Convictions under environmental legislation: July - September 2005

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

The EPD's summary of convictions recorded and fines imposed during the period July to September 2005 is as follows:

July 2005

Seventeen convictions were recorded.

Seven of the convictions were under the Air Pollution Control Ordinance, four under the Noise Control Ordinance, four under the Waste Disposal Ordinance and two under the Water Pollution Control Ordinance.

The heaviest fine in July was \$18,000, assessed against a company which used powered mechanical equipment not in accordance with permit conditions, contrary to the Noise Control Ordinance. The lowest fine was \$800 for disposing of waste without a licence.

August 2005

Twenty-five convictions were recorded.

Twelve of the convictions were under the Noise Control Ordinance, 10 under the Air Pollution Control Ordinance, two under the Water Pollution Control Ordinance, and one under the Waste Disposal Ordinance.

The heaviest fine in August was \$40,000, assessed against a person for contravening the provisions of a licence, contrary to the Water Pollution Control Ordinance. The lowest fine was \$2,000 for failing to comply with the requirements of an asbestos abatement notice under the Air Pollution Control Ordinance.

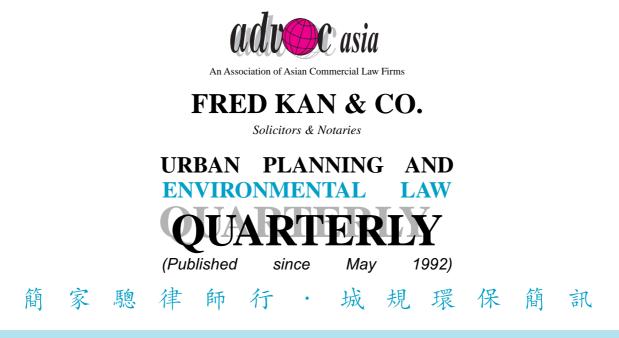
September 2005

Twenty convictions were recorded.

Five of the convictions were under the Air Pollution Control Ordinance, five under the Noise Control Ordinance, five under the Waste Disposal Ordinance, four under the Water Pollution Control Ordinance and one under the Dumping at Sea Ordinance.

The heaviest fine in September was \$50,000, assessed against a company for contravening the provisions of a licence issued under the Water Pollution Control Ordinance. The lowest fine was \$2,000 for failing to display a warning panel as required under the Waste Disposal Ordinance.

Fred Kan & Co. Solicitors Suite 3104-07 Central Plaza 18 Harbour Road Wanchai, Hong Kong Printed Matter



In February 2002 the Hong Kong government announced the winning design from more than 160 entries in an international competition held to produce a master design as underlying basis for creating the West Kowloon Cultural District. More then 3 years later, criticism of the chosen design continues apace. In this edition we review this bold project's troubled beginnings.

The Editors

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A CANOPY OF TROUBLE FOR THE GOVERNMENT IN THE WEST KOWLOON CULTURAL CENTRE

Design selection

The germ of the idea to create the West Kowloon Cultural Centre (WKCD) was sown in the last century. Government, civic and business leaders and, especially, people involved in Hong Kong's arts and cultural activities, saw the need for a land-mark cultural and leisure centre, to augment Hong Kong's disparate array of arts theatres, cultural and other leisure facilities.

In 2001 the government set aside 40 hectares of precious reclaimed land at the western entrance to Victoria Harbour (an area which presumably could never be reclaimed now, in the light of changed public attitudes and law concerning reclamation) for a cultural, arts and leisure hub, to be the WKCD.

Few have criticised the choice of the site for an extensive cultural hub. There is no doubt that the size, position and prominence of the site make it most suitable for such an important community facility as a cultural and arts hub. Nevertheless, dissenting voices have been raised at times, protesting that a significant portion of such a

valuable site should be sold to private developers so as to generate funds for establishing and operating what would be a reduced level of public amenities within the WKCD.

In the April 2005 edition of the Quarterly (*West Kowloon Cultural District: Hong Kong's Proposed Icon for Culture and Leisure*) we summarised events following allocation of the site for the WKCD to the eventual selection of Sir Norman Foster's winning design in early 2002. This design became the blueprint on which developers who submitted tenders to develop the WKCD based their master designs.

In terms of buildings, the Foster design mandates core built facilities, four of which are allocated for the hub's core uses:

- a) arts and cultural;
- b) retail and entertainment;
- c) commercial and office;
- d) residential and hotels.

As well, a significant part of the site will be taken up with public open space (*piazzas*) and infrastructure, such as an automated peoplemover system.

As history has now shown, the Foster blueprint's mandatory additional requirement, the canopy, has been and continues to be controversial.

Developers were required to include a number of minimum essential design requirements in their master plans. These were:

- (a) the provision of core arts and cultural facilities as follows:-
- a theatre complex comprising three theatres with seating capacities of at least 2,000,800 and 400 seats respectively a performance venue with a seating capacity of at least 10, 000 seats
- a museum cluster comprising four museums of differing themes with total net operating floor areas of at least 75,000 square metres
- an art exhibition center with net operating floor area of at lease 10,000 square metres
- a water amphitheatre
- at least four piazza areas
- (b) the provision of the canopy proposed in the Foster design, covering at least 55% of the development area; and
- (c) the demolition and re-establishment of the Tsim Sha Tsui Fire Station Complex.

The approximate proportions of allocation of uses will be:

- (i) arts and culture 39%
- (ii) retail and restaurants 21%
- (iii) office / commercial 17%
- (iv) hotel / residential 16%
- (v) other 7%

Five development consortia submitted master plans to develop the WKCD, based on Foster's blueprint design. Three of these developers were short-listed to take part in the final stage, which is the construction / development tender. One of the five, Swire Properties, was not included on the final short-list, partly because it would not amend its proposed design to include the canopy, which the government has insisted is an essential feature of the master plan for the WKCD. The three short-listed master plans include the canopy.

Criticisms

Not surprisingly with a construction of this size and public prominence, many criticisms have been made of the short-listed master plans/ designs since they were published. Some criticisms concern micro - design features, as is always to be expected with architecturally designed, large-scale construction projects. This article will not cover these criticisms.

Two serious criticisms - on a "macro" level have been made by a wide range of members of our community. These are:

- a) that it is a mistake to adopt a single developer approach to develop the WKCD; and
- b) that the mandatory canopy should be deleted.

Single developer

As our interest is more in planning and design matters, we shall not address the singledeveloper criticism, except to note that it is somewhat surprising the government had, until recently, insisted on awarding the contract to develop the WKCD to one developer, given the troubles it brought on itself in following that approach in awarding and developing the Cyberport project.

It is also mentioned that the single-developer criticism includes a real and serious concern on the part of many people that development of the WKCD will ultimately go forward with commercial rather than cultural priorities. Given the disproportionate, traditional influence of developers in shaping and affecting Hong Kong's urban environment, this concern well remain on the public radar no matter how many developers eventually involved in designing and constructing the WKCD. The government has now indicated it will allow additional developers to participate in the project (see WKCD section this edition), but whether this concession is sufficient to appease critics remains to be seen.

The canopy

It would be fair to surmise that the panel which selected the Foster design and adopted the canopy as a mandatory component of the WKCD did not foresee the strong public criticism and resentment their decision would cause.

Criticisms of the canopy are roughly based on three grounds:

- a) design aesthetics;
- b) construction costs and feasibility; and
- c) on-going high maintenance costs.

In the short space we have we shall restrict our comments to (a).

At regular intervals, prominent individuals and legisiators have called on the government to re-think the requirement of a huge canopy as an integral part of the WKCD.

An article in *HK Magazine* [29/10/04] (*Kowloon Caper*) covered a range of misgivings concerning the WKCD project, and the government's processing of its development. In relation to the canopy, it was noted:

"As for the canopy, despite possible claims or hopes to the contrary, the government continues to insist that one of the fundamental requirements of the project is that a canopy covers at 'least 55% of the Development Area".

The article concludes with the comment:

"... the West Kowloon Project could either become a landmark the entire city is proud of or the biggest white elephant in the city's history - complete with canopy."

