

**URBAN PLANNING AND ENVIRONMENTAL LAW QUARTERLY**

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簡家驄律師行 · 城規環保簡訊

The Fred Kan & Co. Prize for 2007-2008 was awarded by the Board of Examiners for the degree of MSc in Environmental Management, University of Hong Kong, to Ms. Yang Suk Ting Peggy. In this edition we summarise key points made by Ms. Yang in her winning dissertation, *Food-Miles : A Case of Sustainability, Consumption in Hong Kong.*

The Editors

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**“FOOD-MILES” AND RELATED ISSUES : ANOTHER EXAMPLE OF HONG KONG’S LACK OF ENVIRONMENTAL AWARENESS**

**Aim of the study**

*Objectives*

The objectives of Ms. Yang’s dissertation were :

- To assess the average “food-miles” for selected fresh produce consumed in Hong Kong.
- To assess CO2 emissions generated by transporting imported produce to Hong Kong.
- To evaluate Hong Kong’s food-miles and consumption patterns.

*Goal*

The goal of researching these objectives was to investigate the level of sustainability of our food consumption.

“Food-miles” are the distance food travels from where it is grown to where it is consumed.

**Background data**

*Hong Kong’s food supply*

Hong Kong, with a population of nearly 7 million and increasing significantly each year, is an affluent, developed community. Its level of affluence directly affects its food consumption habits and patterns. Our average daily per capita intake of calories is second only to Korea.

The Agriculture, Fisheries and Conservation Department compiled the following table of Hong Kong’s average daily consumption of fresh food in 2006 :

Fresh Food Item	2006
Vegetables (tonnes)	1,440
Fruit (tonnes)	1,620
Marine fish (tonnes)	280
Eggs (tonnes)	210
Fresh fish (tonnes)	100
Live poultry (tonnes)	90
Live pigs (heads)	5,400
Live cattle (heads)	130

As the topography and limited land mass of Hong Kong restricts our ability to produce more than a fraction of our own food, we rely heavily on imported produce. The exception is seafood; our own fishing industry (wild and farmed fish) substantially satisfies our seafood demand.

*Global food trade*

Global trade in food has been increasing during the last few decades. For example, between 1968 and 1988, the increase was 184%. In 2007, Hong Kong’s food imports increased by a very significant 39% (by value).

The general increase in global food-trade and technological advances have made long distance food/cargo transportation less costly and more efficient, which in turn encourages more long distance transportation of fresh produce and other food products.

**Impact of increasing international food-trade**

*Powerful retailers*

Food-trade patterns in the developed world during post-war years have seen countries’ entire food supply systems shift from locally produced goods to international suppliers.

A related development in food supply is the evolution of giant supermarket claims. Today, food supply and distribution are concentrated in a handful of suppliers, rather than myriad local, family--owned shops.

Supermarkets try to source as much produce from as few suppliers as possible, as this is more efficient and, therefore, more profitable.

The lowest cost suppliers are generally in developing countries which have lower land and labour costs as well as, often, more favourable climatic conditions. Or, they are suppliers in developed countries which have huge economics of scale, such as beef producers in the U.S.A., Canada, Argentina and Australia.

The author cites the U.K. as an example. Supermarkets there now supply over 75% of fresh fruit and vegetables,

whilst traditional, independent greengrocers' share has fallen to 15%. U.K. supermarkets source most of their food products from Kenya, New Zealand, U.S.A. and Egypt.

An economic effect of this internationalisation of food supply is that U.K. farmers suffered a two-thirds drop in income from 1996 to 2001.

*Loss of crop diversity*

It is perhaps a little known fact that a major consequence of the combination of fewer, but more powerful, food retailers and increased international food-trade -- namely, increased food-miles -- has been a dramatic loss of agricultural products diversity and biodiversity. Farming is becoming more specialised to satisfy demand -- based food supply systems. This has resulted in increased standardisation of products and produce. For example, In the U.K., farmers no longer grow 60% of the nation's 2,000 traditional varieties of apples. In the U.S.A., approximately 85% of their 7,000 apple varieties have been lost, and over 50% of apple crops consist of only two varieties.

In the Philippines, just two varieties of rice are mainly grown. It is estimated that, worldwide, in recent decades more than 700 breeds of farm animals have become extinct, with a further 32% facing extinction today.

The loss of agricultural biodiversity has resulted in increased use of pesticides and herbicides, which has a severely adverse environmental impact.

Increasingly, biodiversity is accepted by the agricultural industry as essential for healthy farming, because of the numerous ecological benefits of a robust biodiversity, such as: nutrient recycling; regulation of microclimates; and providing natural defences to weeds and insect pests.

*Environmental and health impacts of food-miles*

The author focuses on two major environmental impacts of food-miles :

- (a) increased consumption of fossil fuels and other resources; and
- (b) significant greenhouse gas ("GHG") emissions.

In 2004, transportation of goods contributed 13.1% of GHG emissions. A Canadian study concluded that 500 grams of lamb locally sourced produced 7 grams of GHG, whereas the same quantity of lamb imported from New Zealand created more than 8 kg of GHG.

Our health is also directly impacted by food-miles, in the form of loss of nutritional value of long-stored/transported produce, and air pollution caused by freight carriage.

**Hong Kong's food-miles**

*Average food-miles*

To assess Hong Kong's average food-miles incidence, the author adopted a "weighted average source distance" (WASD). The WASD describes distances food travels from its source to consumption, in relation to volumes of transported food, and provides average journey distances. The higher the WASD, the farther from Hong Kong is the food supply source. WASD is a commonly used food-miles calculation formula based on average distances from supply source per sample product and estimated numbers of the consuming population.

*Hong Kong's imported produce*

The dissertation includes extensive details of the main categories of Hong Kong's imported food, the main supplying countries and the most important forms of transportation used.

For example, in 2007 we imported 186,770,524 kg of live, fresh and frozen meat, 94% of which came from China. Other main suppliers included U.S.A., New Zealand, Australia and South Africa.

In 2007, Hong Kong imported 81,178,348 kg of live, fresh and chilled poultry from China (99%), Australia, U.S.A., Brazil and France. Hong Kong supplies the bulk of its seafood, but we still imported, from 35 countries, 106,565,113 kg of seafood in 2007. China, Australia and Indonesia are our main external sources of seafood.

*Modes of transportation*

Modes of transportation differ somewhat, depending on the produce and location of the supplier. Generally, rail and road transport dominate where China is the supplier; but air was the main form of transportation of imported seafood, with road the next most used.

A total of 1,670,660,000 eggs were imported in 2007, mainly from China. Only in this category was sea transportation in the majority (59%).

A summary of food import sources and modes of transport was prepared by the author (Table 4) :

Category	Total import quantity (kg)	Total importing countries	Total import variety	Top 3 Importing countries	Most used means of transport
Meat	186,770,524	19	8	China Brazil Australia	Railway
Poultry	81,178,348	5	7	China Australia U.S.A.	Railway
Fish	106,565,113	35	26	China Indonesia Norway	Road
Seafood	33,346,208	31	13	Thailand China Australia	Air
Egg	1,670,660,000 (units) (Approx. 96,898,280 kg)	15	3	China U.S.A. Thailand	Sea
Vegetable	620,266,438	32	34	China U.S.A. Taiwan	Railway
Fruit	965,773,060	44	40	Thailand China U.S.A.	Sea

*“The lowest cost suppliers are generally in developing countries which have lower land and labour costs as well as, often, more favourable climatic conditions.”*

*Assessing Hong Kong's food-miles related GHG emissions*

An emissions calculation formulated by Lifecycles Project in Canada in 2004 is the basis for the author's calculation of annual GHG emissions (specifically, CO2) generated by the supply of fresh produce to consumers in Hong Kong.

The formula is not precise -- for example, differing engine efficiencies and the extra energy used by refrigerated carriers are not

taken into account -- but it provides a reasonably reliable mechanism for a broad-scale assessment of GHG emissions from Hong Kong's food-miles, measured as a Weighted Average Emission Ratio (WAER).

A comparison of the respective average emissions caused by different transportation modes is set out in Table 3 :

Transportation Mode	Direct CO <sub>2</sub> Emission (g per tonne-km)
Air	748
Railway	23
River, Junk	4.6
Ship	9.2
Truck	111

A summary of the author's WAER and WASD indices for selected fresh produce is set out in Table 6 :

Produce	WASD (km)	WAER (kg of CO <sub>2</sub> /kg of food item)
Meat	905	0.573
Poultry	131	0.001
Fish	2,007	1.585
Seafood	5,024	5.306
Eggs	3,295	0.037
Vegetable	131	0.309
Fruit	4,871	0.765

As the WAER is a function of :

- (i) value of the product;
- (ii) distance carried; and
- (iii) transportation method used,

a high-value product which is transported by air over a long distance will have a much higher WAER than a product carried by rail from southern China.

