

**Extract from minutes of meeting of the
Panel on Home Affairs held on 13 December 2002**

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IV. Consultancy study on the future development of the public libraries
[LC Paper No. CB(2)588/02-03(01)]

7. At the invitation of the Chairman, Dr Thomas TANG, Director of GML Consulting Limited, presented the findings and recommendations of the consultancy study on the future development of the Hong Kong public libraries with the aid of a Powerpoint presentation.

(Post-meeting note : The presentation materials were issued to members vide LC Paper No. CB(2)697/02-03(01) on 17 December 2002.)

Funding for public libraries

8. The Deputy Chairman noted that it was recommended in paragraph 4 & 5(e)(vi) of the executive summary that e-commerce functions/purposes could be incorporated into the web portal of public libraries. He asked whether these functions/purposes included advertisements and business transactions. In reply, Dr Thomas TANG clarified that advertisements and corporate sponsorships, which were not allowed on the library website under the existing system, could become possible sources of income for the libraries under the new institutional arrangements recommended by the study. Other sources of income might include donations, charges for services, and commercial franchises within the library facilities.

9. Noting the recommendation on the corporatisation of public libraries in paragraph 8(f)(vi) of the executive summary, the Deputy Chairman sought clarification whether Government subvention would still be provided to the libraries after corporatisation. Dr Thomas TANG informed members that one of the main assumptions in the assessment of the institutional options for public libraries in the study was that Government subvention would still be provided for library services irrespective of the future institutional arrangements. The study had recommended other possible sources of income to supplement funding from Government. Acting Director of Leisure and Cultural Services (D of LCS(Ag)) assured members that similar to the existing arrangements, Government subvention would continue to be provided to libraries on an annual basis in future. Libraries might also apply for funds for special projects in the annual funding allocation exercise, as well as seeking possible private sponsorship.

Action

Institutional arrangements

10. Referring to the options of corporatisation with contracting-out of non-core library services recommended by the consultants in paragraph 8(f)(vi) of the executive summary, the Deputy Chairman opined that to reduce controversies and anxiety from the staff concerned, comprehensive staff consultation should be conducted on the proposed institutional arrangement. He requested more information on the staff consultation that would be/had been conducted. He also considered that the Administration should revert to the Panel with the results of any consultation before finalising its recommendations on this issue.

11. Dr Thomas TANG informed members that the consultants had held discussions with staff and had incorporated the latter's comments in the report. D of LCS(Ag) stressed that the Administration had been liaising with staff on a regular basis on the study. She advised that there was not a uniform opinion generated by staff. Some of them acknowledged the fact that public libraries in other countries were run by statutory bodies and hence indicated no strong objection to corporatisation, while others queried the necessity for such a change and were concerned about how their work prospects would be affected. D of LCS(Ag) added that staff were consulted on the general direction of the institutional arrangement only and would continue to be consulted on the report of the study. The Administration would take into consideration the views collected before finalising its recommendations on the future provision of library services. Should the Administration decide to adopt corporatisation as the right direction for public library services, a task force would be set up to examine the institutional option in greater detail. Staff would then be further consulted once details of the institutional arrangements were available. Assistant Director of Leisure and Cultural Services (Libraries and Development) (AD of LCS(L&D)) supplemented that two briefing sessions on the report of the consultancy study had been arranged for staff on 10 and 18 December 2002. The Administration would continue to liaise with staff on the issue.

12. In response to Ms Emily LAU, D of LCS (Ag) informed members that the cost for the consultancy study was \$1,658,000. She clarified that if the corporatisation model was to be further explored, Government would not be required to pay for additional consultancy services for a further study since this would be conducted by the task force to be set up within the Government.

13. Mr LEE Cheuk-yan queried the intention of the Administration in conducting such a consultancy study when over 80% of the people surveyed were satisfied with the overall facilities and services of public libraries. He considered that the Administration had aimed at corporatising library services so as to cut Government expenditure since the Government employees concerned could then be re-employed on contract terms with a reduction in

Action

their salaries and benefits. He also opined that Government would gradually reduce its funding allocation to and hence its responsibilities in the provision of public library services by developing alternative funding sources for the libraries through offering the value added services recommended in paragraph 4 & 5(f) of the executive summary. Mr LEE also considered that the calculations of the efficiency gains for the different institutional options in paragraph 8(f) were not reasonable and hence not acceptable.

14. Acting Deputy Secretary for Home Affairs (3) (DS(HA)3(Ag)) explained that since similar studies had not been conducted on the provision of public library services in the past, the Leisure and Cultural Services Department, which had only been set up for two years, considered it timely to conduct such a review. He stressed that Government did not have a particular stance on the future development of library services and had not imposed any restrictions on the institutional options examined by the consultants. He reiterated that staff would be consulted on the report of the study before the Administration finalised its recommendations.