In March this year internationally renowned architect Cesar Pelli voiced his disapproval of the canopy, saying that the WKCD would "survive very well" without the canopy. Mr. Pelli made the points that:

- a) the canopy is above people using the hub, and so is like an umbrella, rather than an architectural feature of the site; and
- b) Hong Kong already has many fine buildings but is lacking parks and cultural facilities:

[No need for arts hub canopy: IFC creator, SCMP, 19/3/05]

At regular intervals, prominent individuals and legislators have called on the government to rethink the requirement of a huge canopy as an integral part of the WKCD. A recurring theme in such criticisms is that Hong Kong simply does not need to add yet more constructed mass to the already overcrowded downtown skyline. We wholeheartedly endorse that theme.

Our leaders and planners seem to be obsessed with the built - form whenever they seek to 'improve' or add to Hong Kong's facilities and attractions. An area is, apparently, deemed to be unlikely to serve the people or attract interest, or otherwise be asset to Hong Kong, unless and until a structure - preferably with generous amounts of concrete - is added. From the massive, artificial Disneyland (built irrespective of environmental effects), through new plans for substantially altering Lantau's relatively pristine countryside and coastline with all manner of construction, down to individually small local examples of concrete umbrellas in sit-out areas and ugly concrete lifesavers' towers on beaches, Hong Kong is already over-loaded with structures.

With the rare benefit of such a large and prominent site as the WKCD will eventually occupy, the government has an excellent opportunity to re-introduce some greenery to the city - scape. Why not, therefore, replace the canopy with a tasteful plaza shaded and sheltered by a substantial forest of various species of trees indigenous to this region? The costs of establishing and maintaining an urban forest would be massively less than incurred with the canopy. And the end result would be stunning - natural vegetation against a background of massive built-form-and would clearly be environmentally more beneficial than hectares of artificial roof.

That would make the WKCD a truly enlightened icon for Hong Kong.

LEGISLATION DIGEST

Date of Gazette: 6 May 2005

The main purpose of this Bill is to amend the *Waste Disposal Ordinance* (Cap. 354) ("the Ordinance") to -

- (a) enable regulatory control to be introduced over the collection, transportation and disposal of clinical waste;
- (b) give effect to the international ban on the export of hazardous waste from some developed countries ("the Basel Ban"); and
- (c) strengthen the control of the disposal of imported waste.

The main amendments of the Ordinance are as follows:

(A) <u>Section 2(1)</u> of the Ordinance is amended, inter alia, by adding :

""clinical waste"(醫療廢物) means waste consisting of any substance, matter or thing belonging to any of the groups specified in Schedule 8 that is generated in connection with

(a) a dental, medical, nursing or veterinary practice, or any other practice or

establishment (howsoever described) providing medical care and services for the sick, injured, infirm or those who require medical treatment;

- (b) dental, medical, nursing, veterinary, pathological or pharmaceutical research; or
- (c) a -
 - (i) dental;
 - (ii) medical;
 - (iii) veterinary; or
 - (iv) pathological,
 - laboratory practice,

but does not include chemical waste or radioactive waste;"

(B) <u>Section 9A</u> is added :

"Collection of chemical waste or clinical waste in special circumstances

The collection authority may provide services for the collection and removal of chemical waste or clinical waste -

- (a) in response to an accident or emergency involving such waste; or
- (b) in circumstances where the authority thinks that it would not be reasonably practicable to arrange for such waste to be collected or removed by -
 - (i) the holder of a licence under section 10(5) for providing services for the collection or removal of such waste; or
 - (ii) a person authorized pursuant to any regulation made under section 33(1)(ca) to provide services for the collection or removal of such waste."
- (C) <u>Section 10(5)</u> is amended to include clinical waste as waste in respect of the collection or removal of which a licence may be granted by the Director of Environmental Protection ("the Director").
- (D) $\underline{Section 11}$ is repealed and substituted by :

"Prohibition of collection of waste unless licensed or authorized

- (1) Subject to section 12, where -
 - (a) the collection authority provides any services under section 9; or
 - (b) any person is permitted to provide any services specified in section 9 pursuant to a licence under section 10(1),

any other person (other than the holder of a licence under section 10(1) for provision of the services) who provides the services commits an offence and is liable to a fine at level 6.

- (2) A person who provides services for the collection or removal of chemical waste or clinical waste, other than -
 - (a) the holder of a licence under section 10(5) for provision of the services; or
 - (b) a person authorized to provide the services pursuant to any regulation made under section 33(1)(ca)

commits an offence and is liable to a fine at level 6."

(E) <u>Section 16(2)</u> is amended so that the prohibition under section 16(1) does not apply to the use of any land or premises for the disposal of chemical waste or clinical waste by an authorized person.

- (F) Section 20A(4) is added to give effect to the Basel Ban and Section 20A(4)(f) ensures that the issue of an import permit would not be in breach of Hong Kong's obligations under *The Basel Convention on* the Control of Transboundary Movements of Hazardous Wastes and Their Disposal.
- (G) <u>Section 20DA</u> is added to provide that the disposal of imported waste at a designated waste disposal facility requires an authorization granted by the Director as the waste disposal authority:

"Authorization for disposal of certain imported waste

- (1) This section applies only to waste the import of which into Hong Kong does not require a permit under section 20A, and the reference to "imported waste" (進口廢物) in this section shall be construed as a reference to waste of this category that has been imported into Hong Kong.
- (2) The disposal of any imported waste at a designated waste disposal facility requires an authorization granted by the waste disposal authority under this section.
- (3) An application for the authorization shall be made in writing in such form as the waste disposal authority may specify.
- (4) On receipt of an application made by any person ("the applicant") for the authorization, the waste disposal authority may, subject to subsection
 - (a) grant the authorization, with or without conditions; or
 - (b) refuse to grant the authorization, and shall notify the applicant of his decision and, in the case of refusal, the reasons for such refusal.
- (5) The waste disposal authority shall not grant an authorization under subsection (4)(a) unless the applicant proves to the satisfaction of the authority that -
 - (a) the import of the waste concerned into Hong Kong did not require a permit under section 20A;
 - (b) it is not practicable to make alternative arrangement for the imported waste to be used (whether in Hong Kong or elsewhere) for the purpose of reuse, or a reprocessing, recycling or recovery operation ("the specified purpose"), in a manner acceptable to the authority; and
 - (c) it is not practicable for the applicant to return, or cause the importer of the imported waste to return, the imported waste to the state of export,

and in determining the practicability of the matters specified in paragraphs (b) and (c), the lack of financial means to carry out an alternative arrangement or return the imported waste to the state of export (as the case may be) shall not be a relevant consideration.

- (6) Without prejudice to the generality of subsection (4)(a), a condition attached to an authorization may -
 - (a) require the applicant to pay such charge as the waste disposal authority may

determine for recovery of the cost of disposal of the imported waste;

- (b) specify the manner, place and time of the disposal;
- (c) specify the arrangements to be made and the procedures to be observed in relation to the disposal.
- (7) The waste disposal authority may require an applicant to furnish him with such information as he considers necessary for determining whether or not to grant the authorization, and in particular, such information may relate to -
 - (a) the details of the original arrangement made for the imported waste to be used for the specified purpose after the import;
 - (b) the reasons why the original arrangement cannot be carried out;
 - (c) proof of any attempt made in making alternative arrangement for the imported waste -
 - (i) to be used (whether in Hong Kong or elsewhere) for the specified purpose;
 - (ii) to be returned to the state of export.
- (8) The provisions in this section shall be in addition to and shall not derogate from any other provision of this Ordinance."
- (H) Section 21(1) and (2) are amended so that a person who wishes to apply for a waste collection licence or waste disposal licence shall apply to the appropriate licensing authority in such form as the authority may specify.
- (I) Section 21A is amended so that a waste disposal licence shall not be granted for clinical waste unless the licensing authority is satisfied that the waste disposal facility concerned complies with requirements specified in the regulations.
- (J) <u>Section 33</u> is amended to expand the regulation making power under the Ordinance -
 - (i) sections 33(1)(ca) and (da) are added to enable regulations to be made to prescribe the circumstances in which authorization may be given to a person to collect or remove chemical waste or clinical waste without a waste collection licence, or to use any land or premises for the disposal of chemical waste or clinical waste without a waste disposal licence; and
 - (ii) section 33(1)(haa) is added to enable regulation to be made to provide for, in relation to clinical waste, the restriction on the class or classes of persons who may deliver or transport any clinical waste, as well as the type and quantity of clinical waste and other requirements in relation to the delivery or transportation;
- (K) <u>Schedules 6 & 7</u> are amended to include more kinds of waste.
- (L) <u>Schedule 8</u> is added to set out various groups of substances, matters or things in relation to the definition of "clinical waste".