Therefore, seafood imports had the highest WAER -- more than 5,000 times that of poultry -- which had the lowest. The mode of transportation is an important factor. For example, 3% of Hong Kong's fresh vegetables is imported by air from the U.S.A.; this category had a WAER 300 times that of poultry.

*Comparative emissions status*

In every fresh-produce category, China is a major supplier. The close proximity of the supply-source, and heavy use of relatively efficient road and rail carriers, tend to lower Hong Kong's WASD indices. A useful comparison of WASD ratings of three other cities is contained in Table 7 :

Year	Location	Food Item	WASD (km)
1997	Stockholm, Sweden	Tomatoes	1,340
1998/99	Chicago, U.S.A.	Table Grapes	4,569
2005	Waterloo, Canada	58 items that could be grown or raised locally, have accessible and reliable import data, reflect fresh and preserved products, and are representative of Waterloo consumers' food basket	4,497

#### Comparative produce emissions

Some of Hong Kong's imported food products are responsible for excessively high GHG emissions. In Table 8 the author provides a summary of comparative WAERs for different produce :

Produce/Item	WAER (kg of CO <sub>2</sub> / kg of food item)	Total CO <sub>2</sub> Emission (*000 kg)
Meat	0.573	130,290.81
Poultry	0.001	85.79
Fish	1.585	402,847.02
Seafood	5.306	250,487.74
Eggs	0.037	358.97
Vegetable	0.309	191,919.84
Fruit	0.765	713,423.26
Total		2,117,413.16
Per Capita (kg)		305.93

On a world-wide basis, GHG emissions from food-miles will continue to increase, according to the Organisation for Economic Co-operation and Development.

#### Conclusion

Consumer and government indifference to food-miles related environmental issues leaves Hong Kong in its usual role of continuing old consumption habits without regard to environmental effects and concerns.

The author makes the valid point that we have contributed to a general problem of creating unjustifiable and harmful food-miles, in that some of our every-day products are unnecessary or could be sourced more locally or regionally; e.g. our increasing consumption of imported bottled water.

The community's indifference to environmental issues makes it unlikely that Hong Kong will, in the near term, embrace such worthwhile concepts as "ecological citizenship" (Dobson, 2003), which requires consumers, using both public and private actions, to lower the environmental impact of their everyday lives.

Hong Kong needs to aim for a change to sustainable food consumption behaviour. There are a number of well-documented policies which a responsible community could use to try to attain this objective, including :

- Eco-labeling : providing on labels more details of ecological impacts/aspects of the product
- Urban farming : encouraging and promoting interest in locally-grown produce
- Eco-taxing and pricing measures : imposing taxes or providing subsidies geared to discouraging adverse effects of food-miles
- Local organic farming : encouraging local organic producers and assisting their distribution systems
- Local food markets : facilitating regular farmers' markets and local agriculture schemes e.g. *Food Box*
- Dietary change : public campaigns to alter the worst aspects of our dietary habits e.g. lower consumption of non-seasonal produce
- Home restaurants scheme : participants take turns in opening their homes as a "restaurant" for the local community

In summary, the author notes that there is a general lack of environmental awareness, knowledge and interest among Hong Kong consumers. This, combined with the government's and businesses' almost complete lack of policies and practices to encourage less harmful consumption patterns, means a likely continuous growth of long-distance food transportation and unsustainable consumption choices for Hong Kong.

We congratulate Ms. Yang on her award and a well-researched, thought-provoking dissertation.

## TOWN PLANNING

### Kwun Tong flat owners change tack in URA row

Affected property owners in the Kwun Tong redevelopment project have advertised to invite developers to acquire their flats at a higher price than that offered by the Urban

Renewal Authority. The owners would prefer to sell at the higher price of HK\$5,937 per square foot of saleable floor area. Each of the flats exceeds 400 square feet in area.

The owners hope developers will consider the high potential of the site and co-develop the residential and commercial project with the Authority. However, the Authority said joint development was not possible. If any developer wants to solely develop the site, it has to acquire at least 90 per cent of the property interests.

[SCMP, 27/12/2008]

### Ocean Park told to lower height of hotels

Ocean Park has been told to further lower the height of two of the three hotels which have been approved in principle by the Town Planning Board.

The Board decided yesterday that the eight-storey Ocean Hotel, near the park's entrance, would need to be lower to blend in with the low-rise environment at Shouson Hill, and the 14-storey Fisherman's Wharf Hotel on the headland would have to blend in with nearby scrub land. The designs of the two buildings and the smaller Spa Hotel are also required to be revised to make them less monolithic.

[SCMP, 20/12/2008]

### Time running out for Jessville as talks with owners fail

Owners of the historic Jessville mansion in Pok Fu Lam threatened to knock the mansion down after a year-long negotiations with the government failed to give them economic incentives to preserve it.

A Development Bureau spokeswoman said any development in Pok Fu Lam needed strong justification, whilst district councillors and neighbours were very sensitive towards bulky and tall buildings in the area.

After meeting government officials, the owners withdrew the appointment with the Town Planning Board scheduled to discuss the owner's redevelopment proposal. The Antiquities Advisory Board classified the 77-year-old structure as a grade 3 historic building which gives it no legal protection.

The owners had proposed to build three blocks of 13 to 27 storeys around Jessville: no extra land was needed but the towers closest to the mansion would be a only few metres away. Otherwise, the government will allow the owners to extend the site to a green belt area.

The owner's planning consultant said the government gave no incentives for either.

[SCMP, 20/12/2008]

### Green group fears plan to save wall trees will fail

A green group has challenged the tree preservation plan for the Hopewell Centre II hotel project. The groups said transplanting the valuable wall trees was likely to fail. The association has applied to the Town Planning Board to rezone the government land as green belt.

The developer announced it would spend HK\$20 million to transplant and preserve some of the healthy trees. The group's conservation manager and tree expert, Ken So Kwok-yin, said the roots have extended deep inside the wall and it is difficult to move the whole tree without causing damage to the wall. A tree expert with the University of Hong Kong said transplanting the trees would almost be impossible, unless they lift the whole wall together with the mud.

[SCMP, 19/12/2008]

### Rezoning plan for Wan Chai site rejected

The Planning Department has rejected an application to rezone half of the Hopewell Centre II site as green belt.

The department said that retaining the present zoning as a comprehensive redevelopment area would encourage the developer to provide open space and that planning approval had long been granted for the proposed hotel, although the director of Agriculture, Fisheries and Conservation had advised that the proposed area was well-wooded and rezoning would help preserve trees.

In the approved plan, the developer will provide 5,880 square metres of public open space and preserve and transplant trees within the site.

[SCMP, 18/12/2008]

### Call for fine-tuning of project

The Kwun Tong renewal project needs fine-tuning to become a sustainable development.

Privatisation of open space and building of upmarket shopping malls that do not cater to the needs of low-income or elderly residents should be avoided, an expert said.

Dr. Thomas Chan Man-hung, head of the China Business Centre at the Polytechnic University, said existing developments surrounding the site had not taken account of community needs. Dr. Chan suggested that small shops should remain at street level to provide an affordable, diverse range of goods; glass walls, which were not energy efficient and were already banned in some parts of the mainland, should be avoided as well.

[SCMP, 17/12/2008]

### Protesters demand review of 'wall effect' projects

Approximately 50 people marched to government headquarters yesterday demanding the government generally review development plans. Legislator Tanya Chan said: "We have become Asia's walled city, not Asia's world city."

Protesters expressed concern about development plans for Nam Cheong and Yuen Long stations on the West Rail line, where it is planned to build seven to eight 40-storey residential blocks around the 28-storey Sun Yuen Long Centre. Lawmaker Leung Yiu-chung said, "Not only will a wall of buildings block views, it may also become a safety hazard as fire could spread more easily in a concrete valley."

[SCMP, 15/12/2008]

### Vote on 280-metre tower delayed

The Town Planning Board will delay approving the plan for a 280-metre building in a revamped Kwun Tong town centre until the Urban Renewal Authority provides it with more proof that the building will not block ventilation.

Board member Leslie Chen Hung-chi questioned the validity of the results of the URA's air ventilation assessment, whilst a District planning officer said the study assessed only the airflow impact of two scenarios for buildings that were 220 metres and 280 metres tall.

[SCMP, 06/12/2008]

### Planners reject appeal against artificial beach; Board refuses to reverse vote

The Town Planning Board yesterday upheld its decision to allow the government to create a sand beach at Lung Mei; however, some board members still have concerns about the ecological effects of creating an artificial beach.

