

Putting Sustainable Development into Practice

Submission by

The Conservancy Association

on the 2000 Policy Address

August 2000

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1. Introduction

1.1 1.1 In our submission last year, the Conservancy Association urged the Chief Executive Mr Tung Chee Hwa to make his 1999 speech a green Policy Address. We suggested that Mr Tung use the Policy Address to give direction for the SAR's environmental policy for the next Century. Specifically, we invited Mr Tung to consider the following:

- i. i. to enact a Nature Conservation Bill;
- ii. ii. to set up a Nature Conservation Fund with contribution from government and developers;
- iii. iii. to speed up the extension of mass transit, to implement road pricing and designate more pedestrian zones;
- iv. iv. to abandon the principle of permitted return on fixed assets for utilities, and to introduce competition and energy conservation
- v. v. to move towards privatisation of fresh water supply and encourage efficient use of fresh water resources;
- vi. vi. to adopt a waste disposal charge, to take the lead in purchasing recycled products, and to consider recycling credits and preferential tax;
- vii. vii. to introduce clean transport fuel such as natural gas and to take the lead in using such fuel for the government vehicle fleet; and
- viii. viii. to set up a Green Community Chest to assist in environmental education.

1.2 1.2 Although many issues raised in our submission were not directly addressed, we were much encouraged by Mr Tung's speech last year which, we considered, indeed set forth the direction for a green Policy Address. We welcomed the emphasis Mr Tung placed on sustainable development as a guiding principle in government policy making.

1.3 1.3 Having established the principle, however, we believe it essential for the SAR government to devise policies, through the 2000 Policy Address, to bring sustainable development into practice. As the last Policy Address of the twentieth century, Mr Tung's coming speech will be all the more important in laying down the foundation of a sustainable society and economy for the SAR in the 21st century.

1.4 1.4 The Conservancy Association has high expectation of the October 2000 Policy Address. We would like, through this submission, to put forward our proposals in the following areas:

- - sustainable development
- - resources conservation
- - nature and heritage conservation
- - energy conservation
- - sustainable living: water and sewage
- - sustainable living: clean air
- - sustainable planning
- - sustainable community building

2. Sustainable Development

The Susdev Council

- 2.1 2.1 The Conservancy Association has championed the concept of sustainable development since 1979. The *Agenda 21 For Hong Kong* published by the Association in 1993 opened with the remark that the catchword in environmental protection up to the next century would be sustainability. We were thus delighted by the emphasis on sustainable development as a guiding principle for government policy making in the last Policy Address. Almost a year having gone by, however, this principle seems not to have been adequately backed up by concrete policies.
- 2.2 2.2 One key proposal in last year's Policy Address has been the strengthening of the institutional structure for sustainable development, in particular, the planned establishment of the Chief Executive's Council for Sustainable Development - a concept previously proposed by the Association and other green groups. This Council has yet to come into existence.
- 2.3 2.3 We urge the Chief Executive to establish the Susdev Council as a matter of priority. In order to be representative of the community and to balance social and economic interests, we propose that the Council comprise members two categories. The first category should consist of academics and professionals among the fields of urban planners, environmental planners, ecologists, development economists and sociologists. The second category should comprise representatives from the community including the Government, the business sector and green groups.
- 2.4 2.4 The Susdev Council thus established should be given two major tasks, namely, to formulate a Sustainable Development Strategy and to institute sustainable development into the process of government.

Susdev Strategy

- 2.5 2.5 The central issue that differentiates sustainable development from other concepts of development is cross-generation equity. A direct corollary is cross-generation distribution of resources. Since we, this generation, cannot pre-determine what our future generations want or how they define quality of life, the best we can do is to leave them the maximum amount of resources, in both quantity and diversity terms, whilst satisfying our own needs. This poses a duty on us to re-examine our own wants and rethink our present mode of development with a view to minimizing the use of resources, conserving resources where possible, and when necessary, using them as efficiently as possible. In this regard, the definition of resources should be broadened to a wide range of natural resources (land, water, atmosphere, biodiversity) and human resources (population, health, education, diversity of skills and abilities).
- 2.6 2.6 We need therefore to install as our central value the aim to move towards a more sustainable lifestyle, that is, achieving the same quality of life by using less

resources and by using resources more efficiently. We also need to preserve the greatest amount that we can of “social capital”, including what may be described as culture, heritage and way of life. Accordingly, the theme of conservation should stand out clearly as a key practical concern in achieving sustainable development. We would emphasise that “conservation” in this sense is not confined to the narrow scope of nature preservation, but should be of much wider application to other aspects of natural, social and cultural resources. This indeed is the theme that runs through the present submission.

2.7 2.7 For this reason, a positive and constructive conservation strategy (of which more below) will be a critical element in the Susdev Strategy. The Strategy should be supplemented by a properly designed sustainability impact assessment process. This should not be confused with the much criticised and grossly inadequate decision-support tool, in the form of the “Susdev indicators”, developed from the “Susdev21” study. Instead of the large number of disparate parameters generated by the Susdev21 study, a proper decision-support tool should be designed on the basis of a holistic re-appraisal of our present mode of development, which should address the core values of sustainable development (as described above) by asking questions such as the following:

- - How do we value quality of life?
- - Is economic growth measured by GDP a justifiable indicator?
- - Is there a less resource-intensive mode of development that can help us achieve the same quality of life?
- - Is the existing system of resource allocation in our society fair and equitable, and hence less wasteful?

2.8 2.8 Furthermore, the sustainability impact assessment process can be given a legal status through a Sustainable Development Bill which the Association proposed in our earlier submissions. Through the force of a legal code, a Susdev Bill will help incorporate the principle of sustainable development into all major government policies and decisions. The aim is to ensure that development take place with full regard to sustainability and the long-term development needs of the territory in an integrated manner. Like the Bill of Rights which provides the legal basis for the protection of human rights, a Sustainable Development Bill will not become another level of legal regulation, but rather a tool to ensure the integral nature of development and the long term interests and aspirations of the community.

