000. The Hong Kong Film Archive, with key functions of acquiring, preserving, cataloguing and documenting Hong Kong films and related materials, was opened in 2001.

1.5 In addition, there are seven small public museums as follows:

- (a) the Flagstaff House Museum of Tea Ware is the subject museum devoted to the promotion of Chinese tea drinking culture;
- (b) the Lei Cheng Uk Han Tomb Museum displays its tomb finds and holds exhibitions on the life styles and history of the Han Dynasty;
- (c) the Law Uk Folk Museum, the Sam Tung Uk Museum and the Sheung Yiu Folk Museum house exhibitions on the history and restoration of old Hakka village houses reflecting Chinese folk life and customs;
- (d) the open-air Hong Kong Railway Museum encompasses the old Tai Po Market Railway Station with historical railway carriages, a steam locomotive and a diesel electric locomotive; and
- (e) the Hong Kong Heritage Discovery Centre, opened in October 2005, presents and explains the conservation work of the Government's heritage experts.

In March 2005, the Home Affairs Bureau (HAB) obtained funding approval of \$90.5 million from the Finance Committee of the Legislative Council for the conversion of the Kom Tong Hall in Central District into the Dr Sun Yat-sen Museum. This museum, commemorating the life and activities of Dr Sun Yat-sen in Hong Kong, was scheduled for opening in early 2007.

Roles of the LCSD

1.6 Upon dissolution of the then Municipal Councils, the LCSD has since 1 January 2000 taken over the role of providing and managing public museums in Hong Kong. As at 1 January 2006, the LCSD managed 14 public museums (i.e. LCSD museums comprising seven major and seven small museums) designated under section 105G of the Public Health and Municipal Services Ordinance (Cap. 132). The recurrent expenditure for the provision of museum services by the LCSD was \$368.8 million in 2004-05. Details are given in Appendix A.

1.7 The LCSD aims to provide quality museum services commensurate with Hong Kong's development as a cultural metropolis. Its mission is:

- (a) to enrich cultural life by providing quality museum services for all;
- (b) to promote professionalism and excellence in museum services by collecting works of art, historical and technological artefacts strategically, and taking up a role in preservation, research, communication, exhibition and education;
- (c) to preserve historical relics to enhance public awareness of Hong Kong's cultural heritage;
- (d) to promote synergy with the Education and Manpower Bureau, schools, scholars, collectors, artists, and cultural and community organisations in enhancing the development of museums in the territory; and
- (e) to build a highly motivated, committed and professional workforce.

Functions of LCSD museums

1.8 LCSD museums perform the following functions:

- (a) to present and sponsor exhibitions on the visual arts, history, culture, archaeology, and science and technology for the enjoyment of the public;

- (b) to promote an interest in and better understanding of the visual arts, science and technology, and the history and culture of Hong Kong through a balanced range of museum educational activities, and the sharing of experience with local artists, scholars and experts in the fields;
- (c) to support and promote contemporary arts, and encourage artistic creativity;
- (d) to conduct and support research on the visual arts, heritage, history and science;
- (e) to provide and operate venues for the presentation of exhibitions, lectures and film shows, and studio facilities for artistic creation; and
- (f) to acquire and conserve local films and related materials, and provide facilities for film research and educational activities for film appreciation.

Other museums

1.9 Apart from the 14 LCSD museums designated under the Public Health and Municipal Services Ordinance, there are two museums operated by the Hong Kong Police Force and the Correctional Services Department. In addition, some non-profit-making organisations and private organisations operate museums to showcase their collections and hold thematic exhibitions. Details are given in Appendix B.

Audit review

1.10 The Audit Commission (Audit) has conducted a review of the provision of public museum services by the LCSD. The review has focused on the following areas:

- (a) governance and strategic planning of museums (PART 2);
- (b) performance of LCSD museums (PART 3);
- (c) acquisition and management of museum collection items (PART 4); and
- (d) operation of LCSD museums (PART 5).

1.11 In carrying out the audit review, Audit examined the records and interviewed the staff of the HAB and the LCSD. Audit has found that there are areas where improvements can be made. Audit has made a number of recommendations to address the issues.

General response from the Administration

1.12 The **Secretary for Home Affairs** and the **Director of Leisure and Cultural Services** have said that they agree in general with the audit observations and recommendations. The LCSD will make every endeavour to address issues requiring follow-up actions, as part of its ongoing efforts to enhance public museum services.

Acknowledgement

1.13 Audit would like to acknowledge with gratitude the full cooperation of the staff of the HAB and the LCSD during the course of the audit review.

PART 2: GOVERNANCE AND STRATEGIC PLANNING OF MUSEUMS

2.1 This PART examines the governance and strategic planning of museums and suggests measures for improvement.

Increasing need for arts and cultural facilities

2.2 Over the years, there has been an increasing need for arts and cultural facilities in Hong Kong. In 1996, an extensive survey conducted by the then Hong Kong Tourist Association (now the Hong Kong Tourism Board) indicated that 1.3 million tourists had expressed interest in arts and cultural programmes, entertainment and major events. In October 1998, the Chief Executive announced in his Policy Address the planning of a new state-of-the-art performance venue on the West Kowloon Reclamation as a catalyst to upgrade Hong Kong's image as an Asian entertainment capital.

Establishment of the Culture and Heritage Commission

2.3 In April 2000, the Chief Executive established the Culture and Heritage Commission (CHC – Note 3) to advise the Government on the long-term policies and resources allocation priorities on arts and culture. On 1 April 2003, the CHC was dissolved after submitting the Culture and Heritage Commission Policy Recommendation Report (CHC Report) to the Government. The CHC Report outlined the long-term direction for the cultural development in Hong Kong. The vision and expectation behind the CHC Report were to enhance the awareness of the community towards culture and develop Hong Kong into an international cultural metropolis. It put forward 108 recommendations on overall policies and implementation strategies for cultural development. The Government generally accepted the CHC's proposed strategies and announced in February 2004 that it would gradually implement the CHC's recommendations and adopt the CHC Report as a blueprint for further cultural development in Hong Kong.

Note 3: *Members of the CHC were appointed by the Chief Executive for the period from April 2000 to March 2003. Of the 17 members, 11 were appointed in their personal capacity. The other 6 ex-officio members were the Secretary for Home Affairs, the Director of Leisure and Cultural Services, and the Chairmen of the Antiquities Advisory Board, the Hong Kong Academy for Performing Arts, the Hong Kong Arts Centre and the Hong Kong Arts Development Council.*

Plan for new museums

2.4 In May 2001, the LCSD considered that Hong Kong should have more museums embracing various disciplines of arts, history, cultural heritage, and science and technology to meet the education and entertainment needs of the local population, promote cultural tourism, and develop Hong Kong as a world-class city with regard to arts and culture. The LCSD proposed to the CHC's Working Group on Museums (the Working Group) a development plan for new museums, taking into account the unique geographical, historical and cultural characteristics of Hong Kong.

2.5 After considering the LCSD museum development plan, the Working Group concluded that the new museums in the 21st century should be subject museums to reflect the cultural and historical environment from different angles and in a diversity of ways. New museums should have relevance to people's daily life, with flexible and interactive ways of presentation. In August 2002, the Working Group considered the development of the proposed new museums shown in Appendix C.

Recommendations of the Culture and Heritage Commission on future development of museums

2.6 For the future development of museums, the CHC Report stated that:

- (a) because of Hong Kong's late start in providing museum services, Hong Kong was far behind international cultural metropolises such as New York, London, Paris and Tokyo in terms of the number of museums. Each of these cities had over 100 museums while Hong Kong had only about 20 museums. According to past experience, museums attracted members of the local community and tourists if they could offer good quality exhibits and programmes; and
- (b) according to the International Council of Museums (ICOM – Note 4), the main functions of a museum included acquisition, research, exhibition and education. The function of education was growing in importance among museum services in recent years. Museums became more proactive in reaching out to the public to forge a closer relationship. To broaden the exposure of the young generation, new museums with various themes would be needed in Hong Kong.

Note 4: *The ICOM, established in 1946, is an international organisation of museums and museum professionals committed to the conservation, continuation and communication to society of the world's natural and cultural heritage. The major LCSD museums (see Appendix A) are members of the ICOM.*

Proposed museums in the West Kowloon Cultural District

2.7 The CHC Report specifically recommended that flagship museums (such as the Museum of Modern Art and the Museum of Ink) should be located in the West Kowloon Cultural District (WKCD – Note 5) to showcase the cultural characteristics of Hong Kong and the South China region. After consulting museum expert advisers and representatives of major arts and cultural organisations in Hong Kong, the Government also proposed to build in the WKCD the Design Museum and the Museum of Moving Image to preserve and showcase the achievements of these applied arts and technology. The cultural facilities would be integrated to produce a clustering effect, creating a lively and vigorous environment for nurturing creative talents, and attracting tourists and visitor flows. A summary of the CHC's major recommendations in March 2003 and the response from the Government on the future development of museums in Hong Kong in February 2004 is given in Appendix D.

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

2.8 Before the issue of the CHC Report in March 2003, in June 2002, the LCSD commissioned consultants to conduct a Study on the Mode of Governance of Hong Kong's Public Museums and the Hong Kong Film Archive with a view to enhancing their services. In June 2003, the consultants issued the study report (Consultancy Report) which proposed various options on the governance of public museums. The Consultancy Report was published for public consultation. A summary of the consultants' major recommendations and the results of public consultation in October 2003 are given in Appendix E.

Establishment of the Committee on Museums

2.9 In November 2004, to implement the CHC's and the consultants' recommendations on museums, the HAB set up a Committee on Museums (Note 6) with a view to giving advice to the Secretary for Home Affairs on the formulation of strategies and plans for the development of museum facilities and services as well as other relevant issues.

Note 5: *The WKCD is a waterfront site of 40 hectares at the southern tip of the West Kowloon Reclamation. The Government has yet to decide the mode of its development. This audit review does not cover the WKCD development project.*

Note 6: *The Committee comprises 22 unofficial members, and representatives of the HAB and the LCSD. Its terms of reference are to advise the Secretary for Home Affairs on the provision of museum services, including: (a) the promotion of the appreciation, expression and creativity in visual arts; (b) the formulation of strategies and plans for the development of museum facilities and services, with reference to the CHC Report; and (c) the encouragement of community support and partnership with different sectors in the provision of museum facilities and services in respect of sponsorship, donation, partnership and promotion of cultural tourism.*

2.10 In June 2005, members of the Committee on Museums discussed the scope of issues to be covered by its work plan, by making reference to the recommendations of the CHC Report and the Consultancy Report.

Current developments

2.11 ***Committee on Museums.*** In September 2005, the Committee on Museums held its third meeting and agreed to form two subcommittees to study:

- (a) museum governance/legislation, funding source for museum services/facilities, and the WKCD development project; and
- (b) community involvement, education on visual arts and cultural studies, and museum services strategy.

The two subcommittees were formed and held their first meetings in January 2006 to study the above issues.

2.12 ***WKCD development project.*** In February 2006, the Chief Secretary for Administration announced that:

- (a) the Government would reconsider the WKCD development project as the three screened-in proponents did not make a positive response to a revised package proposed by the Government in October 2005;
- (b) a consultative committee would be formed to consider the need and specifications of various performance venues, tourist facilities and the proposed museums as well as the financial implications; and
- (c) the consultative committee would submit its findings with recommendations in September 2006 to the Government to help formulate a new development approach for the WKCD development project.

Audit observations

Initiative to develop Hong Kong as a cultural metropolis

2.13 The Government accepted the CHC's recommendation that Hong Kong should be developed as an international cultural metropolis. Following the three principles of people oriented, partnership and community driven, the Government planned to develop a number of new cultural facilities in the coming years. Besides, other new public museums were planned and opened in the recent years. In October 2005, the Hong Kong Heritage Discovery Centre, a new public museum, was opened to the public. In parallel with the planning and opening of public museums, the Hong Kong Maritime Museum, a new private museum funded by the shipping community, was also opened in September 2005. The Dr Sun Yat-sen Museum was scheduled for opening in early 2007.

No specific museum legislation

2.14 **ICOM Code of Ethics for Museums.** According to the ICOM Code of Ethics for Museums (ICOM Code – Note 7), the governing body of a museum should ensure that the museum has a written and published constitution, statute or other public document in accordance with national laws which clearly state the museum's legal status, mission, permanence and non-profit nature. However, there is no specific legislation on the governance of museums in Hong Kong.

2.15 **Existing museum legislation.** Sections 105G to 105I of the Public Health and Municipal Services Ordinance empower the LCSD to designate any building or area as a museum, and manage and operate it. The Government, through the LCSD, is the governing body of all LCSD museums. The LCSD defines the aims, objectives and functions, with a mission and vision statement for each major museum, and manages and preserves museum collections for the benefits of current and future generations. The Museums Regulation (Cap. 132AT) mainly makes provisions for the administration of museums. According to the LCSD Consultancy Report (see para. 2.8), the existing legislation:

Note 7: *The ICOM Code sets minimum standards of professional practice and performance for museums and their staff. ICOM members undertake to abide by this code.*

- (a) does not include the definition of a museum (Note 8) and does not define the fundamental aims, objectives and functions of museums;
- (b) does not include any provisions on the system of governance for museums; and
- (c) is silent on issues relating to the obligations of museums to manage and preserve their cultural and historical collections for the benefits of current and future generations.

2.16 **Practices in overseas countries.** Audit researched the relevant legislation and the statutory governing bodies of some major overseas museums. The results are shown in Appendix F. It is found that:

- (a) many overseas museums are governed by specific museum legislation; and
- (b) there are provisions in the legislation for the establishment of a museum governing body.