Green groups said they had found about 200 animal, bird and marine species during in the Lung Mei site. On the other hand, the Board ruled that it has no grounds to change the zoning, environmental experts have already endorsed the environmental impact assessment, a Board spokeswoman said.

The project includes provision for HK\$130 million will be spent on construction of car-parking spaces and a building that could cater to the demands of about 4,000 visitors.

[SCMP, 04/12/2008]

### Proposal may change status of open spaces at developments

A residential development in Tai Kok Tsui, Metro Harbour View, could have its podium garden exempted from public access and use. Meanwhile, the Development Bureau submitted to the Legislative Council that open space at four residential developments in Tung Chung

might be returned to government management.

The Bureau's spokesman said yesterday the government would avoid asking developers to provide public open space in private residential developments. The Town Planning Board agreed with the approach of avoiding provision of public open space within private developments. The Vice-chairman of Yau Tsim Mong District Council agreed with privatising the podium garden.

Metro Harbour View's lease empowers the government to amend any of the clauses, including the one requesting the developer to provide open space for public enjoyment. The owners have been complaining about members of the public smoking in the garden and making noise.

[SCMP, 03/12/2008]

### Residents oppose Hopewell bid to rezone plaza for commercial use

Wan Chai residents say the government will make a big mistake if it allows the QRE Plaza site in Queen's Road East to be rezoned for commercial use.

The residents say the government and Hopewell Holdings struck a deal in 1994 that allowed Hopewell to develop the 93-storey Mega Tower in exchange for the zoning of the QRE Plaza site as open space. The government said that although the site was subsequently rezoned to open space, such rezoning does not affect the office development which had already been granted planning permission.

[SCMP, 01/12/2008]

### Official opposes nature zone

A senior planning official said a wetland area in northwestern Sai Kung, a site identified for public-private partnership to build eco-friendly projects, should remain available for private development and not be rezoned as a conservation area.

Permanent Secretary for Development said at a Town Planning Board meeting yesterday that the government should encourage private development at Sham Chung. The core Sham Chung area has been zoned for agricultural use in a draft outline zoning plan, which also allowed recreational uses. The developer that owns half of the land had proposed to build a spa resort on the site.

[SCMP, 29/11/2008]

### 700 comment on beach plan

More than 700 people have submitted their view on a government proposal to tear down a public beachfront building at Repulse Bay to make way for a hotel.

The three-storey Seaview Building has been largely empty since its main restaurant closed three years ago. The Planning Department suggested rezoning the area for hotel or commercial use and proposed relaxing a height restriction to allow a development 13 metres high. A spokeswoman for the Town Planning Board said it would hold a public consultations hearing. District councillor Fergus Fung Se-goun agreed that the Seaview Building should remain for restaurants or other uses for public use.

[SCMP, 28/11/2008]

### History triumphs as Central plan is cut down to size

The Urban Renewal Authority will slash its redevelopment plans for the Staunton Street area in Central by 44 percent to preserve historic streetscapes and reduce building density. As a result, the government will incur financial

losses of approximately HK\$170 million, due to the drastic drop in the number of residential units from 216 to 130.

Major changes to the blueprint include preserving five post-war tenement buildings on Wing Lee Street and two on Staunton Street and scaling back a 24-storey high-rise on Wing Lee Street to six floors. The Authority proposed to preserve a 100-year-old Victorian-style protection wall which is in a lane behind Wing Lee Street.

Under the revised plan, the government also offered to acquire old buildings in the district for nearly HK\$9,986 per square foot during the property peak early this year. The new plan will be submitted to the Town Planning Board for approval next year.

[The Standard, 25/11/2008]

### Opposition to revised Nam Cheong scheme

The government announced that two out of 11 high-rise blocks would be deleted from an approved residential development scheme at the Nam Cheong West Rail station, whilst a reduction in density will also take place at Yuen Long West Rail station.

Residents living on a nearby public housing estate at Nam Cheong West Rail station urged development density in the neighbourhood should be lowered further to maintain good air flow.

Lawmaker and Sham Shui Po district councillor Frederick Fung Kin-kee said the government should explain the air flow change. The development scheme will go to the district council for consultation and then be submitted to the Town Planning Board early 2009.

[SCMP, 24/11/2008]

### Hospital plans high-rise block to meet demand

Tsuen Wan Adventist Hospital is planning to build a new 21-storey block to meet the growing demand for health care in the New Territories West. The private hospital's president said residents in the area objected to the plan because they feared their views would be affected and the new block would create traffic congestion and pollution.

The president said the expansion was necessary because their usage rate was more than 90 per cent. If the project goes ahead, it will provide 317 more beds, 11 operating rooms, and centres for treating heart disease and cancer.

[SCMP, 24/11/2008]

### Heritage gesture for former police quarters

The government rejected an application to change the zoning status of the former married police quarters site at Hollywood Road from residential to heritage use. A Town Planning Board spokeswoman said the application was rejected because final use of the site was still under public consultation until the end of 2009.

[SCMP, 22/11/2008]

### Small projects may damage countryside, greens warn

Town Planning Board members urged the government not to sacrifice the environment for short-term job opportunities. The Board and environmentalists have warned that unnecessary small projects could damage the natural landscape of the countryside. Town Planning Board member Ng Cho-nam said a bad example would be covering footpaths in the countryside with concrete, which creates a visual impact on the natural environment.

Under current regulations, projects with a budget of less than HK\$21 million do not require approval from the

Legislative Council; an environmental impact assessment is not required before starting this type of small infrastructural work.

[SCMP, 21/11/2008]

### West Rail projects cut to improve air flow

The government has decided to trim two controversial projects along the West Rail line to improve the city's air flow. However, a surveyor estimates that the reductions will result in a loss of more than HK\$2 billion in government revenue.

At Nam Cheong station, building heights will be lowered by six storeys and the podium level will be lowered by two levels. Two visual corridors will be kept, and as a result, wind speeds in a neighbouring residential development are expected to improve by 13 percent. However, Chinese University architecture professor Essy Baniassad said the fundamental planning problems of the Nam Cheong site would not be solved unless the design layout were improved.

In Yuen Long, building heights will be lowered by one to three storeys and the podium level will be lowered by one level. Despite the reductions, Yuen Long district councillor Siu Long-ming said the Sun Yuen Long Centre would still be dwarfed by seven towers. A government spokesman said the projects would be submitted to the Town Planning Board early next year.

[SCMP, 19/11/2008]

### Celebrating Graham Street before it changes

Conservationists have been battling the Urban Renewal Authority over its plans to redevelop the 160-year-old Graham Street open market in Central. The group has urged town planners to rezone the area as a market street to preserve its historic bazaar. A street festival featuring arts performances and cultural tours opened yesterday near the area of SoHo in Central, aimed at drumming up support for the preservation of the historic market and neighbourhood.

Convenor of the conservationist group, John Batten, said that although the Town Planning Board had made some changes to include a market area, even that had already been included in the Authority's redevelopment plans last year. He hoped that increased public pressure would ensure that the new buildings would not be high-rise.

[SCMP, 16/11/2008]

### Clean, green and friendly

The government said it would join landowners to develop three new towns in northeast New Territories to create low-carbon-producing communities.

Plans for the new towns will be people-oriented. Consideration would be given to recycling sewerage, and renewable energy and non-fossil-fuel-based transport would be considered. Also, social and recreational facilities will be provided for non-working mothers and young people. The new towns are expected to be built by 2019.

[SCMP, 13/12/2008]

### Man-made beach wins ACE approval--just

Government environmental advisers have endorsed a controversial plan for a man-made beach in Tolo Harbour's Lung Mei at a cost of HK\$130 million. The 10 members of the Advisory Council on the Environment were equally divided on whether to approve the plan, but it was approved after a casting vote by chairman Wong Yuk-shan.

The Civil Engineering and Development Department said Lung Mei had low ecological value. The argument was supported by officials from the Agricultural, Fisheries and Conservation Department. The government said the project would have minimal impact, but council member Ng Cho-nam found that claim unsatisfactory. The project now awaits a work permit from the Director of Environmental Protection and the Town Planning Board's approval.

[SCMP, 11/11/2008]

### Protesters want to curb high-rises

About 100 North Point and Braemar Hill residents staged a protest to urge authorities to lower height limits for new buildings. They feared that if more high-rises were built on the waterfront, it will adversely affect air circulation and aggravate the heat effect in the districts. Eastern District councillor Shiu Ka-fai said that the Town Planning Board had allowed blocks to be built on other waterfront plots in North Point up to 100 metres high, even though the government agreed to cap the height of buildings at the former North Point Estate site at 80 metres. Mr Shiu also said there was already a lot of traffic in North Point, so if more people moved in many residents feared congestion in the district would worsen.