The Susdev process

2.9 2.9 For sustainable development to work in practice would require no less than a change of culture in the way the HKSAR is administered. Government officials need to steer away from the entrenched value of seeking “balance” and “compromise”, for example, compromise between economic growth at the cost of a loss of ecosystem or land resource. Instead the Administration and the community as a whole should seek to achieve sustainability positively by asking questions such as: Is there a way to improve quality of life without destruction of the ecosystem at all, or with a smaller footprint on land resource, and so on. In other words, the community as a whole should try to cultivate a “spirit” of

sustainable development, much like the spirit of enterprise and hard work for which Hong Kong is famed. The government, as a key player in development control, has undoubtedly a critical role here in leading the community towards such a “spirit”.

2.10 2.10 One important implication is that after creating a long-term vision based on the sustainability principle, the process of getting to the vision should itself also be sustainable. However good the vision is, be it “green new towns” or a “harbour for the people”, the end result will be much more difficult to be achieved if the destruction on the way is not curtailed. To give a concrete example, there is no reason why, in order for the central harbour reclamation to genuinely belong to the people of Hong Kong, what we already have in the form of the historical Edinburgh Place and Queen’s pier has to be destroyed. A sustainable solution would have been to seek ways of preserving them even as the waterfront itself is being transformed to enhance its historical and cultural value for Hong Kong.

2.11 2.11 Sustainability should be the guide not just in creating the vision, but in the process of getting there. The Sustainable Development Unit proposed by the Chief Executive in the last Policy Address is an important part of the institutional structure that can help ensure that. Unfortunately, like the Susdev Council, the Susdev Unit has not yet been formed. We reiterate our call for the Susdev Council and the Susdev Unit to be created the latter as secretariat to the Susdev Council as well as the advocate within government on sustainable development. Due to its multi-sectoral, to be effective, the Susdev Unit should report direct to the Chief Secretary and be responsible for guiding and coordinating all government bureaux and departments in the implementation of sustainable development policies.

3. Resources Conservation: Waste Management

A waste management crisis?

- 3.1 3.1 As the SAR is beleaguered by many problems, it may seem inappropriate to describe the waste problem as yet another crisis. But the Association is concerned, from our first-hand experience, that if a radical approach is not taken, the creeping problem that we face today in waste management will get blown into one of crisis proportion.
- 3.2 3.2 The heart of the problem lies in the unsustainable nature of the present regime, and the lack of community consensus to seriously tackle it. As a major organiser of community recycling projects - our recent "Say No to Plastic Bag" project being probably the biggest territory-wide education campaign in waste management - we have sadly to report that although there has been considerable growth in awareness, commitment towards waste reduction among the community is still lacking.
- 3.3 3.3 This is not to blame the government for the waste problem. We continue to support the Waste Reduction Framework Plan. But we consider that the prospect of the Plan achieving its targets is not good, if the going rate of waste generation and the present waste management regime continue.
- 3.4 3.4 Almost all of our wastes are disposed of in the landfills which together take up around 600 ha of land, close to the size of the District of Yau Tsim Mong (680 ha) and much bigger than some Hong Kong country parks. This is an expensive way of dealing with wastes in land-scarce Hong Kong. The taxpayers are spending \$2.4 billion every year for collecting and disposing of the municipal wastes. On average, every Hong Kong citizen is paying close to \$400 a year in municipal waste management. This will become unsustainable as the tips are filled.

A sustainable waste management regime

- 3.5 3.5 One obvious source of inefficiency in the present regime is the disposal of recyclable municipal wastes. While recycling rate of commercial and industrial wastes is relatively high, recycling rate of domestic waste is low at less than 10%. Every year some 2 million tonnes of potentially recyclable material is buried in our landfills. Assuming an average value of \$500 per tonne, this is equivalent to nearly \$1 billion worth of recyclable materials lost through sheer waste mis-management.
- 3.6 3.6 The key issue, in our view, is not lack of market or motivation, but a case of market structure deficiency. Like other businesses, the local recycling industry has to contend with problems of high rent, labour cost and other operating costs. In addition, due to the decline of local manufacturing industries, the supply of industrial recyclables has been reduced, while the world prices for most recyclable materials have declined due to success of recycling programmes in other countries. But most important of all, the industry is

hampered by lack of awareness on recycling from "source", that is, households. This has adversely affected their outputs and profit margin making this sector more vulnerable to fluctuation in world secondary material prices.

- 3.7 3.7 To address the problem, we recommend a totally new approach designed in accordance with the principle of sustainable development. Under this approach, greater priority should be given to the more sustainable solutions in waste management. For the industrial sector, this means waste avoidance through clean technology. For the households, the priority should be on waste minimisation through reduction and re-use. In addition, recycling should be considered as more than just a business sector, but a form of basic service for society.
- 3.8 3.8 Already government bears an annual cost of \$2.4 billion in waste management. It is important for the government and the community to rethink how this HK\$2.4 billion should best be utilised.
- 3.9 3.9 A starting point will be to reallocate the expenditure in accordance with the newly established priorities. This means more efforts in education about waste reduction and avoidance at source, as well as establishing recycling as the preferred method of waste management, so as to maximise environmental and social gains. That will require a re-distribution of waste management resources to all stages of recycling, including collection infrastructure and transport facilities (particularly for light weight materials such as plastics).
- 3.10 3.10 An important contributor to this new approach which government has under its control is the large number of government and public agencies, for example, government departments, district councils and Housing Authority. Through these public agencies the government should assume a proactive and leading role, at the same time taking care not to displace existing profit making parties such as the cleaners, the recyclable dealers, exporters and re-processors. They should endeavour to integrate the public effort into the private and informal waste recovery and recycling sector by offering incentives for the latter. The current collection authority, Food and Environmental Hygiene Department, should contribute by helping to transport recyclable materials by its crew or its contractors. Appropriate regulatory measures such as waste disposal charge, variable waste collection charges, recycling credits to non-profit making organisations, incentive grants to the recycling industry (for example, to cover efficiency-enhancing equipment), provision of accessible and lower-rent premises (such as Industrial Estate for high-end waster management plants), and a preferential procurement policy for products made from locally sourced recyclables should also be considered.