2.17 **Practice in China.** The Law of the People's Republic of China on Protection of Cultural Relics (中華人民共和國文物保護法) regulates the management of historical and cultural objects in China. On 1 January 2001, the Beijing Museum Ordinance (北京市博物館條例) came into effect. This is reportedly the first local legislation on museum management in China to cope with museum development (Note 9). It reflects the increasing professionalisation of the museum sector and helps establish special museums that reflect the diversity of regional culture and characteristics.

2.18 **Practice in Hong Kong.** By comparison, Hong Kong has no specific legislation on the governance of museums. All LCSD museums, governed by the LCSD, act in accordance with the Public Health and Municipal Services Ordinance and government regulations.

Note 8: *Section 105H of the Public Health and Municipal Services Ordinance stipulates that "the Authority may specify the purposes for which any museum, or any part thereof, may be used", without specifying the definition of a museum. The ICOM defines that "a museum is a non-profit-making, permanent institution in the service of society and its development, and open to the public, which acquires, conserves, researches, communicates and exhibits, for the purposes of study, education and enjoyment, material evidence of people and their environment".*

Note 9: *In November 2004, Beijing had 118 museums. More museums were planned to be developed by 2008.*

2.19 ***Drawbacks in the absence of specific museum legislation.*** In the absence of specific museum legislation on the governance of museums, Audit has noted that:

- (a) according to the Hong Kong Curators Association, different persons might have different interpretation of the existing legislation (see para. 2.15), hence hindering the future development of the museums in Hong Kong; and
- (b) there is no mechanism whereby organisations could register themselves as museums. A company may include “museum” in its name for business registration to run a business. There is no specific museum legislation to regulate the functions and operation of the so-called museum, which could run business of selling historical objects and toys. Specific museum legislation may provide museums with formal recognition and facilitate the granting of government financial assistance.

2.20 ***Need for specific museum legislation.*** According to the LCSD consultants, for public museums, specific museum legislation establishes a public commitment to museums and stewardship of collections, and sets out a framework for relationships between the museums and the community. There is support from the cultural sector for a set of legislation to be introduced to consolidate the Government’s commitment and specify the clear vision for the museums to enhance their future development. Up to the end of December 2005, the Administration had not yet decided on the way forward to address this issue. **For Hong Kong to become a cultural metropolis, Audit considers that the HAB and the LCSD need to address the issue of the regulatory framework for the governance of museums in Hong Kong in order to facilitate their future development. The HAB and the LCSD should consider introducing specific legislation to regulate museums in Hong Kong.**

Desirability of establishing a statutory governing body for public museums

2.21 ***ICOM Code.*** According to the ICOM Code, the governing body of a museum should prepare, publicise and be guided by a statement of the mission, objectives, and policies of the museum and of the role and composition of the governing body. In Hong Kong, the LCSD is performing the management role in respect of its 14 museums.

2.22 **Recommendations of the CHC Report and the Consultancy Report.** The two reports recommended that there should be a governing body for the public museums. Details are as follows:

- (a) in March 2003, the CHC recommended that the Government should establish a statutory body (i.e. a Museum Board) to coordinate the overall development of public museums. Its functions should include defining the roles of individual museums and determining the allocation of government resources. The CHC also recommended that a board of trustees responsible for the management and resource development of public museums should be established (see Appendix D); and
- (b) in June 2003, after examining the different modes of governance of museums in London, Paris, New York, Canberra, Amsterdam and Singapore, the LCSD consultants proposed to develop a new Museum Ordinance with three options on governance (Note 10), including the establishment of a Museum Board (see Appendix E).

2.23 **Practices in overseas countries.** A governing body is defined in the ICOM Code as “the persons or organisations defined in the enabling legislation of the museum as responsible for its continuance, strategic development and funding”. Audit research indicates that in overseas countries, a museum is governed by one of the following bodies:

- (a) a line department of the government. The line department is fully integrated into the departmental structure and subject to government systems of management and accountability;
- (b) a Board/Board of Trustees/Council. Museums are placed under a Board/Board of Trustees/Council appointed by the government with flexibility in the administration of museums;
- (c) a non-profit-making or charitable organisation; or
- (d) a private organisation.

2.24 **Drawbacks in the absence of a statutory governing body.** Audit notes that public museums governed by the LCSD (i.e. a line department of the Government) have the following drawbacks:

Note 10: *The three options of museum governance were line department, Museum Board, and independent museums with Executive Boards.*

- (a) LCSD museums need to follow government procedures in all administrative matters, notwithstanding that the museum services are distinct from other government services. For example:
 - (i) ***Lack of flexibility in the acquisition of collection items.*** Although the collection items purchased by museums are very often unique items and are not ordinary goods, the LCSD is required to follow government procedures in the acquisition of collection items. There are no procedures for procurement of collection items by auction. Since 2000, officers of the LCSD have not attended any auction to acquire collection items (see para. 4.7); and
 - (ii) ***Lack of incentives for museums to generate additional income.*** Under government regulations, income generated and donations received (not designated for specific purposes) by public museums are regarded as general revenue; and
- (b) LCSD museums need to compete with other government departments on the funding allocation and resources. For example, additional time and effort are required by LCSD museums to bid for additional storage space to resolve the storage problems of their collections (see paras. 4.17 and 4.18).

2.25 ***Committee on Museums.*** In response to the recommendations made by the CHC Report and the Consultancy Report relating to the introduction of specific museum legislation and the establishment of the Museum Board, the Government agreed that it would carefully examine and give due consideration to all the relevant factors. In November 2004, the HAB established a Committee on Museums to consider the issues. Up to the end of December 2005, the Committee held three meetings (see para. 2.11). The proposed introduction of specific museum legislation and the establishment of a statutory governing body for public museums were included in the Committee's work plan.

2.26 ***Need for a statutory governing body.*** The LCSD consultants recommended in 2003 that the Government should consider setting up a Museum Board (comprising members from various sectors of the community) to govern, manage, operate and oversee all public museums. **Audit considers that the HAB and the LCSD need to benchmark the practice of the LCSD with that of overseas cultural metropolises in the governance of museums, in particular, the setting up of a statutory governing body.**

Formulation of a long-term strategic plan for museum development

2.27 According to the Consultancy Report, there was no Master Plan for the long-term development of museums in Hong Kong. Public museum services involve large capital investment (such as land and buildings) and significant recurrent funding to finance the daily operation of museums (Note 11). Audit notes that LCSD museums only prepare their own business plans, and plans for exhibitions and programmes to be organised in the coming years. **Audit considers that there is a need to formulate a long-term strategic plan for public museums, taking into account the services provided by museums other than those managed by the LCSD. The strategic plan should promote collaboration of public and private museums to achieve the objectives of preservation, research, exhibition and education.**

Audit recommendations

2.28 **For the future development of museums in Hong Kong, Audit has recommended that the Secretary for Home Affairs and the Director of Leisure and Cultural Services should:**

- (a) **in consultation with the Committee on Museums, consider introducing legislation to regulate museums in Hong Kong, including the establishment of a governing body and a regulatory framework for public museums;**
- (b) **consider benchmarking the practice of the LCSD with that of overseas cultural metropolises in the governance of museums, in particular, the setting up of a statutory governing body; and**
- (c) **formulate a long-term strategic plan for developing public museums, taking into account the services provided by museums other than those managed by the LCSD.**

Response from the Administration

2.29 The **Secretary for Home Affairs** and the **Director of Leisure and Cultural Services** have said that they generally accept the audit recommendation of formulating a long-term strategic plan for developing public museums, taking into account the services provided by museums other than those managed by the LCSD. They have also said that:

Note 11: *The estimated annual recurrent operating cost of a large museum in Hong Kong is about \$40 million to \$75 million.*

- (a) the CHC and the LCSD consultants had recommended the enactment of museum legislation and the establishment of a statutory museum board for the future development of Hong Kong's museum services. In November 2004, the Secretary for Home Affairs set up the Committee on Museums to follow up these recommendations. The Committee aims to submit its recommendations to the Secretary for Home Affairs by the end of 2006;
- (b) after receiving the recommendations of the Committee on Museums, the Secretary for Home Affairs will conduct further consultations as necessary, before formulating a policy decision on the way forward for the future provision of public museum services in Hong Kong; and
- (c) each museum is responding to changing demands in the provision of its service. The Hong Kong Heritage Discovery Centre and the Dr Sun Yat-sen Museum under development will further enhance local museum provision.

PART 3: PERFORMANCE OF LEISURE AND CULTURAL SERVICES DEPARTMENT MUSEUMS

3.1 This PART examines the performance of LCSD museums and suggests measures for improvement.

Performance measures

3.2 In the LCSD Controlling Officer's Report, there are two types of performance measures (i.e. performance indicators and performance targets). Setting of performance measures for the LCSD museum services is a key step in the management process which enables the monitoring of services and improves public accountability. Key performance indicators may have specific targets and may be quantitative and/or qualitative. The outcome should be used to drive improvements.

3.3 According to the 2005-06 Controlling Officer's Report, the following eight key performance indicators have been developed for the museum services:

- (a) the number of visitors to museums/archive/exhibitions;
- (b) the number of exhibitions;
- (c) the number of objects in the museum collections;
- (d) the number of items in the film archive collections;
- (e) the number of guided tours;
- (f) the number of lectures/demonstrations/seminars/workshops/film and audio-visual shows;
- (g) the number of publications; and
- (h) the number of museums/archive.

3.4 The LCSD has set performance targets for its museum services. According to the 2005-06 Controlling Officer's Report, the LCSD is required:

- (a) to provide quality museum facilities to the public, aiming to attract at least four million visitors a year;

- (b) to provide a balanced mix of programmes, including at least four thematic exhibitions per month on average, educational activities and visitor services;
- (c) to acquire, preserve, document and research on works of art, film and historical objects; and
- (d) to computerise data on museum collection items and archives, and render them easily accessible to the public.

Audit observations

Performance indicators

3.5 The performance indicators for LCSD museums for the five years from 2000 to 2004 are given in Appendix G. There were noticeable improvements in the performance of LCSD museums for the years from 2000 to 2004, as reflected by the key performance indicators. In particular, the number of visitors increased by 37% from 3.41 million to 4.67 million and the number of exhibitions increased from 75 to 123. Except for the number of visitors, the other seven performance indicators are related to workloads and service qualities.

3.6 Audit notes that overseas museums have developed more meaningful and useful key performance indicators and some with associated targets (Note 12) as shown in Appendix H. **Audit considers that the LCSD needs to benchmark its practice with that of overseas museums with a view to developing more meaningful performance indicators and associated targets to measure the performance of LCSD museums.**

Performance targets

3.7 Performance can be measured in qualitative and quantitative terms. The performance targets of attracting at least four million visitors a year and providing at least four thematic exhibitions per month on average (see para. 3.4(a) and (b)) are quantitative targets. They are specific performance targets set against two performance indicators of the number of visitors and the number of exhibitions. Table 1 shows the achievements of the quantitative performance targets by LCSD museums for the five years from 2000 to 2004.

Note 12: *References are made to the performance indicators adopted by the British Museum (established in 1753) and the Victoria and Albert Museum (established in 1852) in the United Kingdom.*

Table 1

**Achievements of quantitative performance targets by
LCSD museums from 2000 to 2004**

Performance indicator	2000	2001	2002	2003	2004
Number of visitors (Target: to attract at least four million visitors a year)	3,410,982 (85%)	4,247,511 (106%)	4,646,000 (116%)	4,683,053 (117%)	4,665,299 (117%)
Monthly average number of thematic exhibitions (Target: to provide at least four thematic exhibitions)	6.25 (156%)	6.75 (169%)	7.5 (188%)	8.67 (217%)	10.25 (256%)

Source: LCSD Controlling Officer's Reports and audit analysis

Remarks: The percentage in brackets represents the achievement of performance against the target.

3.8 Audit noted that the two performance targets shown in Table 1 had not been revised since the establishment of the LCSD in 2000. Audit also noted that in 2004, the number of visitors exceeded the target by 665,299 (or 17%), and the monthly average number of thematic exhibitions exceeded the target by 6.25 (or 156%). **In view of these results, Audit considers that the LCSD needs to revise these two quantitative performance targets to reflect the improved performance of LCSD museums over the years, and revise these targets as and when necessary.**

3.9 The performance targets of acquiring, preserving, documenting and researching on works of art, film and historical objects, and computerising data on museum collection items and archives (see para. 3.4(c) and (d)) are qualitative in nature. According to the Step-by-Step Guide to Performance Measurement issued by the Efficiency Unit in 2000, the Government refers to "target" when it has a quantified level of performance which it wishes to achieve. The Government uses the term "indicator" when it is going to monitor a particular measure, but is not setting a quantified target. The Government's intention is to set targets wherever possible because targets improve clarity of expectations, motivate performance, and improve accountability (Note 13). **As targets should be quantifiable, Audit considers that the LCSD needs to set quantitative targets to replace the qualitative targets.**

Note 13: According to the Step-by-Step Guide to Performance Measurement, there are two situations where targets may not be set. First, it may not be possible to set a target yet, because there is still debate about the most appropriate measure or because there is no data on past performance against which to judge the appropriate target. Second, the Government may decide, as a matter of policy, that it would be inappropriate to set a target.

