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## CREATING LASTING VALUE

Andrew Calleja, Chairman MEPA

The difference between professional and non-professional work is that the former creates lasting value. This is what we have tried to achieve this year at MEPA.

The main drive of the year was the targeted finalisation of the five local plans which were still in draft form. This was a commitment MEPA had undertaken the previous year and which, at all costs, we were anxious to achieve. And we did. In a drive that mobilized all the Authority, the board approved the local plans for the North West, Gozo and Comino, the South, North Harbours and the Central part of Malta. Almost 140,000 households were affected by these local plans.

Beyond the planners' jargon, beyond the hype and sensation created by those who use the media, local plans are a very effective means of setting everyone's minds at rest. This is the real significance of these documents. Hitherto, the planning situation was holding its breath, working on the draft versions of these plans. The Development Control Commissions who decide all applications except those requiring Environment Impact Assessments, had to interpret the drafts to provide an interim service. This situation had dragged on for far too long. To be fair the huge amount of input in the public consultation processes for each local plan and emerging needs of society were making the development of a strategy a truly titanic task. This led to a situation where too many interpretations were being made resulting in the impression that planning was a flexible issue and the oft-quoted phrase of two weights and two measures.

The local plans have decided once and for all the one weight and measure to be applied in deciding planning applications.

It is now a relatively simple matter, even for the lay person, the non-technical Mr & Mrs Help-me-out who plan on building a home, to check immediately what is permissible in their chosen site. At the click of a mouse, they can go on-line and check the type

of dwelling permissible, the height limitation and a myriad of other details.

There were a lot of people who had hoped that the emerging local plans would drastically revise the development zone boundaries. Based on the submissions received during the consultation periods the MEPA embarked on the Scheme Rationalisation exercise which was carried out on the direction of Cabinet. This concluding phase of the local plans project raised a lot of dust in the public arena. Although MEPA was requested to outline the land which could be considered for development according to very strict criteria set out in the Cabinet Memo, the whole exercise was portrayed by some as the Armageddon of planning. The reality is far from that. The Scheme Rationalisation exercise put paid to rampant land speculation fuelled by the then still emergent local plans.

Not only. The local plans serve as a guide, a roadmap, if you will for each community's future growth and changing needs. It was our duty to try to foresee the needs of the future for each locality. It is for this reason that public consultation processes are deemed so important by the Authority. Individuals, and this is not just a Maltese phenomenon, become involved in the planning process when land-use becomes a personal concern. This is understandable. The pity is that we found, through experience, that the meetings were often hijacked for one particular issue and scant regard was given to other issues. On the other hand, the written contributions are usually more varied and useful in highlighting present needs and indicating future ones. Malta in general and the Authority in particular owes a word of thanks to all those who took the opportunity to help in the construction of the future.

This process is far from over. At the moment we are in the final stages of updating the Structure Plan. This work, carried out in tandem with the local plans ensures that the planning process is a watertight one. The results for this will be seen in the coming years, hence the claim that this year we have created

something with a value that transcends time. With the room for interpretation almost completely removed, the room for contention and deferral of decisions will decrease. This will mean that applications will be decided in a much faster, more streamlined manner.

From a capacity point of view this year too was a watershed. The restructuring of the Development Control Unit embarked on late last year continued this year. The restructuring of the DCU into cells was developed on the concept of teamwork which gives a sense of ownership to the processing of applications. The timeframes established by law for external consultation are being strictly adhered to and we are being equally strict with pre-established deadlines when internal consultations are required.

The vacant position of Director Environment Protection, that had seen the Director General shouldering the additional responsibilities of the post for quite some time, has now been filled and we hope that this will now help in guaranteeing an enhanced delivery of service through a better distribution of the work load. The additional human resources recruited within the Environment Directorate over the period of this financial year complement this.

Overall it has been quite an eventful year for the Authority and the results derived from our efforts have strengthened the organization and placed us in a healthier position to provide the quality of service we continually strive to achieve. The future is definitely clearer and brighter.



Andrew Calleja  
Chairman MEPA



The local plans serve as a guide, a roadmap, if you will, for each community's future growth and changing needs.

Andrew Calleja, Chairman MEPA



## THE CASE FOR MARINE SPATIAL PLANNING

*Dr Godwin Cassar, Director General MEPA*

The recent adoption by MEPA of a complete coverage of Local Plans for the Maltese Islands has provided a detailed land use planning framework to guide investment decisions, to control development and to manage and protect the environment, in order to achieve sustainable development. On the whole, these Plans deal with the land area and to a lesser extent with the coast. There remain large areas within Malta's territorial jurisdiction which are subject to a range of pressures and conflicts and where the state of the environment is under threat - the sea.

In Europe over the past five years or so there has been a growing recognition of the need to apply sustainable development principles to the sea. In May 2002 the EU adopted a proposal to implement Integrated Coastal Zone Management (ICZM) and in 2005 prepared a Strategy on the Protection and Conservation of the Marine Environment (known as the European Marine Thematic Strategy). The Strategy emphasises the need for improved monitoring and assessment and for a regional approach at the European level, recognising the complexity and scale of critical marine processes at which spatial planning and management must operate.

As part of this Strategy the EU has put forward a proposal for a Directive for establishing a Framework for Community Action in the field of Marine Environmental Policy (the Marine Strategy Directive). The proposal argues that the current policy framework is not delivering a high level of protection of the marine environment and so a strong and integrated EU policy on marine protection is required, in part to safeguard marine-related economic and social activities. This Directive will set the objective of attaining the good environmental status of Europe's marine environment by 2021. Finally, and more recently (in June this year), a Green Paper has been issued to launch a debate about a future EU Maritime Policy that treats the seas in a holistic way and strikes the right balance between the economic,

social and environmental dimensions of sustainable development.

The sea around Malta is used for an ever widening range of purposes, likely to result in intensified competition for space and resources and, sometimes, in conflicting outcomes and the over exploitation of these resources. Potentially conflicting activities and uses include transport/trade/navigation, recreation, tourism, fishing, aquaculture, extraction of minerals, habitats for marine biodiversity, fuel exploration, energy generation (like off-shore wind farms), pipelines and cable laying etc. Coupled with this competition and potential conflicts are the threats to the marine environment from the effects of climate change; the impacts of commercial fishing; oil spills and discharges; introduction of non native species; eutrophication and the related growth of harmful algal blooms; litter pollution; contamination by dangerous substances and microbiological pollution.

It is thus timely to consider how Malta should approach planning at sea or, more precisely, how it should build on the groundwork already undertaken. For Malta has been very much at the forefront of marine planning in Europe since the establishment of the Planning Authority in 1992, with, for example, development control over fish farms and a policy framework for aquaculture adopted in early 1994 and the extension of planning to the sea through the amendment of the Development Planning Act in 1997. It has also done pioneering work in ICZM, and in the collection of data on the marine environment and the establishment of a GIS based marine database. MEPA's statutory duties now include the promotion of proper planning and sustainable development of land and at sea.

Marine spatial planning can address the need for

- the promotion of the sustainable management and development of the sea's resources;

- arresting the decline in its environmental status;
- an integrated planning process which can reconcile the increasingly competing demands for the use of the three dimensional space of the sea, particularly where it provides essential infrastructure for economic activity.

To do this it must take a similar strategic approach to that underpinning terrestrial spatial planning. Marine spatial planning must have a long term view and adopt a broad and holistic approach so that it is integrated and cross-sectoral (integrating policies across sectors and recognising the interdependence of terrestrial and aquatic systems), comprehensive and coherent. It must produce forward-looking strategies or plans which can tackle changing needs and adapt over time, and allocate space for and deal with the multiple uses that are the norm in marine environments.

All this, of course, needs to be based on a sound analysis and understanding of the marine environment - of its natural, cultural and historic characteristics and features, of its economic and social uses, of its dynamic and multi-dimensional

nature and of the significant pressures and impacts upon it. A crucial element will be the active participation of stakeholders and, where necessary, co-operation with other member states and with relevant third countries. Marine spatial planning may not provide a solution to every challenge faced by the sea around Malta but it should provide a sound and transparent system to apply the principles of sustainable development to protect the marine environment and to continue to enjoy its economic benefits. The current review of the Structure Plan presents an opportunity to define a strategic framework how marine spatial planning in Malta can be activated.



*Dr Godwin Cassar  
Director General MEPA*



It is thus timely to consider how Malta should approach planning at sea.

*Dr Godwin Cassar, Director General MEPA*



FLEXIBILITY - THE KEY TO THE FUTURE

Christopher Borg, Director of Planning MEPA

The Planning Directorate this year proved nothing if not its great capacity for flexibility. As announced in last year’s budget speech by the Prime Minister and subsequently by the Minister responsible for MEPA, the main focus by the planning directorate this year was to be the finalisation of all pending Local Plans. This involved competence and a high degree of professionalism. The Cabinet guidelines for the Scheme Rationalisation, had to be taken on board as the concluding element of the local plan process, and proved once more that the often much-maligned Planning Directorate is not only professionally competent but also flexible and timely in its delivery.

The bulk of the work in this area was executed by the staff in the Forward Planning Teams. Over the months, in some cases even years, they had been updating their work with input from associations, councils, and the public contributions in the press. In this way, they kept the process of public consultation alive and directed towards not only the present needs but with an eye to the emerging land-uses in the localities. This exercise was not, and can never be a simple one. Not just from a planning point of view, as a local plan has to integrate and provide for, arguably, every foreseeable demand in land-use needs. As declared by MEPA Chairman in last year’s Annual Report, people are not cases, numbers or files; people need to be listened to. The Local Plans and the Scheme Rationalisation Process were cases in point where the vox populi was of importance to MEPA as the Authority is deeply conscious of the fact that these affect the livelihoods and investments of many.

Consultation Document	Submissions
South Malta Local Plan	558
North Harbours Local Plan	1,122
North West Local Plan	892
Central Malta Local Plan	873
Gozo & Comino Local Plan	773
Scheme Rationalisation Process	4,349

This flexibility should also be seen in the background of the changes being forged due to the MEU restructuring of the Development Control section. This year we stepped up the change process from the analytical phase it was in last year to the implementation phase. The cell structures are now in place: what before had been an informal structure based on teams, has now been better organised and formalized into cell operational units which see an application from submission to commission. We have also implemented much more rigorously the deadlines envisaged in the law for the submission of comments and introduced a checklist for architects to ensure completeness in the submission of applications. This has hastened the planning process in areas where lacunae still existed.

The change process has also highlighted the need for more thought in certain areas, notably that of enforcement. Although this area has again performed well this year, the idea of integrating enforcement within the cells is being revisited. This area remains a problem in terms of resources in a culture that is markedly eager to by-pass the law rather than to abide by it. This, is what we have to focus on as the next step to optimising development control and functions.

This brings me to the subject of accountability. Hitherto, accountability became a buzzword for the members of the civil service. In the Planning Directorate, the re-structuring process was specifically aimed at fostering this value. It now needs to be accompanied by an exercise in human resources to ascertain that all employees are carrying out the duties they are supposed to be doing, those they are employed for. In this way flexibility, productivity and accountability will be maximized.

However, accountability is not just the domain of the civil service. Now it needs to be applied to all - businesses, households, developers, ministries, all need to shoulder their responsibilities in ascertaining that development is carried out according to permits granted. It is no longer acceptable in this society

to try to achieve one’s own ends by circumventing the regulating authority and then hiding behind it in cases where the public, with some justice, is angered. There are positive indications that we are moving in that direction. In the recent Air Conditioning removal exercise in Valletta, three out of every five offending units were removed by the owners. Not only, this initiative also spawned a spate of façade renovations, giving our Capital City added beauty. Sadly however, 41% of illegal units still remain affixed to the facades. Their owners do not feel accountable to the rest of society for the infringement they committed. Enforcement action had to be taken, but should the Authority have to resort to physical intervention to resolve matters?

Finally, looking forward to the next year we are already working on the various development briefs which arise out of the local plans. Meanwhile, the work on the Structure Plan review is well advanced. Planning ahead has never been so challenging.

Christopher Borg  
Director of Planning MEPA



The change process has also highlighted the need for more thought in certain areas, notably that of enforcement.

Christopher Borg, Director of Planning MEPA



## REPORT BY THE DIRECTOR CORPORATE SERVICES

Matthew Gatt, Director Corporate Services MEPA

This business year has been marked by a broad commitment to growth and change. During the course of the year Government and MEPA announced the change targets for the Planning Process. This includes a substantial change of working practices and associated organisational changes which have started a gradual and sustained process of improvements. This process is coupled with an approved growth which will result in approximately 15 additional professional resources dedicated to the assessment of Development Applications.

Similarly, MEPA were given the green light to increase the professional resources in the Environment Directorate through the addition of 22 professional and support staff. These resources are targeted towards the implementation obligations related to environment protection and represent a substantial addition in the resources MEPA will dedicate to tangible deliverables in the Environment Sector as well as the broad compliance with international environment protection obligations.

We have also committed to sustain the development of our human resources through a flexible combination of direct and indirect facilitation of training and development. Of particular note was a broad Customer Care training programme to refresh and reinforce customer care skills.

Throughout the year we have aggressively pursued the recruitment of these additional resources which we consider essential to the delivery of our business objectives. Our efforts in this regard are still ongoing and the quality resources are being added to boost the capability, diversity and maturity of our intellectual capital. We have also experienced a sustained turnover of professional resources, both to the private sector as well as other public sector appointments. The difficult administrative processes associated with recruitment require continual effort and focus despite which substantial delays are still being incurred.

In parallel with the addition of these external resources we have continued to develop our existing staff, twenty nine staff achieved graduate qualifications through Authority sponsored programmes. During the year MEPA also committed to finance and sponsor the growth of national competence in environment protection through the direct financing of undergraduate and postgraduate training programs at the University of Malta. This has contributed to a very busy year and a dynamic organisation structure.

### Financial Performance

During the year, MEPA registered a substantial growth in earnings from Development Applications, these earnings reflect buoyancy and growth in the construction industry, enabled in part by the finalization of policy instruments in the form of Local Plans, Development Briefs and policy guidance. In this context we have seen a growth in cost recovery and a significant reduction in the Government contribution necessary to sustain our operations. This trend in turn has an impact on our business and the need to manage risk in balancing our business deliverables together with our contribution to national financial convergence.

### Business process improvement

Preparations that have matured during the year have allowed MEPA to implement key business process improvements, aimed at facilitating distributed and knowledge based working practices. New payment channels for clients and electronic documents have been implemented to provide a framework that will permit faster and more cost effective transactions both within MEPA as well as between MEPA and its clients.

### International Growth

Our growing European context is now a firm reality and an important development during the year and we have seen a growth in the success rate of

competitive bidding for participation in contractual deliverables in information resources management. We are increasingly aware that participation in international fora needs to be selective, financially sustainable and targeted to ensure growth of our intellectual capital and tangible business deliverables.

### Continuous improvement

In the coming year we will be facing key challenges to resource our business. There is no doubt that these will pose significant difficulties despite which we need to continue to focus on improvement to the

services we provide to our customers. The roadmap for these improvements has been identified and we need to renew our focus and commitment to prioritising these deliverables.



Matthew Gatt  
Director of Corporate Services MEPA



This business year has been marked by a broad commitment to growth and change.