Waste management as a social responsibility

- 3.11 3.11 The most effective force in the waste management effort must remain the household sector. One of the key reasons why recycling has not been effective is that households are disposing wastes apparently free of charge. Even though rates are in effect paid for that purpose, they do not reflect the cost of treating the large quantity of wastes thrown away. The obvious economic solution would

be to impose commensurate fees and charges on waste disposal and treatment. We fully recognise the political sensitivity in doing so, we urge the Administration and the community to take this problem head-on, and seriously consider it as a social responsibility of both the government and every citizen.

3.12 3.12 An essential element in the social aspect of waste management is community education on recycling. Of all the environmental problems, waste is the one that literally requires everyone to put in an effort. Without systematic and continuous education on source separation and material recovery, the efforts on other fronts will be all the more difficult.

3.13 3.13 We strongly urge the government to invest substantially more resources into publicity and education about recycling. The investment will be very worthwhile, not only for the economic benefits of more effective recycling, but also the social benefits of a collective community endeavour. The government will benefit from reduction in cost of collection, transfer and disposal; the economy will have a job-creating, vibrant though labour intensive recycling sector to look forward to; while consumers can enjoy a sustainable lifestyle which they contribute towards. In return, consumers will play their part in source separation and temporary storage of the wastes; government should fund education and publicity programmes in collection and recovery for resident groups and NGOs, while producers should pay for the recycling of the material collected by these groups.

Producer responsibility

3.14 3.14 The principle of producer responsibility requires that producers (manufacturers, importers who produce wastes from the consumption of their products) meet recycling and waste reduction targets. One practical means of implementing this principle is through the producers subscribing to some schemes, such as the green dot scheme in Germany.

3.15 3.15 We believe a serious attempt should be made to build producer responsibility into our waste management regime. It may be necessary for producers and importers who subscribe to these schemes to contribute to the funding which can be used to set up recycling programmes. Some financial involvement from the government could be considered as a way to facilitate these programmes. Producers should at the same time be given the flexibility to achieve the targets using their own methods, so as to encourage innovative recycling techniques and to encourage producers to reduce, not just recycle, wastes.

3.16 3.16 To be effective, producer responsibility should be combined with a usage-based landfill charge. An additional landfill tax to further discourage the use of landfill is also worth examining. From the point of view of the polluter-pay principle, a landfill charge should not replace charging by producer responsibility, as they serve different purposes. Neither of them alone will be sufficient to support or enhance the current level of recycling.

Illegal dumping

- 3.17 3.17 Needless to say, the problem of waste is not confined to that of recycling. One of the immediate concerns is that of illegal dumping which, unfortunately, may threaten to become worse when landfill charges are introduced.
- 3.18 3.18 Illegal dumps are not only an eyesore, but a potential hazard and a time bomb on our precious land. The Association has proposed a public reporting system to monitor illegal dumping; we urge the government to set this up as soon as possible.
- 3.19 3.19 While we recognise that the government is taking action to clear illegal dumps, it is perhaps more important to address the root cause of the problem. Currently, the government adopts a cradle to grave approach for chemical wastes, partly as a solution to illegal dumping for these wastes. As this has proved successful, it may be worth examining the same model for other wastes, particularly construction wastes. This will mean construction sites being required to prepare estimation of wastes quantity and to produce trip tickets (as in the chemical wastes system) so as to ensure the same amount generated at the construction site is disposed of in the landfills or public dumps. In addition, recycling targets should be set for construction sites, thus encouraging the sorting of waste materials on site. While the targets for private sector development projects could be introduced gradually, the government may start setting target for recycling to its subcontractors for public works. Obviously, much training and publicity programmes will be required for the relevant workers, and adequate infrastructure for recycling of construction wastes will need to be provided.
- 3.20 3.20 We appreciate that controlling fly tipping is no easy task and considerable investment may be required. Nevertheless, the return is the preservation of valuable land resources from contamination and degradation. The recycling of construction wastes will also preserve our precious landfill space and conserve resources. These benefits will make the investment very worthwhile.

4. Nature and Heritage Conservation

A constructive conservation policy

- 4.1 4.1 Early in the month (August 2000) we submitted a proposal for a comprehensive and constructive conservation policy to the government. In the current submission we shall limit ourselves to policy areas which we suggest should be dealt with in the Policy Address. First, we would summarise the main points of our earlier submission on conservation policy, as follows.
- 4.2 4.2 We reaffirmed our support for the Chief Executive's vision of Hong Kong as a world city. A world city must be backed by a first class quality of life, for which natural and cultural heritage plays a defining role. As such our heritage is an invaluable public asset that belongs to society and posterity, an important "social capital" of the Hong Kong world city.
- 4.3 4.3 In our submission we pointed out that the current legal framework for conservation as embodied in the Country Parks Ordinance and the Town Planning Ordinance is inadequate. The land use zoning of Conservation Area (CA) or Sites of Special Scientific Interest (SSSI) may be ineffective either through lack of land management or due to failure to enforce planning control. The framework does not cover areas with high conservation value that fall under other zoning such as Agriculture, nor does it provide for the policy support for a strong advocate within government to stand up for the conservation objective against other competing uses such as transport or housing.
- 4.4 4.4 We proposed that for conservation to be really achieved, the conservation framework should be strengthened by making conservation an explicit objective to be achieved, not just a land use description. Using as example wetlands designated as Ramsar sites, we argued that there should be a strong government policy in favour of conservation.
- 4.5 4.5 Accordingly, we proposed that in addition to the present CA zoning to cover "wild places" in the remote countryside, other areas with high conservation value should be designated under a zoning which seeks not just to describe the land use but to explicitly seek to achieve the conservation objective. Under this framework, there is a presumption that all sites identified for conservation will be thus conserved. We proposed that this should apply to six types of conservation areas, as follows.