Audit recommendations

3.10 **Audit has recommended that the Director of Leisure and Cultural Services should:**

Performance indicators

- (a) **benchmark the practice of the LCSD with that of overseas museums with a view to developing more meaningful performance indicators and associated targets to measure the performance of LCSD museums in order to assess whether they are achieving their functional objectives of preservation, research, exhibition and education;**

Performance targets

- (b) **consider revising the two existing quantitative performance targets (i.e. the number of visitors and thematic exhibitions) to reflect the improved performance of LCSD museums over the years and revising these targets as and when necessary; and**
- (c) **consider converting the two existing qualitative performance targets (i.e. the acquisition, preservation, documentation and research work, and the computerisation of data on collection items) into quantitative performance targets in order to improve monitoring of performance.**

Response from the Administration

3.11 The **Director of Leisure and Cultural Services** has said that she generally accepts the audit recommendations. She has also said that:

- (a) the LCSD will review the existing performance indicators and targets, and develop some meaningful new quantitative indicators as appropriate; and
- (b) quantitative measurements may not apply to some qualitative indicators since professionalism and quality are the prime concerns for the provision of public museum services.

3.12 The **Secretary for Financial Services and the Treasury** has said that he generally agrees with the audit recommendations. He has also said that:

- (a) the Financial Services and the Treasury Bureau (FSTB) has asked the LCSD, during the preparation of the 2006-07 draft Estimates, to consider revising the performance targets and the performance information in the Controlling Officer's Report;
- (b) the LCSD needs more time to work out the performance targets with the HAB; and
- (c) the FSTB will keep in view the LCSD's review on the Controlling Officer's Report.

Evaluation of the Leisure and Cultural Services Department museum facilities and services

3.13 In 2000 and 2002, the LCSD carried out benchmark surveys to collect public opinions on its leisure and cultural facilities and services, including the museum facilities and services. The LCSD museum facilities and services were well received by the visitors (81% of the 2,315 respondents in the 2000 survey and 79% of the 2,199 respondents in the 2002 survey rated that the museum facilities and services were good). In November 2004, to seek a better understanding of the characteristics of museum users and infrequent users as well as the factors that would encourage them to visit LCSD museums, the LCSD commissioned a private company to conduct a further survey on the LCSD museum facilities and services (the 2004 survey) at a cost of \$264,000.

Audit observations

High satisfaction level of museum visitors

3.14 The 2004 survey covered 5,021 visitors to seven LCSD museums and 1,004 infrequent users who had not visited any of the seven museums in the past four years. The satisfaction level of the seven museums rated by the visitors was very high. About 90% of the visitors responded that they would visit the museums again.

Formulation of an overall improvement strategy

3.15 The purposes of conducting the 2004 survey were to increase the patronage and improve the LCSD museum services. Although the services were well received by the public, the survey identified areas for improvement (such as the awareness level of the concessionary schemes, and the awareness level and participation rate of educational and public programmes). The LCSD has not formulated an overall strategy to further improve its museum services since the issue of the 2004 survey report in January 2005. **Audit considers that the LCSD needs to formulate an overall strategy for increasing the patronage and improving the services of its museums, taking into account the results of the 2004 survey.**

Improvement plans on facilities and services for individual museums

3.16 The 2004 survey identified three main reasons for visiting each of the seven LCSD museums. Details are given in Appendix I. Audit noted that most visitors were interested in the main theme and the special exhibitions of the museums. As reflected by the high percentage of visitors in the “Arranged by school” category, the Hong Kong Heritage Museum and the Hong Kong Museum of History (see Photographs 1 and 2) had, to a larger extent, succeeded in attracting school visits.

Photograph 1

Hong Kong Heritage Museum



Source: Photograph provided by the LCSD

Photograph 2

Hong Kong Museum of History



Source: Photograph provided by the LCSD

3.17 **Audit considers that the LCSD needs to develop an improvement plan for each museum with reference to the results of the 2004 survey, and promote the good practices of some museums (e.g. encouraging more visits by students) to further improve the museum facilities and services.**

3.18 Audit notes that, while 34.8% of visitors of the Hong Kong Space Museum (see Photograph 3) were interested in the main theme of the museum, it had the lowest overall satisfaction level (i.e. very/quite satisfied) of 73.9% among the seven LCSD museums. In addition, among the seven museums, the Hong Kong Space Museum had the lowest satisfaction levels of 78% for facilities and 76.1% for exhibitions.

Photograph 3

Hong Kong Space Museum



Source: Photograph provided by the LCSD

3.19 When the Hong Kong Space Museum was opened in 1980, its planetarium at the Space Theatre was the first planetarium in the world that possessed a fully automated control system for performing planetarium shows. With the passage of time, the following facilities at the Space Theatre have malfunctioned and deteriorated:

- (a) the Planetarium Star Projector is outdated and in need of replacement to enable the museum to screen planetarium shows of a higher quality (Note 14). The breakdown of the projector has led to cancellation of the planetarium shows and refund of admission fee to the audience on several occasions; and
- (b) frequent repair and maintenance works are needed to tighten the springs between the seat and the seat back, and replace the broken hinges. The plug-in stereo headphones affixed to the theatre seats have a high breakdown rate. Apparently, the seats and the stereo headphone system need to be replaced.

3.20 The replacement project of the Space Theatre was scheduled for completion by late 2005. The funding of \$34 million was approved in June 2003. As a result of the development of new systems and an increase in price due to appreciation of foreign currencies, there was a slippage of the replacement project. Up to the end of December 2005, the tender exercise had not yet commenced. **Audit considers that the LCSD needs to upgrade the facilities at the Space Theatre of the Hong Kong Space Museum. To improve the satisfaction level of exhibitions, the LCSD needs to consider introducing new exhibits in the museum as suggested by the survey respondents (such as interactive games, unidentified flying objects and the Chinese space missions).**

Public awareness of the Museum Pass Scheme

3.21 The 2004 survey of the 1,004 infrequent museum users found that the awareness level of the Museum Pass Scheme was very low, as only 5.6% of the infrequent users were aware of the benefits of being a Museum Pass holder (including the Weekly Pass, the Half-yearly Pass and the Yearly Pass).

3.22 **In view of the low public awareness level, Audit considers that more promotion efforts should be made to enhance public awareness of the Museum Pass Scheme. In particular, there is a need to promote the Weekly Museum Pass, which is targeted for tourists, on the websites of LCSD museums (Note 15) to augment the publicity efforts of the Hong Kong Tourism Board.**

Note 14: *The planetarium show is the major attraction of the museum. The Planetarium Star Projector is used to project images of more than 8,000 stars onto a hemispherical dome screen, hence simulating the starry sky to a very high precision for astronomical education. With the application of advanced digital technology, astronomical phenomena can be simulated through the projector on the hemispherical screen in a more precise manner. Operators of the projector have a wider choice of presenting special effects.*

Note 15: *Only the Half-yearly and the Yearly Passes are publicised on the websites of LCSD museums.*

Educational and public programmes

3.23 LCSD museums provide a variety of educational and public programmes (such as travelling exhibitions, video/film shows, workshops, lectures, seminars, guided tours and demonstrations) for the public, schools, registered charities and non-profit-making organisations. These programmes were well received by them. However, according to the 2004 survey:

- (a) with the exception of about half (48.7%) of the visitors of the Hong Kong Science Museum, the awareness level of the educational and public programmes of the other six LCSD museums was generally low (from 24.7% to 37.1%); and
- (b) while 11.2% of the visitors of the Hong Kong Science Museum responded that they had participated in its educational and public programmes, the participation rate for the other six LCSD museums was very low (from 2.1% to 6.3%).

3.24 Education is of growing importance in public museum services. **Audit considers that the LCSD needs to make more efforts to improve public awareness of the educational and public programmes, and encourage the public to participate in the educational and public programmes organised by LCSD museums.**

Coverage in future opinion surveys

3.25 The 2004 survey did not cover the following areas:

- (a) ***Other user groups.*** The 2004 survey only covered visitors and infrequent museum users. Audit considers that other user groups (such as schools, teachers, students and researchers) should also be covered in future surveys. Their views on the museum services will help LCSD museums improve their services to facilitate education and research; and
- (b) ***Opening hours.*** The 2004 survey did not cover the issue of opening hours of LCSD museums. Audit notes that although the Hong Kong Museum of Art, the Hong Kong Space Museum, the Hong Kong Museum of History and the Hong Kong Science Museum are located in close proximity in Tsim Sha Tsui, their opening hours are different (see Appendix M). It is worth finding out the appropriate opening hours of the museums so as to attract more visitors.

Audit considers that the LCSD needs to widen the coverage of future opinion surveys in order to obtain more information for improving its museum services.

Audit recommendations

3.26 **Audit has recommended that the Director of Leisure and Cultural Services should:**

Formulation of an overall improvement strategy

- (a) **formulate an overall strategy for increasing the patronage and improving the services of LCSD museums, taking into account the results of the 2004 survey;**

Improvement plans on facilities and services for individual museums

- (b) **develop an improvement plan for each museum with reference to the results of the 2004 survey;**
- (c) **upgrade the facilities at the Space Theatre of the Hong Kong Space Museum and consider introducing new exhibits in this museum;**

Public awareness of the Museum Pass Scheme

- (d) **make more promotion efforts to enhance public awareness of the Museum Pass Scheme so as to encourage more people to visit LCSD museums;**

Educational and public programmes

- (e) **make more efforts to improve public awareness of the educational and public programmes, and encourage the public to participate in the educational and public programmes organised by LCSD museums; and**

Coverage in future opinion surveys

- (f) **widen the coverage of future opinion surveys (e.g. other user groups and opening hours) in order to obtain more information for improving the LCSD museum services.**

Response from the Administration

3.27 The **Director of Leisure and Cultural Services** has said that she generally accepts the audit recommendations. She has also said that:

Formulation of an overall improvement strategy

- (a) in consultation with the Committee on Museums, the LCSD will formulate an overall strategy for boosting patronage and improving museum services;

Improvement plans on facilities and services for individual museums

- (b) the LCSD will develop an improvement plan for each museum with reference to the results of the 2004 survey;
- (c) the upgrading of facilities in the Hong Kong Space Museum is being implemented (such as to acquire a replacement projector, and renew the seating and audio-visual equipment at the Space Theatre). Exhibit renewal for the museum will be considered;

Public awareness of the Museum Pass Scheme

- (d) the LCSD will make more promotion efforts to enhance public awareness of the Museum Pass Scheme;

Educational and public programmes

- (e) the LCSD will organise more outreach programmes and make more promotion efforts to improve public awareness of educational and public programmes; and

Coverage in future opinion surveys

- (f) consideration will be given to widening the coverage of different categories of respondents and topics in future surveys on museums. The LCSD will also consider rescheduling the opening hours of LCSD museums.

PART 4: ACQUISITION AND MANAGEMENT OF MUSEUM COLLECTION ITEMS

4.1 This PART examines the acquisition and management of collection items by LCSD museums and suggests measures for improvement.

Museum collection items

4.2 According to the ICOM Code, museums have the duty to acquire, preserve and promote collection items as a contribution to safeguarding the natural, cultural and scientific heritage. LCSD museums have different characteristics and objectives. Museum collections form a composite picture of cultural, historical and natural heritage, and the preservation of such collections represents a long-term commitment to existing and future generations.

4.3 Since the establishment of the City Museum and Art Gallery in 1962, annual provisions have been allocated to museums for the acquisition of collection items. Through purchases and donations, LCSD museums have accumulated a number of representative collection items (see Photograph 4). These include a green yellow jade jia of the Qing Dynasty (purchased at \$1,168,400 in 1997), a rhinoceros horn libation cup of the Qing Dynasty (purchased at \$735,000 in 1997) and a carved red lacquer dish with flower design of the Ming Dynasty (purchased at \$1,638,000 in 2000). The expenditure on the acquisition of museum collection items was \$5.4 million in 2004-05 and the provision for the acquisition of museum collection items was \$4.9 million in 2005-06.

Photograph 4

Representative collection items



Green yellow jade jia
of the Qing Dynasty



Rhinoceros horn libation
cup of the Qing Dynasty



Carved red lacquer dish with
flower design of the Ming Dynasty

Source: Photograph provided by the LCSD

Audit observations

Collection policy

4.4 A museum is required to develop and implement a collection policy that guides the management of, and access to, collection items and information. According to the ICOM Code, each museum should adopt and publish a written collection policy that addresses the acquisition, care and use of collection items. The policy should clarify the position of any material that will not be catalogued, conserved or exhibited. In addition, a collection policy needs to be changed as the circumstances of the collections and direction of a museum alter. A museum should review its collection policy regularly to reassert its objectives and direction, and ensure that the growth of collection items is managed in the context of its goals.

4.5 Audit found that:

- (a) other than the Hong Kong Film Archive, the Hong Kong Heritage Museum and the Hong Kong Museum of Art, there was no collection policy for the other four major LCSD museums and the seven small museums;
- (b) the collection policies of the Hong Kong Heritage Museum and the Hong Kong Museum of Art (adopted from the then Municipal Councils) were reviewed in October 1994 and June 1996 respectively (i.e. before the establishment of the LCSD in 2000); and
- (c) the collection policies of the Hong Kong Heritage Museum and the Hong Kong Museum of Art did not specify the requirement of a regular review.

4.6 In Audit's view, the LCSD needs to ensure that each museum has a collection policy, specify the requirements for each museum to regularly review and update its collection policy, and publicise the collection policy (e.g. through the website of the museum) with a view to encouraging the public to make donations.

Acquisition of collection items

4.7 LCSD museums acquire collection items for the enjoyment of the public and obtain collection items on loan for planned exhibitions. Collection items are acquired from dealers, collectors, galleries, artists and auction houses. Before the establishment of the LCSD in January 2000, the relevant committees of the then Municipal Councils were delegated with the authority for approving museum acquisition without recourse to tender. The LCSD, as a government department, is required to follow the procurement procedures set out in the Stores and Procurement Regulations (SPRs). According to the SPRs, departments should obtain quotations for the purchase of items not exceeding \$1.3 million and should invite tenders for the purchase of items exceeding \$1.3 million. However, the SPRs do not specify procedures for the purchase of collection items by auction. Since 2000, other than the acquisition of collection items through postal bids by the Hong Kong Museum of History, officers of the LCSD have not attended any auction to acquire collection items.