Matthew Gatt, Director Corporate Services MEPA



MEPA BOARD COMPOSITION

Mr. Andrew Calleja I.A.P	Chairman	
Ms Catherine Galea M.Q.R.B.SC (Eng). B.A.(Arch)	Deputy Chairman	Replaced Mr Victor Torpiano on 28th November 2005
Ms Simone Vella B. Sc. (Hons)	Independent Member	
Mr Louis F Cassar C Biol MI Biol, p-gDip Env. Mgt, MSc (Env Plan & Mgt)	Independent Member	
Mr Peter Zammit BE&A (Hons.), A&CE	Independent Member	
Mr Michael Ellul B.E.&A (Hons), Dip.Arch.(Rome), F.R.Hist.SLond), A&CE, M.Q.R.	Independent Member	
Mr Joe Tabone Jacono	Independent Member	
Dr Sandra Sladden Adv. Trib. Eccl. Melit., LL.D.	Independent Member	
Dr Godwin Debono B.Sc., M.Sc., D.LL.C., Ph.D	Public Officer	
Mr Saviour Gauci	Public Officer	
Mr Leonard Callus F. Ph. B.	Public Officer	
Mr Anthony Mifsud HND(Agric.)	Public Officer	
Dr Karen Vincenti MD, MSc, PGDip.(Inf.Dis)	Public Officer	
Mr Joseph Falzon B.E&A, A&CE	Member of Parliament	
Dr Joseph Brincat LL.D., BA(Lond), B. Sc Econ	Member of Parliament	
Mr. Francis Tabone M.B.A. (Maastricht) MIM	Board Secretary	

TOGETHER FOR A BETTER ENVIRONMENT

Martin Seychell, Director of Environment

It is a privilege for me to be assigned the responsibility for the Environment Protection Directorate within MEPA. The protection of the environment, in its many aspects, is clearly one of the main and most interesting challenges facing our country today. It should also be seen as a fundamental pillar for our continued economic and social development, contributing towards continually improving our quality of life and business competitiveness.

Joining MEPA after almost 20 years in public service, first in the Department of Industry and then in the Malta Standards Authority, I am very much aware of the need to ensure that environment protection is seen, not as a burden, but as an essential component of sustainable development.

Our country now has the legal and administrative infrastructure to tackle these objectives. We however need to continue to invest in capacity building. Our experts have benefited from many training projects successfully implemented over the past few years, as well as by the daily solving of technical and practical issues that inevitably arise. It is important to conserve and build further upon this core of expertise.

A main priority in the coming years will be to integrate environmental considerations in other policies and ensure ever more effective coordination and collaboration with the authorities responsible for driving these policies. We particularly need to focus on those areas where the interface with environmental policy is especially significant. Examples such as health protection, agriculture, energy, transport and education come to mind. MEPA intends to continue to promote and support this integrated approach.

At the same time, we also need to ensure that the progressive implementation of higher environmental standards results in better competitiveness of our businesses, particularly SMEs. We must lay to rest the myth that environment protection is a burden

on business. Experience shows that some of the most competitive economies in the world also boast the highest environmental standards. Implemented correctly, high environmental standards can act as a catalyst for change and innovation, encouraging companies to exploit new niches, safer materials and more efficient energy sources. The increased health benefits that accrue from better environment protection also have a positive economic effect that should not be ignored.



Martin Seychell  
Director of Environment



A main priority in the coming years will be to integrate environmental considerations in other policies...

Martin Seychell, Director of Environment

## PLAN MAKING AND POLICY DEVELOPMENT UNIT

The Plan Making and Policy Development Unit (PMPDU) is responsible for the development of strategic and subsidiary plans as well as with providing professional guidance and direction to other units. The main projects achieved this year focused on the completion of the five outstanding local plans and the approval by parliament of the Development Zone Rationalisation exercise. Two local plans had been approved in previous years: the Marsaxlokk Bay Local Plan and the Grand Harbours Local Plan.

Local Plans are inherently very complex planning exercises with a heavy public consultation component. These consultation processes, the many issues addressed, the detailed level of determination of planning parameters and the very high fragmentation of ownership all contribute to the considerable length of time that the development of local plans inherently entail. The initialisation of each local plan at different points in time further compounded the situation as the detailed policy guidance available at the time that each local plan was being formulated was not the same. Detailed planning policy formulation is highly dynamic and although guided by the same strategic plan direction, greatly affects the outcome of the more detailed aspects of each local plan. Moreover, policy directions evolved over time as the Planning Authority, whose role was later subsumed within MEPA, consolidated its experience and resources.

### North Harbours Local Plan

The first local plan to be approved by MEPA board was the North Harbours Local Plan. This plan relates to a highly urbanised area immediately due west of the Marsamxett side of Valletta. In the first half of the year, an opportunity was seized to conduct a street classification exercise for Urban Conservation Areas to facilitate development planning application processing and interpretation in these sensitive areas. Other general policy directions were developed for general applicability to other local plans.

### North West Local Plan

This was followed by the North West Local Plan. This plan has the largest area coverage of the seven local plans and is characterised by broad swathes of scenic countryside and coast, two main tourism hubs, one of the most important Urban Conservation Areas (Rabat/Mdina) as well as a number of smaller settlements. A considerable number of settlements outside the Development Zone were also identified to allow sensitive and limited interventions in these established areas. A main feature of the North West Local Plan is the attention given to the protection of the landscapes and ecosystems as well as proposals to facilitate their enjoyment by the general public. Encouragement to the development of facilities in the coastal tourism areas which dominate the north eastern coastal flank is another feature of this plan.

### Central Malta Local Plan

The Central Malta Local Plan was the third local plan to be approved by MEPA. This area is generally characterised by residential and employment facilities in settlements which practically merge into each other. Central Malta has also seen a relatively high rate of development as a significant proportion of the Maltese population tended to migrate towards this area. In spite of this development, Central Malta still accommodates urban niches which give character to certain localities. Examples include green enclaves within Urban Conservation areas. Specific policies were developed to better regulate development in these areas. Special attention was also given to policies which regulate development in Urban Conservation Areas and proposals to facilitate vehicular circulation were included. Attention was also given to employment hubs and Areas of Containment found in this area.

### South Malta Local Plan

The South Malta Local Plan is characterised by a number of small and not so small settlements which still managed to retain their identity as distinct

## PLAN MAKING AND POLICY DEVELOPMENT UNIT

settlements. This area also accommodates the main employment hubs of the island as well as one of the main transportation hubs of the Island - namely the Malta International Airport. Significant swathes of the South Malta local plan are still dominated by agricultural activities. In common with other local plans, special attention is given to conservation of natural and cultural resources whilst directing urban interventions in specifically identified development areas. The South Malta Local Plan also has two coastal tourism areas, one of which has seen the highest rate of population increase in recent years.

### Gozo and Comino Local Plan

The last plan to be approved by MEPA was the Gozo and Comino Local Plan. This has the second highest area coverage of the seven local plans and has some of the more distinctive landscapes in the Maltese Islands. A high level of agricultural activity still occurs in Gozo. Apart from safeguarding the well known and noteworthy conservation features of the islands, attention has been given to secure linkages with mainland Malta and to secure a range of employment facilities to sustain the economy of the Island. The planning framework for Comino and the smaller uninhabited islands was mainly directed to enhance their natural conservation status. The five local plans MEPA approved were forwarded for the minister's endorsement in July. The minister approved the 5 local plans on the 3<sup>rd</sup> August 2006.

### Development Zone Rationalisation

Early in May 2006, MEPA received direction from Cabinet to interpret criteria relating to a process of Development Zone rationalisation. A draft was released for public consultation and the whole exercise generated considerable interest. Around 5,000 submissions were received in the space of six weeks. Consequently, the first draft was amended and subsequently approved by MEPA. The document was subsequently placed under the scrutiny of Parliament, first through the Select Committee on Development Planning and later was

tabled for approval by the House of Representatives. The amended Development Zone Boundaries were approved by Parliament on the 26<sup>th</sup> July 2006.

Immediately following the approval of local plans, PMPDU staff was tasked with updating development control officers with the salient policy directions of the local plans and with the establishment of an internal consultation network to facilitate familiarisation and interpretation of the new policy contexts. During the same period, PMPDU was tasked with the screening of around one thousand seven hundred pending development planning applications to bring to the attention of the relevant Development Control Commission boards those applications which were not compatible with the approved local plans. The Development Control Commission boards were also briefed on the approved local plans as well as on the legal aspects relating to the newly approved local plans. In the meantime, PMPDU assigned one of its staff at the MEPA desk counter to answer queries by the public relating to either one of the local plans or the revised development zone boundaries. Once again, considerable public interest has been generated.

Internal consultation has been going on regarding the replacement Structure Plan review. Special sessions, involving key players from within the planning directorate, were undertaken to discuss future strategic planning directions. Some of these directions were adapted by the local plans in view of compatibility still being maintained with the current strategic planning framework. The feedback from these sessions generated considerable debate and the sessions were most productive.

The Unit was also responsible for a number of subsidiary planning guidance documents and other tasks. These included:

- Development Brief for Fort Cambridge Area - This Development Brief relates to the redevelopment of the site formerly occupied by the Holiday Inn. This was approved by MEPA and



## PLAN MAKING AND POLICY DEVELOPMENT UNIT

subsequently by the Minister in late January 2006. The Brief formed the basis of a tender document which was subsequently awarded later in the year.

- Planning Policy for Ta' Masrija in Mellieha - Approved by Minister in January 2006.
- Luqa Park Development Brief - revised document following a public consultation exercise approved by MEPA in February 2006.
- Policy Guidance for Shooting Ranges - Detailed guidance for the determination of development planning applications related to various kinds of shooting ranges - approved by MEPA and issued for Public Consultation in October 2005. Revised document is envisaged to be presented to MEPA Board in late 2006.
- Development Brief for a site at il-Ghirien, Birzebbugia - development guidance for an area indicated through the approved Marsaxlokk Bay Local Plan through policies MB 18 and MB 22 - internal consultation prior to MEPA approval. Envisaged to be presented to MEPA board in late 2006.
- Report on Carnival Scenography site at Ghemmieri - Report on the use of a site for Carnival Scenography site which was presented to MEPA Board early in 2006.
- Revision of Development Notification (Use Class) Order 2006 and review of retail planning guidelines - in view of a number of difficulties with operating the current Use Classes Order, a revision was undertaken with a view of addressing and streamlining a number of outstanding issues. The first draft was approved by MEPA and discussed with the Chamber of Architects. The revised draft was approved by MEPA in April 2006 and subsequently by the Minister in July 2006.
- A draft study was compiled on the existing situation and the issues arising from predominantly industrial and commercial areas located within the South Malta Local Plan. The salient findings of this exercise were utilised by the South Malta Local Plan.
- Revision of UCA boundaries - In conjunction

with policy development, PMPDU staff has also undertaken surveys, in conjunction with Integrated Heritage Management staff, to redefine Urban Conservation Area boundaries. The revised boundaries were subsequently incorporated as part of the approved local plans.

- Policy Guidance for Tall buildings - study to direct the assessment of proposals relating to tall buildings. The study is also intended to address outstanding issues resulting from the interpretation of the Floor Area Ratio concept as indicated through the Policy and Design Guidance 2005. The study was issued for public consultation in May 2006. It has generated 34 submissions from the public.
- Qawra / Dwejra Management Plan - Extensive professional input to the compilation of a management plan, presentations to the public during consultation phase and review of public submissions.
- Revisions to Grand Harbour Local Plan - initial draft as a partial amendment to policies relating to the existing Ricasoli industrial estate and its environs within the approved Grand Harbour Local Plan.
- Amendment to Ta' Qali Action Plan - this exercise proposed to amend a number of policies contained in the approved action plan. The first related to the Conference and trade fair facilities due west of the National Football stadium, the second related to the redevelopment of the ex-Spinning and Weaving site on the southern part of Ta' Qali and the third relating to the interim accommodation of a demountable structure to host trade fair and related activities until such time that the Conference facilities due west of the football stadium come on line. The public consultation exercise generated 47 submissions. The amended draft was approved by MEPA in June 2006 and by the Minister in August 2006.
- Ix-Xaghra I-Hamra Management Plan - PMPDU provided guidance, general direction and baseline studies in relation to a management plan aimed at safeguarding natural and cultural



## PLAN MAKING AND POLICY DEVELOPMENT UNIT

resources found in this area. A draft management plan has been compiled.

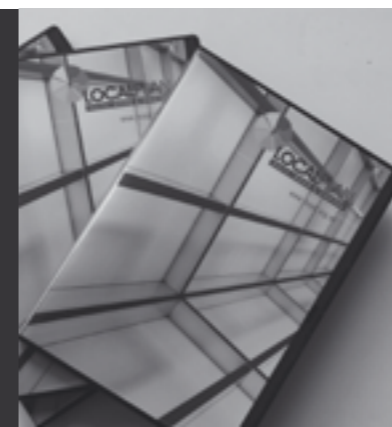
- Development Brief for the White Rocks Holiday Complex - detailed exercise on compiling a draft development brief for public consultation. The first internal draft was completed in the first week of September 2006.
- Development Brief for the Hal Ferh Area near Ghajn Tuffieha - detailed exercise detailing intervention parameters for development of the ex-military facilities in the area. The first internal draft is scheduled to be completed by the first week of October 2006.
- Marfa Action Plan - Policy and sites for beach room development including exercise to determine constraints
- Xemxija Bay and Marsascala Bay Yacht marinas - co-ordination of MEPA inputs to baseline studies for the Malta Maritime Authority.
- Memos to minister and/or cabinet - professional input, including reports contributing to a number of memos to cabinet.
- A number of site selection exercise for a number of major projects.

The unit has also been responsible for providing professional direction to a number of development planning permit applications especially in relation to guidance on issues relating to local plans and major projects. PMPDU has also been responsible for presenting a number of Planning Control applications to MEPA board. The unit also proposes terms of reply for parliamentary questions which are referred from time to time.

A number of PMPDU staff have attended international seminars where they shared experiences with expatriate colleagues on a number of planning and environment related topics. PMPDU staff also hosted and organized an Interreg IIIC INTERMETREX international meeting in January 2006. The programme hosted an international workshop with representatives from Sofia, Cyprus, Warsaw and Glasgow where planning practice in the different countries was analysed and compared.

MEPA also participated in a workshop in Glasgow (June 2006). PMPDU staff were also involved in

- The Interreg IIIC Polymetrex completion of Phase 1 following participation in Venice and Grenada workshops
- The Housing and Urban Settlements held by the International Federation for Housing and Planning (IFHP) at Helsinki, Finland and Tallinn, Estonia.
- The Twinning Exchange Training in Austria about Natura 2000 sites management in Innsbruck and Vienna.



