

Report No. 46 of the Director of Audit — Chapter 5

PROVISION OF PUBLIC MUSEUM SERVICES

Summary

1. Since 1 January 2000, the Leisure and Cultural Services Department (LCSD) has 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). The recurrent expenditure for the provision of museum services by the LCSD was \$368.8 million in 2004-05.

Governance and strategic planning of museums

2. *No specific museum legislation.* The Audit Commission (Audit) notes that there is no specific museum legislation on the governance of museums in Hong Kong. According to the LCSD consultants, 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. However, up to the end of December 2005, the Administration had not yet decided on the way forward to address the issue of the regulatory framework for the governance of museums in Hong Kong. *Audit has recommended that the Secretary for Home Affairs and the Director of Leisure and Cultural Services should, in consultation with the Committee on Museums, consider introducing legislation to regulate museums in Hong Kong.*

3. *Desirability of establishing a statutory governing body for public museums.* In March 2003, the Culture and Heritage Commission recommended that the Government should establish a statutory body (i.e. a Museum Board) to coordinate the overall development of public museums. In June 2003, after examining the different modes of governance of overseas museums, the LCSD consultants also recommended that the Government should consider setting up a Museum Board to govern, manage, operate and oversee all public museums. *Audit has recommended that the Secretary for Home Affairs and the Director of Leisure and Cultural Services should 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.*

4. ***Formulation of a long-term strategic plan for museum development.*** According to the Consultancy Report, there was no Master Plan for the long-term development of museums in Hong Kong. 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 has recommended that the Secretary for Home Affairs and the Director of Leisure and Cultural Services should 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.*

Performance of Leisure and Cultural Services Department museums

5. ***Performance indicators and targets.*** According to the LCSD 2005-06 Controlling Officer's Report, eight key performance indicators and four performance targets have been developed for the museum services. Audit has found that: (a) overseas museums have developed more meaningful and useful performance indicators; (b) two LCSD quantitative performance targets (i.e. to attract at least four million visitors a year and, on average, provide at least four thematic exhibitions per month) have not been revised since the establishment of the LCSD in 2000; and (c) the remaining two performance targets (i.e. to acquire, preserve, document and research on works of art, film and historical objects, and computerise data on museum collection items and archives) are qualitative in nature. *Audit has recommended that the Director of Leisure and Cultural Services should: (a) benchmark the practice of the LCSD with that of overseas museums with a view to developing more meaningful performance indicators and associated targets; (b) consider revising the two existing quantitative performance targets to reflect the improved performance of LCSD museums over the years; and (c) consider converting the two existing qualitative performance targets into quantitative performance targets.*

6. ***Evaluation of the LCSD museum facilities and services.*** According to the LCSD's survey on the facilities and services of seven LCSD museums in November 2004, the satisfaction level rated by the visitors was very high. However, Audit has found that: (a) 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; (b) the awareness level of the Museum Pass Scheme was very low; and (c) with the exception of the Hong Kong Science Museum, the awareness level and the participation rate of the educational and public programmes of the other six LCSD museums were low. *Audit has recommended that the Director of Leisure and Cultural Services should: (a) formulate an overall strategy for increasing the patronage and improving the services of LCSD museums; (b) make more promotion efforts to enhance public awareness of the Museum Pass Scheme; and (c) make more efforts to improve public awareness of the educational and public programmes.*

Acquisition and management of museum collection items

7. Audit has found that: (a) there was no collection policy for four major and seven small LCSD museums; (b) the collection policies of the Hong Kong Heritage Museum and the Hong Kong Museum of Art had not been reviewed since October 1994 and June 1996

respectively; (c) the LCSD had not yet finalised its procurement procedures for acquisitions and public programmes; (d) there was a significant backlog of collection items pending accession in three museums; (e) most LCSD museums had the problem of shortage of storage space for collection items; (f) other than the Hong Kong Film Archive, all LCSD museums do not have de-accession policies for the disposal of their unwanted collection items; (g) there are no written procedures on stocktaking and surprise checking of collection items in LCSD museums; and (h) there was a delay in making information relating to the collection items of the Hong Kong Museum of History available on its website. *Audit has recommended that the Director of Leisure and Cultural Services should: (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) expedite action to finalise the procurement procedures for the acquisition of collection items; (d) draw up an action plan to clear the backlog of collection items pending accession; (e) critically review the overall storage requirements of LCSD museums and expedite action to develop a central museum collection repository; (f) ensure that each museum formulates a de-accession policy; (g) ensure that LCSD museums have proper stocktaking and surprise checking procedures; and (h) 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.*