15. The Chairman informed members that he had to leave the meeting due to another urgent commitment. The Deputy Chairman then took over the chair at this juncture.

16. Mr WONG Sing-chi expressed concern that decisions on the types of books to be included in the collections of the libraries and hence the free exchange of culture and information might be unduly affected by the corporate sponsorships or donations received after corporatisation of library services. He also asked whether there would be any mechanism to ensure that the collections and operation of public libraries would be free from such influence.

17. In reply, D of LCS(Ag) explained that from the experience of existing statutory bodies such as universities which accepted private sponsorships in addition to Government funding, it was not expected that problems would arise from the corporatisation of library services. She assured members that if the corporatisation model was to be adopted, legislation would be introduced to govern the operation of libraries to ensure that they would be run as non-profit making institutions in the interests of the public. Dr Thomas TANG supplemented that public libraries would still need to abide by the guidelines and principles set up by the International Federation of Library Associations and Institutions (IFLA), and follow the United Nations Educational, Scientific and Cultural Organisation (UNESCO) Public Library Manifesto in the provision of library services even after corporatisation. He stressed that general collections in libraries should be determined according to the diversified interests and needs of the community and should be free from the influence of donors. He then quoted the examples of libraries in Toronto and New York to illustrate that members of the public might be able to enjoy wider

Action

collections which were made possible through sponsorships and donations in addition to the general collections.

18. In response to Mr WONG Sing-chi, Dr Thomas TANG advised that there were disadvantages of corporatisation. After corporatisation, public libraries would no longer be able to enjoy free supporting services from Government such as legal, accounting and administrative services but would have to pay for them. However, drawing reference to the example of the National Library Board of Singapore, he suggested that libraries in Hong Kong might still be overseen by a Government body even after corporatisation so that they would have access to some of the supporting services from Government while the policy objectives of library services would be determined by an independent statutory body.

19. Mr Albert CHAN expressed concern that if the Hong Kong Public Library Board proposed in paragraph 9 of the executive summary was to be appointed by Government, it would become a tool of the latter to achieve its political aims, instead of serving the community. He said that he was strongly opposed to such an arrangement. He further pointed out that Government had promised to transfer some of the powers and responsibilities of the former Municipal Councils to the District Councils (DCs) before abolishing the former. However, instead of honouring its pledge, Government had tried to review the provision of different kinds of public services which were part of the functions of the former Municipal Councils. These reviews might result in the restructuring of the existing institutional frameworks, before the comprehensive review of the roles and functions of DCs which Government had promised to conduct after the 2003 DC elections. Mr Albert CHAN opined that a decision on the institutional arrangement for the provision of library services should not be finalised before the comprehensive DC review, and he would object to any such change until completion of the DC review. Ms Emily LAU supported the suggestion of Mr Albert CHAN that the provision of library services should be handed over to DCs.

20. In reply, D of LCS (Ag) explained that the libraries provided a network of service points serving not just the local communities but the whole of Hong Kong. Besides, to be cost effective and to ensure the standard of the services provided, it was necessary to centralise the overall management of library facilities and supporting services. Hence, it might not be appropriate to hand over the management of individual public libraries to DCs. D of LCS (Ag) further informed members that under the existing arrangements, the Administration had reported on the provision of library services to DCs on a regular basis. She said that the Administration would further enhance its communication with DCs and would continue to consult them on changes to existing services and provision of new services.

Action

Value added services

21. Ms Cyd HO considered that the real intent of Government in introducing changes to the existing library services was to reduce Government expenditure and increase income of libraries from other sources. She expressed reservation on offering the value added services such as coffee shops, gift shops or music shops in the libraries as recommended in paragraph 4 & 5(f) of the executive summary as these commercial activities were not relevant to and might even affect the promotion of reading and learning culture in society which was the core function of libraries. Ms Cyd HO also expressed concern that members of the public might need to pay for many of the services in the libraries such as access to special collections after corporatisation. She sought clarification on the core and non-core services for which charges would be imposed in future, and the estimated amount the public had to pay for such services in order to support the operation of libraries.

22. Dr Thomas TANG reiterated that Hong Kong public libraries would still abide by the principles of IFLA and the UNESCO Public Library Manifesto and continue to provide free public library services. Drawing from the experience in the development of library services in six other cities, namely Toronto, New York, Sydney, Tokyo, Singapore and London, the study had recommended that charges might be introduced to non-core services, if acceptable to members of the public. He pointed out that in these cities, the charges were set at levels which were affordable to the public and constituted 5 to 10% of the total funding of the libraries. Dr Thomas TANG assured members that the study had not recommended to operate libraries with commercial principles but to develop a strategy that would be able to meet the needs of Hong Kong and be consistent with the worldwide trends. As regards the amount that the public would pay for library services after corporatisation, Dr TANG explained that it had to be calculated based on the operating costs of libraries and such information was not available at this stage. He informed members that the study had recommended the establishment of a task force to further examine the corporatisation option. The scope of the task force's brief would include studying the funding of and charges for non-core library services in further detail.