[SCMP, 11/11/2008]

### Air-flow study to be urged for MTR Corp project in Tsuen Wan

The Town Planning Board is to write to the MTR Corporation urging it to conduct an air-ventilation study on a Tsuen Wan West development which might block the wind blowing into the Tsuen Wan Town centre from the sea. This was decided after the Board rejected Green Sense's application to reduce the size of the residential project on the grounds it had failed to prove the changes would improve air ventilation and that the Board had no power to revoke the previously given planning permission.

[SCMP, 25/10/2008]

## WEST KOWLOON CULTURAL DISTRICT (WKCD)

### Hong Kong West Kowloon Authority Board members named

Hong Kong's Chief Executive has appointed Chief Secretary Henry Tang as chairman of the Board of the West Kowloon Cultural District Authority, and named 18 Board members. Non-public officers appointed to the Board are: Yip Wing-sie; Ma Fung-kwok; Danny Yung; Yuko Hasegawa; Jenny So; Victor Lo; Lee Chack-fan; David Lung; Andrew Lam; Paul Chan; Ronald Arculli; Allan Zeman; Sin Chung-kai; Jeffrey Lam and Edmond Chung. Three public officer members are the Secretary for Home Affairs, Secretary for Development and Secretary for Financial Services & the Treasury.

The Chief Executive is confident that under Mr. Tang's leadership the Board will ensure that the planning and development of the WKCD is in harmony with its environment and can meet users' needs. "The West Kowloon Cultural District is a major initiative to promote arts and cultural development to enrich Hong Kong people's cultural life," he added. He expressed confidence that the Board members, with their collective expertise, experience and distinguished record of community service, will make this vital project a success.

[Hong Kong Government News, 23/10/2008]

### Arts facilities to be spread across cultural district

The 15 arts facilities planned for the WKCD are expected to be designed by architects from across the globe and will be spread around the 40-hectare site rather than being concentrated at its headland, said the chairman of the West Kowloon Cultural District Authority, Henry Tang Ying-yen.

Addressing the concerns of local planners and architects, the newly appointed chairman said he preferred an integrated approach to planning. "I don't think it would do justice to such a space if all the facilities were concentrated on the headland," Mr. Tang said. "The space would be dead."

Fears that this would happen were expressed in a letter to the Town Planning Board by more than 20 architects in April 2008. They urged the Board to cancel the three height restriction zones - 50, 70 and 100 metres - it had proposed for the cultural district.

As residential and hotel developments were specified at 70 metres and 100 metres high respectively, architects expressed concern that the arts and cultural facilities would end up at the tip of the site, where the building height was capped at 50 metres. They said height limits, said to be a constraint on creative design, should only be considered after development of a master plan.

Mr. Tang said the design of individual performing arts venues and museums would be subject to a competitive process, in which internationally renowned architects would contribute to the city's arts hub with iconic designs. He said visitors should be encouraged to enjoy the planned 23 hectares of open space. "I have no intention of planning a shopping mall," he said.

Mr. Tang said open space did not necessarily have to be on the ground, or even open-air. Small canopies or atriums covering open spaces would allow visitors to walk from one building to another, he said, expressing hope that the area would be architecturally exciting and attract people from around the world.

"Visitors are willing to spend two hours to commute to Bilbao," he said, referring to the revitalised Spanish city, which is home to the Guggenheim Bilbao Museum. "The West Kowloon Cultural District can do a better job," he said, adding that the site was unique because it offered panoramic views of Victoria Harbour.

Mr Tang said the arts hub would also speed up redevelopment of neighbouring districts like Yau Ma Tei and Tai Kok Tsui. "The arts hub could extend towards its neighbouring areas, which will be, in some ways, modernised," he said.

Urban Design Alliance member Vincent Ng Wing-shun said proposed height limits imposed unnecessary constraints and discouraged creative design. He urged the government to nurture local architects instead of using foreigners.

[SCMP, 27/10/2008]

### Public to choose from three options for WKCD

The public will choose from three options put forward by local and international experts for developing the West Kowloon arts hub, the project's board decided after its first meeting.

The development plan - involving 15 performance venues, museums, offices, and retail and dining facilities over the 40-hectare area - would be the top priority for the West Kowloon Cultural District Authority Board, said its chairman, Chief Secretary Henry Tang Ying-yen.

The Authority will invite proposals by open tender and

then launch a multi-stage public consultation exercise to consider three proposed options. The final blueprint will be one of these three, but it might also include some good features of the other two.

Designs for the arts venues, in particular the museum M+, the Xiqu Centre for Cantonese and other Chinese opera and a music chamber, which are all intended to be landmarks, will be selected from a process with competitive elements.

Architect Vincent Ng Wing-shun agreed that the public should be presented with options to choose from and that international experts should be engaged. But he said the Authority should give more chances to local architects to design more of the buildings that would not be landmark performance venues.

Critic Ada Wong Ying-kay agreed, saying local architects would better understand people's needs. The Authority would also need to think about whether there was a need to scale down development in view of the financial meltdown, she said.

Mr. Tang said the project, coming amid a global economic crisis, was timely and would provide jobs for the construction and arts industries. The Authority would maintain maximum transparency, he said, but it could not fully open meetings and release documents when sensitive commercial information was involved.

The Authority will launch a global recruitment exercise for the post of chief executive officer, but in the meantime it would recruit an executive director to serve during the transition period. The CEO is expected to have a good understanding of Hong Kong and be aware of the importance of culture to the city. The government will provide a lawyer, an executive officer, a planner, an engineer and an architect to assist the Authority before it recruits permanent staff in 2009.

[SCMP, 29/10/2008]

### Panel proposed to give public say on West Kowloon arts hub plan

Civic Party legislator Alan Leong Kah-kit has urged lawmakers to set up a subcommittee to ensure a bottom-up development approach is adopted by the West Kowloon Cultural District Authority.

Mr. Leong, who hopes to chair the new subcommittee, said it should have the same role under the newly elected legislature as its predecessor, to ensure promises made to the former subcommittee were honoured.

Mr. Leong was the chairman of the former subcommittee for planning the West Kowloon Cultural District Development, which was set up to monitor the government's plans for the arts hub.

The subcommittee had released three reports summarising the public and expert views on the design of the arts hub. It had also commissioned a review of the government's financial plan for the hub, in which it queried whether the HK\$21.6 billion budget would be enough to build the 15 performance venues, museums, offices, and retail and dining facilities planned for the 40-hectare area.

Mr. Leong said lobbying had been going on in the pro-government camp to get panel members to opt for a subcommittee formed under both panels instead of under the House Committee as in the past.

But Mr. Leong is against such a move. "Advice given by the subcommittee in the future could be sidelined for being a minority view if it no longer comes under the House Committee," he said.

If the subcommittee is formed under the two panels, only the 31 lawmakers who are members of the two panels

can join it; if set up under the House Committee, any lawmaker would be eligible to join.

The subcommittee should also ensure that the arts hub drives the development of the city's creative industry, which some say is the key to transforming its economic structure.

Lawmaker Lau Wong-fat, chairman of the development panel, said he would not insist on forming the subcommittee under the joint panel. He said lawmakers not on the two panels could attend the subcommittee meeting but would have no right to vote.

[SCMP, 14/11/2008]

### Hong Kong cultural district plan open to public

The West Kowloon Cultural District Authority Board has assured the preparation of the WKCD development plan will be transparent and community support for it sought. At the Board's second meeting, chairman Henry Tang said it was agreed that during the identification of the design and user requirements of the art and cultural facilities in stage one of the project, the target of the public engagement exercise should be enlarged to include members from different sectors and the general public, in addition to stakeholders of the arts and culture sector.

He said the cultural district is not composed of disjointed facilities and its planning should be people-oriented, emphasising the overall image and ambience of the whole district. "The WKCD will develop its uniqueness to give Hong Kong people and visitors from around the world a distinctive experience," he said.

Mr. Tang said the Authority will allow different sectors and the general public to participate in the discussions on the development proposal at different stages. It will then select one of the three proposals provided by the consultant and refine it in accordance with the public views collected before submitting it to the Town Planning Board. The Authority has begun the preparation of the development plan and an open tender exercise for appointing consultants. Both local and overseas companies may take part in the tender, which is expected to be concluded by the latter part of the first quarter of 2009.