DEVELOPMENT CONTROL

	Full Development Applications			DNO Applications	
Month	Receipts	Validations	Decisions	Receipts	Decisions
October 2005	751	814	568	78	88
November 2005	806	1025	574	80	71
December 2005	642	587	301	48	38
January 2006	682	883	740	65	83
February 2006	594	554	734	76	44
March 2006	800	772	673	65	84
April 2006	752	733	596	82	61
May 2006	713	679	663	108	99
June 2006	637	709	596	91	87
July 2006	621	609	845	88	107
August 2006	697	660	639	73	78
September 2006	576	518	643	62	69
Totals	8,271	8,543	7,572	916	909

	2004 / 2005	2005 - 2006	Percentage
Receipts	7909	8271	5%
Validations	7302	8543	17%
Decisions	7344	7572	3%
Approvals	5216	5834	11%
Refusals	1724	1257	26%
Deferrals	44%	33%	-10%

ENFORCEMENT

Closed cases by standing					
	Sanctioned by PA Permit	Removed by owner	Closed due to Direct Action	Withdrawn by MEPA	Total
October 2005	25	9	0	0	34
November 2005	66	41	0	7	114
December 2005	10	1	2	0	13
January 2006	49	10	1	1	61
February 2006	23	10	0	3	36
March 2006	178	74	2	10	264
April 2006	25	8	0	0	33
May 2006	45	14	1	2	62
June 2006	59	26	0	4	89
July 2006	18	9	0	4	31
August 2006	45	20	1	6	72
September 2006	23	10	0	2	35
Totals	566	232	7	39	844

TABLE 1: Enforcement cases closed

	Issued	Closed
October 2005	119	34
November 2005	108	114
December 2005	49	13
January 2006	83	61
February 2006	71	36
March 2006	95	264
April 2006	82	33
May 2006	97	62
June 2006	59	89
July 2006	58	31
August 2006	83	72
September 2006	78	35
Totals	982	844

TABLE 2: Enforcement notices issued



ENFORCEMENT

During this year, the number of cases still pending at the Enforcement Section kept on decreasing. There has been a slight decrease from the workable pending caseload at October 2003, which stood at 1583 and now reads 1490 pending cases. The number of complaints received during this year was almost a thousand less than the amount received last year. In itself this could indicate that the rate of suspected illegal infringements has decreased. From this amount almost 10% of the reported contravenors removed the illegal development without the need for the enforcement officer to proceed with the issuing of an enforcement notice.

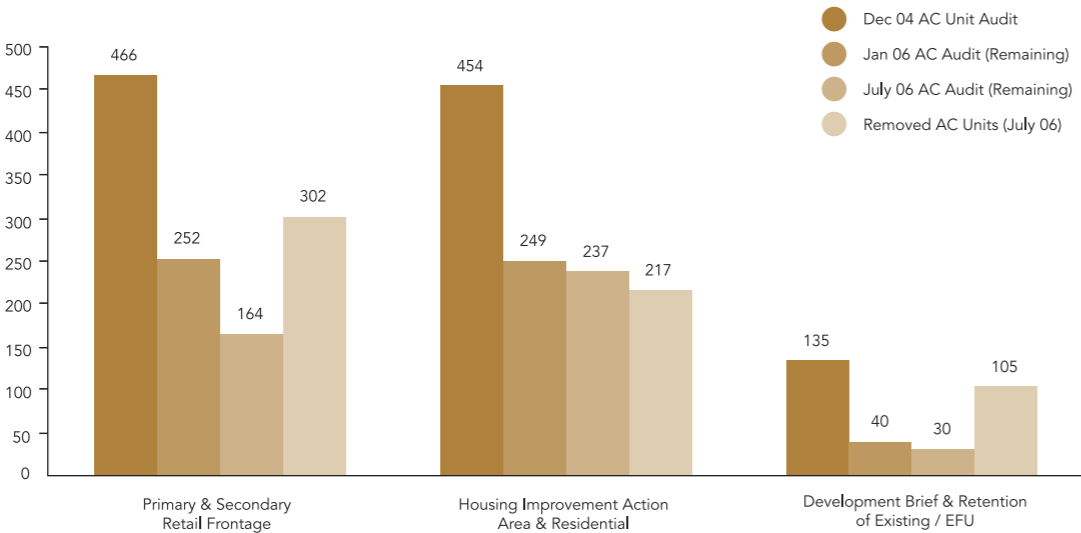
During this financial year, notwithstanding the on-going changes in human resources, the additional specific tasks carried out during this year and the stress which the unit has passed through due to the Xemxija landslide enquiry, the Enforcement Unit kept on its momentum in improving the performance upon last year.

The Enforcement Complaints and Compliance Section under the Operations Unit, received a total of 2821 complaints out of which 2220 were replied, from these 235 cases were resolved by the contravenor removing the illegality without the need of resorting to enforcement action (Table 1). A total of 6064 requests for compliance certificates were received and 5926 cases concluded as per Table 2.

The amount of enforcement notices issued this year compared well to the amount issued last year and reached the figure of 982. During this year 844 enforcement cases were closed. The monthly distribution of enforcement notices issued and closed are as shown on Table 3 and Table 4. Enforcement notices were closed for various reasons as specified in Table 5.

On a proactive note, one must mention that besides the enforcement actions outlined above, the enforcement unit kept on monitoring ongoing

Comparative chart July 2006  
[before & after]



ENFORCEMENT

permitted development. This is done through a schedule of inspections managed by each area team.

During this year staff from the Planning Enforcement side had undergone training together with the Environment Inspectors with a view to co-ordinate actions and initiatives. This training module, which also included a five day visit to a number of European Member States environment agencies, was funded through the EU Transitional Funds.

Valletta AC Unit situation

An audit exercise was made during the month of July 2006 in order to monitor the air condition units situation at Valletta. The audit revealed that out of 1055 ac units that were fixed to the façades 624 ac units were removed (59%) by the owners. The identified sites have been recorded according to the Valletta Local Plan map .

As a result according to our records the number of ac units that remain fixed to the façades amount to 431 (41%).Therefore in total 624 (59%) of the ACs surveyed in October 2004 have been removed by August 2006. Thus it is being confirmed that ac units removal from the facades of the building is still in progress as anticipated.

Applications

During the past 18 months individual contacts and consultations were made with the shop owners, government departments and residents, under the supervision of Perit Ruben Abela. The VRC and the HAC committees during this process were also consulted and their views were taken in consideration. Thanks to these consultations approximately 146 development applications were submitted at MEPA in order to relocate the ac units from the facades to a less intrusive location of the building. Most of these applications were processed and issued with a permit, whilst another 25 development applications are currently pending.

Enforcement Action

Enforcement action on stubborn areas especially within the Primary and Secondary retail frontage areas are currently being taken. Through this action it is anticipated that another surge of development applications will be made by the tenants/shop owners of these areas in order to regularise their situation.



## TRANSPORT PLANNING UNIT (TPU)

### Transport Co-ordinating Committee (TraCC)

The good level of co-operation between TPU and ADT was maintained through regular meetings of the Transport Co-ordinating Committee, which also included representatives of the Traffic Police. Nevertheless, the staffing level at TPU had a negative effect on the follow-up actions by MEPA to TraCC decisions.

### Input to TEN-T Project

The TPU was involved in the study carried out by consultants, on behalf of ADT, to draw up plans for the improvement of the Gozo section of the Trans-European Network - Transport (TEN-T). Together with officials from the Environmental Protection Directorate, TPU attended technical meetings that were held between ADT and consultants, which should result in a set of schemes by the end of 2006.

### Valletta Floriana Transport Study

Following work carried out in the previous years, TPU took active part in assisting ADT in issuing calls for tenders and assessing tenders relating to the Controlled Vehicular Access (CVA) scheme for Valletta, which together with the Park-and-Ride scheme, should form the basis of the transport strategy for Valletta. Unfortunately, Floriana Local Council asked that its locality will be excluded from the strategy. It is expected that the Park-and-Ride will be operating by November 2006 whilst the CVA should be in operation by February 2007.

TPU was also involved in the preparation of plans and eventually a development application for the relocation of the outdoor market (Il-Monti), which should make way for a larger pedestrianised area in Valletta.

### Local Plan Preparation

Through the Planning Control Section, the TPU has continued its support at the final stages of the local

plan preparation. The remaining Local Plans were approved in August 2006. The Planning Control Section is now updating the schemes to reflect the approval of the local plans.

### Development Control Input

The input into the Development Control process was the sector that suffered mostly due to the drastic reduction of the staff complement. Unfortunately, the amount of applications referred to TPU for Development Control has not been reflected in this drastic decrease, but remained the same. This meant that very often, backlogs of applications waiting to be vetted by transport officers have started becoming a common occurrence. Major Projects were also affected negatively, since the assessment of Traffic Impact Statements is now being carried out by one full time officer and one part-time officer.

### Traffic Surveys

The traffic surveys also slowed down, since there is now only one planning technician involved in setting up and removing the counters as well as downloading and analysing the data from both the temporary and the permanent counters. Nevertheless, although resource consuming, this task is very important in the long term, since forecasts will be highly dependent on the accuracy of these surveys.

### Other Work

The Transport Planning Unit, through its Manager, is still participating in the European Union's Joint Expert Group on Transport and the Environment, although the European Commission has now decided that this group will only be meeting on a need basis, rather than on a regular basis as in previous years. Through its manager, the Unit also continued to participate in the annual meeting of the Transport Environment Reporting Mechanism project - which is a project of the European Environment Agency.



## NATURE PROTECTION UNIT

The Nature Protection Unit continued with the implementation of national and international obligations on nature protection. These included the administration of international treaties and initiatives and also the EU *Acquis* on Biodiversity. Most of the efforts were related to evaluating, analysing, commenting and drafting reports on official documents received from such international entities, setting up of working groups and convening meetings, and also attending meetings of the parties, mainly in Brussels to participate in discussions on the protection of biodiversity, both terrestrial and marine. Various other activities dealing with nature protection, mainly arising out of such international commitments are summarised below.

### National Biodiversity Strategy

The National Biodiversity Strategy terms of reference commenced last year was drafted, and approved by the MEPA Board. This National Strategy is also associated with the preparation of Action Plans for the conservation and sustainable use of biodiversity, and its integration into relevant sectoral/cross-sectoral plans. It is now planned to initiate the working of such Strategy as drafted.

### National Database on Biodiversity

The National databases were further established with the inputting of data on alien flora, alien fauna, threatened invertebrates (excluding insects), threatened fish, and threatened vertebrates (excluding fish, birds, bats and cetaceans). Following the eventual finalisation of other commissioned studies these will also be inputted in such national database.

### Measures for the Conservation of Protected Areas

As required by the European Union Biodiversity *Acquis*, management plans started to be drawn up with respect to proposed sites of community importance. The Nature Protection Unit was involved in the drawing up of such management

plans, reviewed and audited approved managed plans for some of such sites, such as Ghadria Bird Sanctuary, Simar Bird Sanctuary, Wied Gholleqa, Ramla l-Hamra Gozo, Ghajn Tuffieha, Il-Ballut ta' Marsaxlokk and Ramla tat-Torri. Other sites are also being reviewed and management plans are at a preliminary stage.

The restoration plan prepared for St. Paul's Islands, with the main aim being to control the eradication of alien species, such as rats and exotic flora, and also with the aim of protecting and ensuring the survival of the endemic lizard found on St. Paul's Islands was successfully initiated and achieved good results. Such a project was made possible with financial help from HSBC plc.

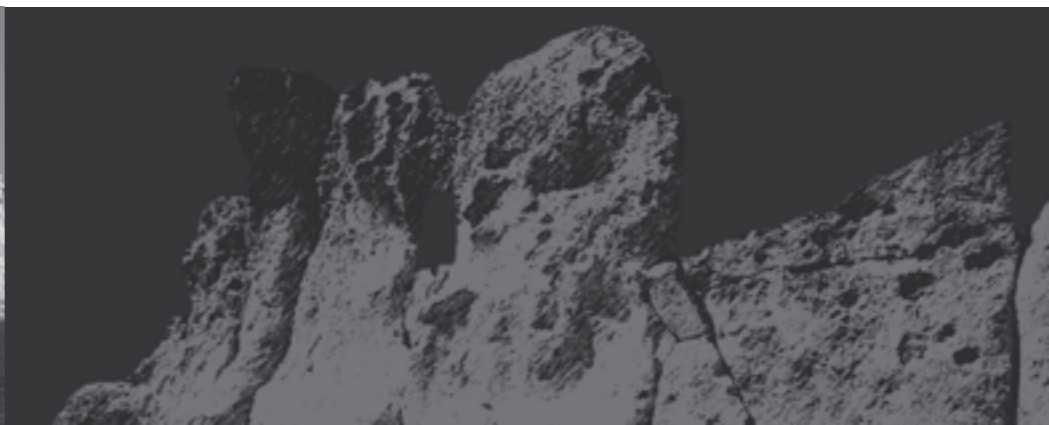
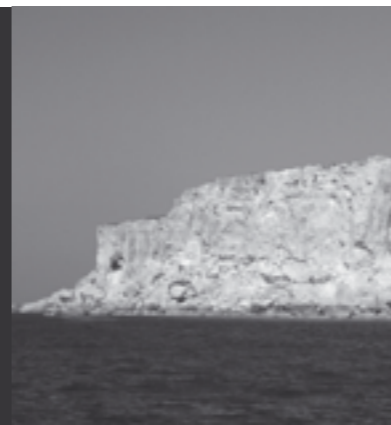
Additional Sites of Community Importance were proposed and additional Special Protection Areas were also declared. These have been nominated to form part of the Natura 2000 network.

Marine studies were launched around the islet of Filfla. This was made possible through the European Regional Development Funds. The report is expected to be finalised this year, so that management plan can be initiated for the protection of this marine conservation area.

The marine protected area of *Rdum Majjiesa/Ras ir-Raheb* Area was legally declared as a Marine Conservation Area and was one of the proposed Sites of Community Importance. A documentary on DVD regarding the area was produced and launched. The framework management plan for the site was also opened for public consultation and can also be accessed on the MEPA website. A number of meetings with stakeholder were held and others are planned.

### Natura 2000/Emerald Network Process

Work in connection with Special Areas of Conservation (SACs) was further carried out, involving additional site visits, identification of



NATURE PROTECTION UNIT

important species and habitat types and estimation of their abundance, evaluation of threats, assessment of the conservation status, and mapping of all relevant information and data entry. These are continuously being updated. Resulting information submitted to the EU was made available on the MEPA website. Various meetings have been carried out with other stakeholders and institutions.

Species Protection

As the competent Authority for protection of species, co-ordination of operations dealing with stranded or beached dolphins, whales and marine turtles was maintained. The rescue programme for stranded, beached, and injured marine turtles, was also undertaken with the cooperation of the Malta Centre for Fisheries Sciences. Turtles fit for release were tagged and returned to the wild. The dossier on the exploitation of protected and threatened wild

fauna in the Maltese Islands was compiled and an internal consultation was finalised. This will be part of the biodiversity strategy plan for each species or group of species mentioned, with recommendations for future actions.

Biodiversity Indicators

Data continued to be collated for the updating of the 2002 list of biodiversity indicators, with the aim of collecting information for policy-making. The data compiled ranged from habitats protection to important species, soil biodiversity, and related case studies.

Funded Projects

Analysed about 20 project proposals and continued work on the following projects administered by the Nature Protection Unit: those which where in hand, continued to be administered and implemented.