- (1) (1) Many areas have been designated SSSI's on account of their ecological significance, hence there may be merit in renaming them "sites of significant ecological value" or some other similar designation.
- (2) (2) There are areas within Hong Kong which should be preserved simply because of their landscape value, for instance, Tai Long Wan and Wu Kau Tang. These areas should perhaps be named more specifically as "sites of special landscape value".
- (3) (3) A special case of unique landscape value is that of the shoreline. Under the present zoning there is a designation of "coastal protection area" as a special conservation zone, but again the zoning is negative, to deter development rather than achieve conservation. The CPA zoning should thus fall also under the stronger regime of conservation.
- (4) (4) Another type of conservation land use may be described as "sites of significant historical value". A precautionary principle can be extended to specific classes of historical structures, such as pre-War buildings.
- (5) (5) In the rural areas there remains a lot of what can be described as "sites of significant rural character", such as the agricultural land in Lam Tsuen Valley and Long Valley. With or without important habitats or historical monuments, these areas are worthy of preservation because of their rural and cultural character, which in itself is an important heritage.
- (6) (6) Extending the same concept further, one can envisage a designation of "sites of significant cultural value", which embodies some local way of life which is valued by the community, for instance, the way of life in Tai O in Lantau and Shanghai Street in Yamautei.

4.6 4.6 We recommend that the present conservation framework be thus strengthened, to apply both to areas under the Country Park Ordinance and the Town Planning Ordinance. The framework should include the following categories of designations:

CA	The "default" zoning, same as present
CA(1)	Sites of significant ecological value
CA(2)	Sites of special landscape value
CA(3)	Coastal protection area
CA(4)	Sites of significant historical value
CA(5)	Sites of significant rural character
CA(6)	Sites of significant cultural value

4.7 4.7 Under this more comprehensive conservation framework, the value to society of conservation will be recognised and the planning intention will reflect an express desire of society to achieve conservation. For that to be realised, there should be a mechanism, consisting of a variety of means, to implement the stated conservation objectives.

4.8 4.8 In our submission we put forward a number of options to implement the

conservation framework, including government resumption, inviting a third party such as a charitable trust to buy out and manage the land, as well as a public-private partnership approach whereby development right is granted in exchange for conservation. We concluded that a sustainable solution would be to create a Nature Conservation Trust and to establish a mechanism for transfer of development rights. An effective Nature Conservation Trust will act as Hong Kong's guardian of our scarce natural and cultural heritage. It could also provide the necessary guidance over problems such as when private sector initiative would be helpful, or when intervention by the public sector is appropriate.

Nature Conservation Trust

4.9 4.9 Before the details of the new conservation framework is fully debated, we urge the Chief Executive to issue a strong statement of intention in this Policy Address on conservation so as to give the Environment and Food Bureau an effective mandate to develop the conservation policy.

4.10 4.10 There should be clear targets for progress to be achieved in the establishment of the institutional structure for sustainable development. We shall understand if it would take time to set up the entire structure, which should include as its key elements a Sustainable Development Bill, a Nature Conservation Bill and a Nature Conservation Trust. In the interim, we recommend that the establishment of the Nature Conservation Trust be fast-tracked through an administrative measure. The Trust can be set up right away with a grant from the government, initially as a public (but non-governmental) body serviced by the government but answerable to an interim board to be made up of conservation experts and practitioners. This will enable the Administration and the community to gain experience in the working of the Trust so that when the institutional structure is eventually developed, the Trust can assert its function fully.

Transfer of development rights

4.11 4.11 Another area where action is urgently needed is the creation of a mechanism to enable transfer of development rights. Such a mechanism will be especially useful for the preservation of cultural heritage as well as areas with conservation value that fall under village expansion areas.

4.12 4.12 We urge the Administration to seriously study various possible methods to effect transfer of development rights. In cases involving areas of very high ecological or cultural value, a land-swap option with government land should be explored, especially for the rural areas. Where the development right in question belongs to developers with substantial land holdings, negotiation for transfer of plot ratio to other less sensitive areas should be an option to be examined. The most flexible approach, however, would be to adopt a market-oriented model by monetising development rights so that the latter becomes an exchangeable commodity.

4.13 4.13 In the context of our rural areas, a related policy issue which we urge the

Administration to address is the review of the small house policy. We wish to state at the outset that the Conservancy Association is sympathetic with the indigenous villagers of Hong Kong with respect to their rights which have been guaranteed under the Basic Law. Equally, we would point out that the current small house policy is unsustainable, not only environmentally but also socially and politically. Instead of putting the matter in the back burner, we submit that they should be openly discussed so as to encourage innovative solutions. The magnitude of the problem is big, but considering that they may be related to some other government policies like the public housing programme which impact is much more massive, it is not impossible to find win-win solutions.

Hong Kong's inventory of conservation assets

4.14 4.14 In our submission on conservation policy we have emphasised the importance of affirming the conservation objective in government policy. On a practical level, it will be critically important to know what and where it is that we are conserving. We believe it is high time the government Hong Kong's inventory of conservation assets be established.

4.15 4.15 Government regularly undertakes studies to identify strategic growth areas and to address the needs for other planning objectives, such as the need for container backup land. A similar study to ascertain the areas of high conservation value is long overdue. Such a study should not be confined to ecology or biodiversity, of which a partial study has been carried out by the Hong Kong University. Instead it should be extended to include other aspects of our natural and cultural heritage, including landscape, antiquities, rural character and local way of life. The study will be very useful in forging the community's consensus on preservation of our natural and cultural heritage.