[Global News Wire - Asia Africa Intelligence Wire, 04/12/2008]

### Keep focus of WKCD on activities, says noted architect

An architect who has created modern iconic buildings around the world says cultural activities and not buildings should be the priority for the WKCD.

Dutchman Rem Koolhaas, the 2000 winner of the Pritzker Architecture Prize - known as the profession's Nobel Prize - and a professor of architecture at Harvard University, said the project should "make culture more accessible, much more than a building".

In Hong Kong for Business of Design Week, Professor Koolhaas, who has visited the city more than 50 times in the past 14 years, said he was aware of developments for the city's biggest cultural project.

"It is an interesting moment," he said. "I am very much aware that the original planning of the project was changed because the people protested; this is the first time in Hong Kong [that people have] had such direct involvement with big design.

"After the incident, it is clear that some critical audiences are waiting. It is very clear that it cannot be independent of the city. It has to be extremely connected to the city." He expected the current economic gloom would bring some changes to the project.

"It is also interesting to note that because of the economic crisis, there is less pressure to develop everything immediately. My instinct is that it can be slower and more sensitive, maybe also more experimental."

Professor Koolhaas has designed iconic major projects such as the China Central Television Headquarters in Beijing and Seattle's Central Library. However, he considers that the public has had limited expectations about the shape of buildings over the past 15 years. Instead of having an iconic building as the focus for the Hong Kong cultural project, he suggested that the district should be "parallel to the coastline". He was also concerned about the relationship between the district and the surrounding area.

"West Kowloon is going to be a station for trains to the mainland," he said. "[The district] has to be featured as an end point; the point of contact of China and Hong Kong." Professor Koolhaas also said prices for events in the WKCD should be kept at a level that was accessible to most people.

"[Hong Kong government officials] have asked me for advice. I think the entire issue of the building is not the priority. The priority is to find a settled and attractive combination of activities." He said his favourite buildings in Hong Kong were those that were being pulled down on a regular basis.

[SCMP, 16/12/2008]

## HONG KONG BRIEFING

### Hong Kong to upgrade living environment through sustainable development

Hong Kong's Chief Executive Donald Tsang said the government will press ahead with sustainable development policies, in order to upgrade the quality of the living environment for residents in this "modern world city".

When delivering the 2008-09 Policy Address at the Legislative Council on 15 October 2008, Mr. Tsang said the local government achieved substantial progress in striking a balance between economic development and environmental conservation last year.

In August 2008, with the support of the Central Government, the HKSAR government also secured a continuous and stable supply of clean fuel from the Chinese mainland, which in turn will help improve the air quality in Hong Kong. Mr. Tsang said a consensus had been reached with Guangdong to jointly transform the Pearl River Delta Region into a green and quality living area under the principle of promoting environmental protection and sustainable development.

He said Hong Kong and Guangdong would jointly work to achieve this objective in areas such as: post-2010 emissions reductions; optimisation of fuel mix for power generation; wider use of renewable energy; vehicle emission reductions; enhanced conservation; and greening and scientific research.

Mr. Tsang unveiled several measures that would help reduce greenhouse gas emissions, improve air quality and encourage recycling. The measures include: adopting new air quality targets in stages; promoting the use of clean fuels such as gas for power generation; legislating for mandatory compliance with building energy codes; extending the Mandatory Energy Efficiency Labeling Scheme; and introduction of an environmental levy on plastic shopping bags at selected retail outlets in 2009.

He proposed reserving HK\$150 million under the Environment and Conservation Fund to partially subsidise building owners to conduct comprehensive energy and carbon audits, and reserving another HK\$300 million to offer building owners partial subsidies for energy efficiency projects.

The Chief Executive said that the Development Bureau would coordinate the work of different departments to ensure the effective implementation of plans to beautify areas along the Victoria harbor waterfront.

The 2008-09 Policy Address, entitled "Embracing New Challenges", was Mr. Tsang's second annual policy address since he won a second term as HKSAR Chief Executive in March 2007.

[Xinhua Economic News Service, 15/10/2008]

### Red tape obscures wood from the trees

Hong Kong needs a comprehensive strategy to protect urban trees, according to legislators, academics and green groups. "We currently have around 10 different departments to look after trees," Civic Party lawmaker Tanya Chan Suk-chong said, calling for a dedicated department to coordinate work and preserve more than 10,000 urban trees. Ms. Chan said it was getting more difficult to protect trees because of climate change, adding that the public has a role to play in reporting problems with trees.

According to "tree professor", Jim Chi-yung of Hong Kong University, the biggest threat to trees is human disturbance. Speaking under the shade of wall trees in Shing Wong Street, Sheung Wan, he said many of those trees are as old as Hong Kong, and many are subjected to trauma from overzealous pruning, cleaning or ground works. With him were members of the Central and Western District Council and representatives from the Conservancy Association and Towngas.

Despite their precarious postures, the wall trees and slope trees are safe, Jim said. With wall trees a unique part of the cityscape, Jim wants the government to avoid its usual concrete drape technique when repairing slopes, for better preservation of wall trees.

According to Jim's tree survey, the city still has 400 stone walls with trees out of a total of 1,200 "wall trees". To better protect trees at street level, while saving billions in expenses, Jim is also resurrecting his call for the city to construct underground utility conduits. He believes it is time to lay down subterranean infrastructure, beginning with the West Kowloon Cultural District, the Kai Tak development and the Mass Transit Railway extensions.

[The Standard, 03/11/2008]

### Businesses urged to go green

During the 4th Asia Economic Summit held in Hong Kong, participants said Asia's sustainable future lies in "going green". Environmentalists have long warned that the threat of global warming and climate change is becoming more real every day. Now, business leaders said it is high time the corporate world takes responsibility.

HSBC, which has installed new energy-efficient air conditioners in its headquarters, became the world's first major bank to commit to becoming carbon neutral. Business leaders said other corporations should follow suit by getting into the "green building" movement.

Mark Clifford, executive director, Asia Business Council, said: "Green buildings do not mean sweating in the summer and freezing in the winter. They mean buildings that are designed well, that use good technology, good glass, good cooling systems and natural lighting."

The Asia Business Council, which is an independent association of CEOs from leading Asian companies, said Asia is trailing its western counterparts in taking environmentally friendly initiatives.

It said Hong Kong, in particular, is lagging behind, especially in green buildings. According to the Asia Business Council, an 18-storey skyscraper in Hong Kong

or Singapore uses the same amount of energy as 900 cars.

The Council said green buildings can reduce carbon dioxide emissions by 1.8 billion tonnes per year. And even though construction of green buildings may cost up to 30 per cent more upfront, they said the investment will be repaid over the life of the building through energy savings. The Asia Business Council also believes that the future focus of building energy efficiency will be in Asia, particularly in China and India.

[Channel News Asia, 09/12/2008]

### HK\$12.8 million boost for cross-border technical research

Cross-boundary technology collaboration has received a HK\$12.8 million boost for four applied research and development projects. Jointly funded by the Hong Kong and Guangdong governments under the Guangdong-Hong Kong Technology Cooperation Funding Scheme, the projects are for research into radio frequency identification applications and energy-saving and environmental technologies.

According to an Innovation and Technology Commission spokesman, 11 applications seeking joint funding were received at the close of the application process on 15 October 2008. The spokesman said approximately 660 research and development projects have already been launched in the past four years, costing HK\$1.6 billion.

These technology areas are relevant to the needs of industries in the greater Pearl River Delta region, he said. Projects eligible for funding include those dealing with logistics and supply chain management, automotive parts, textiles, nanotechnology for energy conservation, health care, electrical appliances applications, security, aircraft parts, precision manufacturing, high-performance silicon driver intellectual properties for display panels and the modernisation of Chinese medicine.

[The Standard, 17/12/2008]

### New environmental research study findings by Hong Kong Polytechnic University

"There is an increasing complexity and interplay between all the issues associated with property portfolio decisions. This paper explores the relationships between financial, environmental and social parameters associated with building adaptive reuse," said scientists from the Hong Kong Polytechnic University in announcing results of a recently completed research project.

"An adaptive reuse potential (ARP) model is developed and discussed in the context of its application to the Hong Kong market. The model can assist in the transformation of the traditional decision-making processes of property stakeholders towards more sustainable practices, strategies and outcomes, by providing a means by which the industry can identify and rank existing buildings that have high potential for adaptive reuse. This in turn enhances Hong Kong's ability for sustainable, responsive energy and natural resource management by allowing issues regarding excessive and inappropriate resource use to be identified and assessed, and enabling appropriate management strategies to be implemented," according to one of the researchers, C. Langston of Hong Kong Polytechnic University.

The researchers concluded that the ARP model provides an important step in making better use of existing facilities and the residual life embedded in them.