4.8 The collection items purchased by museums are very often unique items. It is impracticable, in most cases, for LCSD museums to purchase collection items through normal quotation or tender exercises in accordance with the SPRs. The purchases of collection items by the museums are usually in the form of a single quotation. Following the practices of the then Municipal Councils, the LCSD has appointed a number of Honorary Advisers, who are recognised experts in the field of art, history or antiquities, to assess the collection items which the museums propose to acquire. The Honorary Advisers may give additional comments if it is necessary to conduct a price negotiation.

4.9 The LCSD attempted to seek the approval of the FSTB for exemption from applying the SPRs for acquiring collection items or obtaining artefacts from other museums on loan for planned exhibitions. In August 2000, after taking into account the advice from the Independent Commission Against Corruption (Note 16) on the proposed procedures, the Assistant Director (Heritage and Museums) instructed the Chief Curators to draft the acquisition procedures. In May 2004, the LCSD drew up a set of proposed procurement procedures for acquisitions and public programmes. The main features of the proposed procedures were that:

- (a) for the procurement of collection items, loans of museum exhibitions and engagement of specialists' services for organising public programmes, the LCSD should be exempted from carrying out the quotation and tender exercises as stipulated in the SPRs (see para. 4.7);
- (b) the procurement of collection items could be made by auction;
- (c) expert advisers would be invited to assess and give advice on collection items proposed for acquisition; and
- (d) the procurement of collection items or services would be approved by relevant authorities (Note 17) on the recommendations of relevant committees.

4.10 In September 2004, the LCSD requested the FSTB to approve the proposed procurement procedures. After exchanges of correspondence, in June 2005, the FSTB advised the LCSD that:

- (a) for the years from 2002-03 to 2004-05, all the collection items procured by the LCSD were below \$1.3 million. Should the circumstances remain unchanged, the procurement could be made in accordance with the procedures (i.e. quotation procedures) set out in the SPRs. It was within the LCSD's authority to draw up the procurement procedures and there was no need to seek the FSTB's approval; and

Note 16: *In August 2000, the Independent Commission Against Corruption completed a study on the proposed procedures for the acquisition of collection items by the LCSD and issued the Assignment Report on "LCSD – Acquisition and Storage of Museum Artefacts".*

Note 17: *The proposed approving authorities for the procurement of collection items and services were as follows:*

Value of collection items or services	Approving authority
Up to \$260,000	Chief Curator/Chief Manager/Executive Secretary
\$260,001 to \$650,000	Assistant Director (Heritage and Museums)
\$650,001 to \$1,300,000	Deputy Director (Culture)
Over \$1,300,000	Director of Leisure and Cultural Services
<i>The proposed approving officers were in line with those stipulated in the SPRs.</i>	

- (b) based on the past records, there would not be many cases of procurement exceeding \$1.3 million. The LCSD should seek the FSTB's approval in case the normal tender procedures could not be followed.

Up to the end of December 2005, the LCSD had not yet finalised its procurement procedures for acquisitions and public programmes. This has affected the acquisition of collection items by LCSD museums.

4.11 Audit review of the acquisition of collection items by the Hong Kong Museum of History found that, for the acquisition of four lots of collection items at \$23,000 in 2001-02, the total number of items and details of each item purchased were not stated in the purchase agreement. Details of collection items acquired were unknown. The purchase agreement was not signed by witnesses.

4.12 **In Audit's view, the LCSD should expedite action to finalise the procurement procedures, and ensure that its museums always comply with the approved procurement procedures for the acquisition of collection items. LCSD museums should strengthen the control procedures for the acquisition, receipt and safe custody of collection items.**

Accession of collection items

4.13 Accession is the process of registering and cataloguing collection items. It includes the allocation of an accession number to each collection item and the documentation of its classified nature, year of acquisition and sequence of acquisition. A proper accession system can facilitate a museum:

- (a) to analyse and manage its data on collection items;
- (b) to retrieve information on collection items efficiently for checking purpose in deciding the acquisition of new collection items, carrying out researches, organising exhibitions, considering loans of exhibits, and conducting surprise inspections; and
- (c) to exercise control over the storage and movement of collection items so as to prevent loss or mislaying of collection items.

4.14 Accession systems are maintained by LCSD museums to record and manage their collection items. Audit noted that there was a significant backlog of collection items pending accession in three museums (i.e. the Hong Kong Film Archive, the Hong Kong Museum of History and the Hong Kong Heritage Museum). As of November 2005:

- (a) the number of collection items pending accession in the Hong Kong Film Archive, the Hong Kong Museum of History and the Hong Kong Heritage Museum were 436,200, 257,780 (Note 18) and 19,598 respectively;
- (b) 39% of the backlog of collection items were kept in the three museums for five years or more; and
- (c) the backlog of collection items in these three museums represented 46% of their total collection items.

4.15 Any delay in the accession of collection items is regarded as unsatisfactory because:

- (a) the condition of collection items may deteriorate due to the lack of care and proper conservation;
- (b) the museums may acquire duplicate collection items;
- (c) the collection items are not accessible to the public; and
- (d) the backlog of collection items is not properly controlled.

In view of the large number of collection items pending accession, Audit considers that the LCSD should review the overall position of the backlog in its museums, draw up an action plan to clear the backlog and tighten the control over the collection items pending accession.

Note 18: *In addition to these collection items, the Hong Kong Museum of History kept an unknown number of collection items for over five years (i.e. those kept in nine plastic boxes and a number of cabinets, and those scattered around in the storerooms).*

Storage of collection items

4.16 **Shortage of storage space.** Historical and cultural collection items deteriorate over time. Preventive preservation is necessary to maintain collection items in a stable condition. Appropriate and effective storage is one of the main forms of preventive preservation of collection items. Different types of collection items have different environmental storage requirements (such as specific temperature and relative humidity) to limit decay and avoid damages. In LCSD museums, purpose-built storerooms are used for storing their collection items. Over the years, with the continuous increase in the number of collection items, most LCSD museums have the problem of shortage of storage space. They have to store their collection items at off-site storage areas/premises. A list of LCSD museums with off-site storerooms/other storage facilities is given in Appendix J. The environmental conditions of the off-site stores were far from satisfactory. As a result of the shortage of storage space, Audit noted that:

- (a) some museums had to turn down offers of donations of collection items from the public;
- (b) a 1949 Daimler Double Deck Bus donated by a bus company in 1983 was kept by the company. The Hong Kong Museum of History did not follow up this issue with the company because it lacked storage space to accommodate the bus;
- (c) inside the secure storage areas, the Hong Kong Museum of Art had to pile up oversized paintings one over the other against walls, place sculptures along the corridors and store collection items in plastic boxes along the walkways; and
- (d) the Hong Kong Museum of Art and the Hong Kong Museum of History had stored collection items in cargo containers.

In response to audit enquiries, the LCSD informed Audit in early March 2006 that the bus was kept by the bus company under professional maintenance and would be used for display as deemed appropriate.

4.17 **Bid for additional storage space.** From 2001 to 2005, the Hong Kong Museum of History and the Hong Kong Museum of Art bid for additional storage space for their collection items. However, none of their bids was successful. In December 2001, the Hong Kong Museum of History attempted to get some storage space in the Hong Kong Heritage Museum and other major civic centres, but to no avail. In January 2003, the Hong Kong Museum of Art requested that suitable storage space should be identified to help resolve the problem on storage space. The Hong Kong Heritage Museum stated that a long-term solution should be identified to resolve the problem.

4.18 ***Proposal for a central museum collection repository.*** In January 2005, to alleviate the acute shortage of museum storage space, the Assistant Director (Heritage and Museums) asked a Chief Curator to lead a working group to study the feasibility of constructing an annex to the rear of the Hong Kong Museum of History and the Hong Kong Science Museum as a convenient central repository for museum collection items. At a meeting held in March 2005, the working group concluded that a storage site in Tuen Mun occupied by the Hong Kong Science Museum was more suitable for redevelopment into a central repository. In May 2005, the LCSD submitted to the Government Property Agency a preliminary plan for the construction of a five-storey building at the Tuen Mun site as a central repository. In October 2005, the Government Property Agency indicated that it had no objection to the proposal subject to necessary policy/bureau support. In the same month, the LCSD approached the Lands Department for the allocation of land for the development of a central repository at the Tuen Mun site. Up to the end of December 2005, there was no further development on this issue.

4.19 ***Review of storage facilities.*** Appropriate storage facilities are essential for the proper management of collection items. **Audit considers that the LCSD should critically review the overall storage requirements of its museums and expedite action to develop a central museum collection repository.**

De-accession policy

4.20 The main function of a museum is to acquire, preserve and promote collection items and to keep them for posterity. However, a museum may have to dispose of unwanted collection items when they:

- (a) have decayed badly and are useless;
- (b) are found to be fakes;
- (c) are wrongly identified as collection items;
- (d) are surplus collection items; or
- (e) do not fit into the collection policy of the museum.

The disposal of a collection item may be in the form of exchange, sale or destruction. According to the ICOM Code, each museum should have a policy defining authorised methods for permanently removing collection items. Major overseas museums (such as the British Museum and the Natural History Museum in the United Kingdom) have de-accession policies for the disposal of collection items.

4.21 Audit notes that:

- (a) other than the Hong Kong Film Archive, all LCSD museums do not have de-accession policies for the disposal of their unwanted collection items;
- (b) LCSD museums have never disposed of any collection items; and
- (c) LCSD museums have a large number of collection items pending accession and some of them may be unwanted items.

Proper disposal of collection items is necessary for museums to remove unwanted collection items and free up storage space. **Audit considers that the LCSD needs to ensure that each museum formulates a de-accession policy and disposes of any unwanted collection items promptly in accordance with laid down procedures.**

Stocktaking and surprise checking of collection items

4.22 As part of an inventory control for collection items, an annual stocktaking should be carried out in museums to ensure the completeness of collection records and the physical existence of collection items. In addition, surprise checking of collection items should be carried out:

- (a) to supplement the annual stocktaking so that discrepancy between collection records and physical collection items in hand can be identified and rectified at the earliest opportunity;
- (b) to provide an independent counter-checking on the collection items by persons not directly involved in routine collection management; and
- (c) to act as a deterrent to any fraud.

4.23 LCSD museums have conducted annual stocktaking and surprise checking on their collection items. In view of the large number of collection items kept, the museums carry out their annual stocktaking on a cyclical basis. At the Divisional Meeting of the Heritage and Museums Division held in April 2002, it was stated that LCSD museums should carry out physical check of their collection items within a reasonable checking cycle. Audit reviewed the annual stocktaking and surprise checking of collection items conducted by LCSD museums. Details are given in Appendix K. Audit has found that:

- (a) there are no written procedures on stocktaking and surprise checking in LCSD museums;

- (b) apart from the Hong Kong Heritage Museum, the Hong Kong Railway Museum, the Sam Tung Uk Museum and the Sheung Yiu Folk Museum, no surprise checking has been carried out by the other museums;
- (c) in the Hong Kong Museum of History:
 - (i) 197 collection items, comprising 81 donated items and 116 items purchased at \$99,000, were found missing upon the completion of stocktaking of all its collection items in April 2002, and these items were subsequently written off in September 2002; and
 - (ii) the scheduled annual stocktaking during the period from May 2002 to June 2004 had not been carried out;
- (d) the annual stocktaking of LCSD museums did not cover the collection items pending accession (see para. 4.14); and
- (e) there was no verification of the authenticity of those high value collection items during the stocktaking.

4.24 Annual stocktaking and surprise checking of collection items are essential for the proper stock control of collection items in museums. **In Audit's view, the LCSD needs to ensure that its museums have proper stocktaking and surprise checking procedures (covering the verification of the authenticity of high value collection items), including schedules of annual stocktaking and surprise checking of the collection items (including those items pending accession). LCSD museums need to conduct annual stocktaking and surprise checking accordingly. The LCSD also needs to strengthen the control and security measures to ensure the safe custody of all the collection items in its museums.**

Information of collection items for public access on websites

4.25 A museum has the responsibility for offering the public full access to information about its collection items for research and educational purposes. One of the targets for the LCSD museum services is to computerise data on their collection items and render them easily accessible to the public. Individual museums have their own computer systems for maintaining information of their collection items and providing online access of the information to the public through the Internet. The Hong Kong Museum of History planned to upload the information of its selected collection items on its website by late 2004.

4.26 In March 2001, the Hong Kong Museum of History obtained funding of \$6.99 million for the computerisation of its collection data. One of the main objectives of the computerisation project was to provide Internet access of information of collection items so as to facilitate exchange of information and coordination with other museums. In September 2003, the new computer system came into operation with a 12-month warranty period. In March 2004, the LCSD informed the Legislative Council that the computerisation of collection items of the Hong Kong Museum of History had been completed and information of selected collection items would be uploaded on its website for public access by late 2004. As at 31 December 2005, information of about 400 collection items of the Hong Kong Museum of History was available on its website.