4.16 4.16 The study should be conducted in much greater detail than some current studies undertaken at the regional level, for example, Sai Kung and Lantau. The Planning Department's planned landscape mapping study will be a good starting point – it should be extended to include other conservation objectives, thus making it a “conservation mapping study”. It should help identify, among other things, specific localities for conservation, such as areas of high conservation values like Tai Long Wan, Tai Ho, Long Valley, Pak Nai, Wu Kau Tang and Lam Tsuen, to name but a few.

5. Energy Conservation

Bringing life back to energy policy

5.1 5.1 With regret we have to submit that energy seems in our view to be an area that suffers from a policy void in the SAR government. Yet an effective energy policy will be indispensable for any place that aspires to be a world class city.

5.2 5.2 A case in point is that of the demand side management scheme, designed as an energy conservation regime. What should have been a community effort that involves everybody, turns out to be a scheme that is criticised from all sides – the consumers, the Legislative Council, the business sector especially small and medium enterprises; even the implementing agent, the power companies. At the outset, the scheme suffers from a systemic problem in that the very companies which business depends on electricity consumption is asked to administer a programme that aims to cut it down. We are not optimistic of the outcome of such a scheme.

5.3 5.3 The key deficiency lies in the lack of a credible and professional authority within the Administration on energy issues. This is an policy area which is badly in need of re-focusing for the SAR government.

Interconnection and competition

5.4 5.4 We were disappointed at the government's decision to approve the expansion of Hong Kong Electric's power plant at Lamma Island. In our view, the decision has deprived Hong Kong consumers of the opportunity of a viable, cheaper and more efficient energy distribution network, at the cost of billions of dollars prior to 2008.

5.5 5.5 Instead of dwelling on criticism, we are willing to look forward but first we must draw the government's attention back to the findings of the consultancy report commissioned by government itself on interconnection and competition. We remain firmly of the view that the distribution grids of the two power companies should be fully interconnected and that the regulatory regime must be modernised. The existing schemes of control have proven a failure, as demonstrated by the mistakes in energy planning and the inefficiencies in operation, at a cost that is being borne by the consumer right now.

5.6 5.6 From the point of view of energy conservation, the systemic inefficiency should be removed by combining the grids of the two power companies. A large grid covering the entire SAR will lower operational costs and enhance operational performance. It will make possible a smaller overall reserve capacity to be installed, while making the system more stable. It will also enable more efficient planning and investment, including making room for alternative energy supply such as wind or solar energy.

5.7 5.7 The Conservancy Association believes that with the implementation of interconnection, the appropriate market structure should be one where the

vertical integration is broken up, so as to separate transmission from generation. This implies a radical overhaul of the regulatory system.

Establishing a sustainable regulatory regime

5.8 5.8 We realise that the schemes of control have placed constraints on what government can do in enforcing interconnection. However, the experience of the telecommunications industry has demonstrated that this is not impossible.

5.9 5.9 While the government has until 2008 to install the new regulatory regime, we submit that now is the time to start planning, as capital investment in the energy sector will take time. In that connection we urge the Government to formulate as a matter of priority a competition policy for the power sector. The Policy Address will be a very appropriate occasion for the government to initiative a public debate on appropriate competition policy and regulatory framework for the power sector.

5.10 5.10 In order to conduct an open and independent review on the Interconnection option and to generate public debate on the appropriate form of regulatory regime for the future, we suggest that the Government appoint a panel of international experts for the tasks. This International Review Panel should also look into the desirability of setting up a permanent Energy Authority within the government in preparation for the more complex regulatory regime after 2008. An appropriately staffed Energy Authority could be the best way to overcome the current shortage of in-house expertise as well as the over-reliance on external consultants in the current policy formulation process on energy issues.

5.11 In terms of long term sustainability, our energy sector cannot be divorced from that of Guangdong. In planning for the new market structure, therefore, we should take full account of the potential for integration of the Hong Kong and Guangdong power grids. For instance, it will be much more environmentally sustainable if Hong Kong can take advantage of the current excess capacity in Guangdong, or make use of the cheaper and more environmentally friendly hydropower from Guangxi and Guizhou (as the latter are being linked up with Guangdong). The potential for integration should cover system planning, new capacity installation, supply and the shared use of resources for regulation, including the enforcement of environmental standards.

6. Sustainable Living: Water and Sewage

Water quality

- 6.1 6.1 The Conservancy Association has the privilege of participating in the recently established advisory committee on water quality. We would like to commend the SAR government for involving the community in this matter which concerns the everyday life of every Hong Kong resident. We assure the Chief Executive and the Administration that the Association would continue to contribute constructively to this committee, trusting that the committee is empowered to fulfil its duties in a fair and open manner.
- 6.2 6.2 Beside the matter of water quality, the Association is concerned also about the conservation and wise use of water resources in the Pearl River Delta region as a whole. We are fully aware of the sensitivity of this issue, but the matter of water quality is of necessity a cross-boundary issue, since we share the same water body with the Pearl River Delta cities. We encourage the governments on both sides of the boundary to communicate with each other with goodwill, and to involve the public in improving our quality of life.
- 6.3 6.3 Another important aspect of water quality is value for money. We understand part of the question is being addressed by a study conducted under the auspices of the Business and Services Promotion Unit. While it is not clear to us what the study has come to, we believe this is the time the issues are brought to the public for an open debate – issues of efficient delivery, privatisation of water supplies, and effective negotiation with Guangdong on Dongjiang water.
- 6.4 6.4 We believe however that the current process of cross-border policy coordination is severely handicapped in one aspect. The different levels of government in the Mainland have very clear demarcation of duties. Actual funding and implementation of most environmental protection projects, such as projects designed to control sewage pollution to the raw water bound for Hong Kong, are carried out at the city, not provincial level. Though the SAR Government's current dialogue with the Guangdong provincial government is helpful in exploring certain macro-policies that may affect the entire province, we see the need in establishing a Pearl River Delta Mayor's Council to coordinate and prioritize projects of great environmental concern to Hong Kong and to the region. We hope that the SAR Government can take the lead in such an exercise.
- 6.5 6.5 In the long run, the availability of fresh water resources will become a more and more acute issue in the Pearl River Delta. If the issues concerning the allocation of water resource, the control of pollution and the multiple use of water through recycling are not properly addressed in a far-sighted manner, Hong Kong will one day face the same problem of water shortage like many coastal cities in the Mainland despite the current water purchase agreement with Guangdong.