Langston and colleagues published their study in the international journal of building science Building and Environment entitled "Strategic assessment of building adaptive reuse opportunities in Hong Kong" (Building and Environment, 2008: 43(10):1709-1718).

[Asian Business Newsweekly, 23/12/2008]

## ADVISORY COUNCIL ON THE ENVIRONMENT (ACE)

### MTR Corporation New Railway Projects (ACE Paper 1/2009)

#### Purpose

The paper briefs Members on the strategic planning of forthcoming railway projects, focusing on their environmental aspects. The paper was discussed at the 158th ACE Meeting on 9 January 2009.

#### Background

The MTR Corporation has embarked on the planning and design of several new railway projects, which will be constructed during the next few years. The projects include:-

- Express Rail Link;
- Shatin to Central Link;
- South Island Line (East); and
- Kwun Tong Line Extension.

#### Express Rail Link

The Hong Kong section of Express Rail Link will be a 26-km long underground rail line. The Link will run from a terminus in West Kowloon to the boundary at Huanggang. The Link will connect with the Express Rail Link Mainland section at Huanggang. There will be stabling sidings and an emergency rescue station at Shek Kong. Construction will commence in late 2009 and is expected to be completed in 2015.

Damage to the ecology in the northern section of the Express Rail Link, and noise from the Shek Kong Stabling Sidings and the emergency rescue station are major environmental concerns with the project.

#### Shatin to Central Link

The proposed Shatin to Central Link is comprised of two sections, namely:-

- Tai Wai to Hung Hom section – an 11-km extension of the Ma On Shan Line from Tai Wai Station to connect with the West Rail Line at Hung Hom Station. The section forms the east-west rail corridor; and
- Cross Harbour Section – a 6-km extension across the harbour from Hung Hom Station via East Rail Line to Admiralty. The section forms the north-south corridor.

Most of the Shatin to Central Link will be underground except for a section at Hin Keng. Construction of the section from Tai Wai to Hung Hom is expected to commence in 2010 and be completed in 2015; the section from Hung Hom to Admiralty is expected to be completed in 2019.

Major environmental concerns include: adverse impacts on cultural heritage at Tai Hom Village and Longjin Bridge at Kai Tak; degradation of Victoria Harbour's water quality; and ground-conducted noise at some sensitive performing venues during construction.

#### South Island Line (East)

The 7-km South Island Line (East) will run from South Horizons-- via Lei Tung, Wong Chuk Hang and Ocean Park-- to Admiralty. Construction is expected to commence in 2011, for completion in 2015.

Adverse impacts to the ecology of Nam Fung area and Wong Chuk Hang nullah and water quality of the Aberdeen Channel are major environmental concerns

with the project.

#### *Kwun Tong Line Extension*

The Kwun Tong Line Extension will extend from Yau Ma Tei Station, on the existing Kwun Tong Line, via Ho Man Tin station interconnecting with the Shatin to Central Line to Whampoa. Construction of the 3-km extension is expected to commence in 2011 and be completed in 2015.

Probable land contamination in Hung Hom is the major environmental concern on the project.

### **Details of Implementation of Environmental Levy Scheme for Plastic Shopping Bags under the Proposed Product Eco-responsibility (Plastic Shopping Bags) Regulation (ACE Paper 31/2008)**

#### *Purpose*

Implementation details of the environmental levy scheme for plastic shopping bags will be set out in a proposed *Product Eco-responsibility (Plastic Shopping Bags) Regulation* to be made by the Secretary for the Environment under section 29(1) of the *Product Eco-responsibility Ordinance* (Cap. 603) after consultation with the Advisory Council on the Environment. For this purpose, the paper seeks Members' views on the implementation details.

#### *Background*

The *Product Eco-responsibility Ordinance* was enacted by the Legislative Council in July 2008. The Ordinance lays down a framework and legal basis for implementing producer-responsibility schemes in Hong Kong.

The plastic bags environmental levy scheme is the first measure to be implemented under the Ordinance. The objective is to reduce the indiscriminate use of plastic shopping bags.

Key regulatory measures of the scheme are set out in Part 3 of the Ordinance. These measures include:-

- (a) registration of "prescribed retailers" who would like to provide plastic shopping bags to customers (section 19);
- (b) the obligation to charge a customer an amount of not less than the environmental levy for each plastic shopping bag (section 23);
- (c) submission of regular material information returns and payment of applicable environmental levies (section 24); and
- (d) obligation for specified categories of persons to keep relevant records and documents (section 25).

#### *Implementation Details*

##### *Consultation with the retail trade*

The government's aim was to devise an environmental levy scheme that is workable and easy to comply with, while preserving the integrity of the regulatory regime.

Details of the implementation of the environmental levy scheme were worked out in close consultation with the retail trade. In particular, the Administration has undertaken a series of meetings with the Business Facilitation Advisory Committee and its Retail Task Force and the Hong Kong Retail Management Association, as well as major retailers to be affected by the environmental levy scheme. The Administration has also conducted site visits to six warehouses and ten retail outlets of the affected retailers to better understand the actual operation on the ground.

As far as practicable, the views of the retail trade have been incorporated in the implementation rules. A balance needs to be struck between minimising any adverse impact on the retail trade and ensuring effective administration of the environmental levy scheme.

#### *Registration of retailers*

A retailer who desires to provide plastic shopping bags to customers is required to apply to the Director of Environmental Protection for registration as a registered retailer in respect of its qualified retail outlet. No plastic shopping bag is allowed to be provided unless an outlet is a registered retail outlet.

The Advisory Council on the Environment concurred with the view of the retail trade that the applications for registration should be processed expeditiously and the information required for registration should be minimised as far as practicable.

For this purpose, the Council proposed that a prescribed retailer should submit an application for registration in a specified form, providing certain essential information, which would include: the names and addresses of a prescribed retailer and its qualified retail outlets; the usual essential information of the contact persons; and provision of copies of the business/branch registration certificates, where available.

ACE proposed processing of applications for registration of new outlets under a registered retailer within ten working days, instead of 21 working days as originally proposed. The licensing authority should also be prepared to accommodate individual requests for urgent processing on a case-by-case basis. Festive seasons, when additional retail outlets are to be opened quickly due to consumer needs, is an example where such urgent processing is likely to be needed.

Depending on operational experience, the Council will continue to review the scheme's implementation, and will further consider recommending a reduction in the processing time for applications for registration after implementation of the scheme as far as possible.

The Council observed from the site visits to retail outlets of the affected retailers that there could be business arrangements within such retail outlets which are operated by third parties (e.g. sub-tenancies and consignment-counters managed by staff members engaged by the sub-tenants or consignors). The registered retailer should *not* be held liable for plastic shopping bags distributed by those third party operators who do not form part of the retail business carried on at the host retail outlet.

However, the Council considered that a third party operator should not be regarded as part of the retail outlet of a registered retailer if: (i) the operator operates under a separate business registration at the location in question; (ii) the operation occupies a clearly defined area (e.g. a physical sales counter); (iii) the brand name of that third party is conspicuously displayed within that area; (iv) the operation is managed by an employee of that third party; and (v) that third party operator provides its own plastic shopping bags that bear its own brand name or logo.

For this purpose, a retailer is required to submit a floor plan with its application for registration. A registered retailer also has a duty to notify the Director of Environmental Protection of any subsequent changes to the floor plan. The third party would need to separately comply with the relevant requirements under the Ordinance if it operates as a prescribed retailer.

#### *Exemption of certain areas within a Registered Retail Outlet*

Under the Ordinance, a registered retailer is allowed to apply to the Director of Environmental Protection for an exemption of part of the area of a registered retail outlet.

The reason for such exemption is to maintain a level-playing field among retailers as far as practicable.

As the first phase of the environment levy scheme will cover only chain or large supermarkets, convenience stores and personal health and beauty stores, some members of the retail trade consider that a department store which happens to have a supermarket within its retail area should not be covered in whole under the scheme.

After site visits to the retail outlets, the Council considered that separation of retail floor area for the purpose of an exemption might not be feasible without adjustments to the operations of such retailers. In this light, the Council proposed to exempt cashier counters in a registered retail outlet where none of the three categories of goods specified in Schedule 4 to the Ordinance can be checked-out.

Appropriate signs to differentiate cashier counters could be arranged by the retailers for better compliance with the environmental levy scheme.

#### *Submission of returns and payment of levies*

For each plastic shopping bag provided to a customer, a registered retailer is required to charge a customer an amount of not less than the levy (i.e. 50 cents). A registered retailer is also required to submit periodic returns and payment to the Director of Environmental Protection.

The Council observed on site visits that physical stock-taking of plastic shopping bags poses practical difficulties.