- (M) <u>Schedule 9</u> is added to list out the countries to which the Basel Ban applies.
- (N) <u>Schedules 10 and 11</u> are added to describe the matters to which the terms and conditions of a waste collection licence or waste disposal licence may relate.

TOWN PLANNING

Kai Tak invites another rumpus

The government is considering four uses for the 133-hectare Kai Tak redevelopment plan, namely: commercial, residential, sports and an aviation museum. Part of the plan is a 24hectare sports city, which will comprise a 45, 000-seat stadium, a 5,000-seat supplementary sports ground and an indoor sports complex with swimming pools. The plan will also include a tourism hub supported by commercial development, including shopping malls and hotels, and residential buildings.

Vincent Ng, Harbour Plan Review subcommittee chairman and vice president of the Hong Kong Institute of Architects, said that there should be careful attention to all details before a plan was formulated. Otherwise, East Kowloon will probably become another controversy similar to the West Kowloon Cultural District project.

It was surprising to Mr. Ng that as much as 24 hectares was needed for a sports stadium. Since there could be no further reclamation of land in East Kowloon, an oversized sports arena could prevent other development projects in the area. Mr. Ng said that, in fact, an area of 24 hectares should be enough for the commercial and residential buildings as well as a hotel and a sports stadium.

It was said that Chief Executive Donald Tsang was looking at selling off the under-used Hong Kong Stadium in So Kon Po in order to help fund the massive sports city project. It was very likely that the SAR government would rely on private investment for some of the funding.

Legislator Patrick Lau Sau-shing said that there should be adequate infrastructure in East Kowloon before the government could proceed with its plan to build a world sports city. He suggested it would even be better for the government to build an ocean cruise centre at Kai Tak, instead of building a sports stadium, as this would bring more tourists to Hong Kong.

The government hopes to start construction in 2008.

[The Standard, 12/10/05]

The bells toll for Wedding Card Street

It has been reported that the Ombudsman is investigating the government and the Urban Renewal Authority over claims that they mishandled the Wedding Card Street redevelopment.

Residents and printing merchants hope the investigation will force the Housing, Planning and Lands Bureau to suspend the order for the resumption of land in Lee Tung Street, Wan Chai, which is to take effect on 15 November 2005.

Their wish was expressed when about 40 affected residents and shop owners recently celebrated what could be their last Mid-Autumn

Festival in the street famed for its concentration of shops which print wedding cards. Kam Fok Lai-ching, a representative of the H15 Concern Group, said they hoped the government would suspend the land resumption order. Otherwise, by the time the Ombudsman completes the investigation, the street will be gone.

Residents and shop owners formed the group after the government announced its plans to raze historical buildings and replace them with highrise buildings. The group was named after the redevelopment's reference number.

In early September, the Lands Department gazetted the long-anticipated resumption order for the land, allowing it to take over properties from unwilling owners if they do not agree to sell to the authority within three months. Those refusing to surrender their properties after that date will be evicted.

So far, none of the attempts to preserve the street, including Town Planning Board intervention, has succeeded. The group has appealed to the Town Planning Appeal Board and is waiting for an independent panel to hear the case.

On 27 August 2005, the group sought assistance from the Office of the Ombudsman. Given the complexity of the complaints, more than the usual time might be needed for investigation.

The complaints against the Urban Renewal Authority include that it did not live up to its pledges of preserving district character and maintaining the social network in the redevelopment plan. The group also made a complaint against the Housing, Planning and Lands Bureau for allegedly failing to monitor the Authority.

[SCMP, 4/10/05]

Rezoning of the Tamar site

Harbour activists will try to have the Tamar site rezoned as public open space. They say the government should develop a public park instead of building its headquarters on the prime site.

The Action Group on Protection of The Harbour said that it would apply to the Town Planning Board next month to change the area's land use from that of government, institutional or community use to open space.

Legislator Kwok Ka-ki, a spokesman for the group, said that they hoped to return this piece of land, which allowed the public to enjoy Victoria Harbour, to the people. "Not only is there an overriding need for it, but also it cannot be replaced by money and other benefits. In fact, looking at urban conservation in other countries such land would be used for recreational purpose without hesitation," Dr. Kwok said.

The group's action is in response to indications by the government that it favoured a proposal to build a government headquarters and a legislative council building on the Tamar site. Under the government's proposal, the gross floor area housing the new government offices and the legislative building would be 490,000 square metres, about 15 per cent larger than the International Financial Centre. The group doubted that the massive development was intended solely for government use because property companies had been calling for the site to be released for private development. The group said that building a new government headquarters on the site would seriously worsen traffic congestion in Central after a recent Transport Department study estimated the development would increase average traffic flow by 800 cars an hour. Dr Kwok said that even the proposed Central-Wan Chai bypass would not solve the problem of increased traffic flow. The Transport Department has estimated that saturation would be reached by 2016.

[SCMP, 29/9/05]

Tang tries to allay Lantau concerns

Financial Secretary Henry Tang has pledged that the development of Lantau Island will be restricted to the northern part of the island as its preservation and the promotion of its cultural heritage are high priorities for the government.

Since the opening of Disneyland and release of the "Lantau Concept Plan" last year, which was drafted by the Lantau Development Task Force chaired by Mr. Tang, green groups have raised fears that development on the island will spread and so damage the environment.

Mr. Tang emphasised that the overall planning concept was to focus major economic infrastructure and urban development in north Lantau for optimising the use of existing and planned transport links and infrastructure. South Lantau will be left virtually untouched to preserve its natural landscape and cultural heritage.

Some activists worried that Disneyland's opening would put more of the island at risk, as commercial developers would take advantage of the park's presence. However, Mr. Tang said that Disneyland was part of only three tourism clusters, along with Sunny Bay and the North Lantau New Town Development. It would not affect the rest of the island. Mr. Tang assured the community that Lantau's natural beauty and environment would not be put at risk.

Mr. Tang's claims clash with those of conservationists and sustainable tourism operators who say they have repeatedly been denied a voice in helping the government understand low-scale sustainable projects.

Clive Noffke, spokesman for the Green Lantau Association, said that development should see our children continuing to enjoy the peace and excitement that only nature can bring. Mr. Noffke asked the government to think further and ask what do people want Lantau look like in 30 years. He was certain that many ideas for development would fail this test, including Disneyland.

Tung Chung, the most heavily polluted area in Hong Kong, is a continuing concern. Facing the mainland's smoke-belching factories, apartment blocks in Tung Chung are frequently shrouded in smog.

Mr. Noffke questioned whether it was sensible to destroy more coastline and aquatic habitat for theme parks which would become obsolete gradually. Mr. Tang countered that the plan would include eco-friendly cycle tracks, the restoration of Mui Wo and Tai O fishing village, and eco-tour facilities.

[The Standard, 20/9/05]

Convention Centre's expansion set to begin

The proposed \$1.3 billion expansion of the Hong Kong Convention and Exhibition Centre in Wan Chai was approved by the Town Planning Board (TPB) on 28 August 2005. The expansion work will start in January 2006.

The main concern for the TPB is the traffic impact of the expanded exhibition hall. Worsening traffic congestion in the area has also been a key concern because container trucks usually clog the streets before and after an exhibition to transport equipment in and out of the venue. The Trade Development Council will have to submit further information on its logistic arrangements.

However, the council said that traffic conditions in the area would not be adversely affected because building work would be contained inside the venue. Large construction items would also be transported by sea and there would be no reclamation work involved in the project. Moreover, there would be no need for additional roads as a result of the new exhibition space.