Strategic Sewage Disposal Scheme

6.6 6.6 The Conservancy Association applauds the Chief Executive's decision to conduct a review of the Strategic Sewage Disposal Scheme. In the past years we have conveyed to the government on various occasions our reservations on the viability and cost-effectiveness of the SSDS and made a number of alternative suggestions. We sincerely hope that the review will come off with a result that best serves the interests of the Hong Kong community.

6.7 6.7 As the review is ongoing we would refrain from commenting on it specifically. But we do wish to contribute a few thoughts on our sewage management policy. These include the following four aspects.

- (i) (i) the trans-boundary nature of pollution in Hong Kong waters, in particular the long-term effect of pollution by neighbouring cities in the Pearl River delta;
- (ii) (ii) the desirability of a higher level of treatment, such as biological nutrient removal, to cater for the needs of a sustainable solution in the long run;
- (iii) (iii) the possibility of a distributed mode of siting sewage treatment facilities;
- (iv) (iv) the possibility to harness the energy and innovation of the private sector in the treatment and disposal of our sewage, for instance, to consider a build-operate-transfer scheme.

6.8 6.8 Finally, we pay tribute to the government for handling the review in a public and transparent manner, thus setting the model for an open and responsible government in resolving environmental problems. Equally important, we hope that the outcome of the review can demonstrate that the entire exercise is conducted in a fair and independent manner. We urge that the same open and transparent public-enquiry method be used for other contentious environmental projects.

7. Sustainable Living: Clean Air

Controlling diesel vehicles

- 7.1 7.1 We welcome the considerable progress made in the LPG taxi scheme since the last Policy Address. However, the overall progress is, in our view, still too slow.
- 7.2 7.2 The Government trial LPG taxi programme has revealed a number of issues in implementation, which boil down to cost competitiveness and support infrastructure. The issues of price and maintenance are critical and we urge speedy solutions. Put simply, LPG price must be lower. As air pollution is of such great public interest, we believe government intervention in ensuring lower LPG price is justified. This may take the form of lower land premium for new LPG stations and subsidised training and operation for maintenance workshops.
- 7.3 7.3 In terms of street level air quality, the use of less diesel (or less polluting diesel) will immediately improve the air quality by lowering particulate level, to the benefits of large number of working people or residents in the urban areas. In practice, we recognise that many problems still remain, such as lack of incentive to switch to cleaner fuel, illegal diesel, lack of maintenance, lack of enforcement, or plain inertia. As a means to regulate control of emission, we suggest that the government consider setting up self-imposed target levels, for example, of particulate levels which are readily measurable. The widespread use of particulate traps and catalytic converters for existing diesel vehicles should also be promoted rigorously so as to reduce particulate emissions.
- 7.4 7.4 Furthermore, besides taxis, we urge the government to extend the LPG programme to other light-duty diesel vehicles such as public light buses and small goods vehicles. Other programmes to cut emissions from larger vehicles such as buses and goods vehicles should also be examined.

More comprehensive air pollution control

- 7.5 7.5 Whilst the switch from diesel and petrol to cleaner fuels such as LPG, natural gas and electric vehicles must be stepped up, it should be borne in mind that at the end of the day, all vehicles pollutes in one way or another, whether they burn petrol, diesel or LPG. The key element in the strategy to control air pollution must therefore be suppressing the use of vehicles, through proper planning, fiscal and non-fiscal policy incentives and penalty measures. Walking and cycling are the most environmentally friendly modes of transport and they should be promoted as a matter of priority.
- 7.6 7.6 Particulate is of the greatest concern at the moment, but we shall sooner or later have to contend with the problems of NO_x and ozone, to which both petrol

and LPG vehicles contribute.

7.7 7.7 The problem will be an ongoing one which can only be ameliorated but not totally resolved. The role of the government is critical in making the pollution control regime more effective; in London, for instance, the local government sponsors all private car owners to convert their vehicles to LPG while in Paris, the government is gradually building up a re-charging infrastructure for electric vehicles. In a similar vein, we urge the SAR government to play a more active role to help the community combat this everyday problem.

Cross border air pollution

7.8 7.8 The October Policy Address will be delivered in early autumn which, unfortunately, signals the onset of the seasons of smog. The cross-boundary pollution problem is one which requires a genuine cooperative effort between the two sides. Even so, little is known of the specific problems. We recommend that the Hong Kong SAR should take the initiative to organise a large scale cross-boundary cooperation, involving a quadrilateral effort of officials, academics, green groups and the business sector, with the aim to get to the bottom of the problem of cross boundary air pollution.

8. Sustainable Planning

Sustainable New Towns

- 8.1 8.1 Following the last policy address the government promulgated the “environmentally friendly new towns” for Kwu Tung and Fanling. While we support the concept, we feel that much detail has yet to be filled in, the current proposal being made up mainly of a combination of public transport with podium-level pedestrian linkage supplemented with cycling lanes. These are good elements but they are not materially different from the second generation new towns such as Sha Tin. We recommend that in the detailed planning a more adventurous approach be considered. For instance, a more holistic approach could be adopted in integrate sustainable urban design with the new town infrastructure, such as use of solar or other regenerated energy, re-use of domestic waste water, incorporation of recycling facilities, and so on.
- 8.2 8.2 So that the principle of sustainable development is put into practice, the sustainability impact assessment process and the principles of conservation as described above, including conservation of the environmental, cultural and historical values, should be applied to these new towns.