The Council proposed that returns should be made on a quarterly basis and should contain the following information with respect to each registered retail outlet:-

- (a) the number of plastic shopping bags delivered to the registered retail outlet;
- (b) the number of plastic shopping bags provided to customers from the registered retail outlet; and
- (c) the total amount of environmental levies payable for the plastic shopping bags referred to in paragraph (b).

In order to allow sufficient time for a registered retailer to prepare the quarterly return, the Council proposed that the return should be made within 30 days after the last day of each quarter, instead of 21 days as originally proposed. The total amount of environmental levies payable, as stated in the quarterly return, should also be paid to the Government together with the quarterly return.

#### *Record keeping*

A registered retailer is required to keep records and documents relating to each return submitted for not less than five years. The Council proposed that invoices, receipts or documents relating to the procurement, delivery and distribution of plastic shopping bags and the charging of the environmental levy should be kept.

#### *Administrative costs*

Currently, the reimbursement of administrative costs of registered retailers has not been provided for in the Ordinance. The Council will review the possibility of such reimbursement in due course when it is able to assess the increase in a retailer's administrative costs against his possible cost-savings through the reduced consumption of plastic shopping bags.

#### *Community involvement*

Public consultation suggests that the majority of the public support the implementation of an environmental levy on plastic shopping bags. The imposition of the environmental levy at prescribed retailers is to deter the



indiscriminate use of plastic shopping bags, as there are other alternative bags the use of which is significantly less damaging to the environment.

As part of the overall publicity and education programmes on waste reduction, the Environment and Conservation Fund will continue to support project proposals from District Councils, green groups and other community groups to reduce the indiscriminate use of plastic shopping bags.

#### *Consultation with the Legislative Panel on Environmental Affairs*

The Council consulted the Legislative Council Panel on Environmental Affairs on the proposed implementation details of the environmental levy scheme on 24 November 2008.

#### *Way forward*

ACE proposed to submit its recommendations concerning the proposed *Product Eco-responsibility (Plastic Shopping Bags) Regulation* to the Legislative Council by the end of 2008 for approval. The Regulation would prescribe the implementation details of the environmental levy scheme in accordance with the relevant proposals set out in this paper.

Subject to approval of the Regulation by the Legislative Council, there will be a three-month registration period before the launch of the environmental levy scheme in order to allow time for affected retailers to make the necessary preparations.

The Council noted that there have recently been voices in the community demanding a postponement of implementation of the scheme in the light of the economic downturn so as to avoid imposing additional financial burdens on the public. However, environmental protection and financial prudence could, and should, be complementary. Indeed, members of the public can easily avoid paying for plastic shopping bags by bringing their own bags when they shop.

The Council said that it will continue to work towards implementing the environmental levy scheme for plastic shopping bags in 2009, as the government committed to do in the Chief Executive's 2008-09 Policy Address.

## REGIONAL & INTERNATIONAL

### THE U.S.A

#### **Americans insulate homes to reduce energy consumption**

Americans turned their thoughts to winter heating bills when oil prices climbed to a record high in 2008. Now, with the United States' economy in tatters, many home owners figure they still cannot afford to let money escape through the cracks in their homes, even though oil has fallen to below US\$50 a barrel.

Across northern US, contractors and non-profit groups report that such "weatherization" efforts continue apace, as Americans prepare for a frigid winter; there had been no drop in interest, despite the slide in energy prices.

Home Depot reports that the lagging economy has given consumers a zeal for energy-efficient products. Consumers were still interested in saving the earth, but they now increasingly wanted to save money too. Home Depot said sales of energy-efficient products, including insulation, rose 400 per cent in northern states in August, and were expected to continue to do well during the winter. Another home improvement warehouse also reported similar trends.

According to the US Department of Energy, first-year savings from weatherization average US\$413 per family and every US\$1 invested results in US\$2.72 in total benefits. The average US household will spend about US\$1,000 a year on heating their homes this winter. Those using natural gas will pay about US\$889 and those using heating oil about US\$1,694.

[SCMP, 02/12/2008]

#### **Harvard and IBM to use PCs for solar study**

Scientists at Harvard University and International Business Machines Corp are hoping to harness the power of a million idle personal computers to develop a new, cheaper form of solar power that could revolutionize the green-energy movement.

Researchers have launched the project using IBM's World Community Grid, which taps into volunteers' personal computers across the globe to run calculations on a myriad of compounds – potentially shortening to 2 years a project that otherwise could take 22 years.

Harvard scientists are hoping the project will allow it to discover a combination of organic materials that can be used to manufacture plastic solar cells that are cheaper and more flexible than the silicon-based ones typically used to turn sunlight into electricity.

The technology could be used to coat windows, make backpacks or line blankets capable of producing electricity from the sun's rays. In fact, technology to make the plastic cells already exists, but they are not yet efficient enough to be rolled out in commercial products. The most efficient silicon-based photovoltaic solar cells convert about 20 per cent of the sunlight that strikes them into electricity. For now, the organic cells can turn only about 5 per cent of the sunlight into power – half the level needed to make the low-cost cells a viable energy source. The researchers plan to publish results of the work once they have discovered a possible effective combination of compounds.

IBM developed its World Community Grid to advance research of humanitarian projects, such as fighting cancer, dengue fever and Aids. The grid connects personal computers in home or offices via the internet with programmes on each machine to run calculations that feed back to the database.

[SCMP, 09/12/2008]

#### **Obama ready to roll back on Bush**

Aides said US president-elect Barack Obama is ready to reverse the current Administration's approaches on stem cell work and oil drilling.

Obama's transition chief said the new president could wipe away some hallmarks of the Bush Administrations, including a ban on embryonic stem cell research and opening new lands to oil drilling.

On embryonic stem cell research, Bush has put strict limits on work in the area because he views the science as destruction of human life. Whilst in the field of energy-production, Bush has authorized oil and gas drilling in ecologically sensitive parts of the western state of Utah.

[The Standard, 11/11/2008]

#### **Ambitious renewable energy plan**

US President-elect Barack Obama's calls for an ambitious renewable energy plan. The goal to double alternative energy production in three years will effectively maintain the high-flying industry's recent growth rates rather than targeting sharper increases, reflecting the harsh new reality facing green power.

Obama asked Congress to act without delay to pass legislation that included doubling alternative energy production in the next three years and building a new electricity smart grid.

Wind and solar companies, which have seen investment in new project grind to a virtual halt in recent weeks, welcomed Obama's initiative, saying it is a major step forward for the United States.

US wind and solar trade groups welcomed the news and said that a policy of maintaining recent growth rates was aggressive, considering the current economic environment.

According to the U.S. Sola Energy Industries Association, both solar and wind generation increased capacity by over 40 per cent in the United States in 2007. Without the help from federal government to restart investment, the wind industry could see new projects drop as much as 50 per cent next year from 2008 levels.

[The Standard, 12/01/2009]

### CHINA

#### **Pollution delays huge water scheme**

According to official media, China has postponed completing a huge water-transfer project to quench Beijing's thirst, citing stubborn pollution worries for pushing the target date four years later to 2014.

The South-North Water Diversion Project will channel water from the Yangtze River and its tributaries to ease water shortages across the north, where population growth and industrialization have drained dams and underground reserves.

The main "central route", stretching 1,267km from the Danjiangkou Dam in central Hebei province to Beijing, was originally due to be finished in 2010. This has now been changed. Hubei officials announced that pollution and ecological strains in the rivers feeding the dam would make that impossible. To prevent ecological and environmental risks to the South-North Water Diversion Project, completion of the central route will be delayed for four years.

This also means that Beijing residents will have to wait for another six years before they can drink high-quality water from the Danjiangkou Dam.

[SCMP, 07/12/2008]

#### **Pandas face starvation**

According to the state media, giant pandas living in quake ravaged Sichuan province face the risk of starvation this winter due to severe food shortages. One panda has died, despite efforts by the Wolong Panda Breeding Centre. Pandas are facing an extremely difficult winter as the earthquake destroyed much of their habitat and ruined most bamboo at low altitudes.

[SCMP, 12/12/2008]

#### **"Clean-coal" project**

China could become a leader in more environmentally friendly use of coal, as it is the only country currently committing large sums to develop a clean-coal pilot plant.

In a major step towards combating carbon emissions, China's first carbon capture project, which has been built in China Huaneng Group's power plant in Beijing using technology from Australia's Commonwealth Scientific and Industrial Research Organization, came on stream in July 2008. It can capture between 3,000 tonnes and 5,000 tonnes of carbon dioxide emitted by the 845-megawatt

power plant every year. However, that is only a small portion of the plant's carbon dioxide emissions and China Huaneng's GreenGen subsidiary is seeking approval to build a 250 MW plant, to be expanded to 1,450 MW later, together with facilities to capture over 90 per cent of the new plant's carbon emissions.