The Executive Council approved the expansion plan in June 2005. The views of legislators, Wan Chai District Council, the Harbourfront Enhancement Committee and other community organisations and interest groups were solicited as part of public consultation.

The expansion work involves widening the atrium, which connects the venue's new and old wings over a body of water, and raising its height. The plan will provide three exhibition levels which will add about 19,400 square metres of space, or enough area to accommodate 1,000 additional booths.

The council says that in 2010, the year after the expansion is completed, the new space will generate almost \$1.5 billion in economic benefits and 3,630 jobs. And in the next 15 years to 2025, we will see Hong Kong's economy reap cumulative benefits exceeding \$40 billion from the expansion of the atrium.

[SCMP, 29/08/05]

No public say on equestrian events

The public will not be involved in plans to transform part of the Hong Kong Sports Institute to host the 2008 Olympic equestrian events. The Home Affairs Bureau said that because no public spending was involved, no approval from the Town Planning Board (TPB) was necessary. Neither did a plan to transform the YMCA Wu Kwai Sha Youth Village in Ma On Shan into a temporary home for the city's sporting elite require scrutiny from the TPB.

Legislator Alan Leong Kah-kit said that the government should gauge the public's views on the issue anyway. Mr. Leong commented that it was totally against the open-government principle and he doubted the public would support hosting equestrian games in Hong Kong if they had a say. "Equestrian is an exclusive sport. I'm sure the public prefers more football pitches and tennis courts and resources for the athletes," he said.

The Jockey Club has passed the plans to the Beijing Organising Committee for the Olympic Games, which will then seek approval from the International Olympic Committee, the International Federation for Equestrian Sports, and the World Organisation for Animal Health.

The Legislative Council has already been denied a role in scrutinising funding of the equestrian events on the grounds that no public spending is involved. The Jockey Club will pay \$800 million for construction costs in transforming the Hong Kong Sports Institute while the Beijing Olympic Committee will pay \$50 million for the Ma On Shan project.

Mr. Leong said that public expenditure was not just about money. This case is very similar to the West Kowloon cultural project, for which public spending is not involved and so the TPB could not scrutinise the plans until the decision was reversed after a public outcry. TPB permission is also not required because both sites are zoned for government, institutional or community use. Under such zoning, land may be used for recreational, sporting or cultural purposes.

The Home Affairs Bureau said that TPB scrutiny was not necessary because the construction work only involved improving existing facilities. Also, the renovation work at the Sports Institute had no direct relationship with the public.

A spokeswoman said that there was no reason for the public to be consulted because Hong Kong was just lending a venue to Beijing, but not organising the equestrian event. Moreover, the public would only be affected to the extent that it would be unable to use the youth village while it was the athletes' temporary home.

[SCMP, 22/8/05]

New land ranking to improve planning

A comprehensive classification system for Hong Kong's landscape will soon be introduced to encourage more sustainable planning.

A study entitled "Landscape Value Mapping of Hong Kong" was commissioned in late 2001 aiming for establishing baseline information which will provide a reference point for landscape and environmental assessments of major projects.

The study divides Hong Kong into six areas: upland countryside landscape (occupying 58. 9% of the total land area); lowland country landscape (8.1%); rural fringe landscape (9. 9%); urban fringe landscape (10.3%); urban landscape (8.2%) and coastal waters landscape (4.6%). Details for each area include location, character, topography and relief, geographical features, vegetation, land use, hydrology and communication.

The landscape values of the areas are calculated by assessing a number of factors, including visual coherence, complexity, rarity, relief and condition, key heritage/natural features and visual attractors/detractors. Using those factors, the landscape value is ranked as either high, high (qualified), moderate or low for all statutory outline zoning plans and other relevant plans. For example, most of the countryside is ranked as carrying high landscape value, while that of the coastal areas and edges of Tsuen Wan and Kowloon Bay is low.

The Town Planning Board said that the maps and their associated databases would be used

not only for plan-making and assessment of major development proposals but also by other departments and professionals in landscaping and environmental assessments of major projects at the city level.

[SCMP, 7/7/05]

WEST KOWLOON CULTURAL DISTRICT

Arts hub carved up to satisfy the public

According to the Chief Secretary, the West Kowloon Cultural District (WKCD) plan has been revised in response to public demands.

A major change to the WKCD project is that the government has abandoned the rigorously criticised single tender approach. Other developers will be invited to develop 50% of the commercial and residential space.

Under the revised plan, the three short-listed bidders will compete for the master plan instead of the whole 40-hectare waterfront site. This means the winning bidder will have direct control of only 65 per cent of the site, with at least 30 per cent dedicated for arts and cultural facilities and 35 percent for contracting out. The winner will also have to contribute at least \$30 billion to set up a trust fund to pay for operating the arts facilities and a new statutory body to manage them. The fund will also cover maintenance of the canopy, an automated people-mover and open space.

New restrictions on the project include the limitation of the plot ratio governing development density to 1.81 and housing not to exceed 20 per cent of the gross floor area, whist the core cultural area should account for 30 per cent of the gross floor area. The controversial canopy, which covers 55 per cent of the site, remains in the revised plan.

The winner has to manage the WKCD for 30 years and will be prohibited from bidding for the section of WKCD to go to public auction and from buying properties built there before the arts hub project is completed.

The modified plan immediately attracted criticism. Legislators criticised the government for not considering the WKCD as a cultural project only. The anxiety of the public concerning the single tender approach is not allayed, as the winner will not be responsible for operating the arts hub and will still obtain domination of the site as no new participants are to be introduced at this stage.

[SCMP, 8/10/05]

Cultural issues get short shrift

Previously, bidders had been trying to win public support by teaming up with cultural and arts groups. Under the revised plan, the bidders do not need to do so as they are not responsible for operating the arts facilities.

The vice-president of the Hong Kong Institute of Architects commented that the new plan gives the chance to more developers to participate and addresses the complaint that the government favours a few selected developers.

Ada Wong Ying-kay, from the People's Panel

on West Kowloon, said that the new plan is just a single bidder approach on a smaller scale. She hoped that the government could work out a clear cultural policy, as otherwise the cultural facilities will not serve their intended purpose. The new statutory body will also face a difficult situation because it will not have participated in the design of the WKCD facilities.

Other comments on the project include that the government should develop the site in phases.

[SCMP, 8/10/05]

First-rate returns, second-rate facilities?

The revised WKCD project appears to have significantly reduced likely profits of future developers of the site. The government has set the maximum plot ratio at 1.81 and that means a 50-70 per cent reduction of the gross floor area for buildings.

Some surveyors have estimated that it will cost the winning developer an expensive \$17,000 per square foot to build the commercial and residential properties on the site. It is doubtful whether the winning bidder will still propose to team up with world-class top cultural groups, as cultural facilities are viewed as making much less money under the modified plan.

However, are potential profits really reduced? Nearby properties, such as The Arch, have been sold for up to \$30,000 per square foot this year. The plot ratio of The Arch is 9. The reduced plot ratio of the WKCD commercial and residential space makes it more exclusive. Therefore, the estimated cost of \$17,000 per square foot to build apartments and shops in the WKCD might not be so expensive.

The developers will still make good profits, but a second-class cultural site might be developed as a result under the revised scheme.

[SCMP, 12/10/05]

Pet park proposal for West Kowloon Cultural District

An animal welfare agency urged the government to establish a pet park near the proposed WKCD. Chan Suk-kuen, chief executive officer of the Society for Abandoned Animals, said pet facilities are not up-to- date in Hong Kong. At present, there are only six parks in Hong Kong.

As the human birth rate is declining, the dog population is probably larger than that of toddlers. Living space is limited and there are not enough facilities for pets, so pet owners are limited in being able to take their pets out for activities. Ms Chan suggested that a small area should be designated for pets, instead of opening the whole area to them, as some people might not like animals.

She also said the Society would make its appeal through the Democratic Alliance for the Betterment and Progress of Hong Kong. The Home Affairs Bureau said it would welcome any public ideas about developing WKCD.