Community centred planning: pedestrian environment

- 8.3 8.3 In planning for new development areas as well as urban renewal schemes, a pedestrian strategy should be established which should include a pedestrian impact assessment. In our traditional urban development system, priority is always given to smooth, direct and unobstructed vehicular traffic movements, and pedestrian needs have always been neglected. We would emphasize that pedestrians should be given priority and they have the right to enjoy a safe, clean, interesting and pollution-free environment. For this reason, walking and cycling studies should be included as essential parts in all transport planning studies for all developments, whether old or new.
- 8.4 8.4 We would like to highlight in particular the need to provide safe access for the blind and the disabled. This should be incorporated in our road design. One simple but fundamental problem relates to space - our pedestrian pavements are far too narrow to accommodate the needs of different people. The standard should be enlarged, for example, by setting back the ground floor of buildings for widened pedestrian pavement so as to enable suitable and interesting street furniture compatible and integrated with pedestrian pavement of specific district character.

Eco-parks

- 8.5 8.5 The concept of eco-park evolved from the new towns proposed last year. Although the definition and detailed description of eco-park is not yet clear, we believe it merits serious study as a town planning concept to put into practice the conservation policy proposed earlier in this paper.
- 8.6 8.6 An appropriate eco-park properly integrated into the new town could serve the function not only of preserving ecological value but also of public education about our natural or cultural heritage. They could help bring heritage to people and bring people to heritage. As such they should not be treated merely as additional recreational resources, but valuable venue for human integration with nature so as to cultivate their awareness in environment and nature conservation.
- 8.7 8.7 For the eco-parks to succeed proper management with experienced expertise is critical. This is where the Nature Conservation Trust, proposed earlier, come into the picture. The Trust could ensure that the value to society of the eco-parks be maximised.
- 8.8 8.8 For the benefits to be fully realised, the concept of an eco-park should be extended first to all new towns, and then progressively to all districts whether new or old. Again, the study on Hong Kong's inventory of conservation areas, and the comprehensive conservation framework proposed earlier, will be highly relevant to the identification, preservation, instituting and management of eco-parks.

Legal structure: Town Planning Bill

- 8.9 8.9 We are disappointed that the Town Planning Bill has been shelved by the Legislative Council. Although we were not in complete agreement with all aspects of the Bill – our view is that it has not gone far enough in reforming the law – we supported its legislative passage as we thought the changes were long overdue. We urge the Administration to work closely with LegCo to re-introduce the Bill after the latter re-convenes.
- 8.10 8.10 In doing so, we suggest that the government seize the opportunity to redress a number of further issues so as to meet the aspiration of the Hong Kong people. For example, as mentioned in the earlier section on conservation, we believe it essential that in the legal structure such as the Town Planning Bill the instrument should be provided to ensure that the land use intention be realized, such as through compensation and land exchange.
- 8.11 8.11 On the matter of public participation, the public should be encouraged to provide input into planning studies in all levels. In terms of public consultation, this should not be limited to related District Councils only. A guidance note

should be drawn up to indicate the related sectors in the community to be consulted in each level of planning study. For all of these levels, green groups should be consulted as all plans affect the environment.

8.12 8.12 In the Bill the concept of “designated development” was put forward as a way of planning control for sensitive areas. While we welcome this approach, we recommend that there should be some guiding principles in defining designated developments. A list of these developments should be drawn up for public scrutiny and the list should be revised from time to time through using a public consultation process. For specific projects, there should be provisions for public scrutiny, so that the authority’s discretion will not be exercised unchecked.

8.13 8.13 We urge also that control over unauthorised developments should be stepped up. They are an important cause of the widespread destruction of our rural areas, and constitute the main threat to our natural environment. Through the Bill the opportunity should be taken to tighten the law against unauthorised development and to penalise offenders heavily. Control should be extended to all land in the SAR, especially to private lands in the rural areas where the natural environment is under threat (for example, Sha Lo Tung).

Planning and transport

8.14 8.14 We urge the government also to take this opportunity to address the problems brought about by the lack of coordination between transport and planning on a policy level. The disconnect between the Town Planning Ordinance and the Roads and Railways Ordinances has led to the unfortunate result that even the best prepared town plan can be ruined by a highway or railway which follow a different planning process. For the good of Hong Kong, the different ordinances should be revamped and rationalised.

8.15 8.15 We submit that this is an urgent issue to be tackled by the Administration, and we urge the Chief Executive to use the Policy Address to focus attention of the various bureaus involved to begin working towards a solution. The lack of integration of the different ordinances has already cost Hong Kong dear. A number of current environmental battleground could have been satisfactorily resolved had there been better coordination among the government policies in transport, planning and conservation – the intrusion of the Lok Ma Chau spur line onto ecologically rich Long Valley, the threatened destruction of Tai Ho valley by the new north-south link in Lantau, and the destruction of the shoreline as well as impact on the Cyberport posed by Route Seven are but a few examples.

8.16 8.16 Although the Roads and Railways Ordinances also provide for objections

from the community, the decision over the planned projects rests with one single person – the Secretary for Transport – the Transport Advisory Committee notwithstanding (which, incidentally, does not have environmentalists represented on it). This is in stark contrast to the Town Planning Ordinance which provides for a forty-strong Board of professionals who are accountable directly to the Chief Executive on what decision to take. The result is that even with the best of efforts by the town planning authorities, the intrusion of transport infrastructure onto sensitive conservation areas cannot be prevented. This is totally unacceptable. For transport planning to become sustainable, a radical overhaul in the whole institutional mechanism is needed.