23. Ms Cyd HO said that she was disappointed that such an important piece of information was missing in the report since she understood that the main purpose of the study was to increase library income from other sources. She urged that this should be examined in detail and that the interest of the public should be taken into consideration by the Administration before its decision on corporatisation was finalised.

24. D of LCS (Ag) responded that Government would consult the public on the recommendations of the report before finalising its recommendations on the future provision of library services. She stressed that Government would

Action

continue to fund public library services and the purpose of the current study was to determine the strategy for the provision of the services. The Administration would carefully examine the impact on the improvement in the standard of services, the views and concerns of staff, the need for smooth transitional arrangements to prevent disruption to public services, and efficiency gains in determining the institutional options to be adopted.

25. Ms Emily LAU shared the views of Ms Cyd HO. She suggested that the book shops and gift shops to be set up in the libraries should offer goods of better quality that reflected the core function and the good image of libraries. Mr Albert CHAN said that he was supportive of introducing value added services to develop other sources of income to supplement public funds for the libraries. However, he considered that such services should reflect the diversified needs of the users and the society.

Guidelines for the planning of public libraries

26. Both Mr Albert CHAN and Ms Emily LAU noted the guidelines for the planning of public libraries proposed in paragraph 4 & 5(b)(iv) of the executive summary. They opined that there was insufficient reading space in existing public libraries and said that they were supportive of the proposal to increase the floor space of libraries. Mr Albert CHAN, however, expressed reservation on whether the floor space ratio recommended in the report was sufficient to meet the needs of the public. He suggested that the floor area should be determined in accordance with the number of people served by individual libraries.

27. In response, Dr Thomas TANG said that the existing libraries were quite constrained in the use of floor space. He explained that the consultancy study had recommended a floor space ratio of 19.3 square meters per 1 000 capita as a planning guideline, which was based on a typical district library of 2 900 square meters serving a population of 150 000, with a view to providing adequate floor area for users of new and existing libraries.

28. In response to a question from Ms Emily LAU, Dr TANG informed members that in terms of the number of libraries per capita, Hong Kong was under-provided as compared with other countries. As at 2000, there were 66 libraries in Hong Kong with a population of 6.7 million, whereas in Sydney, there were 124 libraries with a population of 3.6 million. The number of libraries in New York with a population of 3.3 million was 206 and that for London was 402 with a population of 7.2 million. Dr TANG added that the number of libraries in Hong Kong had increased to 69 as of December 2002.

(Post-meeting note : The New York Public Library System studied in the consultancy serves Manhattan, the Bronx and Staten Island not

Action

Brooklyn and Queens. The number of libraries is therefore much smaller than 206 and should be 85.)

29. Noting the low ratio of public libraries per capita in Hong Kong as compared with other countries, Ms Emily LAU remarked that to further improve the provision of library services to the public, Government should examine the circumstances leading to the low number and introduce improvement measures instead of trying to corporatise public libraries. She requested the Administration to provide information on the comparison of the library services in Hong Kong with those in overseas countries. Mr WONG Yung-kan expressed support for Ms LAU's request.

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30. In response, D of LCS(Ag) explained that the provision of libraries, depended on a number of factors. She pointed out that in view of the small area and the dense and highly centralised population of Hong Kong, public libraries were easily accessible to members of the public. In planning additional district libraries for new towns, the Administration had adopted the standard of 2 900m² in order to provide more spaces and a wider range of facilities to meet the needs of the public. The consultancy study had therefore recommended to concentrate efforts on the improvement in the quality of library services although it had also recommended the provision of small and mobile libraries in densely populated areas. At the request of the Deputy Chairman, the Administration undertook to provide an information paper on the comparison of the library services in Hong Kong with those in overseas countries examined by the consultants.

Way forward

31. Mr WONG Yung-kan suggested that the Administration should consult DCs at their meetings on the study report. Ms Emily LAU requested that this subject should be included in the Panel's list of outstanding items for discussion and that the Administration should revert to the Panel with the results of public consultation. D of LCS (Ag) advised members that a public consultation forum for the study had been scheduled for 14 December 2002. The public consultation period would last until 31 March 2003. She assured members that the Administration would consult DCs on the report. To conclude, the Deputy Chairman requested the Administration to consider the views of members and revert to the Panel before finalising its recommendations on the future provision of library services.

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