[SCMP, 13/10/05]

Canopy maintenance costs cause concern

According to the results of the public consultation recently undertaken concerning

the WKCD project announced by the government: 51 per cent of the telephone interviewees support the construction of the canopy; 72 per cent of the comment— card respondents chose one of the three canopy designs proposed by the short-listed bidders; and only 28 per cent of respondents dislike all three proposals. However, most of the written responses are against construction of a canopy. In the meantime, the Chief Secretary said there is no conclusive public opinion, so the government need not give up the canopy component at this stage.

Concern has been expressed regarding the ongoing financial liability of maintaining the huge canopy if in fact it is built as part of the final design. The estimated costs of constructing the canopy and maintaining it are respectively HK\$5 to 7 billion and tens of millions of dollars.

The Democratic Alliance for the Betterment and Progress of Hong Kong and the Democratic Party are concerned by the high construction and maintenance costs; and since most members of the public oppose the idea of the canopy anyway, there is no basis for the government to spend billions of dollars to build a such a "landmark" as part of the cultural hub.

Tien Pei-chun, James, chairman of the Liberal Party, noted that according to the plan recently announced by the government, the developers will not be responsible for the maintenance expenses of the canopy, so the government or the statutory body will have to bear the high costs.

As the maximum plot ratio is now limited to 1. 81 and housing is not to exceed 20 per cent of the gross floor area, it is anticipated that the canopy will be lowered and reduced in size. Mr Hui pointed out that the canopy maintenance expenses will only make up a small part of the WKCD's total annual expenses, which are currently estimated to be HK\$500 million.

[Ming Pao, 8/10/05]

Three doubts about WKCD

The Liberal Party principally supports the modified WKCD plan, but advocates that three aspects of the plan should be clarified or further researched by the government to remove the doubts of the public.

The idea of carving out at least half of the site as commercial and residential uses is sound, but the focus is now on who has the power to take advantage of these commercial components of the development. If the winning bidder is allowed to decide which part of the land to be carved out and auctioned as commercial/residential use, it might reserve the harbour front land to itself, or subdivide the land during economic depression in order to make it difficult for competitors. To avoid unfairness, the government should allocate the developer's designated area to the winning bidder and then auction the remaining part.

The Liberal Party also has reservations concerning the ability of the statutory body to manage a HK\$30 billion trust fund. As there will not be many finance experts among the members of the proposed statutory body, it might not be appropriate to put such a fund under its management. The government should put the trust fund under the trusteeship of Hong Kong Monetary Authority, which is experienced in the management and investment in foreign exchange trust funds; and the relevant investment income should be used as the operating expenses of the WKCD.

The final ground for concern is the canopy. Besides financial considerations, there are technical problems of construction and maintenance. The government should carry out an in-depth consultation and research on the relevant risks associated with constructing the canopy. Otherwise, the wish to build a landmark might turn into an "international joke".

[Ming Pao, 19/10/05]

HONG KONG BRIEFING

Calls for Disney Company to address environmental issues

An environmental group has called on the Disney Company and the government to address the serious environmental issues arising from the construction of Hong Kong's Disneyland. Such issues include: seeking soil decontamination costs from the Choy Lee Shipyard; improving the accountability and transparency of the Board of Directors for the park's joint ventures; and compensation for destruction of the coastline and marine habitants in Penny's Bay.

The HKSAR government has said that the board comprises senior government officials and Disney executives, with both sides taking it in turns to be the chairman of the board annually. Friends of the Earth (FoE) urged the government to explain the progress in seeking compensation from the Choy Lee Shipyard. They said Disney should voluntarily draw up ecological compensation schemes to conserve the local natural heritage. They commented that Disneyland has left irreversible environmental scars on the city, mainly due to the lack of transparency during its development, covering various aspects of development of the theme park, from site selection, environmental impact assessment, the reclamation process to the more recent dispute over noise levels generated by the daily fireworks displays.

FoE also criticised the way that the impact assessment report had been completed in just four months and passed through the Advisory Council on the Environment with few dissenting views. Fish being killed by reclamation work, illegal excavation of the Tung Chung stream, and seabed dredging for sand and toxic mud from the seabed of the Choy Lee Shipyard in Penny's Bay have raised public concern and Disneyland and the government should be aware of compensation issue resulting from the land reclamation.

[SCMP, 29/8/05]

Sparkle to recycling effort

Battery-makers and producers of electronic appliances might make trade-in concessions to encourage people to hand in used rechargeable batteries. The government and the business community are expanding a voluntary recovery scheme for various types of rechargeable batteries. Since April, the recycling rate has been 2.5 percent compared to about 2 to 3 percent recycling rate in other countries. However, the rate was still far from the government's ultimate 10 percent target, and a mandatory battery recycling scheme might have to be considered. Other businesses are considering concessions coupons or discounts for those who return used rechargeable batteries when they buy new ones. The recovery of the toxic metals in rechargeable batteries is better than dumping the batteries in landfills where they contaminate the environment.

[SCMP, 29/8/05]

Construction waste disposal charging scheme

Legislation to establish the Construction Waste Disposal Charging Scheme (Scheme) has been passed by the Legislative Council. The commencement notices of the legislation were published in the *Government Gazette* on 16 September 2005.

Construction waste means: any substance, matter or thing that is generated from construction work and abandoned, whether or not it has been processed or stockpiled before being abandoned, but does not include any sludge, screenings or matter removed in or generated from any desludging, desilting or dredging works. Construction waste producers, such as construction or renovation contractors or premises owners are using the government waste disposal facilities and they need to open a billing account with the Environmental Protection Department in order to pay for the construction waste disposal charge.

Through the Scheme, construction waste producers are encouraged to reduce, sort and recycle construction waste so that their disposal costs can be minimised and our valuable landfill space can be conserved.

The Scheme will come into operation on 1 December 2005 and the processing of account applications by the Environmental Protection Department will start on the same day. Commencing 1 December 2005, the main contractor who undertakes construction work under a contract with a value of HK\$1 million or above is required to open a billing account solely for the contract. Applications shall be made within 21 days after the contract is awarded and failure to do so will be an offence.

For a construction contract with a value of less than HK\$1 million — such as minor construction or renovation works — any person, such as the owner of the premises where the construction work takes place or their contractor, may open a billing account to pay Scheme charges.

The premises owner may also engage a contractor with a valid billing account to make necessary arrangements for disposal of all the construction waste. Construction contracts awarded or tenders of which closed before 1 December 2005 are eligible for exemption from charges. Application for exemption accounts must be made on or before 22 December 2005.

The charging for disposal of construction waste will begin on 20 January 2006 and after this day; all person(s) before using waste disposal facilities for disposal of construction waste must open an account.

[HKSAR Government News, 5/8/05]

Solid waste management strategy ready by year-end

A municipal solid waste management strategy, which outlines ways to handle the problem of waste disposal in the next 10 years, will be issued by year-end, The permanent secretary for Environment, Transport & Works commented that Hong Kong's solid waste problem is serious as the three local landfills will be full within the next six to ten years. The strategy will list all proposals on waste reduction, separation of domestic waste for recycling strategy, and developing a viable, effective recycling industry. The secretary pointed out that the separation of domestic waste has been implemented already at about 180 housing estates. Those programmes emphasise community support and participation.

On the issue of the quality of water in Deep Bay, the secretary said works have been underway to build sewerage systems to link up villages with sewage treatment plants. A point deduction scheme is being worked out to focus on the discharge of untreated sewage from farms, and inspections will be stepped up to boost enforcement action. Additionally, extra allowances to encourage farm operators to hand back their effluent discharge licences are in progress.

The Victoria Harbour's water quality will be greatly improved by 2013-14 after the implementation of the Harbour Area Treatment Scheme. However, the public must share the costs of the scheme, which amounts to HK\$8. 4 billion. However, the monthly waste discharge fees for each household family will increase only slightly, from the average of HK\$11 at present to HK\$16 eight years later.

[HKSAR Government News, 8/10/05]

Efforts to tackle air pollution

Hong Kong and Guangdong authorities have joined hands to trace the sources, set targets and to take enforcement action and to monitor the progress of tackling air pollution. Both authorities have agreed to reduce different kinds of pollutant discharges by 2010 by 20% to 55% compared to 1997, and a regional airmonitoring network has also been set up. Guangdong has implemented pollutants reduction measures, such as installing sulphurreduction facilities. Natural gas is now widely used at the province's power plants.