Title of Project	Description	Funding Mechanism*	Status
MedPAN: Mediterranean Coastal and Marine Protected Areas Network	Aims to develop a Mediterranean network of marine protected areas (MPAs) with the intention of improving their management and helping partners to set up new MPAs	EC Interreg IIIC	On-going
Natura 2000: Capacity-Building for the Implementation of the Habitats and Wild Birds Directives	Aims at strengthening the capacity building of Malta for the implementation of the EU Habitats and Birds Directives, with the aim of achieving a full implementation of the Directives on the conservation of natural habitats and wild fauna and flora and on the conservation of wild birds	Transitional facility	On-going
Protected Areas: Filfla Marine Protected Area	Aims to provide data that will form the basis for the setting up of a management plan, with associated legal provisions, to protect the marine biodiversity of the island and address all activities affecting the biodiversity of the area.	European Regional Development Fund (ERDF)	On-going

NATURE PROTECTION UNIT

Title of Project	Description	Funding Mechanism*	Status
Rete dei Parchi: Interreg IIIC Network of Protected Areas	Aims at setting up, managing and promoting of a system of networks between protected natural areas	EC Interreg IIIC	On-going
UNEP-GEF Project on the Development of National Biosafety Frameworks	Aims to set up a National Biosafety Framework and an improved system dealing with administration, risk assessment and management, access of information for all stakeholders, publication of inventories and information flow related to GMOs.	United Nations Environment Programme Global Environmental facility (UNEP-GEF)	Will be finalised this year
BioCASE: Biodiversity Collection Access Service for Europe Project	Data was gathered from various private collectors, Argotti Botanical Gardens, the University of Malta and MEPA and inputted in the database and subsequently transferred to Germany to be added to all other data gathered from another 25 institutions across Europe. All information is available on the BioCASE website.	EU Fifth Framework Programme (FP5)	Finalised
Setting up of the Emerald Network Malta	Emerald Network data were completed for 23 sites identified as Special Conservation Interest (ASCIs) and submitted to the Council of Europe in 2005.	Council of Europe (CoE)	Finalised
MedMPA: Regional Project for the Development of Marine and Coastal Protected Areas in the Mediterranean Region	A Management Framework for the Rdum Majjiesa/Ras ir-Raheb Area was compiled and approved, coupled with initial consultation with relevant stakeholders and institutions.	EU Short- and Medium-Term Priority Environmental Action Plan (SMAP)	Finalised

\* This implies a shared expense of varying degree between the beneficiary (usually the Malta Environment and Planning Authority) and the funding programme.

Biosafety and GMOs

The implementation of the various legislation concerning the contained use of genetically-modified micro-organisms and the deliberate release of genetically-modified organisms and their placing

on the market, the Cartagena Protocol on Biosafety and related EU Regulations were continued. . The NPU also continued providing technical, scientific and administrative assistance to the Biosafety Co-ordinating Committee (BCC) and its working groups, and analysed and reviewed a number of notifications



## NATURE PROTECTION UNIT

concerning GMOs in liaison with the BCC, in the average monthly meetings. Three seminars were organised in connection with Biosafety. These covered public awareness on Genetically Modified Organisms, one on the Cartagena Protocol and Malta, and risk assessment and risk management i.c.w. GMOs.

The Biosafety Co-ordinating Committee has met 5 times this year and has formulated its opinion on 6 GM applications, 1 safeguard clause (Hungary) and one guidance document on GM hybrids issued by EFSA.

European Union documentation was analysed, reviewed and reports drawn on such documents, besides participating in a number of meetings in Brussels on the subject.

### CITES

The NPU, being the designated CITES Management Authority for Malta, was involved in the implementation of local legislation regarding CITES. This enabled the enforcement of EU regulations on wildlife trade. The Inspectorate also participated and contributed to the EU Committee Meetings and Enforcement Meetings on trade in wild fauna and flora and was further involved in the re-export of confiscated live animals to appropriate centres, the control of the import and export of fauna and flora, issuing conditions on import licences and inspections at points of entry, as well as informing the public and trade community of the obligations arising from the regulations.

During the period under review the annual and biannual reports as required under the CITES Convention and European Union Regulations were compiled and forwarded to the respective bodies

### Legislation

Various draft legal or government notices continued to be drafted and forwarded to the Legal Office for endorsement and publication.

### Requests for clearance

The various number of local regulations, some of which are the transposition of European Union legislation, oblige clearance from the Nature Protection Unit for the handling, possession of protected species, and accession to certain protected areas. These were continuously being handled to meet the various requests from scientific bodies, non-governmental organisations, other entities, and other individuals. A public register of such clearances will be made available to complement a record of biodiversity permits which has been set up on the MEPA website.

Provided support in the form of site visits, inspections and consultancy on nature protection issued on a regular basis to other units within the Environment Protection Directorate and the Planning Directorate with respect to environment impact assessments and planning applications, especially those developments located within Special Areas of Conservation, other forms of protected areas, developments affecting flora and fauna, including trees, and rubble walls. Guidelines regarding the distribution of protected species and their habitats were drafted for internal use by Planning Officials, facilitating the analysis of planning applications.

### Enforcement

The Nature Protection Inspectorate have been actively involved in assisting other law enforcement agencies such as the Police, Customs and AFM in intelligence gathering, collection of evidence and investigations pertaining to wildlife crime. Apart from providing expert evidence during Court hearings, data on wildlife crime cases has also been compiled and maintained, while complaints made by the public were investigated and the Police was subsequently notified for the issuance of charges when criminal action was deemed necessary.

Other inspections involving implementation of local regulations regarding flora and fauna were constantly carried out with the available resources.

## RESOURCE MANAGEMENT UNIT

Malta is endowed with a multitude of resources, including natural and man-made resources. The former include indigenous species, sand dunes, valleys and other biotopes, the coastal zone, land, ground water and limestone resources. Man-made resources include our built-up environment, agriculture, the social fabric, culture and traditions. Together they form part of our heritage that is passed on to future generations.

Many of Malta's resources are unique within the European Union, of which Malta is an integral part.

During the period under consideration, the Resources Management Unit (RMU) dealt with the conservation of natural and man-made resources, as well as provided feedback to the EU Commission on strategic documents dealing with the management of resources, the most important of which being the Strategy on the Sustainable Use of Natural Resources, as well as in the State of the Environment Report 2005.

RMU provided input to the Development Control process on resources. RMU advised on proposals for development with respect to their environmental impact and on mitigation measures on unavoidable impacts, thereby alleviating the impacts of their implementation. This was achieved with the full participation of the developers, consultants and other stakeholders. Environmental Impact Assessments were carried out on major proposals, including the offshore aquaculture zone, quarries and a number of waste management projects. Public hearings related to the impact assessment of projects proposals were organised as required by law. The format of these public hearings was organized in such a way as to be more participatory and constructive in its outcome.

An expert mission by former directors of English Nature took place in January 2006. This mission advised on environmentally sensitive restoration of degraded areas.

RMU provided input to MRA in their request for expression of interest with regards to the setting up of wind farms, as well as in Energy Policy.

RMU advised and supported the department of agriculture in a number of areas, including cross-compliance issues and the drafting of the Rural Development Plan

RMU followed closely requests for the scuttling of vessels in the light of the impact that this practice has on the marine resources. Strategic documents were prepared on subjects that included agricultural policies and areas designated as having special conservation value. This was done in harmony with policies adopted in other countries, in particular in the European Union. RMU staff participated in projects concerning environmental resources, eg. DEDUCE, Cart Ruts Project. In addition, RMU staff attended experts groups meetings on integrated coastal zone management and environmental assessment organised by the European Commission.

Developments at European Community level on policies and legislation were followed and advice provided on their costs and opportunities in the local context.

Following the publication of LN418 of 2005, RMU provided support to the Strategic Environmental Assessment (SEA) Audit Team within the Ministry for Rural Affairs and the Environment with respect to the implementation of the Strategic Environmental Assessment Directive. These included screening of proposed plans, scoping and review of Environmental Reports. RMU staff were trained by overseas experts on SEA.

Proposals for Conservation Orders and Scheduling were drafted with respect to selected areas and properties of heritage value. RMU staff monitored protected sites and advised on the release of bank guarantees linked to development permits. Moreover staff participated in schemes aimed at protecting the natural and built-up heritage.



## RESOURCE MANAGEMENT UNIT

A workshop was organised in November 2005 on the dumping of waste at sea. This workshop was organised with the assistance of the UNEP/MAP

RMU drafted a tender document for detailed investigations icw the reclamation of land from the sea. The tender was published in March 2006. Following receipt of bids, these were evaluated by a technical committee.

Following Government commitment to introduce Green Public Procurement, RMU participated in discussions with Department of Contracts and other

stakeholders on how to take the matter forward. A draft National Action Plan was drafted.

Extensive use was made of MEPA's website to communicate and inform the public on these activities. RMU contributed to replies to parliamentary questions and in drafting replies to queries from the public.

## POLLUTION PREVENTION AND CONTROL

The Pollution Prevention and Control Unit is the regulatory arm of MEPA responsible for preventing and regulating emissions and activities which may give rise to pollution of environmental media.

### Integrated Pollution Prevention and Control (IPPC)

The Unit continued to assist and advise industrial establishments on a number of issues related to permitting and reporting.

In December 2005 the relevant IPPC permit for the landfill at Ta' Zwejra was issued after Wasteserve submitted the relevant financial guarantees. Frequent site visits were carried out to ensure proper implementation of permit conditions. Improvement in waste management practices is expected as a result.

In December 2005 another IPPC permit in respect of Medichem was issued. Routine inspections continue to confirm that this plant is operating in high conformity with its permit and relevant reporting conditions.

The IPPC Committee also approved application forms and guidance documents in respect of certain animal husbandry operations.

### Reporting under Environment Pollution Emissions Register (EPER)

During 2006 Malta was required to report the emissions of certain establishments to the EU's Pollution Emissions Registry. The relevant data was requested from IPPC installations and submitted on time by end of June 2006.

The IPPC Committee also started processing the application for the Incinerator at the Public Abattoir in Marsa. It was certified as duly made, although several matters were still being clarified following a request to change the scope of the development.

Two new IPPC applications were submitted during this period:

- i Ghallis non-hazardous landfill
- ii Ghallis hazardous landfill

Processing of the former application commenced early in 2006. In spite of this the application is not yet certified as duly made since there were several issues that were left pending by the applicant.

### Special Training

The Unit was successful in securing a Taiex training mission devoted to the inspections of IPPC waste management facilities. Site visits were carried out at Ta' Zwejra, Sant Antnin composting and recycling plant, Public abattoir incinerator and Waste Oils Company Ltd.

### Regulation of VOC emissions from the storage/loading/unloading of petrol

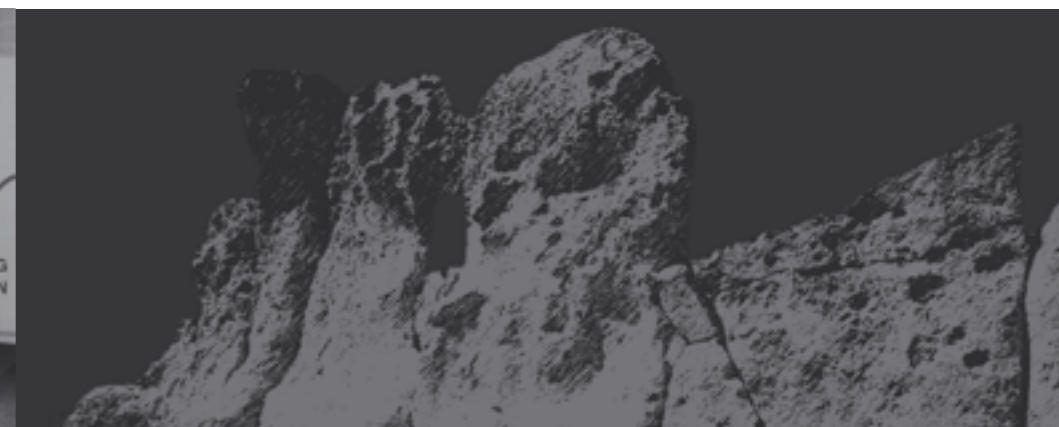
Malta remains non-compliant with the provisions of Directive 94/63/EC. The operator's attention has been drawn to this fact. It seems that considerable delay in compliance will ensue.

### Regulation of Atmospheric emissions from Large Combustion plant

Action was also taken to chase up the operator with a view to secure compliance with the standards set out in Directive 2001/80/EC. Unless specific and urgent action is taken it is probable that compliance will be delayed for a couple of years.

### Implementation of VOC Solvents Directive

The deadline for compliance with the requirements of this Directive for existing installations that are within scope, is the 31<sup>st</sup> October 2007. After this date, the installations shall need to comply with specified VOC emission limits and keep track of all solvent purchase and use in order to prove compliance.



## POLLUTION PREVENTION AND CONTROL

### Special Training

During the year MEPA has worked on the implementation of the Directive by setting up a permitting system and informing stakeholders about the requirements of the legislation. To this end, the Unit was successful in securing a Taiex training mission devoted to training and capacity building in this area. In collaboration with the Cleaner Technology Centre, an information seminar for industry was organised.

Authorisation for the installations within scope of the legislation shall be through the issuing of Solvents VOC-Emissions permits.

### Inspection of Major Accident Hazard sites (COMAH)

MEPA, OHSA and CPD are jointly responsible for the implementation of specific parts of this directive (the "Seveso II Directive"). MEPA is responsible for issues relating to environmental protection and land use planning.

During 2006, MEPA officials participated in joint inspections with CPD and OHSA of all the COMAH sites. Following the inspections, a number of recommendations were made to the operators and these requests are currently being followed up. The Safety Reports of two "upper tier" sites were also evaluated by consultants and the recommendations made are being followed up with the operators concerned.

### Ozone Depleting Substances (ODS)

The ODS committee reviewed the existing legislation and updated it in the light of recent EU derived legal instruments. Minimum qualification criteria were established for refrigeration technicians. Regular refrigeration courses for the certification of the refrigeration technicians started, with the assistance of Cleaner Technology Centre.

The ODS committee also dealt with a request made to the Commission for the consideration of a critical use exemption submitted by a local user. Although the claim was upheld the small quantities allowed were considered unacceptable by the user and the claim was abandoned.

Stocks of methyl bromide existing during early 2006, were shipped to another member state with the approval of the EU Commission, following intervention from the PPCU, since legally this stock could not be used in Malta.

### Air Quality

The Air Quality Section is responsible for various EU Directives falling under the Air Quality Acquis, as well as International Conventions. The main activities carried out by the Air Quality Section during the period under review are split up into the various sections and are as follows:

#### Coordination of Funding Programmes for Air Quality: Transitional Facility 2004 (TF) and European Regional Development Fund (ERDF)

The air quality section managed two funding programmes : (a) the acquisition of 3 monitoring stations and the setting up of two air monitoring stations and (in 2007) a background air monitoring station; (b) a thorough training programme from experienced member states through Twinning Light (TL).

### Special Training

The air quality section benefited from two TL sessions with France and with Austria. The TL with France was very demanding and focused on air monitoring, emissions inventory and modelling. Local expert missions, training abroad and a stakeholder's workshop were included in this project. The TL with Austria consisted of short focused meetings to discuss technical aspects and assistance required for data dissemination to the public.

## POLLUTION PREVENTION AND CONTROL

Efforts were also made for a TAIEX mission for the compilation of national emission inventories for reporting obligation related to the National Emission Ceilings Directive.