4.27 **Apparently, there was a delay in making information relating to the collection items of the Hong Kong Museum of History available on its website. Audit considers that the LCSD needs to ensure that action is taken by the Hong Kong Museum of History to promptly upload information of its collection items on its website for public access.**

Audit recommendations

4.28 **Audit has *recommended* that the Director of Leisure and Cultural Services should:**

Collection policy

- (a) **ensure that each LCSD museum has a collection policy for the acquisition of collection items;**
- (b) **require each LCSD museum to regularly review and update its collection policy;**
- (c) **publicise the collection policies of museums (e.g. through their websites) to encourage the public to make donations;**

Acquisition of collection items

- (d) **expedite action to finalise the procurement procedures for the acquisition of collection items;**
- (e) **ensure that LCSD museums comply with the approved procurement procedures for the acquisition of collection items;**

- (f) **strengthen the control procedures for the acquisition, receipt and safe custody of collection items in LCSD museums;**

Accession of collection items

- (g) **review the overall position of backlog of collection items pending accession in LCSD museums;**
- (h) **draw up an action plan to clear the backlog of collection items pending accession;**
- (i) **tighten the control over the collection items pending accession;**

Storage of collection items

- (j) **critically review the overall storage requirements of LCSD museums and expedite action to develop a central museum collection repository to meet the storage needs of LCSD museums;**

De-accession policy

- (k) **ensure that each museum formulates a de-accession policy and disposes of any unwanted collection items promptly in accordance with laid down procedures;**

Stocktaking and surprise checking of collection items

- (l) **ensure that LCSD museums have proper stocktaking and surprise checking procedures (covering the verification of the authenticity of high value collection items), including schedules of annual stocktaking and surprise checking of the collection items (including those items pending accession);**
- (m) **ensure that LCSD museums conduct annual stocktaking and surprise checking;**
- (n) **strengthen the control and security measures to ensure the safe custody of all the collection items in LCSD museums; and**

Information of collection items for public access on websites

- (o) **ensure that action is taken by the Hong Kong Museum of History to promptly upload information of its collection items on its website for public access.**

Response from the Administration

4.29 The **Director of Leisure and Cultural Services** has said that she generally accepts the audit recommendations. She has also said that:

Collection policy

- (a) LCSD museums have collection policies as laid down by the then Municipal Councils and scope of their collections has been realigned after 2000. In the case of the Hong Kong Film Archive, it has adopted the collection policy approved by the then Urban Council, which was promulgated in the policy manual in 2004. The collection policies of LCSD museums will be reviewed periodically and publicised with their mission statements;

Acquisition of collection items

- (b) the finalisation of procurement procedures for the acquisition of collection items is in progress;
- (c) for the acquisition of four lots of collection items at \$23,000 in 2001-02 by the Hong Kong Museum of History, an agreement form was misused instead of a deposit receipt form. In 2003, the LCSD conducted a review on the documentation of acquisitions. In May 2004, the LCSD put in place measures to standardise the forms and handling procedures;
- (d) measures to ensure compliance with procurement procedures and safe custody of collection items are being implemented. The LCSD will ensure that all its museums enforce these measures and draw up standard operational manuals;

Accession of collection items

- (e) the Hong Kong Film Archive has drawn up action plans to clear the backlog of collection items. Other LCSD museums will draw up action plans to clear the backlog of collection items within specific time frames. LCSD museums will tighten the control over collection items pending accession;

Storage of collection items

- (f) a central museum collection repository in Tuen Mun is being planned;

De-accession policy

- (g) formulation of a de-accession policy has to be carefully considered. Museum collections are public assets of culture and heritage. At a time when LCSD museums are striving to obtain donations, it will be counter-productive to publicise the de-accession policy;

Stocktaking and surprise checking of collection items

- (h) stocktaking requirements were endorsed by the then Urban Council. The LCSD has adopted similar requirements since 2000 as standing practices for its museums (such as the operational manual of the Hong Kong Museum of Art). Updating of the stocktaking procedures and surprise checking of collection items will be conducted. Standard operational manual covering these areas will be drawn up by each museum;
- (i) owing to a major computerisation project, which would facilitate retrieval of records and data of collection items more effectively, stocktaking of the Hong Kong Museum of History was put on hold from May 2002 to June 2004;
- (j) stocktaking on a cyclical basis and surprise checking are being conducted in LCSD museums. The arrangement will be reviewed and applied to all LCSD museums;
- (k) authenticity of collection items was verified by museum advisers at the time of acquisition. Descriptive information will be accessioned and computerised. During stocktaking, curatorial staff and registration staff will jointly verify the collection items against the photographic and registration details, which is a basic step of verification of collection items. Further detailed verification of the authenticity of collection items could be considered by consulting the advisers on a need basis and by surprise checking;

Information of collection items for public access on websites

- (l) while highlights of museum collection items are available on the websites, it is not practicable to make all collection items available for public access due to various factors (such as duplication and similarity of some items especially for the history collections); and

- (m) by the end of March 2006, information of 5,000 collection items will be uploaded on the website of the Hong Kong Museum of History. Information of 20,000 representative collection items will be uploaded by early 2007.

4.30 The **Secretary for Financial Services and the Treasury** has said that:

Acquisition of collection items

- (a) the SPRs allow flexibility for government departments to exercise the direct purchase authority to procure stores and services with a value not exceeding \$1.3 million. The SPRs also have provisions for departments to seek approval for waiver of the normal procurement procedures in case there are operational and justifiable reasons for doing so;
- (b) the FSTB has given approval for the LCSD to adopt alternative procurement procedures, namely “Procedures for the Engagement of Artists and Services for Performing Arts and Related Activities Without Recourse to Tender” (PEAS), for procurement of services of the artists and performing groups since 2000. The FSTB reckons that, similar to the services of artists and performing groups, the collection items to be purchased by LCSD museums are unique items and it may not be practical to fully adhere to the normal procurement procedures set out in the SPRs. As the LCSD is still reviewing the PEAS, the FSTB has advised the LCSD to consider incorporating the proposed alternative procedures for procurement of collection items into the PEAS under review so that there will be a uniform set of alternative procedures within the LCSD. It is understood that the LCSD is finalising the revised PEAS and will submit it to the FSTB for consideration when it is ready; and
- (c) the FSTB will only exempt those SPRs that are confined to the procurement process and these will be specified in the approved procedures. The LCSD will still be required to adhere to the procedures with regard to contract management, keeping of procurement and accounting records, and safe custody and disposal of collection items as set out in the SPRs.

PART 5: OPERATION OF LEISURE AND CULTURAL SERVICES DEPARTMENT MUSEUMS

5.1 This PART examines the operation of LCSD museums and suggests measures for improvement.

Activities of Leisure and Cultural Services Department museums

5.2 LCSD museums provide proper environment for the preservation and display of collection items. All LCSD museums are financed by the Government. The major expenditure items of LCSD museums include staff cost, hire of services and professional fees, workshop services and electricity charges. Other than the free admission to the Hong Kong Film Archive and the seven small LCSD museums, the six major LCSD museums charge admission fees, except on Wednesdays. For some special exhibitions and programmes, LCSD museums charge additional admission fees to help reduce operating costs.

Audit observations

Water condensation problem in the Hong Kong Film Archive

5.3 The Hong Kong Film Archive is situated in a six-storey building constructed in 2000. The building has four cold storerooms, one on each floor from the first floor to the fourth floor, for keeping films and related materials. The cold storerooms were provided with insulated and vapour-sealed insulation panels to minimise heat and vapour penetration into the interior of the rooms. The museum was opened in January 2001. In mid-2001, the Hong Kong Film Archive informed the Architectural Services Department (ArchSD) that water condensation (see Photograph 5) was found on the first three floors of the building.

Photograph 5

**Water condensation problem at the ceiling
of a cold storeroom in the Hong Kong Film Archive**



Source: Photograph provided by the LCSD

5.4 Despite the intermittent on-site inspections and surveys carried out by the construction company, the Electrical and Mechanical Services Department (EMSD) and the ArchSD, the water condensation problem remained unresolved. In October 2005, the ArchSD proposed to the Hong Kong Film Archive some improvement works to resolve the water condensation problem. The Hong Kong Film Archive responded that the proposed improvement works might affect the movement of its collection items. It then proposed alternatives to the ArchSD for consideration. In December 2005, the ArchSD and the Hong Kong Film Archive reached an agreement on the required improvement works. The improvement works commenced in January 2006 and were scheduled for completion by May 2006. **As the water condensation problem in the Hong Kong Film Archive has existed for more than four years, Audit considers that the LCSD, in collaboration with the ArchSD, should closely monitor the progress of the improvement works to resolve the problem.**

Additional income for museums

5.5 ***Income.*** For the five years from 2000-01 to 2004-05, on average, 94.4% of the expenditure of LCSD museums was financed by the Government and the income generated by LCSD museums was less than 6% of the expenditure. Audit notes that there are opportunities for LCSD museums to generate additional income. Details are given in paragraphs 5.6 to 5.8.

5.6 ***Donations.*** Donation is one of the main sources of finance for museums in major cultural cities. Donations of cultural and historical items enrich the collections of a museum whereas donations in the form of money help finance the operation of a museum and the development of museum programmes. Donations of cultural and historical items to LCSD museums are common but donations to museums in the form of money, other than through sponsorships, are seldom. There is a lack of incentive for the public to make cash donations to LCSD museums for them to acquire cultural and historical items, and organise exhibitions and programmes. This has, to a certain extent, affected the development of LCSD museums. **Audit considers that the LCSD needs to find ways of encouraging the public to make cash donations for the development of museum services.**

5.7 ***Commercial sponsorships.*** One of the recommendations in the CHC Report was that the LCSD museum space should be utilised for seeking commercial sponsorships such as staging of non-exhibition activities and offering naming rights (see item 5 in Appendix D). The HAB and the LCSD have introduced a Facility and Programme Donations Scheme which offers naming rights to attract donations and sponsorships. Audit noted that the LCSD had secured a number of commercial sponsorships over the years in some museums. For example, sponsorships in the Hong Kong Heritage Museum increased from \$135,000 in 2003-04 to \$750,000 in 2004-05. In 2004-05, a bank sponsored \$4 million for the “Impressionism” exhibition held in the Hong Kong Museum of Art. The renaming of the Space Theatre of the Hong Kong Space Museum attracted a cash donation of \$20 million. **Audit considers that the LCSD needs to step up its effort to seek commercial sponsorships for its museums.**

5.8 ***Opening up museum facilities for public hiring.*** Some LCSD museums are located in prime sites. In the seven major LCSD museums, apart from galleries and exhibition halls, there are other facilities, including lecture halls, cinemas, education studios and activity rooms. These indoor museum facilities are given in Appendix L. Audit found that:

- (a) other than three museums (i.e. the Hong Kong Film Archive, the Hong Kong Science Museum and the Hong Kong Space Museum), all other LCSD museums did not make available their facilities for public hiring. Audit noted that in some overseas museums (such as museums in Singapore), their facilities were available for function rentals like wedding ceremonies and dancing parties;

- (b) for the 355-seat theatre in the Hong Kong Heritage Museum, there were three video shows daily on Mondays, Wednesdays and Fridays. Audit analysis of admission records for the period from September 2004 to November 2005 indicated that for each show, on average, there were 150 viewers (i.e. occupancy rate of 42%) on Wednesdays and only 30 viewers (i.e. occupancy rate of 9%) on Mondays and Fridays; and
- (c) the Hong Kong Film Archive, the Hong Kong Heritage Museum and the Hong Kong Museum of History kept records on the utilisation of their lecture halls and activity rooms. The average usage rates of the various facilities, other than galleries and exhibition halls, of these three museums ranged from 10% to 55% in 2004-05. However, no booking records were kept and no usage rates were compiled by other LCSD museums.

Audit considers that the LCSD needs to make available the facilities of LCSD museums for public hiring, explore the feasibility of renting their facilities for social functions, promote the usage of their facilities by public/private organisations, and keep usage records and compile statistics on their utilisation for monitoring purposes.

Target cost recovery rate

5.9 From time to time, LCSD museums organise exhibitions/programmes for the public. For special exhibitions/programmes, LCSD museums charge additional admission fees to help reduce operating costs. In December 1999, the then Urban Services Department proposed that a target cost recovery rate of 30% of the marginal cost (Note 19) for all the museums' special exhibitions/programmes which cost over \$2 million each and were expected to be very popular. The then Urban Services Department considered that this target cost recovery rate was realistic and it struck a reasonable balance between the user-pay principle and the objective of promoting public interest in arts and history. The then Secretary for the Treasury advised that the LCSD should aim at achieving this rate. Since 2000, the LCSD has set the target cost recovery rate at 30% of the marginal cost for all the museums' special exhibitions/programmes, which were expected to be very popular, with cost over \$2 million each.

Note 19: *Marginal cost is the additional cost incurred by the LCSD in organising a special exhibition/programme.*

5.10 Audit found that:

- (a) the percentages of cost recovered from the special exhibitions/programmes for the years 2002-03, 2003-04 and 2004-05 were 17.8%, 13.4% and 72.3% respectively. The target cost recovery rate of 30% of the marginal cost of the special exhibitions/programmes for the years 2002-03 and 2003-04 had not been achieved. The cost recovery rates of 8 out of 11 special exhibitions/programmes, with cost over \$2 million each, held in the years from 2002-03 to 2004-05 were below 30%; and
- (b) up to the end of December 2005, the Hong Kong Heritage Museum did not charge additional admission fees for its special exhibitions/programmes. In 2004-05, the Hong Kong Heritage Museum spent about \$6 million in organising eight special exhibitions. The numbers of visitors of two special exhibitions, with cost over \$2 million each, were 296,000 and 209,000. However, no additional admission fees were charged for these two special exhibitions in addition to the usual admission fee of \$10.

5.11 **Audit considers that the LCSD needs to review the target cost recovery rate of the special exhibitions/programmes organised by its museums and ensure its museums charge appropriate additional admission fees for the special exhibitions/programmes.**

Museum publications

5.12 LCSD museums produce museum publications in the forms of leaflet, guidebook, article, information sheet and catalogue to reflect the objectives and collection themes of the museums. Some of the publications are for sale in individual museums. Individual museums have other means of selling their publications (such as Internet sales on the website of the Hong Kong Post and sales in other bookstores). LCSD museums produce specific publications to complement the exhibitions and enhance public understanding of the exhibitions. Usually, the sale of museum publications reaches a higher volume during the exhibition period, but it falls afterwards.