In Hong Kong, the number of vehicles which released black smoke has dropped by 80% over the past five years, which is attributable to the introduction of LPG taxis and regulating the sulphur content of petroleum. About 90% of sulphur dioxide and 50% of dust particles come from power plant discharges. A discharge cap has been set out and all local power plants have incorporated by installing the sulphur-reduction facilities in their development plans.

[HKSAR Government News, 8/10/05]

New schemes for cross-boundary waste dumping

The State Oceanic Administration of China and

the Hong Kong government have signed two implementation schemes on cross-boundary marine dumping and disposal of construction and demolition materials.

Both schemes, designed to reduce environmental damage from cross-boundary marine dumping and Hong Kong's disposal of construction and demolition materials in the Mainland and China's waters, stipulate technical details and minimum standards for more environmentally responsible disposal of waste. As reclamation projects have dwindled in Hong Kong, locally generated construction and demolition materials have decreasingly been reused in reclamation works in order to avoid such materials from occupying precious landfill space. At present, all construction and demolition materials are stored to fill banks in Tuen Mun and Tseung Kwan O. However, the temporary fill banks will be saturated by the end of this year.

The signing of the schemes is significant in solving the immediate problem of handling construction and demolition materials which cannot not be reused in local reclamation works. The government expects that the transfer of construction and demolition materials to the Mainland for reclamation purposes could be started within this year. The two schemes confirmed concrete technical details and arrangements for the transfer of construction and demolition materials to Mainland waters for disposal. Hong Kong will also work closely with Chinese authorities to reuse construction waste in Mainland reclamation projects.

The Cooperation Agreement on Crossboundary Marine Dumping provides the foundation for closer cooperation and communication on issues concerning the management principles of cross-boundary marine dumping and disposing of Hong Kong's construction and demolition materials in Mainland waters. The schemes reflect the consensus between the two governments under the Cooperation Agreement.

[SCMP, 15/6/05]

Technology for Solid Waste Management

The Permanent Secretary for the Environment, Transport and Works has stated that because of the urgency and seriousness of the disposal of waste problems Hong Kong is facing, we need a clear direction on the technologies to manage municipal solid waste. An effective waste management strategy comprises four key elements, namely: waste avoidance and minimization; recovery of reusable waste elements; recycling and reuse; and bulk reduction and disposal of waste. Although all elements are interrelated, the first two elements determine the total volume of waste which needs to be disposed through advanced and efficient technologies.

The first and most advanced strategy is waste avoidance and minimization, in respect of which the environmental education of the community and public participation play key roles. The Environmental Protection Department (EPD) has devoted a lot of effort to encouraging community involvement through campaigns and partnerships with various different green groups. The educational efforts need economic incentives, such as product responsibility schemes in recovering, recycling and reusing products. The EPD has also conducted different kinds of studies based on the polluter—pays principle.

The government is developing a policy to facilitate development of the recycling of locally produced waste, which is an important element in waste management. As there are many un-recyclable wastes, adopting landfill as the only waste disposal method is clearly not sustainable and alternative waste treatment methods have to be adopted to reduce the volume of waste before final disposal in landfills.

Academics and professionals are assisting and advising the government on selecting the most suitable waste treatment technologies, based on environmental, technological, social, and economic, as well as consumer, considerations. They have recommended that an Integrated Waste Management Facilities policy should incorporate a multi-technology approach so that the most suitable technology could be applied to deal with different kinds of waste. The government is considering the establishment of a mechanical biological treatment plant and an incinerator.

In 2004, the waste recovery rate in HK was 40 per cent, which is quite high compared with other countries. The aim is to reach 50% by 2014, which is about 7,200 tonnes per day. The proposed approach will be built on existing efforts to promote waste reduction and recovery through various measures, such as community education and economic incentives. All the remaining un-recyclable wastes will be processed before being dumped in landfills.

[SCMP, 13/05/05]

ADVISORY COUNCIL ON THE ENVIRONMENT (ACE)

(ACE Paper 11/2005)

Government's proposal for establishing an "EcoPark"

The following is a summary of the government's submissions to the ACE for creating an area dedicated to waste-recycling and ancillary uses.

Background

Waste recovery for recycling is a key element in our waste management strategy. Although as much as 2.4 million tonnes of municipal solid waste (MSW) are recovered as recyclable materials annually in Hong Kong, over 90% of these materials are exported for recycling. The current over-dependence on exporting recycled waste as an outlet for recovered materials makes our recycling industry insecure in the long run as the market demand for recyclable materials is highly volatile and the international trend is increasingly to restrict trans-boundary movement of waste, even recyclable waste. To address these problems and to realise the full potential of recycling, it is the government's aim to promote the local recycling industry so that recyclable materials can be turned into products

that have higher economic values and more stable and reliable markets.

The provision of long-term affordable land provided with basic infrastructure has been identified as an important measure to promote the growth of the waste recycling and environmental industry in Hong Kong. In the Chief Executive's 2005 Policy Address, he announced the target of commissioning the Recovery Park ("EcoPark") in late 2006.

EcoPark

EcoPark will be developed solely for use by the environmental and recycling industry. Individual recycling companies can acquire land at affordable costs with tenures sufficiently long to justify their investments in value-adding and for higher-end operations. EcoPark will cater for the recycling industries' processing recyclable materials including paper, plastics, metals, glass, textiles, rubber tyres, wood, organic food wastes, battery, electronic and electrical appliances, and other common recyclable materials collected in Hong Kong. In addition, EcoPark will also facilitate industries to develop environmental technologies, products and services that help achieve waste reduction and replacement of environmentally unfriendly products e.g. polystyrene foam boxes.

Design and Construction

The basic physical infrastructure of EcoPark will be built and funded by government. It will comprise an internal road network, drainage, sewers, telecommunication networks, power supplies, berthing facilities, a wastewater treatment plant, a waste collection and management facility and car parking spaces, Central to these will be a multi-purpose administration building containing management offices, and common facilities, including a visitor and education centre, an information centre, training and conference rooms, and other supporting and ancillary facilities.

The infrastructure of EcoPark must be reliable, attractive, easy to maintain and economical to operate. More importantly, the infrastructure must be "green". It will be designed to achieve water, energy and material conservation and pollution prevention. In addition, EcoPark will make extensive use of landscaping to provide a pleasing environment for the business community. Where appropriate and practicable, walking trails, cycling tracks and sitting out areas will be provided.

Operation and Management

Whilst the government has decided to fund and build the basic infrastructure to provide incentives for the industries to set up their plants in EcoPark, the mode and arrangement for operation and management of the facility will require further consideration. EcoPark should be operated and managed on the basis of prudent commercial principles. A consultant has been appointed to examine all the management aspects with a view to devising the most suitable management contract form for adoption.

As EcoPark is developed to promote environmental and recycling industries for value-added processes, the management contract will be arranged in a way that best serves this purpose. The government proposes that the management framework will need to include effective mechanisms to address the following issues:

- to recruit re-processors, rather than collectors
- to attract value-added and technology based operations
- to use locally recovered materials whilst recognizing the need for imported materials in certain circumstances
- to ensure a right mix of tenants
- to give priority to environmental and recycling sectors that help contribute the government's waste management targets
- to facilitate recycling of recovered materials that are otherwise not financially viable
- to provide flexibility in terms of land area sizes, lengths of tenancy, management fees and rental charges, to suit a wide range of companies that have different requirements
- to support small and medium enterprises (SMEs), which otherwise would have difficulties establishing
- to maintain a level playing field.

Whilst there should be sufficient autonomy for EcoPark to make the best use of market forces and operate in a commercial manner, the government aims to exercise adequate control and safeguards in ensuring the EcoPark is used and managed for its intended purpose.

Progress

It is intended that EcoPark will be developed in two phases. Phase I will occupy an area of about 8.4 hectares and will contain all the common facilities to enable it to function, but will also allow seamless expansion into Phase II. Detailed design of the infrastructure has commenced and subject to confirmation of funds, construction of Phase I will commence in early 2006 with a view to having it ready for occupation in late 2006.