### Coordination and management of the air monitoring network

Various activities were carried out in the field of air monitoring, namely:

- The continuation of the passive diffusion tube monitoring around 44 localities in Malta and Gozo
- Data retrieval from each real time monitoring station, calibration, quality assurance and analysis of data
- Research, discussions and meetings in preparation for the installation of the background station in Gozo
- Work on structure of website/maps for the uploading of diffusion tube measurements for information to the public
- Support to Floriana Local Council by monitoring of carbon monoxide in Floriana subway as part of a project envisaging the rehabilitation of this subway
- Studies and meetings for possible localities for the siting of the urban air monitoring stations, their commissioning, installation at Zejtun and Msida respectively, training, insurance coverage and publicity campaigns
- Set up temporary background station in Gozo for measurement of ozone (May to September 2006)

### Legislation

#### The National Emission Ceilings Directive (2001/81/EC)

The section lead a special effort to enable submission of the required data sets which will in future serve as the basis for the revision of the emission ceilings, applicable up to the year 2020, for Malta under the NEC directive.

This involved detailed and highly technical discussions with Enemalta regarding the future configuration of new generation equipment and fuels, with the Transport Authority and the Agriculture department amongst others. There was also intense collaboration with the Commission's contracted entity (IIASA) regarding the clarifications and eventual transmission in September of the data files.

It is anticipated that these projections will need to be justified with the Commission and MEPA will need to 'apportion' the emission of these pollutants amongst the relevant sectors.

### Air Quality Framework Directive and Daughter Directives

- The air quality section also followed up the new thematic strategy on air quality and the new directive.
- The air monitoring network was also upgraded from two to four real time measurement stations

### Climate Change

The main activities for the period included the Preparation of the 2<sup>nd</sup> national allocation plan for Malta. This involved coordinating the work of consultants as well as extensive consultations with relevant stakeholders and a public consultation exercise.

Malta's emissions trading registry system, was set up and is currently awaiting approval from the Commission to go online. Permits for the emission of the specified allowances for the present trading period were also prepared. In addition the unit also supervised the verification by external assessors of allowances utilised by Enemalta during the 1<sup>st</sup> year of trading.

Through the unit Malta is also participating in the ongoing capacity building project in new member states on the post-2012 scenario.

## POLLUTION PREVENTION AND CONTROL

### Noise

The Unit assisted by the IT and Transport Planning sections of MEPA replied to a questionnaire from the Commission regarding implementation of the reporting obligations for the Noise Directive. This involved the evaluation of traffic counts around Malta which have more than six million vehicle passages a year, major airports and agglomerations with more than 250,000 inhabitants.

### Special Training

The PPCU also arranged for specialized training in the UK of a staff member, who secured a Certificate of Competence in Environment Noise Measurement from the Colchester Institute

### Environmental Radiation Monitoring

The PPCU was subjected to a formal (Euratom) Article 35/36 inspection from the Commission. Malta is not yet fully compliant with the required monitoring and reporting obligations. Shortly after, and through part financing by the International Atomic Energy Agency, a Gamma monitor was installed and set up at the offices of the PPCU. Presently a system and network for the transmission of the real-time gamma dose rate to the CPD department is being set up to ensure implementation by the CPD of the 'Early Warning' Directive.

### Water Pollution

The Unit is responsible for the implementation of EU legislation related to the control of chemical pollution of surface waters, namely the Dangerous Substances Directive and daughter directives, the Urban Wastewater Treatment Directive, the Directive on protection of surface waters supporting fish life, the Nitrates Directive and the Water Framework Directive. The section is also responsible for the implementation of the provisions of the Land Based Sources Protocol of the Barcelona Convention.

Extensive work towards the finalization of the Article 5 report of the Water Framework Directive (WFD) was carried out. An external consultant was commissioned for the economic analysis required as part of the characterization of water bodies exercise. The draft summary reports were issued for public consultation and the finalized document was forwarded to the Commission in May. Work continues on various other aspects of WFD.

The section carried out physico-chemical monitoring of bathing waters and collaborated with the Public Health Department in the preparation of various reports. The unit also carried out monitoring of dangerous substances in coastal waters and sediments and prepared the many reports required for submission to the Commission.

## WASTE MANAGEMENT

MEPA is the regulatory agency for waste management activities in Malta. It is responsible for the regulatory aspects related to the implementation of the National Waste Management Strategy for the Maltese Islands. MEPA's regulatory responsibilities are guided by no fewer than 20 distinct pieces of legislation that are directly related to waste management as well as a number of other indirectly related regulations and guidance documents. Within MEPA's organizational structure, the waste regulatory function currently falls under the Resources Management Unit of the Environment Protection Directorate.

Below is a summary of the major tasks carried out by the Waste Management Team for the period October 2005 till September 2006:

Updating Maltese Waste Legislation to reflect the European Union's Directives and Regulations, including continuous screening of communications from the EU institutions on the subject and the preparation of the necessary groundwork to ensure that the Maltese Government would be in a position to provide input into EU decision-making mechanisms;

Prepared the groundwork for MEPA's recommendations to Government on the proposed mechanism that could be used for administering refunds under the Eco-Contribution Act;

Provided expert support to the Planning Directorate on development applications that are either directly related to waste management or developments which are likely to generate significant quantities of waste. During the period under review, the Waste Management Team provided input into more than 150 development applications including development applications which required input on Environment Impact Assessments. In addition to these applications the Waste Management Team provided regular input on applications reviewed during the DC/EPD consultation meetings and MEPA-MRAE meetings.

Processed Waste Management Permit Applications. These included applications for waste management facilities, waste management collection schemes, the implementation of the hazardous waste consignment note procedure and the Transfrontier shipment of waste.

The waste management team (WMT) received and processed 23 waste management permit applications. Through the hazardous waste consignment note system, which regulates the internal movement of hazardous wastes and other selected waste streams (such as large quantities of expired foodstuffs), the WMT issued 370 permits for the transfer of wastes within Malta, for the period under review. The WMT also processed 961 notifications of waste movements.

The WMT received and processed 13 new applications for Transfrontier Shipment (TFS) permits for hazardous wastes and started preliminary discussions with another 6 potential new applicants. 10 Permits for the export of waste from Malta were issued, which include applications received prior to the period under consideration, whilst 25 applications are currently being processed. 5 applications are currently being processed for wastes transiting through Malta. The TFS export permits issued covered: batteries, pharmaceutical waste, solvents, waste inks and other hazardous chemicals.

MEPA also received 230 notifications for the export of Green List Waste (waste that is not hazardous, however requires notification in line with EU requirements).

The Waste Management Team also gave direct input on 2 IPPC applications, for the period under review and also participated regularly in the IPPC committee.



## MINERAL RESOURCES

During the past year, the Minerals Team has continued with its approved programme of works as set out in the Business Plan for the Resource Management Unit. The major developments throughout the year included the expansion of the Unit's responsibilities in terms of the Research & Information function and a more focused approach to the Subject Plan Review process.

This year saw the preparation of a new draft minerals policy statement in respect of blasting and a number of revisions to draft minerals policy statements in respect of dust and noise emissions in quarries, and a number of other minerals policy statements which are expected to resume once the above policy statements are approved by the MEPA Board.

Most of the work undertaken by minerals this year has been focused on Minerals planning and DC/EIA process. The 3 members of staff forming part of the Minerals Team have been working almost full-time on issues related to minerals planning and minerals regulation and in providing inputs and guidance to other units. A number of instances involving *ad hoc* work has often resulted in disruption of the programmed work plan but none the less were instrumental in providing additional input into other areas of related interest to Minerals Environmental Planning.

Another major difficulty that persisted over the past year, has been the lack of monitoring personnel, mainly with regard to on going quarry operations; hence the need to prioritise on site inspections to sites demanding more immediate and drastic attention. In most cases, such monitoring work has had to be carried out by senior staff that at the same time were expected to deliver on other major work such as input into local plans and the DC/EIA process as well as preparatory work entailed by the Minerals Subject Plan Review. Once the additional necessary personnel complement has been engaged, the minerals team would become better equipped to deliver its mission not only in respect

of programmed objectives but also on other issues arising.

No further improvements and related action have resulted in respect of a memorandum of understanding expectedly to be endorsed by MEPA and MRA in respect of Minerals Environmental Planning and enforcement. This M.O.U. is expected to boost existing resources and capabilities in addressing the multifaceted requirements of the minerals industry as well as in addressing the urgent need to control the deriving environmental impacts.

Over the past year the Minerals team has carried out an extensive scanning exercise of Minerals Planning applications as a further addition to the already existing comprehensive database covering different planning and environmental data inherent to the minerals industry and spanning over a number of years and which predate the setting up of the Planning Authority in December 1992.

The minerals team also had experience in such tools as minerals prospects evaluation and Strategic Environmental Assessment, which may come in handy at a later stage, in particular with respect to the Minerals Subject Plan Review.

## NATURAL HERITAGE MANAGEMENT

### National Protection of Natural Areas

The Integrated Heritage Management Team (or IHM team), in collaboration with the Natural Resources Planning Team (NRP team), is responsible for the protection of natural areas and sites on a national level through the scheduling process. During 2006, the teams have put forward a number of scheduling proposals which have been approved by MEPA Board. Two sites on Malta and two sites on Gozo were scheduled as Areas of Ecological Importance, Sites of Scientific Importance and in one case, as an Area of High Landscape Value.

On mainland Malta, the valley system of 'Wied ta' Ghajn Rihana and the saline marshland at I-Ghadira were declared as scheduled property and published in Government Gazette Notices 226 of 2006 and 491 of 2006 respectively.

Wied ta' Ghajn Rihana is an extensive valley system that spans three Local Councils (Mgarr, Mosta and San Pawl il-Bahar) and although the scheduling is mainly aimed at protecting the watercourse, it also covers the escarpment associated with the Great Fault in the areas of Gebel Sarnu, tat-Targa and Ta' Bennisena.

The scheduling of the saline marshland at Ghadira (Mellieha), which includes the valley system that feeds into the saline marshland and a significant stretch of garigue on the adjacent ridge, complements the designation of this site as a Special Area of Conservation (of International Importance) in terms of the EU Habitats Directive 92/43/EEC.

Two coastal areas were declared as scheduled property on the island of Gozo and these include the promontories of il-Qortin t'Isopu and Il-Qortin tal-Magun/il-Qortin il-Kbira (Nadur) and the area of Ghajn Barrani (Zebbug and Xaghra). The scheduling of il-Qortin t'Isopu and il-Qortin tal-Magun, which includes the coastal fringe and the valley systems that surround the two promontories, was published in Government Gazette Notice 712 of 2006.

The scheduling of Ghajn Barrani area has only been recently approved by MEPA Board and will be published in the Government Gazette in the near future. This scheduling, which covers an extensive stretch of clay slopes and Wied il-Pergla valley system, also complements the designation of the site as a Special Area of Conservation of International Importance.

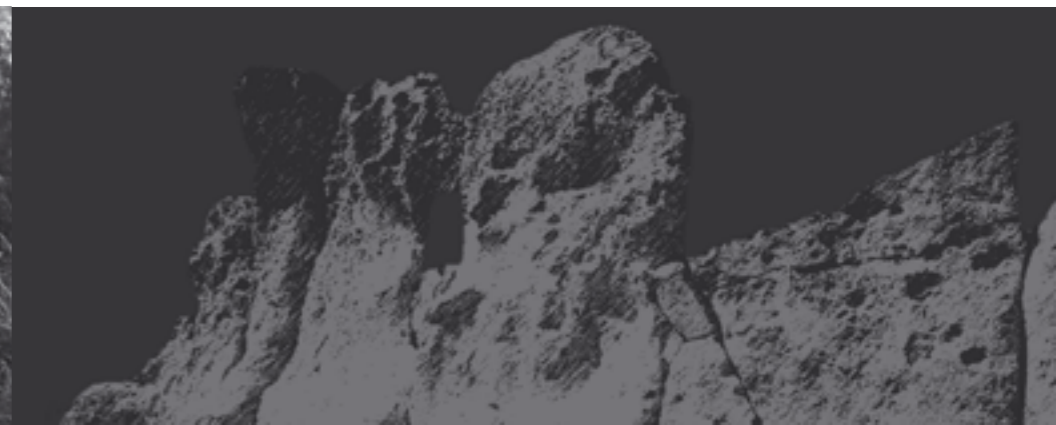
In all cases of approved scheduling, the IHM and NRP teams have notified all known land owners who had/have the right to submit a request for reconsideration of the scheduling boundary within a 30 day period from the date of the notification letter. The reconsideration requests for the scheduling boundary of Wied ta' Ghajn Rihana have been processed and the scheduling boundary has been re-confirmed by MEPA Board.

Within this business year, the IHM team has also attended appeals sittings related to scheduled natural areas.

### Planning Applications and Environmental Impact Assessments

The IHM Team provided continuous support to the DC-EPD process. The team ensured that its representative was always present at the weekly DC-EPD meetings, during which development planning applications are discussed. The main input of the IHM team was related to the assessment of impacts of the proposed developments on natural assets, particularly with regards to development proposals within scheduled areas.

Support has also been provided to the Environmental Assessment Team whereby sections of Environmental Impact Statements (EIAs) or Environmental Planning Statements (EPSs) that are related to ecology and natural landscape were also reviewed by the IHM team. Input to EIA team was provided on 15 separate cases.



NATURAL HERITAGE MANAGEMENT

EU Matters - Natural Resources

The IHM Team provides input to EUMA with regards to the Thematic Strategy on the Sustainable Use of Natural Resources. This Thematic Strategy falls under the Sixth Environment Action Programme and its overall objective is to reduce the negative environmental impacts associated with the use of natural resources in a growing economy. During this business year, the team has prepared instruction notes (including proposals for Malta’s position with regards to the Strategy) for Working Party meetings held in Brussels.

Management of Natural Sites

IHM and NRP teams, in collaboration with the Nature Protection Unit, were involved in the review of Management Plans formulated by non-governmental organizations for natural sites including Xrobb il-Ghagin and Ghajn Tuffieha.

Within this business year, the teams have regularly attended the Ghajn Tuffieha Management Board meetings during which the ongoing management of the Ghajn Tuffieha area has been discussed.

Input to other units

Both the IHM and NRP teams have an important role in providing other teams or units within MEPA, such as the Local Planning teams and the Enforcement Unit, with the necessary information about the rural and coastal environment, particularly with regards to scheduled property or natural sites that merit protection. This is an ongoing task for both teams.

CULTURAL HERITAGE MANAGEMENT

Planning Applications, Restoration Method Statements

The IHM Team was consulted on 1891 planning applications for advice on cultural and natural heritage matters within areas that are legally scheduled or having other environmental constraints. 912 applications related to development likely to affect sites of natural significance and rural areas. 979 applications related to restoration of buildings and monuments and other works in various buildings of cultural heritage values, especially those in Urban Conservation Areas and rural structures. Several of these applications involved reviews of Restoration Method Statements. There has been a persistent overall improvement in the quality of the Restoration Method Statements in accordance with guidelines issued by the IHM Team.

Site inspections were also carried out in order to better assess applications. 30 inspections were carried out at areas of natural importance and 140 inspections were carried out in buildings having heritage value. Additionally monitoring inspections of works in progress were held to ensure compliance with approved permits and correct restoration practice.