5.13 Over the years, LCSD museums have accumulated a large number of unsold museum publications. In October 2002, the Deputy Director of the LCSD commented that, in view of the low demand for museum publications, consideration should be given to the production quantity and the handling of the unsold stock. Upon the approval of the FSTB in December 2002, the museum publications were put on sale at half price. Since then, the LCSD has not arranged similar museum publication sales. Audit reviewed the stock of unsold museum publications in six museums (i.e. the Hong Kong Film Archive, the Hong Kong Heritage Museum, the Hong Kong Museum of Art, the Hong Kong Museum of

History, the Hong Kong Space Museum and the Flagstaff House Museum of Tea Ware). Audit found that in November 2005:

- (a) the total number of unsold museum publications in the six museums was 209,046 with a total selling price of \$24.7 million;
- (b) 67% of the unsold museum publications had been kept in the six museums for five years or more;
- (c) the Hong Kong Museum of Art had used two cargo containers to store some of its unsold museum publications; and
- (d) there was insufficient storage space in the Hong Kong Museum of History for keeping the unsold museum publications.

5.14 Audit considers that the LCSD should critically review the need to keep the unsold museum publications and find ways to dispose of these publications to free up the storage space. For future production of museum publications, the LCSD needs to improve its forecasts of the public demand so as to avoid printing excessive copies of publications and minimise the expenses incurred in producing and storing printed materials.

Electricity consumption

5.15 Air-conditioning systems. It is important for a museum to preserve its collection items for long-term use. The preservation of collection items relies on the environmental standards of the storage and display space (such as temperature and relative humidity). In LCSD museums, air-conditioning systems are installed to control temperature and relative humidity, and remove dirt and gaseous pollution from the air for providing an appropriate environmental condition. In general, the museums' exhibition galleries and stores for keeping collection items are provided with air-conditioning 24 hours a day while the other areas are provided with air-conditioning when the museums are open to the public. The expenditure on electricity is one of the largest expenditure items incurred by LCSD museums because of the 24-hour operation of air-conditioning systems. In 2004-05, the expenditure on electricity was \$39.4 million, representing 11% of the expenditure of LCSD museums.

5.16 **Energy saving.** As part of the Government's Economy Drive to economise on the use of resources, the Policy Committee (Note 20) of the Government decided that government bureaux and departments should make best endeavours to reduce power consumption and expenditure. In March 2003, the Policy Committee decided that taking 2002-03 as the base year, all government bureaux and departments should aim at cutting down their power consumption in kilowatt-hour (kWh) by 1.5%, 3%, 4.5% and 6% in 2003-04, 2004-05, 2005-06 and 2006-07 respectively. To ascertain the extent of reduction in electricity consumption in LCSD museums, Audit analysed the electricity consumption of four museums (i.e. the Hong Kong Film Archive, the Hong Kong Heritage Museum, the Hong Kong Museum of History and the Hong Kong Science Museum). Audit found that, taking 2002-03 as the base year, in 2004-05, the electricity consumption of:

- (a) the Hong Kong Film Archive and the Hong Kong Heritage Museum decreased by 7.3% and 8.1% respectively; and
- (b) the Hong Kong Museum of History and the Hong Kong Science Museum increased by 5.7% and 7.9% respectively.

The Hong Kong Museum of History and the Hong Kong Science Museum have not reduced their electricity consumption. Audit considers that all LCSD museums should step up their efforts to reduce electricity consumption, particularly the Hong Kong Museum of History and the Hong Kong Science Museum.

5.17 **EMSD Practical Energy Saving Guide.** In LCSD museums, precise temperature and humidity control are required in exhibition halls, galleries and stores where collection items are kept. Air-conditioning units serving these areas are required to operate 24 hours a day. For the ancillary areas (such as reception halls, lobbies, corridors and resting areas), switching off the air-conditioning units during the closing hours of museums can enhance energy savings. The EMSD Practical Energy Saving Guide, issued to the LCSD in March 2003, states that for the ancillary areas in museums:

- (a) pre-cooling should be avoided. If pre-cooling is necessary, the air-conditioning units should be switched on not more than 15 minutes before the opening hours of the venue;
- (b) the air-conditioning units should be switched off preferably 30 minutes before or immediately after the opening hours of the venue; and

Note 20: *The Chief Secretary for Administration and the Financial Secretary use the Policy Committee, comprising the Secretary for Justice and all secretaries of bureau, as the main platform for policy coordination. The Committee considers all policy proposals before they are submitted to the Chief Executive in Council for deliberation and decision.*

- (c) during the venue closing days, only ventilation should be used.

5.18 ***Operating hours of air-conditioning units in ancillary areas.*** Audit reviewed the operating hours of the air-conditioning units for the ancillary areas in the seven major LCSD museums. Details are given in Appendix M. Audit found that:

- (a) during the venue opening days, all the seven museums had switched on their air-conditioning units one to five hours before the opening hours of their venues. The Hong Kong Museum of Coastal Defence switched off its air-conditioning units one hour after closing the venue. The Hong Kong Film Archive and the Hong Kong Museum of Art switched off their air-conditioning units four hours after closing their venues; and
- (b) the Hong Kong Film Archive, the Hong Kong Heritage Museum, the Hong Kong Museum of Art and the Hong Kong Museum of Coastal Defence had switched on their air-conditioning units during the venue closing days. The operating hours of these air-conditioning units were the same as those on the venue opening days.

Apparently, LCSD museums have not followed the procedures in the EMSD Practical Energy Saving Guide. Audit considers that LCSD museums need to follow the procedures in the EMSD Practical Energy Saving Guide for operating the air-conditioning units in ancillary areas in order to reduce electricity consumption.

5.19 ***Annual Building Energy Performance.*** Annual Building Energy Performance (BEP – Note 21) is a measurement of the annual energy consumption in kWh per square metre of gross floor area in a building. A high annual BEP means that more units of electricity are consumed in the building. Audit analysis of the annual BEP of four museums (i.e. the Hong Kong Film Archive, the Hong Kong Heritage Museum, the Hong Kong Museum of History and the Hong Kong Science Museum) in 2004-05 indicated that:

- (a) the Hong Kong Science Museum had the lowest annual BEP of 377 kWh among the four museums; and
- (b) the Hong Kong Museum of History had the highest annual BEP of 768 kWh which was two times that of the Hong Kong Science Museum, although both of them had high ceilings.

Note 21: *The annual BEP of a building is computed by dividing the annual consumption of units of electricity in kWh by the total gross floor area of the building.*

Audit considers that the LCSD needs to review regularly the annual BEP of LCSD museums, ascertain the reasons for the high electricity consumption by the Hong Kong Museum of History and take appropriate energy saving measures to lower its annual BEP in order to reduce cost.

5.20 ***Tariff rates.*** In Hong Kong, Company A supplies electricity to Kowloon and the New Territories, and Company B supplies electricity to Hong Kong Island, Ap Lei Chau and Lamma Island. Company A offers three main types of tariffs to commercial customers. They are General Service Tariff, Bulk Tariff (BT) and Large Power Tariff (LPT). The average electricity charge for the LPT, with a maximum demand not less than 3,000 kilovoltamperes (kVA), is the lowest among the three tariffs. Company B offers two types of tariffs to commercial customers. They are Block Rate Tariff (BRT) and Maximum Demand Tariff (MDT). The average electricity charge for the MDT, with a minimum average monthly consumption of 26,000 kWh, is lower than that for the BRT.

5.21 ***Circular on economical tariff.*** The LCSD Administrative Circular No. 84/2000 on “Economical Tariff for Electricity Consumption” stated that venues with estimated monthly consumption of 20,000 kWh from Company A, and 25,000 kWh from Company B, may apply for the BT and MDT respectively. Audit notes that the minimum average monthly consumption for applying for the Company B’s MDT is 26,000 kWh. Audit also notes that Administrative Circular No. 84/2000 does not include instructions on the application of the Company A’s LPT for customers whose present or expected demand is not less than 3,000 kVA. **Audit considers that the LCSD needs to update the monthly consumption limit and include instructions on the application of the LPT for venues with high electricity consumption in the Administrative Circular in order to reduce electricity charges of LCSD museums.**

5.22 ***Joint meter for reducing electricity charges.*** The Hong Kong Museum of Art and the Hong Kong Space Museum, located in adjacent sites in Tsim Sha Tsui, have adopted the LPT jointly by sharing a main electricity meter. If the two museums have separate electricity meters of their own, they would not be eligible to apply for the LPT because their individual maximum demand is less than 3,000 kVA. However, Audit notes that the Hong Kong Museum of History and the Hong Kong Science Museum, located in adjacent sites in Tsim Sha Tsui East, have their own electricity meter. If they share a main electricity meter, their aggregate maximum demand will exceed 3,000 kVA and be eligible to apply for the LPT. Audit estimated that, if the Hong Kong Museum of History and the Hong Kong Science Museum had one main electricity meter and adopted the LPT, their total electricity charges would have been reduced by \$0.8 million in 2004-05. **Audit considers that the LCSD should, in consultation with the EMSD, explore the feasibility of installing one main electricity meter for the Hong Kong Museum of History and the Hong Kong Science Museum in order to benefit from a lower tariff rate.**

5.23 ***Application for lower tariff rate.*** The Hong Kong Film Archive has two electricity meters (Meter A and Meter B). The electricity charge is based on Company B's BRT. Audit found that as early as in 2000, the electricity consumption of the Hong Kong Film Archive had reached a level making it eligible to apply for the Company B's MDT. In April 2004, the EMSD informed the Hong Kong Film Archive that Meter A, which had recorded high electricity consumption, was entitled to the MDT with an annual savings of \$73,163 in 2003. The EMSD suggested that the Hong Kong Film Archive should apply for Company B's MDT for Meter A. Audit noted that up to the end of December 2005, the Hong Kong Film Archive had not applied for the MDT for Meter A. If the Hong Kong Film Archive had used one main meter instead of two meters and adopted the MDT, the electricity charges could have been further reduced. **Audit considers that the Hong Kong Film Archive should expedite action to apply for the MDT for Meter A, and explore the feasibility of installing one main electricity meter in order to reduce electricity charges.**

Provision of free shuttle bus services

5.24 The LCSD provides free shuttle bus services for visitors to the Hong Kong Heritage Museum and the Hong Kong Museum of Coastal Defence on Saturdays, Sundays and public holidays. The shuttle bus services are contracted out to private operators. Audit found that the demand for the free shuttle bus services of the two museums had remained low. Details are as follows:

- (a) ***Shuttle bus service of the Hong Kong Heritage Museum.*** The Hong Kong Heritage Museum provides free shuttle bus service to and from the Sha Tin Railway Station for visitors on the afternoons of Saturdays, Sundays and public holidays at 10-minute intervals using two 24-seater mini-buses. The expenditure for the provision of the shuttle bus service for the period from October 2004 to September 2005 was \$190,000. Audit found that during this period, the average number of passengers per trip was only seven. After the opening of the Ma On Shan Rail in December 2004, it takes only three minutes to walk from the Che Kung Temple Station to the Hong Kong Heritage Museum; and
- (b) ***Shuttle bus service of the Hong Kong Museum of Coastal Defence.*** The Hong Kong Museum of Coastal Defence provides free shuttle bus service to and from the Heng Fa Chuen Mass Transit Railway Station for visitors during the opening hours (i.e. from 10:00 a.m. to 5:20 p.m.) on Saturdays, Sundays and public holidays at intervals of 15 to 20 minutes using two 24-seater mini-buses. The expenditure on the shuttle bus service for the half-yearly contract period from May to October 2005 was \$107,000. Audit analysis revealed that during this period, the average number of passengers per trip was only four.

Audit considers that in view of the low demand, the LCSD needs to review the justification and cost-effectiveness of providing the free shuttle bus services to visitors of the two museums.