Construction of Phase II, occupying 11 hectares, will commence in early 2009. The estimated capital cost of EcoPark is \$316 million.

Environmental and Economic Benefits

The development of EcoPark will reduce many sources of pollution and waste, and will reduce the demand for natural resources. The synergy among the operations of the various tenants within EcoPark will result in waste reduction and enhanced recovery of materials for remanufacture. More locally recovered waste would be turned into reprocessed materials or even recycled products, which would have higher economic values and more reliable markets. As a result, not only will the local economy be stimulated through job creation, but waste will be managed in a more sustainable way, and our landfill space will be further conserved.

(Minutes of the 126th Meeting of the ACE, 13/06/05)

Proposed mandatory "energy efficiency labeling scheme" (EELS)

(ACE Paper 20/2005)

The government recently put submissions to ACE for the introduction of a mandatory EELS. The following is a summary.

Background

Total energy consumption at end-use level in Hong Kong grew at an average rate of 1.4% per annum in the last decade. In 2004, total electricity consumption in Hong Kong was 39200 Gigawatt hours (GWh), of which about 28% were used by household appliances and office equipment.

Voluntary energy efficiency labeling scheme

Since 1995, the Electrical and Mechanical Services Department (EMSD) has operated a voluntary EELS for household and office appliances and vehicles. The scheme aims to promote energy saving by informing potential customers of the energy performance level of the products. This scheme also intends to encourage product suppliers to make available more energy-efficient products to meet customers' demand. Significant energy saving can be achieved if the community is willing to switch to more energy efficient household and office appliances.

Proposed mandatory energy efficient labeling scheme

Under the existing voluntary scheme, the market penetration rate of the scheme varies among products. Room coolers and refrigerators are the two appliances having highest market penetration rates of 80% and 70% respectively. However, the market penetration rates of some other appliances, such as television sets and washing machines, remain at approximately 10%.

Whilst the government will continue to promote the voluntary scheme to the public and the trades, it is not anticipated significant improvement in the market penetration rates for these products under the existing voluntary system will occur in the near future. As part of the government's ongoing efforts to promote the efficient use and conservation of energy, it is opportune to introduce a mandatory EELS to achieve the following objectives-

- (a) to increase public awareness of the importance of using energy efficient products;
- (b) to provide consumers with more energyefficient products; and
- (c) to provide incentive to product suppliers to market more energy-efficient products.

It is proposed that under the mandatory scheme, energy labels in prescribed formats - indicating the energy efficiency grades of models - are required to be shown on specified appliances to inform customers of their energy performance. In the long run, this scheme will also help drive out products with poor energy performance.

Inclusion of energy consuming products in the mandatory EELS will be implemented in phases. It is proposed that the following three

products will be included in the initial phase of the mandatory EELS:-

(a) refrigerators;

(b) room coolers; and

(c) compact fluorescent lamps.

These three products together account for more than 70% of the electricity consumption in the residential sector. They have all been included in the voluntary EELS from an early stage and have high levels of participation in the scheme. Coupled with a one-year grace period, industry should be able to adapt to the scheme.

The government estimates that with the implementation of the mandatory EELS for the initial three specified products, an additional electricity saving of 150 GWh per year could be achieved.

(Minutes of the 128^{th} meeting of the ACE, 15/08/05)

REGIONAL & INTERNATIONAL

China

Traffic pollution choking Shanghai

Shanghai's serious air pollution problem has cost Shanghai's government at least 8.3 billion yuan a year in directly related health-care expenses, which is equivalent to nearly 2 per cent of Shanghai's gross domestic product in 2000.

This figure was revealed in a study prepared by Fudan University's School of Public Health. Professor Chen Bingheng, who led the study, commented that pollution from traffic was increasing, although Shanghai's environment has apparently improved in recent years.

Professor Chen said that whilst particulate and sulphur dioxide emissions from industrial sources dropped by about 50 per cent in the past 10 years, nitrogen dioxide— mainly from cars— has on the other hand increased by 50 per cent. This change was due to Shanghai's rapid economic growth, which in turn pushed up the demand for cars and electricity.

Another study conducted by the Shanghai Environmental Science Institute also had similar findings. It showed that out of 18 road intersections tested in Shanghai, 16 had "excessive" levels of nitrogen dioxide. Institute head, Chen Changhong, warned that if Shanghai did not make effort to control the number of cars, density levels of sulphur dioxide, nitrogen dioxide and particulates will continue to increase and eventually bring a rise in chronic disease.

The Shanghai government said it controlled the number of cars through an auction system which kept the cost of car registration high, but admitted that it had no control over cars from other parts of the country entering the city.

[SCMP 30/9/05]

Cross-delta pollution index to be established

As part of a package of co-operation measures agreed at the Hong Kong -Guangdong Cooperation Joint Conference held on 28 September 2005, Guangdong and Hong Kong will issue daily air quality data for the Pearl River Delta as part of measures to tackle the choking smog that blankets the region. This will give a clearer picture of the source of air pollution, which has become a major issue in environmental protection talks between the two sides.

By the end of this year, the air quality data of the delta region will be released daily in Hong Kong and Guangdong. In addition, the two governments will co-release a report on air quality every six months. The two sides said they hoped to achieve agreed targets to reduce emissions of air pollutants by 2010.

On food safety, Hong Kong and Guangdong agreed to the establishment of a food safety notification system, in view of recent health scares arising out of food imported to Hong Kong from Guangdong. The governments, however, were of the view that more information should be exchanged before the actual introduction of significant measures and policies. Guangdong also promised to inform Hong Kong of other major food related health incidents which might not directly relate to Hong Kong.

[SCMP, 29/9/05]

Poisoned village up in arms again

Villagers in Zhejiang province threatened to resume protests-by way of dismantling polluting factories nearby— because their local government has failed to honour their promises to close these factories. These factories, which principally produce pesticides, fluorides and insecticides, polluted the village's air and water and caused respiratory problems and birth defects.

Villagers had taken action early in April 2004 by erecting barricades outside Huaxi village to stop deliveries of materials to these factories, which led to the villagers fighting with 1,500 police and local officials. Some villagers were arrested and beaten while in custody.

Although the Zhejiang provincial government ordered the entire chemical complex to be closed down in April last year on the ground that the land which the factories occupied had been procured illegally, the closure order was not enforced. Government officials declined to comment on the present situation.

Notwithstanding the ill treatment by local officials in the April incident, the villagers were determined to fight for their interests and to continue to press for an immediate closure of these polluting factories.

[SCMP, 26/8/05]

Billions to be sunk into water pipes

China's Vice-Minister of Construction, Qiu Baoxing, said that leaking pipes and widespread water pollution in urban areas were posing severe threats to the water supply in China. Mr. Qiu said that 90% of water sources in urban areas were polluted owing to the fact that 200 billion tonnes of waste water were discharged on the mainland every year and more than half of it was untreated.

Apart from polluted water, China experiences serious loss of water due to leakage in urban pipeline systems, and Mr. Oiu also urged the

government to step-up upgrading outdated water pipes.

In view of the huge difference in water supplies in the wet south and parched north, Mr Qiu hoped that the South-North Water Diversion Project would help address the imbalance.

[SCMP, 8/6/05]

Yangtze dolphins losing survival battle

The highly endangered Yangtze river dolphins are likely to achieve a tragic, unwanted distinction, being the world's first cetacean species to be rendered extinct by human activity.

In the 1950s 6,000 dolphins swam happily in the Yangtze. Today there are fewer than 50. None at all has been seen since last July, when a pair were spotted near Honghu Lake. The baiji have long been a favourite in China, and the subject of legends. The species is known as the *Goddess of the Yangtze*. Sadly, they have been driven to near extinction by a combination of man-made factors, including:

- turbidity and pollution in the river
- trapping and injuries from fishing nets
- being sucked into the propellers of the numerous vessels plying their waters
- and now, massive damage to their environment from the Three Gorges Dam, which also prevents upstream passage.