Archaeology

The IHM Team assessed 225 applications for proposed development within archaeologically sensitive areas. In several cases the development required an Archaeological Watching Brief, whereby archaeologists from MEPA and the Superintendence of Cultural Heritage monitor works for any accidental archaeological discoveries made during development excavations.

During the period of review the IHM Team carried out 159 cases of Archaeological Watching Briefs amounting to about Lm500,000 worth of bank guarantees to ensure developers comply with the planning permit monitoring conditions. 61 percent

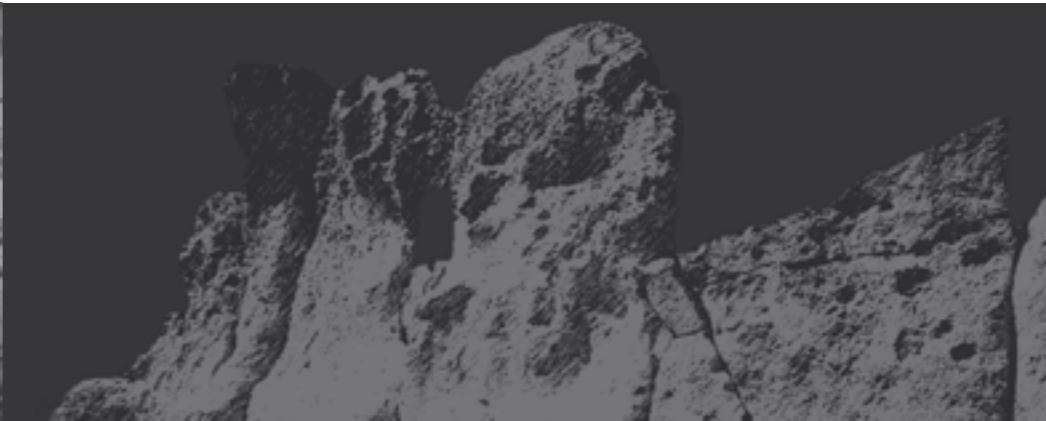
of the cases were recommended for the release of the bank guarantee owing to compliance by the developer with monitoring conditions and only 4 percent were recommended for forfeiture due to works commencing before the developer informing the authorities to monitor the works, often damaging archaeological remains in the process. The remaining 35 percent of the cases are still in progress of work and monitoring.

Seventeen new archaeological sites were discovered through site inspections and watching briefs during the past year. Some of the sites included a number of features which date from different periods, mainly Prehistoric, Punico-Roman, and Second World War periods. The individual archaeological features discovered consist of a pair of cart-ruts, nine burial features, a megalithic floor, prehistoric megaliths, Roman ashlar blocks, a Classical period ritual site in Gozo, an rock-cut shaft of undetermined period and nature at Rabat, a number of ancient quarries, and seven Second World War shelters.

Urban Conservation Areas

Reviews of Urban Conservation Areas (UCAs) were carried out for settlements within the South Malta (SMLP) and Central Malta Local Plans (CMLP). 16 UCAs were reviewed within the SMLP and 10 UCAs in the CMLP. These UCAs were eventually endorsed through the approval of the Local Plans in August 2006.

A prototype exercise in UCA Street Categorization was undertaken for the proposed Msida UCA in 2005, in which the streetscapes of 21 streets were assessed. This exercise aimed at designating a hierarchy of streetscapes based on the architectural and collective value of the buildings within each street within the UCA. The objective was to afford better protection to streets having a high streetscape value and allow more practical adaptations within streets having less importance, but without compromising the homogeneity of the UCA. During the current Business Year, this project



## CULTURAL HERITAGE MANAGEMENT

was reviewed and finalized. Other similar preliminary surveys were carried out for a number of SMLP localities.

During the same period of review a pilot project for a UCA Audit was initiated to gauge the effects of development permits and policy implementation on UCA designation. This pilot audit includes the qualitative and quantitative assessment of planning applications and their implementation for the locality of Qormi. The analysis focuses on the number of applications, the number of requests for demolition or alterations effecting the internal fabric and facades and their approval, conditions, refusal and enforcements. This project is expected to continue during the next year.

### Protected Sites and Monuments

During 2006 MEPA approved the scheduling of 17 properties around Malta and Gozo that were at risk. The scheduled properties consisted of five palazzos, six rural structures and six other cultural heritage properties. One Emergency Conservation Order for a pigeon loft at Santa Venera was issued.

Within this business year the IHM Team had 35 cases of appeals from scheduling or impacting scheduled property and attended for 87 hearings at the Planning Appeals Boards.

### Re-grading and De-scheduling of Protected Properties

Redefining of scheduling boundaries for 7 scheduled properties was also carried out following extensive surveys. In these cases, scheduling of parts of the sites was retained while other parts were excluded from the scheduling owing to lack of heritage features.

### National Protective Inventory

An inventory of 20 properties of architectural and historical significance was compiled for eventual

scheduling. This action was mainly taken following requests from Local Councils and by the members of the public as these buildings were at evident risk of damage, or as an update of the existing list of scheduled property.

Additionally, an inventory of the 113 most significant monuments, buildings and features in Valletta was compiled for eventual scheduling. The compilation of this inventory was possible owing to the assistance of four summer architecture students. Identification of post-war buildings in Valletta was also carried out during the same exercise.

Through positive intervention MEPA intends to conserve the surviving best examples of cultural heritage assets as landmarks within Malta and Gozo's historic centers.

### Balconies Scheme

The IHM Team in collaboration with the UCA Team inspected 11 cases for the restoration of timber balconies the owners of which benefited from MEPA grants. The localities were within Valletta, Floriana, and Cottonera while a number of NGOs having offices or clubs in other localities including Gozo were also inspected. The Team inspected the balconies to confirm that the restoration work was executed to the required standards.

In May 2006 MEPA issued Lm 40,000 in grants for the restoration of timber balconies in Zejtun and Siggiewi in Malta and Rabat in Gozo, extended the same scheme for all scheduled property in all localities of the Maltese Islands.

### Monitoring of Scheduled properties.

The IHM Team monitored works related to the shooting of two cinematographic productions; 'Munich' and 'The Da Vinci Code' and one television production 'The Roman Mysteries' for which locations of significant cultural and ecological heritage were used as locations, mainly at Fort

## CULTURAL HERITAGE MANAGEMENT

Ricasoli (Scheduled as Grade 1 monument) and Dock No.1 at Cospicua and at Gozo. This monitoring was essential to ensure that all sets, props, equipment and activities related to the film production proceeded within the parameters as set by MEPA in order to avoid damage to the heritage assets. The film producers and all their staff acted in full co-operation with MEPA and MEPA monitoring service on site through the shooting ensured the smooth operation between the parties concerned.

The IHM Team inspected and investigated 40 Emergency Reports by members of the public, non-governmental organizations, Local Councils and state agencies. These included 12 cases with scheduled areas, 6 within archaeologically sensitive areas, 9 Second World War shelters, 13 other properties of varying cultural heritage value.

### EU Projects

By the end of October 2005 the IHM Team in collaboration with the Mapping Unit and the Information Technology Unit completed a one-year project entitled 'The Significance of Cart-Ruts in Ancient Landscapes' co-funded by the EU. Malta was the lead partner, and the project was administered by Heritage Malta in collaboration with the Restoration Unit (Works Division), MEPA and the University of Malta. The foreign partners included the University of Urbino, Italy and the agency Approval from Granada, Spain. Case sites in Malta and Spain were used for testing documentation techniques. A comprehensive gazetteer of sites in Malta was also compiled. The results of the project will be disseminated to the public by means of a web-site, an interactive CD, and a publication. Interpretation panels will be fixed at Misraġh Għar il-Kbir at Siggiewi and a touch-screen presentation will be provided at the National Museum of Archeology in Valletta.

MEPA is taking part in SHARP – Sustainable Historic Arsenals Regeneration Project is an EU funded project under the Interreg IIIC programme. The

project was launched in England on 5<sup>th</sup> December 2004. The case sites include the Royal Arsenal at Woolwich, London, a Russian Coastal Battery in Tallin, Estonia, the Arsenal in Cadiz, Spain, and a number of heritage sites around the Grand Harbour, Malta. The participating member states include: English Heritage (Lead Partner), the London Development Agency, Oxford Archaeology Unit, the Estonian National Heritage Board, the University of Cadiz, Fondazzjoni Wirt Artna, the Malta Tourism Authority, and MEPA from Malta. The project concentrates on the potential of developing a Mutual Benefit Model for the regeneration of historic arsenals, using heritage led approaches for the redevelopment of former brownfield sites involving public and private sector investment and cooperation. This approach is very much in line with MEPA's Development Briefs for major public-private projects around the Harbour areas, several of which are already in an advanced stage and others await investors to take them aboard.

### Other work

MEPA and the National Archives at Rabat co-operated in identifying, collecting and scanning about 50 original technical drawings drawn by the former British Services held at the national Archives. This joint project was required to assess a major project. The scanned images were collated on a CD for easier access in the future.



ENVIRONMENTAL PERMITTING

The development of environmental permitting has moved towards the consolidation of this function within the Environment Protection Directorate. Work during the past year has focussed upon preparation for the launch of this team, who shall be responsible for the processing of permit applications, from the application phase to the point where recommendations are made to the decision body or delegated authority. Progress to date has included:

- further definition of administrative procedures, which has involved the coordination of environmental permitting system with the other processes within and outside MEPA;
- inclusion of measures consistent with the principle of better regulation, and investigation of issues related to permitting such as environmental liability;
- liaison with IT for the development of the software systems to be used in the handling of environmental permits, with a view to improving administrative efficiency, data handling, and security;
- the launch of projects to survey the various sectors of industry requiring environmental permitting, with a view to improving regulatory efficiency, and the provision of guidelines as regards the required standards to be required by environmental permits;
- the input of waste management permitting data into the permitting software, and publication of a register of existing permits on the website, thereby improving accessibility to environmental information; and
- work on the processing and issue of a limited number of environmental permits.



ENVIRONMENTAL INSPECTIONS

PPCU inspectorate

1 SEVESO II

Thirteen facilities that fall under the SEVESO II Directive were inspected on a monthly basis aimed to prevent major accidents that involve dangerous substances and the limitation of their consequences to the environment.

2 IPPC

2.1 IPPC Landfills

Ta' Zwejra is currently the only landfill with an IPPC permit. This facility is monitored regularly twice weekly and the inspections vary between paper checks and monitoring of the permit conditions. Around 104 inspections at this facility were performed.

2.2 IPPC Pharmaceuticals

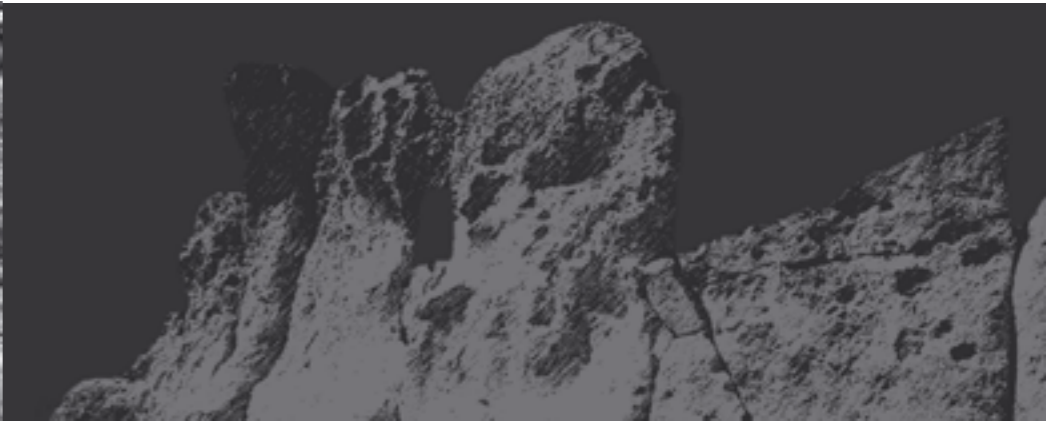
At present one pharmaceutical company is permitted under the IPPC regime. Initial inspections have been conducted to check compliance to permit conditions. Self Compliance Monitoring is also being conducted by the company and this has been duly endorsed by the inspectorate.

3 Monitoring of Inert Landfills

Seven sites that are licensed as inert landfills were monitored during the past year on a twice monthly basis. 168 inspections were performed on these sites to ascertain that licence conditions are abided with and that no environmental damage is inflicted by the licensed operation.

4 Waste Management Facilities

Several routine inspections were carried out at waste management facilities such as Sant' Antnin



Waste Recycling Plant and the Qortin Waste Transfer Station in Gozo. These inspections include those facilities that are post-operational, such as Wied Fulija landfill, the Maghtab Landfill and the Qortin Landfill in Gozo.

5 Marine Issues

5.1 Bathing Water Monitoring Programme

The inspectorate is part-responsible of monitoring the bathing water of the Maltese Islands. During this monitoring programme sampling and testing of physico-chemical parameters is performed at four coastal zones totalling 43 sites.

5.2 Urban Waste Water

The inspectorate is responsible to check and monitor discharge from the main sewage discharge points. 24 samples were collected from Wied Ghammieg and a total of 12 samples were collected from ic-Cumnija and Ras il-Hobz.

5.3 Fresh Water Supporting Fish Life

Another monitoring programme is related to fresh water that supports fish life, whereby throughout the year the nature reserves of Ghadira and Simar are monitored monthly.

5.4 Nitrates

For the past year a monitoring programme was carried out in relation to nitrates that originate from agricultural sources. This programme covered 26 coastal sites, from which samples were collected on a monthly basis.

5.5 MEDPOL and Discharge of Dangerous Substances

In conformity with the MEDPOL and Legal Notice 213 of 2001, the inspectorate carries

ENVIRONMENTAL INSPECTIONS

out monitoring of the sea water and sediment for dangerous substances. In the past year 26 coastal sites were monitored and a total of 20 sediment sites were monitored.

5.6 Marine Vessel cleaning and maintenance

In the past year the PPCU inspectorate issued several permits for the cleaning of sea chests, hull apertures, propeller polishing, in-water hull-cleaning and maintenance. Inspections were performed in this regard to assure that such cleaning does not conflict with the surrounding marine environment.

6 Beverages and Packaging waste

Compliance monitoring and enforcement is performed regularly in relation to the derogation on packaging of non-alcoholic beverages. Enforcement was carried out by means of compliance checks, regulating at importation level with trade licenses and releases, investigating complaints and taking corrective action with regards to non-compliant products.

7 Ozone Depleting Substances

The inspectorate was also responsible for tagging raw stocks of ODS and Hydrofluorocarbons (HFCs) held at Malta customs and in storage spaces owned by importers, labelling individual cylinders with tags specific to each cylinder and issued import licenses for HCFCs.

8 Air Quality

The passive diffusion programme monitors pollutants by means of sorbent tubes which are exposed for a period of 4 weeks. There are 130 different points in 44 localities all over Malta and Gozo. Results of analysed tubes are currently made available to the general public on demand.

9 Traffic Inspections

Monthly traffic inspections were performed during the past year in liaison with the Transport Authority and the Malta Police Force. Inspections help to raise awareness amongst waste carriers regarding new control measures that are to be implemented.