Audit recommendations

5.25 Audit has *recommended* that the Director of Leisure and Cultural Services should:

Water condensation problem in the Hong Kong Film Archive

- (a) in collaboration with the Director of Architectural Services, closely monitor the progress of the improvement works to resolve the water condensation problem in the Hong Kong Film Archive;**

Additional income for museums

- (b) in consultation with the Secretary for Home Affairs, find ways of encouraging the public to make cash donations for the development of museum services;**
- (c) step up efforts to seek commercial sponsorships (such as staging of non-exhibition activities) for LCSD museums;**
- (d) consider making available the facilities of LCSD museums for public hiring and explore the feasibility of renting the facilities of LCSD museums for social functions;**
- (e) promote the usage of the facilities of LCSD museums by public/private organisations;**
- (f) keep usage records and compile statistics on the utilisation of the facilities of LCSD museums for monitoring purposes;**

Target cost recovery rate

- (g) review the target cost recovery rate of the special exhibitions/programmes organised by LCSD museums;**

- (h) **ensure that LCSD museums charge appropriate additional admission fees for the special exhibitions/programmes;**

Museum publications

- (i) **critically review the need to keep the unsold museum publications and find ways to dispose of these publications to free up the storage space;**
- (j) **for future production of museum publications, improve forecasts of the public demand, taking into account the popularity of the subjects/exhibitions, so as to avoid printing excessive copies of these publications and incurring nugatory expenses;**

Electricity consumption

- (k) **ensure that LCSD museums, in consultation with the Director of Electrical and Mechanical Services, step up their efforts to reduce electricity consumption;**
- (l) **ensure that LCSD museums follow the procedures in the EMSD Practical Energy Saving Guide for operating the air-conditioning units in ancillary areas in order to reduce electricity consumption;**
- (m) **in consultation with the Director of Electrical and Mechanical Services and the Director of Architectural Services, review regularly the annual BEP of LCSD museums, ascertain the reasons for the high electricity consumption by the Hong Kong Museum of History and take appropriate energy saving measures to lower its annual BEP in order to reduce cost;**
- (n) **update the monthly consumption limit and include instructions on the application of the LPT for venues with high electricity consumption in the Administrative Circular in order to help reduce electricity charges of LCSD museums;**
- (o) **in consultation with the Director of Electrical and Mechanical Services, explore the feasibility of installing one main electricity meter for the Hong Kong Museum of History and the Hong Kong Science Museum in order to benefit from a lower tariff rate;**
- (p) **expedite action to apply for the MDT for Meter A of the Hong Kong Film Archive and explore the feasibility of installing one main electricity meter in order to reduce electricity charges; and**

Provision of free shuttle bus services

- (q) **in view of the low demand, review the justification and cost-effectiveness of providing free shuttle bus services to visitors of the Hong Kong Heritage Museum and the Hong Kong Museum of Coastal Defence.**

Response from the Administration

5.26 The **Director of Leisure and Cultural Services** has said that she generally accepts the audit recommendations. She has also said that:

***Water condensation problem
in the Hong Kong Film Archive***

- (a) the improvement works are being closely monitored by the Hong Kong Film Archive;

Additional income for museums

- (b) the LCSD has in fact been implementing various incentive schemes (such as offering naming rights and private functions for donors and sponsors). Other new incentive schemes will be explored in consultation with the HAB and other bureaux as appropriate;
- (c) for commercial sponsorships, careful consideration should be given to ascertaining whether such activities would lead to public perception on the conflict of interest;
- (d) LCSD museums have been providing facilities for use by the public or private organisations (such as holding private functions and location filming). Continuous efforts will be made in this aspect. Various factors (such as differences in museums' focus, constraints and the image of museums) have to be taken into consideration;
- (e) the audit recommendation of keeping records and statistics on the utilisation of facilities (such as lecture halls), school bookings and usage rate of audio guides is being implemented;

Target cost recovery rate

- (f) staff are regularly reminded of the 30% target cost recovery rate of marginal costs for popular exhibitions/programmes costing over \$2 million each and the need to charge additional admission fees when appropriate;
- (g) in the light of experience gained since 2000, the LCSD considers that the 30% target cost recovery rate on an individual exhibition basis would be difficult to achieve. Nevertheless, it will conduct a review and develop appropriate guidelines for charging additional admission fees for special exhibitions/programmes;

Museum publications

- (h) the current 25% discount on selling price and pre-paid arrangement as specified by the FSTB have not been attractive to book distribution/sales agents. The LCSD will consider the disposal of some unsold items, organise sales with special discounts and critically assess the demand for publications in future;

Electricity consumption

- (i) while it is necessary to maintain suitable environmental controls for valuable exhibits and collections, various measures have been taken to reduce electricity consumption;
- (j) the LCSD will update the monthly consumption limit and include instructions on the application of the LPT for venues with high electricity consumption in the Administrative Circular;
- (k) the EMSD will assist to liaise with the power company to study the feasibility of installing one main electricity meter for the Hong Kong Museum of History and the Hong Kong Science Museum;
- (l) measures to reduce electricity consumption are being implemented and explored from time to time. The Hong Kong Film Archive will liaise with the ArchSD to explore the feasibility of combining the two electricity meters and is making arrangement to apply for the MDT; and

Provision of free shuttle bus services

- (m) the shuttle bus service of the Hong Kong Heritage Museum was terminated in March 2006 and that of the Hong Kong Museum of Coastal Defence will also be discontinued upon expiry of the contract in April 2006.

5.27 The **Secretary for Financial Services and the Treasury** has said that he generally agrees with the audit recommendations. He has also said that:

Target cost recovery rate

- (a) the LCSD should review the target cost recovery rate of the special exhibitions/programmes organised by its museums and ensure that LCSD museums charge appropriate additional admission fees for the special exhibitions/programmes; and
- (b) the FSTB understands that the fee alignment exercise of the LCSD has been deferred due to the freeze of government fees and charges in the face of the economic downturn and the outbreak of the Severe Acute Respiratory Syndrome. The FSTB has already requested the LCSD to resume the fee alignment exercise and include in the exercise a review of the target cost recovery rates for leisure and cultural services.

5.28 The **Director of Architectural Services** has said that:

***Water condensation problem
in the Hong Kong Film Archive***

- (a) the water condensation problem at the ceilings of the cold storerooms in the Hong Kong Film Archive is a minor technical problem. The problem has caused inconvenience to the user, although the requisite environmental performance and climatic control of the cold storerooms have not been affected. The ArchSD has already urged the contractor to resolve the problem promptly, liaised closely with the Hong Kong Film Archive and arranged a phased schedule for the necessary improvement works in order to facilitate movement of the collection items by the Hong Kong Film Archive; and

Electricity consumption

- (b) the ArchSD will assist the EMSD in taking appropriate energy saving measures to lower the annual BEP of the Hong Kong Museum of History.

5.29 The **Director of Electrical and Mechanical Services** has said that:

Electricity consumption

- (a) the difference in the BEP between the Hong Kong Museum of History and the Hong Kong Science Museum may be attributed to the following factors:
 - (i) the Hong Kong Museum of History requires a more stringent control on indoor air temperature to preserve the exhibits stored in it, and the air-conditioning systems are required to be operated on a 24-hour basis. Normally, there is no such operational requirement for the Hong Kong Science Museum where the air-conditioning systems are only operated for 9 hours to 12 hours daily; and
 - (ii) there is humidity control equipment to control the humidity inside the exhibition galleries of the Hong Kong Museum of History for preservation of exhibits while there is no such equipment in the Hong Kong Science Museum; and
- (b) the EMSD will continue to provide professional support to the LCSD to enhance energy efficiency in LCSD museums and other LCSD venues. As a matter of fact, a number of energy saving projects have been put in place by the LCSD with the support of the EMSD and achieved remarkable results.

Appendix A
(para. 1.6 and Note 4
to para. 2.6(b) refer)

**Leisure and Cultural Services Department museums
and their recurrent expenditures
(2004-05)**

Museum	Year of opening	Total floor area (Square metres)	Total expenditure (\$ million)
Seven major museums			
Hong Kong Heritage Museum	2000	32,000	74.5
Hong Kong Museum of History (Note 1)	1975	17,500	64.2
Hong Kong Science Museum	1991	13,500	63.6
Hong Kong Museum of Art (Note 1)	1962	17,530	57.4
Hong Kong Space Museum	1980	8,110	40.9
Hong Kong Film Archive	2001	7,200	40.7
Hong Kong Museum of Coastal Defence	2000	34,200	13.6
Seven small museums			
Flagstaff House Museum of Tea Ware	1984	2,985	6.5
Sam Tung Uk Museum	1987	2,000	2.4
Hong Kong Railway Museum	1985	6,500	2.1
Lei Cheng Uk Han Tomb Museum (Note 2)	1957	185	1.5
Law Uk Folk Museum	1990	230	0.9
Sheung Yiu Folk Museum	1984	500	0.5
Hong Kong Heritage Discovery Centre (Note 3)	2005	5,000	—
Total			368.8

Source: LCSD records

Note 1: The Hong Kong Museum of History was established in 1975 when the City Museum and Art Gallery was split into the Hong Kong Museum of History and the Hong Kong Museum of Art. In 1983, the Hong Kong Museum of History moved to the temporary accommodation in Kowloon Park. It moved to its present premises at Chatham Road South, Tsim Sha Tsui East in 1998. In 1991, the Hong Kong Museum of Art moved to the present premises at Salisbury Road, Tsim Sha Tsui.

Note 2: The Lei Cheng Uk Han Tomb was opened in 1957 and was designated as a museum in 1975.

Note 3: The Hong Kong Heritage Discovery Centre was opened in October 2005.

**Examples of other museums not managed by
the Leisure and Cultural Services Department
(December 2005)**

(A) Museums operated by government departments

1. Police Museum operated by the Hong Kong Police Force
2. Hong Kong Correctional Services Museum operated by the Correctional Services Department

(B) Museums operated by non-profit-making or private organisations

1. Art Museum of The Chinese University of Hong Kong
2. Hong Kong Maritime Museum funded by the shipping community
3. Hong Kong Museum of Medical Sciences operated by a non-profit-making organisation
4. Hong Kong Racing Museum operated by the Hong Kong Jockey Club
5. Museum of Ethnology operated by a property developer
6. Po Leung Kuk Museum operated by the Po Leung Kuk
7. Tung Wah Group of Hospitals Museum operated by the Tung Wah Group of Hospitals
8. University Museum and Art Gallery of The University of Hong Kong

Source: LCSD and Hong Kong Tourism Board websites

Remarks: These museums are not designated as museums under the Public Health and Municipal Services Ordinance.

**Proposed new museums considered by the Working Group of
the Culture and Heritage Commission in August 2002**

- (A) ***Museum of Modern Art.*** The proposed museum should be situated in the West Kowloon Cultural District (WKCD) to highlight the contemporary visual arts of Hong Kong, including applied arts (such as design and photography).
- (B) ***Museum of Ink.*** As a special art form of the Chinese culture, ink art represented a concept of Oriental culture and had an impact on the core cultures of neighbouring countries (such as Korea, Japan and Vietnam). The promotion and development of ink art relating to the future of Chinese culture had significant effect on cultural strategy. The museum should be situated in the WKCD.
- (C) ***Museum of Moving Image.*** The museum should collect film-related objects (such as paraphernalia of film stars, costumes, props and film projectors) and highlight the principles and development of film technology, and the history of the local film industry. The museum should be situated in the WKCD. The museum, together with the Museum of Modern Art, the Museum of Ink as well as other performing facilities in the WKCD, would add charm to the district as a whole.
- (D) ***Maritime Museum.*** The museum should depict the history of Hong Kong as a small fishing village, with collections of different fishing boats or vessels, and presentation of various fishing techniques and types of fishing equipment. Besides, the history of Hong Kong's shipping industry, port facilities and re-export trade should also be displayed to showcase Hong Kong's development from a fishing village to a centre of shipping and container transport.
- (E) ***Dr Sun Yat-sen Museum.*** Dr Sun Yat-sen received education in Hong Kong in the late 19th century. The Central and Western District Council had lined up the relevant historical sites in the district to become a Dr Sun Yat-sen Historical Trail.
- (F) ***Sports Museum.*** A museum should be built inside a large-scale sports complex in view of the distinctive achievements of China and Hong Kong athletes in recent years. The museum should display the achievements of individual athletes as well as the history of sports originated from China.
- (G) ***Transport Museum.*** The Planning Department had earmarked a site at the then Kai Tak Airport for the construction of a Transport Museum displaying different means of local sea, land and air transport.

Source: LCSD records

Appendix D
(paras. 2.7, 2.22(a) and
5.7 refer)

**Summary of the Culture and Heritage Commission's major recommendations
on museums in March 2003 and the response from the Government in February 2004**

The CHC's major recommendation	Response from the Government
1. Realigning museum collections so that individual museums have their own identities	Accepted and implemented gradually. The proposal for realigning collections in LCSD museums was finalised and realignment work started.
2. Establishing flagship museums so as to showcase the cultural characteristics of Hong Kong and the region	Accepted. The Government will follow up the recommendation.
3. Introducing measures that encourage the development of small-scale thematic museums	Accepted.
4. Introducing measures that encourage loan or donation of collections	Accepted. The LCSD will enhance the practice of seeking local private collections on loan for exhibition.
5. Utilising museum space for seeking sponsorships	Accepted and implemented gradually.
6. Strengthening collaboration with the academic sector in the areas of exhibition planning and thematic studies	Accepted. The Government will strengthen existing collaboration. Museum activities and exhibitions held by the LCSD have been supported by tertiary institutions.
7. Strengthening collaboration and exchanges of expertise with other museums	Accepted. Existing measures will be enhanced. There is frequent collaboration of LCSD museums with museums in China as well as overseas museums in organising activities and exhibitions.
8. Having the potential to develop Hong Kong into an exhibition, trading and authentication centre for Chinese heritage and arts	Accepted in principle. The Government will follow up the recommendation with the trade and implement through market mechanism.
9. Establishing a statutory body, a Museum Board to coordinate the overall development of museums, define the roles of individual museums and determine the allocation of government resources	The Government will carefully examine and give due consideration to all relevant factors. Initially, the Government will set up a committee to solicit views of professionals, the commercial sector and the education sector on museum services, facilitate community involvement and support, and induce resources for enhanced variety and quality of museum exhibitions.
10. Establishing a board of trustees responsible for the management and resource development of public museums	
11. Changing the management structure of museums for strengthening the curatorial role	Accepted. The recommendation will be gradually implemented in the process of realignment.

Source: HAB records

**Summary of major recommendations of the Consultancy Study in June 2003
and the results of public consultation in October 2003**

(A) Major recommendations

The major recommendations were to:

1. draft and pass a Museum Ordinance;
2. place the public museums under one Museum Board;
3. allow public museums to retain proceeds and self-generated income;
4. draw up a Master Plan for the museums in Hong Kong; and
5. introduce a modern qualitative and quantitative management control framework for museum accountability and evaluation.

(B) Public response

Meetings with the Legislative Council and the District Council representatives

1. Generally agreed that the setting up of one Museum Board was acceptable.

General public forum

2. General approval was given that a clear vision for museums within an ordinance would enhance future development.
3. Opinions on the setting up of one Museum Board varied. The LCSD museum staff were in favour of status quo while those from other sectors saw benefits in the setting up of one Museum Board and more independence from the Government in museum management and day-to-day operations.