Operation of Leisure and Cultural Services Department museums

8. ***Water condensation problem in the Hong Kong Film Archive.*** Despite the carrying out of intermittent on-site inspections and surveys, the water condensation problem found on the first three floors of the building of the Hong Kong Film Archive has remained unresolved since mid-2001. The required improvement works commenced in January 2006 and were scheduled for completion by May 2006. *Audit has recommended that the Director of Leisure and Cultural Services should, 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.*

9. ***Additional income for museums.*** Audit notes that there are opportunities for LCSD museums to generate additional income. Audit has found that: (a) there is a lack of incentive for the public to make cash donations to LCSD museums; (b) the LCSD museum space could be utilised for seeking commercial sponsorships; and (c) only three LCSD museums make available their facilities for public hiring. *Audit has recommended that the Director of Leisure and Cultural Services should: (a) in consultation with the Secretary for Home Affairs, find ways of encouraging the public to make cash donations; (b) step up efforts to seek commercial sponsorships for LCSD museums; and (c) consider making available the facilities of LCSD museums for public hiring.*

10. ***Target cost recovery rate.*** Since 2000, the LCSD has set a target cost recovery rate at 30% of the marginal cost for all the museums' special exhibitions/programmes which cost over \$2 million each and were expected to be very popular. Audit has found that: (a) the target cost recovery rate for the years 2002-03 and 2003-04 had not been achieved;

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. *Audit has recommended that the Director of Leisure and Cultural Services should: (a) review the target cost recovery rate of the special exhibitions/programmes organised by LCSD museums; and (b) ensure that LCSD museums charge appropriate additional admission fees for the special exhibitions/programmes.*

11. **Museum publications.** Audit found that, in November 2005, the total number of unsold museum publications in six museums was 209,046 with a total selling price of \$24.7 million, and 67% of these publications had been kept for five years or more. *Audit has recommended that the Director of Leisure and Cultural Services should critically review the need to keep the unsold museum publications and improve forecasts of the public demand for future production of museum publications.*

12. **Electricity consumption.** Audit has found that: (a) taking 2002-03 as the base year, the electricity consumption of the Hong Kong Museum of History and the Hong Kong Science Museum in 2004-05 increased by 5.7% and 7.9% respectively; (b) the Hong Kong Museum of History and the Hong Kong Science Museum, located in adjacent sites in Tsim Sha Tsui East with their own electricity meter, are eligible to apply for a lower tariff rate if they share a main electricity meter; and (c) the Hong Kong Film Archive had not applied for a lower tariff rate for one of its two electricity meters. *Audit has recommended that the Director of Leisure and Cultural Services should, in consultation with the Director of Electrical and Mechanical Services: (a) ensure that LCSD museums step up their efforts to reduce electricity consumption; (b) 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; and (c) expedite action to apply for a lower tariff rate for the Hong Kong Film Archive.*

13. **Provision of free shuttle bus services.** 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. Audit has found that: (a) for the Hong Kong Heritage Museum, the average number of passengers per trip during the period from October 2004 to September 2005 was only seven; and (b) for the Hong Kong Museum of Coastal Defence, the average number of passengers per trip during the period from May to October 2005 was only four. *Audit has recommended that the Director of Leisure and Cultural Services should review the justification and cost-effectiveness of providing free shuttle bus services to visitors of the two museums.*

Response from the Administration

14. The Administration agrees in general with the audit observations and recommendations.

April 2006