10 TFS Inspections

Two types of inspections are performed in relation to Transfrontier shipments of waste: those performed at source where waste that is to be exported from the Maltese Islands is inspected during its loading for exportation and after loading. Other inspections are performed at Malta Freeport in relation to waste that is in transit.

11 Court Sitings and Prosecutions

Several court sittings were attended during the past year mainly dealing with cases of illegal dumping and illegal incineration. Other prosecutions were initiated during the past year by virtues of the Environment Protection Act.

12 Emergency Services

The PPCU inspectorate has an emergency line which is available during and after office hours that is used by the general public to report incidents causing environmental harm. The emergency cases reported on this service mainly deal with oil spills on ground and at sea, illegal incineration, and illegal dumping.

13 Complaints

Several complaints are received and investigated by the inspectorate, mostly dealing with illegal dumping and illegal incineration, foul odour emissions from facilities and spills on ground and at sea, amongst others.

ENVIRONMENTAL INSPECTIONS

Nature Protection Inspectorate

Processing of wildlife trade documents

During October 2005 to September 2006, 87 applications were processed for the importation or exportation of flora and fauna specimens or parts and derivatives to ensure compliance with the pertinent wildlife trade regulations.

Reports received, inspections conducted and new cases uncovered

During the same period NPU received 66 reports and requests for assistance from the public or other law enforcement agencies such as Customs, AFM and Police. A total of 80 inspections were carried out to ensure compliance with nature protection regulations.

During these inspections a total of 7 flora specimens; 22 invertebrates; 100 fish; 29 reptiles; 1609 birds (mostly pertaining to 10 mounted bird collections) and 22 mammals were inspected and identified. In addition to the above, several means used for the capture of birds were also inspected such as traps; bird callers and decoys. As a result of these inspections a total of 6 invertebrates; 4 reptiles; 210 birds; 2 mammals and items related to the process of taxidermy or means to capture birds were seized to secure proof of infringements against nature protection regulations, in particular smuggling of wildlife, illegal taxidermy, illegal possession, unauthorised sale and illegal hunting.

Furthermore, these inspections gave rise to the uncovering of 30 new cases for legal action in criminal proceedings. These cases were comprised as follows: 1 case of wildlife smuggling; 20 cases involving the possession of protected fauna; 3 cases of illegal means of taking of fauna; 9 cases of unauthorised sale of protected birds and 2 cases of illegal taxidermy (Figures do not add up exactly to 30 due to overlap in certain cases into say two different categories).

Participation in Court proceedings

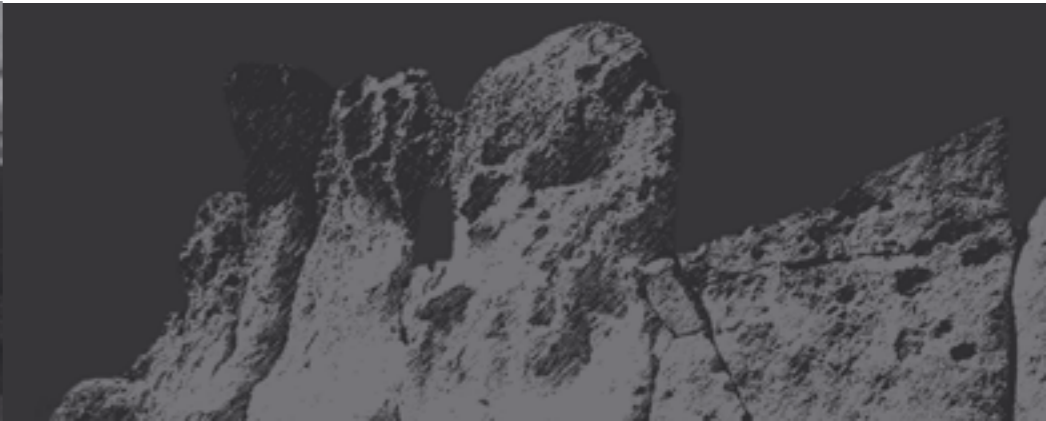
NPU officers were also summoned to Court by the Police to provide expert evidence during hearings involving contraventions against nature protection regulations. Court hearings involved 151 different hearings pertaining to cases of wildlife smuggling, illegal possession of protected fauna, illegal taxidermy, hunting of protected species, illegal sale of protected species, use of prohibited methods of capture, unauthorised cutting or damage to protected trees and illegal offroading. A total of 42 cases ended in a conviction whilst only 6 cases ended in an acquittal, resulting in a conviction rate exceeding 87%, a slight increase from the previous year. The rest of the cases are still sub judice.

With regards to these convictions, the Courts applied sanctions ranging from the confiscation of the corpus delicti, suspension of licences, and pecuniary fines. Confiscations ordered by the courts comprised 4 mammal and 668 bird specimens together with 7 illegal cage-traps. 3 persons were each awarded a two year suspension of their hunting licence for their involvement in wildlife smuggling whilst pecuniary fines for breaching of the nature protection regulations amounted to Lm21,258, a 46% increase over the previous year.

Also in connection with the Courts, NPU co-ordinated the transfer of 65 bird and 2 mammal confiscated specimens to the Natural History Museum to be used for educational and scientific purposes.

Co-ordination of marine turtle beachings and cases of accidental capture

NPU was involved in co-ordinating 15 responses involving the beaching or accidental capture of marine turtles in Malta and Gozo. Biometric data was retrieved whenever possible and specimens where either conveyed to the Department of Fisheries for rehabilitation or destroyed if found already dead.



ENVIRONMENTAL INSPECTIONS

Provision of the emergency after office hours on-call service

The on-call service was provided after office hours for the majority of days during the review period. 22 emergency calls were received comprising 9 cases of marine turtle beaching or accidental capture or collection of injured protected fauna; 11 cases involving protected wildlife smuggling, possession or exploitation and 2 cases involving the emergency release of imported perishable goods from Customs control.

ENVIRONMENTAL INITIATIVES IN PARTNERSHIP

The EIPP scheme is a tool whereby MEPA’s objectives for a better environment are positively achieved not just in terms of exercising its primary role as regulator, but also by actively securing new opportunities for tangible environmental improvement.

During the past 12 months the Authority continued to actively coordinate as well as supervise implementation of environmental and cultural heritage projects. Apart from continuation of earlier projects a number of restoration projects have been completed, including:

- Restoration (phase 1) of Kappella ta’ San Mikiel (Burmarrad)
- Clean-up and interpretation facilities at Tal-Baqqari archaeological site (Zurrieq)
- Restoration works and interpretation facilities at Ta’ Qaduma (Victoria Lines)
- Artificial reef monitoring off il-Merkanti (San Giljan)

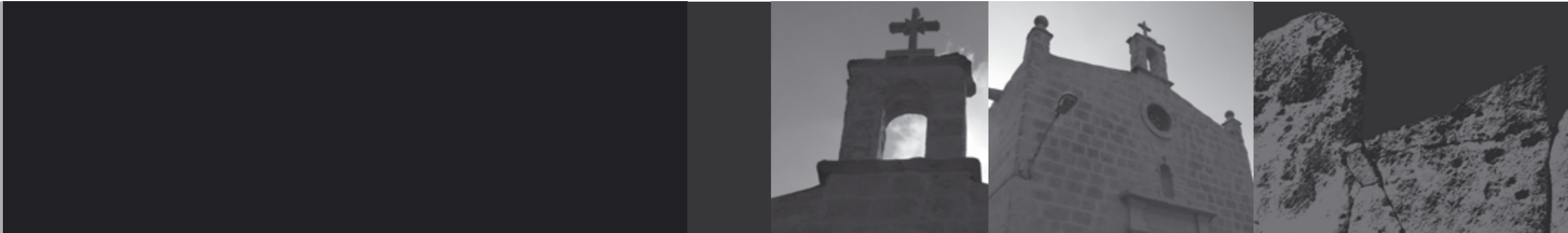
This year also saw the adoption of a new approach whereby projects are assigned through competitive tendering, a move that should certainly improve the credibility, fairness and transparency of the procedure. The first tender which has been issued in line with this procedure relates to a demonstrative project on environmentally-friendly photovoltaic technology. Climate change is a subject of great concern and at a local level MEPA shall be seeking ways to promote a cultural shift towards renewable energy use particularly through public awareness and education. In line with this, a tender for the installation and commissioning of a photovoltaic plant was issued in September of current year. The plant once on stream, is expected to generate some 7.5 kW free solar energy from a grid-connected PV system installed at roof level of MEPA’s main building. In turn, it shall provide enough electrical energy from the sun to charge a set of batteries of an electric car in every-day use and maintain an outdoor night lighting system within MEPA’s precincts. Actual performance of the installation itself shall be

monitored in real time basis and visually displayed for the public on a plasma screen.

In the case of large-scale projects, full EIPP funding may not always be immediately available to see them to completion and therefore splitting the work schedule into a number of phases become necessary. Typical projects which are scheduled to commence shortly include the restoration of Il-Forti Sant’Antnin (at Ras il-Qala in Gozo), and urgent structural repairs on Il-Palazz (Kemmuna). In the case of Ras il-Qala, extensive background research has already been carried out by the local council and by Din l-Art Helwa, in line with MEPA requirements.

Other active projects are sustained, fully or partially, by EIPP financial support from MEPA are:

- Documentary in DVD on the Mediterranean Sea;
- Afforestation at Is-Sdieri (below Torri l-Ahmar at Mellieha);
- Restoration of Buskett (Rabat, Malta);
- Restoration of Kappella tal-Lunzjata (Haz-Zebbug, Malta);
- Restoration of It-Torri t’Isopu (Nadur, Gozo);
- Restoration of ex-windmill (Ta’ Sannat, Gozo);
- Rehabilitation of Xrobb l’Ghagin;
- Green Wardens Scheme.



## INFORMATION TECHNOLOGY

### E-Applications

The eApplications system, commissioned in collaboration with the Ministry for Investment, Industry and Information Technology, is in its final implementation phase and is currently undergoing user and quality assurance testing.

The system provides a secure on-line front-end permitting application interacting with internal back-end databases utilising Government e-ID and payment systems through secure links. It enables clients to do on-line permit applications; view detailed information about their applications including plans; make payments due on permit fees and view the geographical location and constraints of the site. Furthermore, it facilitates correspondence between the Authority and clients throughout the lifecycle of the application via direct electronic communication channels. Consultations with government entities will also use this new communication channel thus speeding up the consultation process.

A number of sub-projects have also been completed in connection with this major development. These include an advanced GIS server supporting client site delineation processes, document imaging solutions for paper submissions which will enable the Organisation to digitise (and make available) all documents related to permitting and the creation of a Billing System supporting all payment flows.

The eApplication system is scheduled to be launched in the first quarter of the next financial year.

### NPAA 2003

During this year, work has been undertaken on major developments through EU funds available to the Authority. These are the NPAA2003 Twinning Light (value EUR250,000) which aims to set up Integrated Permitting and Monitoring Systems and the NPAA2003 Service Contract (value EUR100,000) which aims at developing database and GIS systems

supporting the requirements as laid out from the twinning light project. The Twinning Light contract has been successfully completed during the year with the service contract continuing through its results. The service Contract is in its final stages of development.

### Emissions Trading Registry

One of the requirements for Malta by the EU is the implementation of a National Emissions Trading Registry in relation to Climate Change. This project was entrusted to ICT whereby dedicated software has been acquired, installed and connected to the European Commission via secure paths. The system is ready for launch.

### Infrastructure Development & Support

ICT continued to support the Organisation throughout the year and new services introduced to enhance availability and connectivity whilst converging voice and data services. This year saw the introduction of secure wireless LAN connectivity and the upgrade of all workstations to the required hardware and operating system standards. Back-end networking systems were also upgraded with latest technology to support the needs of the Organisation. Mobile computing services were also increased.

### Quality Assurance

ICT has maintained its service quality standards through ISO 9001:2000 certification. This entailed both internal audit processes and an annual external audit from the certification authority. The IT Helpdesk continued to cater for all incoming requests from our clients (both Internal & External).

### Information Resources

This year has seen the implementation of a publications and document dissemination role, through the production of a series of CD/DVD

## INFORMATION TECHNOLOGY

publications as well as the launching of an ISBN service. Data requests services have been provided to both MEPA and external clients, as well as managing the whole data cycle through surveys, data creation, analysis and output of results. GIS services for the EPD has been consolidated with support provided to the Planning Directorate in its strive to conclude its forward planning remit.

### International Activities

Contracts were awarded to ICT through a process of tendering at international level. These include the awarding of a Use of Corinne Land Cover and Image2000 publication by the ETC-TE in Spain and an SOER2005 Effectiveness Survey by the EEA in Copenhagen. Another project included the Data Dictionary exercise carried out for the ESPON project in Luxembourg. 2006 also saw a number of interventions in international projects inclusive of expert missions to Austria and the Slovak Republic.

### EEA National Focal Point

ICT has continued to serve as the National Focal Point for the European Environment Agency delivering priority dataflow reporting and managing of EIONET Malta. Data analysis, checking and uploads of the main thematic flows – Air Quality, CLC 2000/5; Marine, CLRTAP, GMO, Groundwater; SOER; Soil- was also carried out. During the last year in review Malta has managed to increase its priority data flow deliveries to the EEA from 65% to 68%.

### Web Services and Public Access

During the year under review MEPA web services continued to be consolidated and played a leading role in the provision of up-to-date information and services to clients and the general public. In fact all services have shown a growth during the year with both transactions and hits registering better figures.



MAPPING

The Mapping Unit is Malta’s National Mapping Agency. Its main role is to provide topographic data and mapping services to MEPA, corporate clients and the general public.

Topographic Mapping

The introduction of a digital photogrammetric work station in the last few months highlights the latest investment undertaken by the Mapping Unit to maintain industry standards and best practice for the topographic map base. The migration of the base map to an ESRI platform is on schedule and will be finalised by the end of 2006. This will allow the unit to both improve the data and services presently offered to clients and to exploit current data to generate new products and applications in the future. The consolidation of all reference base data to an industry standard database is the first step towards implementing a Spatial Data Infrastructure.

Geodetic Control

During the period under review the Second Order Levelling Network was completed and further resources from the survey control function were directed towards the enhancement of the Levelling Schemes dataset.

Web-based Services

As in previous years the Mapping Unit has continued to support, maintain and augment the data content of the MapServer, its on-line portal to geographic information.

External Services

The past twelve months have seen the Mapping significantly increase the number and range of services to its external clients. The Unit was commissioned to rectify Quickbird 2006 satellite imagery for the Integrated Agricultural Control System (IACS). Mapping and GIS services were provided for the Malta Resources Authority, the Fisheries Conservation and Control Division, and

the Malta Embellishment and Landscaping Project amongst others. Digital imaging, rectification and geo-referencing of historic maps were carried out for both the Government Property Division and the Department of Agriculture. The Restoration Unit of the Ministry for Resources and Infrastructure commissioned a Digital Elevation Model and large scale photogrammetric capture of the Cittadella, and the establishment of a levelling network of Ghar Hassan for monitoring purposes. A significant assignment for 2006 was commissioned by the Malta International Airport to carry out a GPS stop and go and kinematic survey of the runways, taxiways and parks of the Luqa airfield. Throughout the year the Mapping Unit continued to increase its portfolio of clients that use large and small scale topographic data within their business processes.