8.17 8.17 That overhaul will take time; it needs to be done with care. In the meantime, we strongly recommend that the Chief Executive exercises his authority by making a decision to impose a moratorium on the Lok Ma Chau spur line, the Lantau section of Route Ten (the north-south link), the Pokfulam section of Route Seven, and the Long Wu Road extension in front of City Hall. In our view, the value of these highly significant areas – Long Valley, Tai Ho and Lantau Country Park, Pokfulam shoreline, Edinburgh Square – will be worth the little delay in our transport works. A moratorium will also provide the impetus to design innovative and sustainable solutions to resolve the respective transport problems.

9. Sustainable community building

Rethinking government's strategy on community building

- 9.1 9.1 Public education and community campaigns on the environment is often referred to as “informal environmental education”, but the Association prefers to describe it as “environmental community building”. The Association has been involved in environmental community building for over thirty years, often in cooperation with the government, and we pay tribute sincerely to the officials and government departments who have been partners to the Association on this important task.
- 9.2 9.2 We believe there should be some strategic thinking on the part of government on environmental community building. The government's relation with the green groups is one specific area of concern. An examination of the subvention system in social welfare and community development, and its possible application to the green movement, should also be worth serious consideration.
- 9.3 9.3 A concern long expressed by green groups has been the confusion of role between green groups and the government-established Environmental Campaign Committee. The green groups and the ECC have enjoyed a long and cherished relationship of complementary cooperation. Increasingly, however, green groups are disappointed that the ECC has gradually been taking up more and more programmes which were hitherto run by green groups, mostly with funding from the government's Environment and Conservation Fund. While most green groups would welcome competition from the ECC – the green groups themselves are engaged in what may be described as “competitive cooperation” – they consider that the playing field is not level as the ECC acts at the same time as the vetting agency of green groups' funding applications to the ECF. In the green groups' view, the ECC secretariat has become almost a regulator of green group funding, whilst at the same time it remained a competitor for the same funding. This dual role of the ECC – as both regulator and competitor - has unfortunately become a source of recurrent tension which has plagued the relationship between green groups and the ECC.
- 9.4 9.4 It is not our intention through this submission to criticise the ECC, but merely to point out the importance of a clarity of roles in the community building regime.

A Green Community Chest

- 9.5 9.5 From our experience, the most important element of environmental campaigning lies in the creation, building up and sustenance of a community-based value system. It is to encourage the people to discover it and do it for themselves. Many people are happy to sacrifice time and money to work for the environment. The value of such public participation is enormous in building a sense of community belonging.

9.6 9.6 It can be said that a public campaign for the environment will be worthwhile on its own, whether the organiser is government or volunteers. We submit, however, that there is a whole world of difference between officials fulfilling their duty, and idealistic volunteers answering a call to their civic duty.

9.7 9.7 Lest we be misunderstood, we do not object to the ECC becoming a government-sponsored green group. However, if it chooses to do so, we believe it is essential to divorce it from its role in funding for the green groups while at the same time providing more support to green groups to run their own community building programmes.

9.8 9.8 In our last submission we put forward the proposal of a “Green Community Chest” to support community-based action for green groups. We continue to put this to the Chief Executive for serious consideration.

District based community building

9.9 9.9 From the Association’s experience, one effective means of community building is to carry the message of “bringing people to nature and bringing nature to people” to the districts. The Association has had the pleasure of initiating and designing, together with the respective District Councils, two “Green Trails” in the urban areas, one in Wanchai and the other in Central. Two further trails are being planned, one for Yaumatei and another for Quarry Bay.

9.10 9.10 We believe the extension of these green trails in all of the districts of Hong Kong will serve a very useful educational and community building purpose. It can also be integrated, at a district level, with the conservation strategy outlined above.

9.11 9.11 It should be remembered that our proposed conservation policy is not limited to nature conservation. Besides a green trail, we believe every district possesses attributes of historical and cultural character which can also be put together into a form of cultural trail. Already a heritage trail exists in the Central and Western District and in some areas in the New Territories. We believe every district should have at least one nature trail and one cultural heritage trail.

9.12 9.12 While the Association, as a voluntary agency, would happily continue to work towards bringing these proposed trails to fruition, we wish to share that it has taken us great amount of time and resources to work on each of these trails. The Wanchai Trail was opened in 1994, the Central Trail in 1995, and the Yaumatei and Quarry Bay Trails have been more than two years under planning. A major obstacle which we faced has been the difference of attitude between officials and volunteers which we alluded to earlier. We do not wish to present officials as being obstacles to the speedy construction of these trails. However, we believe a strong policy support from the government, would be very helpful in facilitating these worthy community projects.

10. Conclusion

10.1 10.1 Our submission ends with the section on sustainable community building, for it is this indeed – community – that we believe the HKSAR is most in need of as we enter the next millennium.

10.2 10.2 In the short time since becoming the Special Administrative Region of the Motherland China, Hong Kong has faced many challenges never before experienced. The difficulty times have heightened our awareness of the need for hard work, for understanding and commitment from every one of us who value Hong Kong as our home – in short, of the need for the SAR to be not just an economy but a community. This sense of community is of paramount importance not only in seeing the SAR through the downturn, but in collectively taking on the challenge to become a leading world class city, as envisioned by Chief Executive Mr Tung Chee Hwa.

10.3 10.3 But that vision cannot be achieved if we do not have a decent quality of life, a sustainable future for our children, and a community which is pluralistic yet which shares the same sense of place for Hong Kong. It is with these concerns that we make this submission to the Chief Executive for his fourth Policy Address. Ever a constructive green group, the Conservancy Association submits these views not as social workers, ecologists, economists or historians, but as a part of the community that is the HKSAR.