Unlike the Beijing project, which captures carbon dioxide after coal is burnt, the GreenGen Project proposed for Tianjin will capture greenhouse gas before combustion, as carbon dioxide will be removed after coal is gasified.

The captured gas would likely be injected into oil and gas fields in nearby Bohai Bay to increase production yields. Approval of the US\$1 billion project was expected soon and it will be completed by early 2011.

[SCMP, 15/12/2008]

### Smog chokes Beijing despite traffic caps

Beijing saw some of its worst air pollution in the past six months yesterday, with its skyline engulfed in a blanket of smog. This followed a brief respite during the Olympic Games, when prolonged traffic bans were put in place to clear the air.

The air pollution index, which measures air quality from noon to noon, reached 169; it was "slightly polluted" by national standards. Statistics from the Beijing municipal environmental protection bureau showed 27 out of 28 monitoring stations across the capital recorded figures designated as "slightly polluted" or "polluted".

It was the third highest pollution level recorded since the Beijing Olympics, and came just days after the authorities declared Beijing had deached a self-imposed target of clear-sky days for this year, thanks to the capital's all-out effort to cut pollution ahead of the Games.

The capital cleared its smog-plagued air just in time for the Olympics, principally by implementing a number of temporary measures, such as pulling half the city's 3.3 million cars off the road, halting construction and closing factories. But the measures have not worked on a longer-term basis.

According to an environmental expert at Peking University, the existing measures did little to reduce emissions of airborne particles and sulfur dioxide from tens of thousands of coal-fired boilers, the main source of pollution in winter. The stagnant weather conditions, meaning little wind or rainfall, had also worked against the anti-pollution efforts.

[SCMP, 09/12/2008]

### Mainland's first inland nuclear plant

Hubei province is to build the mainland's first inland nuclear plant. People living near the site in Xianning have been relocated and roads for the project have been constructed.

The cost of the first two phases of the project is estimated at 50 billion yuan. The third phase could cost 45 billion yuan. Construction will start once the environmental assessment report is approved.

[SCMP, 08/12/2008]

### Railway expansion in Shanxi

According to the government, the mainland will spend more than 150 billion yuan on new railways in coal-rich Shanxi province over the next six years.

Shanxi, which accounts for a third of China's coal output, is expected to have 5,300 km of railways by 2015, up from 3,300 km at present. Construction of at least three new rail lines will start in the first half of 2009.

[SCMP, 08/12/2008]

### Anti-pollution drive pays off for Xiamen

The Environment Ministry has backed a petrochemical plant that drew fierce opposition over pollution fears in Xiamen, Fujian, approving its construction 50 kilometres west of Zhangzhou.

Plans to build the paraxylene plant faltered in 2007 after residents spread protest messages on the internet, as they were afraid of the toxins from petrochemicals used in polyester and fabrics. The protests prompted officials in Beijing to blame the local government for disregarding environmental-impact assessment steps.

[The Standard, 14/01/2009]

## AUSTRALIA

### Japan's whalers in line of fire

Australia has unveiled an A\$4 million (about HK\$20.2 million) scientific research programme on the eve of the whaling season in the Southern Ocean aimed at persuading Japanese that it is not necessary to kill whales in order to study them. Each year, Japanese whalers kill hundreds of the animals, purportedly for "research".

According to the Australian government, modern-day research uses genetic and molecular techniques as well as satellite tags, acoustic methods and aerial surveys, rather than grenade-tipped harpoons. While Japan kills hundreds of whales a year in the name of research, the whale meat ends up on Japan's dinner tables.

Funding for the Australian programme, part of an A\$6.15 million package of measures, will be used for research and scientific partnerships with other nations, including Japan.

[The Standard, 18/11/2008]

## INTERNATIONAL

### Species added to endangered list

Twenty-one animal species, including the cheetah, three dolphin families and an Egyptian vulture, have been added to the list of those in danger of extinction.

2009 has been proclaimed the "year of the gorilla" to highlight the threat to the survival of the species. The announcements were made at a conference of the Convention on the Conservation of Migratory Species of Wild Animals.

[SCMP, 07/12/2008]

### World's tallest building

With the world's tallest building nearing completion, a Dubai developer says it is embarking on an even more ambitious skyscraper, one that will soar more than a kilometre.

The company says the 1,000-metre tower is inspired by Islamic design and draws from sites such as the Alhambra in Spain and the harbour of Alexandria in Egypt. The tower and surrounding development will cost US\$38.1 billion (about HK\$295.9 billion) and will be located in the southern end of Dubai.

The area is located between two of the city's artificial palm-shaped islands, which were also built by the same company. The project will include an artificial inland harbour and 40 additional towers up to 90 floors high.

[The Standard, 09/10/2008]

### Air-raising carbon cost of Google search

Experts estimate that two Google web searches produce about the same amount of carbon dioxide as boiling a kettle. A typical search through the online giant's website is thought to generate about seven grams of carbon dioxide; boiling a kettle produces about 15 grams.

A Harvard University professor believes Google's unique structure -- searches sent to multiple servers around the world-- causes its searches to produce more emissions than some other sites.

According to a US research firm, information technology now causes about two percent of global carbon dioxide emissions and its carbon footprint exceeded that of the world's aviation industry for the first time in 2007.

[The Standard, 16/01/2009]

### Biologists debate the scale of extinction in the world's tropical forests

Some have claimed that the world is unlikely to lose 100 animal species a day or half of all species in the lifetime of people who are now alive. The bad news, however, is that the lucky survivors are tiny tropical insects that few people care about. The species that are being lost rapidly are the large vertebrates that conservationists were worried about in the first place.

Some scientists have suggested that because population growth is slowing in many tropical countries and people are moving to cities, the pressure to cut down primary rainforest is falling and agriculturally marginal land is being abandoned, which allows trees to regrow.

Dr. Wright and Dr. Muller-Landau, two scientists, estimate that in 2030 reasonably unbroken tropical forest will still cover more than a third of its natural range. After that date its area, at least in Latin American, could increase. Much of this woodland will be secondary forest, but even so they suggest that, only 16% to 35% of tropical-forest species in Africa will become extinct by 2030, and 21% to 24% in Asia will become extinct.

There are, however, criticisms of such analysis. The first criticism is whether the raw data about forest cover are a good indicator of biodiversity, at least for big animals. The second criticism is whether the two scientists' interpretation of the link between a country's population and its rate of deforestation is correct.

[The Economist, 15/01/2009]

### EU denounces socialite's carbon offset project

A pioneering climate change project in Africa, run by a socialite, has been accused by the European Commission, its main donor, of making unsubstantiated claims about its environmental impact.

The project attempts to offset an individual's carbon footprint by paying poor farmers in Mozambique to plant trees for absorbing carbon dioxide. The project has received more than £1 million in public grants and money from celebrities in the music and film business.

The Commission's criticism comes amid increased concern about the worth of these fashionable but largely unregulated carbon offset schemes. Critics say it is almost impossible to guarantee that the trees will survive the length of time needed to offset any significant carbon emissions.

[The Sunday Times, 04/01/2009]

This Quarterly Report does not constitute legal advice given on any particular matter. Whilst all effort has been made to ensure completeness and accuracy at the time of publication, no responsibility is accepted for errors and omissions. Further information and enquiries in respect of this quarterly should be directed to Fred Kan & Co.

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## Convictions under environmental legislation: November to December 2008

[Note: the EPD no longer classifies second (and subsequent) offences.]

The EPD's summary of convictions recorded and fines imposed during the above period is as follows:

### November 2008

Twenty-nine convictions were recorded in November for breaches of anti-pollution legislation enforced by the Environmental Protection Department.

Eleven of the convictions were under the Air Pollution Control Ordinance, 10 under the Waste Disposal Ordinance, 7 under the Noise Control Ordinance and 1 under the Water Pollution Control Ordinance.

The heaviest fine in November was \$25,000, assessed against a construction company that used powered mechanical equipment without valid construction noise permit.

### December 2008

Fifty convictions were recorded in December for breaches of anti-pollution legislation enforced by the Environmental Protection Department.

Twenty-five of the convictions were under the Waste Disposal Ordinance, 21 under the Air Pollution Control Ordinance, 4 under the Water Pollution Control Ordinance.

The heaviest fine in December was \$40,000, assessed against a building construction company that carrying out notifiable work not in accordance with the Schedule of the Air Pollution Control (Construction Dust) Regulation.

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