Scientists have virtually given up all hope of saving the *baiji*, and instead are concentrating on measures tp prevent the *baiji's* cousin, the finless porpoise, from the same fate. Approximately 2,700 porpoises lived in the Yangtze in 1991, but today there are an estimated 1,000 or less. World Wide Fund for Nature is working with local governments to establish lake reserves in which captured porpoises are released, where they hopefully will have a better chance of survival than in the congested and polluted waters of the Yangtze.

However, conservation processes are at a disadvantage in a country which is destroying its environment almost faster than It is developing its economy.

[The Australian, 27/10/05]

Philippines

Pagadian residents suffer from noise, air pollution

In the Philippines, a recent study by the Department of Environment and Natural Resources (the "DENR") found that the noise level in Pagadian City's commercial area was above tolerable level and the air quality was very unhealthy.

In the study, the DENR identified two commercial areas and one residential, all of which showed the average noise level to be 80 decibels (db) and the air quality to have exceeded the National Ambient Air Quality Standard set at 230 ag/m³.

The DENR study concluded that motor vehicles, specifically the tricycles and motorcycles which are the principal mode of transportation around the city, are the major cause of the city's noise and air pollution. An environmentalist and automotive specialist said excessive noise generated by tricycles was due to illegal modification of the muffling system of the engines in order to increase the passenger-riding capacity.

The specialist also attributed the noise and air pollution to the fact that many old tricycles are still used in the city.

[Philippine Daily Inquirer 24/7/05]

Australia

Plastic waste fuels Axiom diesel plan

Axiom Energy is seeking to produce diesel from, among other things, plastics, an innovation which could turn the 6.9 billion shopping bags thrown out by Australian consumers annually from waste to valuable resource.

Whilst pointing to the fact that presently only 12% of plastics used in Australia every year are recycled, the managing director of Axiom Energy, Mr. David Vinson, said the company had acquired the technology for converting plastic waste to diesel, and he was optimistic that the company would be able commercially to produce a huge amount of diesel from plastic and other wastes within the next two years.

[The Australian, 29/8/05]

Brazil

Amazon deforestation slowed

The rate of deforestation of the Amazon rainforest has been reduced by nearly half during the period from November 2004 to August 2005, according to satellite data released by Brazil's environment ministry.

Nevertheless, destruction of the forest continues apace. From August 2004 to June 2005, an estimated 9,000 square kilometres of forest were destroyed, compared with nearly 19,000 square kilometres during the previous year.

[The Economist, 3/9/05]

Hidden Amazon damage

Scientists have discovered that far more trees have been destroyed in Amazon forests than previously estimated.

This discovery came about as a result of detailed data provided by a new satellite imaging and photography system, which is able to detect much smaller clearances of forest cover than the system relied on till now. The new data shows illegal, selective logging has removed small clumps of tress, or even spaced single trees, over a significant part of the rainforest, adding to the cumulative total loss of trees due to both legal and illegal logging.

[The Australian, 19/10/05]

USA

Wal-Mart goes partly green

The world's largest retail chain, Wal-Mart, whose global sales will top US\$300 billion this year, has announced that it will introduce company programmes aimed at reducing environmental damage from its operations.

Wal-Mart will spend US\$500 million annually to introduce "environmental technologies" to its stores to reduce waste and greenhouse emissions. New prototype stores will become the norm; these will be 25%-30% more energy efficient. The company will also double the fuel efficiency of its huge fleet of trucks within 10 years.

Wal-Mart will also give preference to suppliers which implement their own environmentally responsible practices and which take positive steps to reduce their greenhouse emissions. Apparently, Hurricane Katrina has convinced the company of the importance of corporate responsibility for the environmental effects of their business operations, and Wal-Mart now aims to present a new company focus on the environment.

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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. or any of our following associate firms:

Hong Kong FRED KAN & CO. Suite 3104-07, Central Plaza 18 Harbour Road, Hong Kong Tel: (852) 2598-1318 Fax: (852) 2588-1318 Paris, France THOMAS, HERBECQ & ASSOCIÉS 3 Square Pétrarque 75116 Paris, France Tel: (331) 4755-4400 Fax: (331) 4704-5131 Tokyo, Japan GINZA 1-CHOME LAW OFFICE 4th Floor, Ginza B Building, 1-6-5, Ginza, Chuo-ku, Tokyo 104-0061 Japan Tel: (81) 3-3538-7561 Fax: (81) 3-3538-7562 Wenzhou, China ZHELJIANG PINGYU LAW FIRM Add.2F, Xingtai Mansion, Xincheng Avenue, Wenzhou, China Tel: 86-577-88929600 Fax: 86-577-88929615

In addition to Fred Kan & Co. the following are members of ADVOCASIA



An Association of Asian Commercial Law Firms

Kuala Lumpur, Malaysia CHEANG & ARIFF 39 Court, 39 Jalan Yap Kwan Seng 50450 Kuala Lumpur, Malaysia Tel: (603) 2161-0803 Fax: (603) 2161- 4475

Macau THE LAW OFFICE OF DR ANTONIO RIBEIRO BAGUINHO & DR JOAO MIGUEL BARROS Suite 1308, 13th Floor, Landmark Building, No 555

Avenida da Amizade, Macau Tel: (853) 705352 Fax: (853) 705351

Manila, Philippines HERRERA TEEHANKEE & FAYLONA

5/F., SGV II Building, 6758 Ayala Avenue Makati Metro Manila 1200, Philippines Tel: (632) 815-8846 Fax: (632) 815-8828

Melbourne, Australia MADDOCKS 140 William Street, Melbourne Victoria 3000, Australia Tel: (613) 9288-0555 Fax: (613) 9288-0666

Mumbai - India DHRUVE LILADHAR & CO. 13-A/B Ismail Building, 381 Dr D..N..Road, Flora Fountain, Mumbai - 400001, India Tel: (9122) 22852362/3 Fax: (9122) 22855787

New Delhi, India O.P. KHAITAN & CO. Khaitan House B-1, Defence Colony, New Delhi-110 024, India Tel: (9111) 2433 7516 Fax: (9111) 2433 7958 Perth, Australia KOTT GUNNING Level 8, AMP Building

140 St Georges Terrace WA 6000, Australia Tel: (618) 9321-3755 Fax: (618) 9321-3465

Shandong, China SHANDONG QINDAO LAW FIRM 22/F, Northern Tower, Golden Square, 20 Hong Kong Road(M), Qingdao P.R.China P.C. 266071 Tel: 86-532-85023128 Fax: 86-532-85023080

Singapore

MADHAVAN PARTNERSHIP 80 Robinson Road #08-01/02 Singpaore Tel: (65) 6225-5111 Fax: (65) 6224 3594

Sydney, Australia COLIN BIGGERS & PAISLEY Level 42, 2 Park Street Sydney, NSW 2000 Australia Tel: (612) 8281-4555 Fax: (612) 8281-4567

Adelaide, Australia NORMAN WATERHOUSE

Level 15, 45 Pirie Street, Adelaide 5000 South Australia Tel: (618) 8210-1200 Fax: (618) 8210-1234

Beijing, China

JINCHENG & TONGDA LAW FIRM 11th Floor, 22 JianGuoMenNei Avenue Huaxia Bank Building Beijing 100005, P.R. China Tel: (86) 10-8523-7766 Fax: (86) 10-6526-3519

Brisbane, Australia BIGGS & BIGGS

Level 16, Commonwealth Bank Building 240 Queen Street, Brisbane Queensland, Australia 4000 Tel: (617) 3331-1950 Fax: (617) 3221-0329

Colombo, Sri Lanka D.N. THURAIRAJAH & CO. 2nd Floor, Don Carolis Building Post Box.1464, No. 64, Keyzer Street Colombo-11, Sri Lanka Tel: (94)(1) 439-798

Dubai, United Arab Emirates LUTFI AL BAHAR & CO.

Fax: (94)(1) 448-002

Suite 804 A City Tower 2 PO Box 8812, Dubai, United Arab Emirates Tel: (97) 14-321117 Fax: (97) 14-311455

Jakarta, Indonesia MAKES & PARTNERS

Menara Batavia, 7th Floor, Jl K.H. Mas Mansyur, Kav. 126, Jakarta 10220, Indonesia Tel: (6221) 574-7181 Fax: (6221) 574-7180