Consolidation of response

4. Nine submissions were received. Two major submissions were from an organisation and the Hong Kong Curators Association.
5. The organisation was in favour of the Museum Ordinance and the need to codify the Government's commitment to the museum sector. It preferred the setting up of independent museums with Executive Boards.
6. The Hong Kong Curators Association opposed to the setting up of one Museum Board. It was in favour of status quo of the public museums remaining within the Government. It was concerned that any change of governance could result in cutting of funding for public museums.
7. The other respondents did not offer strong arguments for or against the consultants' recommendations.

Source: LCSD records

Appendix F
(para. 2.16 refers)

Legislation and statutory governing bodies of some major overseas museums

Country	Legislation	Governing body	Museum
Australia	National Museum of Australia Act 1980	Council of the National Museum of Australia	National Museum of Australia
Canada	Museum Act 1990	Board of Trustees of individual museums	National Gallery of Canada, Canadian Museum of Civilisation, Canadian Museum of Nature, and National Museum of Science and Technology
Denmark	Museum Act 2001	Museum Council in individual counties	National Museum of Denmark
Japan	Museum Law 1951	Museum Council	Various museums
Singapore	National Heritage Board Act 1993	National Heritage Board	Asian Civilisations Museum, Singapore Art Museum, Singapore History Museum, Singapore Philatelic Museum, Heritage Conservation Centre and National Archives of Singapore
United Kingdom	British Museum Act 1963	Trustees of the British Museum	British Museum
	National Heritage Act 1983	Board of Trustees of individual museums	Science Museum, Victoria and Albert Museum, Royal Armouries and Royal Botanic Gardens

Source: *Audit research*

Remarks: *The museum legislation mainly provides for the establishment, functions and powers of the museum, the establishment of a council or a board of trustees and its membership and powers, the establishment of the office of the director as well as the staffing and funding arrangements.*

Appendix G
(para. 3.5 refers)

**Performance indicators for Leisure and Cultural Services Department museums
(2000 to 2004)**

Performance indicator	2000	2001	2002	2003	2004
Number of visitors to museums/archive/exhibitions	3,410,982	4,247,511	4,646,000	4,683,053	4,665,299
Number of exhibitions	75	81	90	104	123
Number of objects in the museum collections	241,260 (Note)	160,594	167,130	177,507	185,757
Number of items in the film archive collections	—	90,667	101,579	600,264	631,920
Number of guided tours	5,074	11,808	11,903	10,585	13,659
Number of lectures/ demonstrations/seminars/ workshops/film and audio-visual shows	8,589	10,487	10,732	10,820	9,811
Number of publications	108	114	114	126	165
Number of museums/ archive	12	13	13	13	13

Source: LCSD Controlling Officer's Reports

Note: The number of objects in the museum collections in 2000 included items subsequently kept by the Hong Kong Film Archive after its opening in 2001.

Key performance indicators developed by overseas museums

- (A) **Usage.** Indicators include the number of visitors and users (broken down into adults, children, seniors, overseas visitors, local visitors, first time visitors and repeat visitors). The purposes are to measure the extent of visitor attraction and understand the patronage characteristics.
- (B) **Accessibility of collections.** Indicators include the percentage of collection items that are on display and accessible to the public to measure the improvements in visual access to collection items, and the percentage of collection items that can be accessed through the Internet to measure the progress in the development of accessibility of collection items to the public.
- (C) **Educational programmes.** Indicators include the number of learners visiting the museums to participate in educational programmes (i.e. on-site learners) and the number of learners being reached by the educational outreach programmes (i.e. outreach learners). The purpose is to measure the extent of reach of educational programmes.
- (D) **User satisfaction.** Indicators include a standardised evaluation of user satisfaction for visitors. Evaluation should include the overall satisfaction, motivational impact, satisfaction with facilities and satisfaction with level of services. The purposes are to establish the satisfaction level of the quality of services provided to visitors and learners, and the extent to which the museums are managing to meet motivational and educational objectives.
- (E) **Environmental condition of collection items.** Indicators include the percentage of space in which collection items are stored or displayed that meets appropriate environmental standards and the percentage of collection items in stable condition based on a periodic survey sample. The purposes are to measure the extent of variations in the quality of the space for collection items and the improvements in the condition as well as the stewardship.

Source: Audit research

Appendix I
(para. 3.16 refers)

**Three main reasons for visiting each of the seven Leisure
and Cultural Services Department museums according to the 2004 survey**

Museum	Reason (Percentage of visitors)		
Hong Kong Heritage Museum	Interested in the main theme (30.1%)	Arranged by school (23.4%)	To accompany friends/relatives (15.1%)
Hong Kong Museum of Art	Interested in the main theme (39.1%)	Just passing by (22.3%)	Interested in special exhibitions (11.3%)
Hong Kong Museum of Coastal Defence	To accompany friends/relatives (33.7%)	Interested in the main theme (22.1%)	Recommended by friends and relatives (13.4%)
Hong Kong Museum of History	Interested in the main theme (24.8%)	Arranged by school (20.5%)	To accompany friends/relatives (18.3%)
Hong Kong Science Museum (Notes 1 and 2)	To accompany friends/relatives (29.1%)	Interested in the main theme (22.8%)	Interested in special exhibitions (15.3%)
Hong Kong Space Museum (Note 1)	Interested in the main theme (34.8%)	To accompany friends/relatives (27.4%)	Just passing by (17.7%)
Flagstaff House Museum of Tea Ware	Just passing by (45.9%)	Interested in the main theme (21.6%)	To accompany friends/relatives (10.8%)

Source: LCSD records

Note 1: The 2004 survey was carried out during the opening hours of the museums. The school visits to the Hong Kong Science Museum and the Hong Kong Space Museum were mainly arranged during the morning sessions which were not open to the public.

Note 2: The 2004 survey of the Hong Kong Science Museum indicated that 14.1% student visits were arranged by school. There were 810,804 visitors in 2004.

Appendix J
(para. 4.16 refers)

**Off-site storerooms/other storage facilities for keeping collection items
(December 2005)**

Museum	Storage area in the museum (Square metres)	Location of off-site storeroom/ other storage facility	Area (Square metres)
Hong Kong Film Archive	1,250	A store at Lei Yue Mun Park in Lei Yue Mun	1,800
		The first floor of a temporary building at Sheung Shing Street Park in Ho Man Tin (Note 1)	400
		A store at Fa Yuen Street in Mong Kok	56
Hong Kong Museum of Art	1,140	Three cargo containers placed by the side of its premises	43
Hong Kong Museum of History	637	A historical building and a courtyard at Kowloon Park in Tsim Sha Tsui (Note 2)	1,140
		The ground floor of a temporary building at Sheung Shing Street Park in Ho Man Tin (Note 1)	400
		An open area at Cha Kwo Ling Depot in Lam Tin (Note 3)	250
		The first floor of a building at Hong Ning Road Playground in Kwun Tong (Note 4)	150
		A cargo container placed at its car park	29
		An open area at the Hong Kong Museum of Coastal Defence	(Note 5)

Source: LCSD records

Note 1: The store will be returned to the Government Property Agency in 2008.

Note 2: In 1999, the roof of the historical building collapsed and some of the collection items were damaged. The Architectural Services Department (ArchSD) found that the collapse was due to the condensation problem of the air-conditioning system. In 2002, approval was given to the ArchSD to carry out improvement works on the air-conditioning system. Up to the end of December 2005, the improvement works had not yet been carried out.

Note 3: A train coach is kept at the open space of the depot. There was a public complaint on its present conditions.

Note 4: Since 1996, the water tank in the store had caused frequent water leakage problem. The problem was resolved when the ArchSD relocated the water tank in October 2005.

Note 5: Some 1,200 military collection items are kept in an open area. The physical conditions of the military collections are deteriorating due to the lack of appropriate environmental control on the temperature and relative humidity.

Appendix K
(para. 4.23 refers)

Annual stocktaking and surprise checking of collection items

Museum	Latest stocktaking exercise		Surprise checking	
	Checking cycle	Year of stocktaking	Check scheduled	Check performed
Hong Kong Film Archive	11 years for films and 3 years for film-related materials	2001-05	Nil	Nil
Hong Kong Heritage Museum Hong Kong Railway Museum Sam Tung Uk Museum Sheung Yiu Folk Museum	} 8 years	2002-05	2 to 5 times a year	Yes
Hong Kong Museum of Art Flagstaff House Museum of Tea Ware	} 3 years	2003-04 to 2005-06	Nil	Nil
Hong Kong Museum of History Hong Kong Museum of Coastal Defence Law Uk Folk Museum Lei Cheng Uk Han Tomb Museum	} 7 years	1996-2002 (Note)	Quarterly	Nil
Hong Kong Science Museum	1 year	2004-05	Nil	Nil
Hong Kong Space Museum	1 year	2004-05	Nil	Nil

Source: LCSD records

Note: There was no annual stocktaking of the collection items during the years from 1986 to 1995. The Hong Kong Museum of History completed the stocktaking of all its collection items in 2002 and 197 collection items were found missing. The reasons for the loss included the frequent removal of collection items and the lack of computer equipment to manage the records of collection items. The Hong Kong Museum of History started the next cycle of annual stocktaking in July 2004.

Appendix L
(para. 5.8 refers)

**Indoor facilities other than galleries and exhibition halls
of Leisure and Cultural Services Department museums**

Museum	Indoor facility	Available for public hiring
Hong Kong Film Archive	1 cinema	Yes
	1 viewing room (Note)	No
Hong Kong Heritage Museum	1 theatre	No
	2 education studios	No
	2 seminar rooms	No
Hong Kong Museum of Art	1 lecture hall	No
	3 workshops	No
	1 studio	No
Hong Kong Museum of Coastal Defence	1 lecture hall	No
Hong Kong Museum of History	1 lecture hall	No
	2 activity rooms	No
Hong Kong Science Museum	1 classroom	No
	1 computer classroom	No
	1 lecture hall	Yes
	1 special exhibition hall	Yes
Hong Kong Space Museum	1 lecture hall	Yes

Source: LCSD records

Note: The viewing room of the Hong Kong Film Archive is only available for use by viewing cardholders.

Appendix M
(para. 5.18 refers)

Operating hours of air-conditioning units in ancillary areas

Museum	Opening hours		Operating hours of air-conditioning unit		
			Period	Before venue was opened (hour)	After venue was closed (hour)
Hong Kong Film Archive	Daily	10:00 a.m. – 8:00 p.m. (Note 1)	8:00 a.m. – midnight	2	4
	Closes on Thursdays	–	8:00 a.m. – midnight	–	–
Hong Kong Heritage Museum	Mondays, Wednesdays to Saturdays	10:00 a.m. – 6:00 p.m.	9:00 a.m. – 6:30 p.m.	1	0.5
	Sundays and public holidays	10:00 a.m. – 7:00 p.m.	9:00 a.m. – 7:30 p.m.	1	0.5
	Closes on Tuesdays (except public holidays)	–	9:00 a.m. – 6:30 p.m.	–	–
Hong Kong Museum of Art	Daily	10:00 a.m. – 6:00 p.m.	8:00 a.m. – 10:00 p.m.	2	4
	Closes on Thursdays (except public holidays)	–	8:00 a.m. – 10:00 p.m.	–	–
Hong Kong Museum of Coastal Defence	Daily	10:00 a.m. – 5:00 p.m.	9:00 a.m. – 6:00 p.m.	1	1
	Closes on Thursdays (except public holidays)	–	9:00 a.m. – 6:00 p.m.	–	–
Hong Kong Museum of History	Mondays, Wednesdays to Saturdays	10:00 a.m. – 6:00 p.m.	9:00 a.m. – 6:00 p.m.	1	–
	Sundays and public holidays	10:00 a.m. – 7:00 p.m.	9:00 a.m. – 7:00 p.m.	1	–
	Closes on Tuesdays (except public holidays)	–	–	–	–
Hong Kong Science Museum	Mondays, Tuesdays, Wednesdays and Fridays	1:00 p.m. – 9:00 p.m. (Note 2)	Noon – 9:00 p.m.	1	–
	Saturdays, Sundays and public holidays	10:00 a.m. – 9:00 p.m.	9:00 a.m. – 9:00 p.m.	1	–
	Closes on Thursdays (except public holidays)	–	–	–	–
Hong Kong Space Museum	Mondays, Wednesdays, Thursdays and Fridays	1:00 p.m. – 9:00 p.m. (Note 2)	8:00 a.m. – 9:00 p.m.	5	–
	Saturdays, Sundays and public holidays	10:00 a.m. – 9:00 p.m.	8:00 a.m. – 9:00 p.m.	2	–
	Closes on Tuesdays (except public holidays)	–	–	–	–

Source: LCSD records

Note 1: The opening hours might be extended to midnight on film screening days. On average, 55% of the opening days in a year were film screening days.

Note 2: School visits to the Hong Kong Science Museum and the Hong Kong Space Museum were arranged during the morning sessions (10:00 a.m. to 1:00 p.m.) at which time the museums were not open to the public.

Acronyms and abbreviations

ArchSD	Architectural Services Department
Audit	Audit Commission
BEP	Building Energy Performance
BRT	Block Rate Tariff
BT	Bulk Tariff
CHC	Culture and Heritage Commission
EMSD	Electrical and Mechanical Services Department
FSTB	Financial Services and the Treasury Bureau
HAB	Home Affairs Bureau
ICOM	International Council of Museums
ICOM Code	International Council of Museums Code of Ethics for Museums
kVA	Kilovoltamperes
kWh	Kilowatt-hour
LCSD	Leisure and Cultural Services Department
LPT	Large Power Tariff
MDT	Maximum Demand Tariff
PEAS	Procedures for the Engagement of Artists and Services for Performing Arts and Related Activities Without Recourse to Tender
SPR	Stores and Procurement Regulation
WKCD	West Kowloon Cultural District