Internal Services

As part of its normal services the unit continued to provide technical support and coordination of the Authority’s internal Geographic Information System (GIS), providing access to the organisation’s spatial data from every desktop. During the past year archived historic survey sheets and plotting records were scanned, rectified and deployed internally to all MEPA users.

Participation at the European Level

MEPA is a member of EuroGeographics, the organisation that represents the majority of Europe’s National and Cadastral Agencies. Malta contributes to European-wide datasets and mapping projects that are the basis of many EU initiatives. This past year MEPA submitted data to two key products produced by Eurogeographics: EuroRegionalMap and EuroGlobalMap. The Maltese contributions have been validated and will be included in the latest editions of these datasets. The Mapping Unit is also a contributor to the EuroBoundaryMap. Members of the Mapping Unit have represented the Authority in a number of technical and specialist groups at a European level, amongst them EUREF and Eurogeographics Expert Groups.

LAND SURVEYING

The Land Survey Unit continued to develop the survey services offered by synergizing activities with the Mapping Unit and has built a good reputation with a number of architectural firms and Government organizations.

The Unit is made up of the Topographic Surveys and Setting-Out/Civil Engineering Surveys. Their functions complement each other to complete a finalised product.

Setting-Out Surveys Section

This Section is mainly engaged with the setting-out of scheme alignment and road formation levels to new developments, prior to road surfacing and

setting-out of housing blocks.

This proved to be another demanding year for the Section, thus an extra effort had to be employed to maintain and possibly improve the request response time. This was achieved and although the overall response time was consistently maintained at 92.5%, it may be noted that 53.5% (an increase of 1.5%) of the requests were handled within half the pre-set target of ten days.

For the first time, and after taking the necessary measures to ensure uniformity, requests received at the Gozo LSU offices, were audited with those received in Malta. As stated, this entailed constant review of records throughout the year.

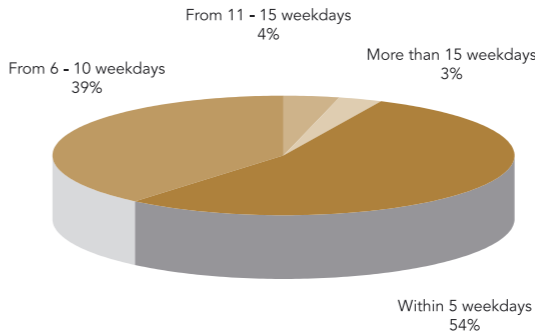


FIGURE 1: Type of Setting-out Requests

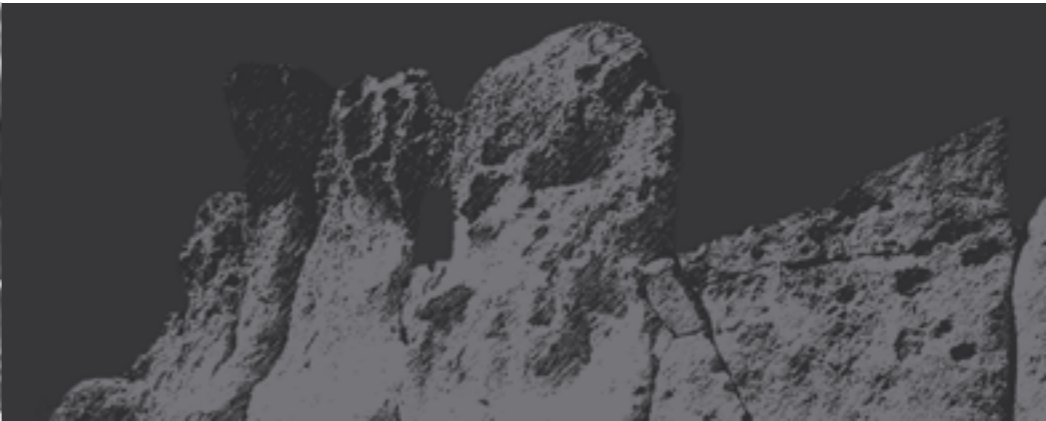
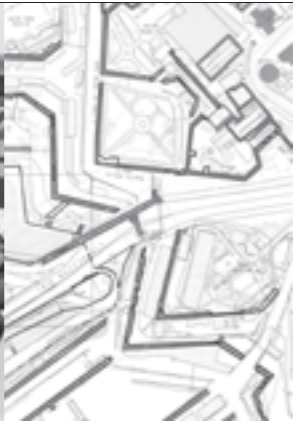
A considerable amount of requests (110) were also received from Network Infrastructure Directorate, (ADT), Works Department and various Local Councils to extend our setting-out services prior to the construction of new streets/roads. These requests were spread throughout most urban areas.

The Land Survey Unit was again entrusted by the Housing Authority to take care of all the survey works required during the planning and execution stage of various social housing projects. Currently

the unit is involved in twelve projects and the works range from topographical surveys to final setting out of the construction.

Topographic Surveys Section

The Topographic Surveys Section continued being involved in various diverse survey projects. Whereas, the Topographic Surveys Section continued with the preparation of large-scale surveys for the now established corporate clients i.e. Malta



LAND SURVEYING

Transport Authority, Housing Authority, Foundation for Tomorrow’s Schools, Malta International Airport, Malta Industrial Parks, various Local Councils etc. It has managed to attract a new clientele of private architects and the general public. This was possible since the Unit commits itself to deliver a timely and quality service. Moreover, any person seeking consultation on survey matters is offered quality advice and guidance.

	Area	Requests
Internal	168653m <sup>2</sup>	24
External	722768m <sup>2</sup>	78
Total	891421m <sup>2</sup>	102

TABLE 1: Topograohic Surveys

The Section also continued to prepare large scale plans of various development sites, where existing 1:2500 scheme plans need to be replaced by more recent information. This is done as a pro-effective measure, and to render the setting-out process more effective, whilst improving repeatability of site markings.

During the preparation of survey works, new concepts and initiatives are also undertaken. It is envisaged, that these new survey concepts and services, which add value to the existing data, may be offered to prospective clients.

New Initiatives

A project to establish benchmarks referenced to the G.P.S. network of Gozo took off during the third quarter of this financial year. When completed, each locality will have a network of benchmarks, evenly distributed at an approximate distance of 300 m from each other. Thus all leveling activities in Gozo which refer to these bench marks can be inter-related.



The LSU was selected to pursue the achievement of the ICT Unit and start the process to seek certification to ISO 9001/2000. Following an introductory course attended by all the senior staff the preparatory work has been finalized.

General

In collaboration with the Mapping Unit, Land Survey Unit successfully tendered for the preparation of 3D grid of levels covering the airfield of the Malta International Airport. This project proved to be very challenging in data management and processing since thousands of GPS points had to be analysed to generate the surface models.

Following the assistance provided by the Unit to the Faculty of Archeology of the University of Malta at Juno Heights – Marsaxlokk, we were asked to provide survey services at another archeological site at Guze Diacono - Girls Secondary School, Zejtun. A reference grid and two benchmarks related to mean sea level datum were set out on site to be used during the archaeological survey.

To improve the Unit’s service, it is important to keep abreast with the latest technological advancements employed in our profession. This is primarily done by participating in international conferences and symposia and upgrading of the existing equipment and software. During the year under review, two sets of total stations and survey software were upgraded.

HUMAN RESOURCES

The current staff complement at MEPA is 433 employees, including the Chairman, Director General, Director of Planning, Director of Environment and Director Corporate Services, together with their Assistant Directors.

The distribution of employees between the directorates is as follows below.

Between October 2005 and the end of September 2006 the Authority recruited 20 employees, in various grades and roles: 2 Assistant Planning Officers; 10 Environment Protection Officers; 3 Secretarial Assistants; 4 Enforcement Officers and 1 Environment Technician.

During the summer months MEPA offered 12 university students an 8 weeks work placement, and they were placed within the various sections of the

Authority - Resources Management Unit, Nature Protection Unit, Policy Coordination, EUMA, Support Services and ICT.

Recruitment is still in process and we envisage that by the end of 2006 we would employ a further 15 Assistant Planning Officers, 12 Environment Protection Officers, and 5 Secretarial Assistants.

To motivate further the employees the Authority issued a number of internal calls for applications to which 24 employees were promoted to higher graded roles.

Throughout the last 3 years MEPA sponsored the Bachelor in Planning Course, delivered at the University of Malta and 29 employees successfully finished their course and consequently have been assimilated into a professional role.

Directorate	Number of staff	Professionals	Clericals and Technicals	Males	Females
Chairman’s Office	30	5	25	4 - prof	1 - prof
				2 - tech	23 - tech
Director General	29	18	11	9 - prof	9 - prof
				2 - tech	9 - tech
Corporate Service	119	17	102	11 - prof	6 - prof
				77 - tech	25 - tech
Planning	169	66	102	53 - prof	14 - prof
				70 - tech	32 - tech
Environment	83	60	23	34 - prof	26 - prof
				10 - tech	13 - tech



## EUMA

Tasked with co-ordinating all EU and Multilateral Affairs functions within MEPA, the key activities for EUMA this year included co-ordination of transposition of EU law, evaluating new EU proposals, monitoring implementation of EU proposals, handling EU infringement procedures, co-ordinating work in relation to Multilateral Agreements, and managing matters in relation to Internationally Funded Projects. The unit was also responsible hands-on for some EU dossiers and for a number of specific EU funded projects.

During the past 12 months, EUMA continued to actively co-ordinate the process of transposition of EU law to national legislation. To assist in co ordination EUMA updated its transposition database, hosted a number of meetings among key players and prepared various reports detailing the key implications of new legislative instruments. EUMA also vetted regulations and followed them up to publication. Seven new pieces of legislation came into force this year, including those on Strategic Environmental Assessment, Carbon dioxide Emissions in Respect of the Marketing of New Passenger Cars, Conservation of Wild Birds, Limitation of Emission of Volatile Organic Compounds, Measures against the Emission of Gaseous and Particulate Pollutants from Internal Combustion Engines, Public participation on plans and programmes, and Greenhouse Gas Emissions Trading. A summary of all EU related legislation and the corresponding Legal Notices is available on MEPA's website.

During the past 12 months, there were 29 active proposals under discussion at EU level. EUMA is responsible to co-ordinate the review of potential impacts of such legislation on Malta's environment. To this end, focal points were identified within MEPA, working groups were set up, and no less than 17 Memos and 224 instruction notes were prepared for approval and presentation to the various EU bodies. Input to other environmental issues which fall under the remit of other agencies, including maritime affairs, energy and standardization was also handled.

EUMA also maintained a calendar of Working Party, Coreper, Comitology, Council Meetings, notifying officers and coordinated necessary representation. A database of EU Proposals was maintained and regular updates and presentations were made within and outside MEPA, including the Inter Ministerial Committee. EUMA was also charged with the preparation of various dossiers for Environment Council Meetings attended by the Minister for the Environment, and for bi-lateral meetings with Luxembourg, Austria and Finland all of which held the EU presidency this business year. External consultation process on various dossiers was consolidated, where nine consultation briefs were compiled and circulated to external stakeholders. All active dossiers and consultation briefs are available for consultation on MEPA's web-site.

EUMA also liaised with environment officers to monitor the implementation of over 200 EU instruments. Various communications were sent to the Ministry, the Office of the Prime Minister and the EU Commission to present progress. Implementation tasks typically include the setting up regulatory management plans, purchasing equipment for monitoring and setting up enforcement regimes. During the period under review, EUMA also identified EU and international reporting obligations and deadlines, maintained a calendar of over 150 reporting obligations, and reviewed and monitored submission of the reports on various directives including Waste management, Nature protection, Air quality, Climate change, Water, Chemicals and Noise.

During this year, EUMA finalized an exhaustive database of international instruments falling under MEPA's remit, including EU directives, regulations, and decisions. The database facilitates planning and monitoring of tasks arising from EU environmental instruments, and contains article-by-article fields with a description of task and implementation deadline among other fields. In addition, a list of EU Legislation is available on the MEPA website and EUMA also strengthened its role in keeping MEPA

## EUMA

abreast of news related to EU affairs by referring daily news and a monthly calendar of the status of key environmental law to MEPA officers.

It was also necessary for EUMA to coordinate replies and action related to infringements. This included seeking clarification from the EU, meeting stakeholders to address complex issues, and assisting in bilateral talks between Malta and the Commission, and co-ordinating MEPA's input to replies sent to the Commission, including the drawing up of implementation plans to facilitate corrective action. EUMA also gave an active input to missions by the European Commission to Malta.

In addition to providing a co-ordinating function, EUMA also handled certain dossiers on behalf of MEPA. These included the UNECE strategy for Education for Sustainable Development, the EU's network of environmental communicators, Environmental Economics, the Lisbon Agenda including input to the local National Reform Programme, Environmental Liability, Green Public Procurement, Better Regulation, and Environment in Structural Funds. EUMA also assisted Director General on various other Dossiers including input to the Environmental Policy Review Group.

EUMA also co-ordinated various duties arising from multilateral obligations. Besides identifying and revising focal points, as necessary, a calendar of International events was maintained and monthly bulletins on key multilateral issues were referred to key officers. EUMA coordinated and contributed to instruction notes and credentials for these meetings, such as Conference of the Parties and Meetings of the Parties, and other international expert group meetings, and ensured follow up of issues discussed. Communications were also coordinated for the World Trade Organization, the World Health Organisation, the United Nations Environment Programme, among others. A number of ratification memos were also referred to the Ministry for Rural Affairs and the Environment for the ratification process of conventions on impact assessment and air pollution.

This year saw a rise in activity at MEPA in international funded projects (IFPs). During the review period, EUMA ensured the successful completion of 10 internationally funded projects with the budget of over €327,000. The unit also coordinated the ongoing management of 28 active initiatives, bringing the total committed investment allocation for the Authority to €4.2 million. Of these, 11 new projects were approved by various funding bodies during the review period.

As a result of project activity during the reporting period, MEPA was able to procure air monitoring equipment and information management systems required to comply with EU obligations in various fields. It has also been able to commission studies, such as the marine scientific surveys around Filfla, which without EU funds, would have been prohibitive due to high costs involved. More than 50 MEPA officers and inspectors benefited from specialized training overseas, with a further estimated 150 officers benefiting from in-house training organized as part of various capacity building projects. Over 300 stakeholders throughout the sector, including government agencies, NGOs, wardens and police officers benefited from more than a dozen workshops and seminars organized by MEPA as part of internationally funded projects.

This large injection of funds has directly contributed to the capacity building within the Authority and helped to foster the foundations for a project management culture within the organisation, promoting inter-unit collaboration in MEPA. Training opportunities have also proven to be an excellent motivator for staff, which would otherwise have more limited career development opportunities. Participation in projects was widely publicized with 11 published press releases, and a number of articles and mentions in radio programmes. Project descriptions of interest to the public were placed on-line on the MEPA website.

An important development during the review period was the preparation of 22 new project proposals,



## EUMA

which, when approved, would result in an investment portfolio worth over €70 million over the next 7 year period. The package of new proposals includes 9 preliminary proposals for projects and schemes to be financed from the Structural Funds programmes for 2007 - 2013. In developing these proposals, EUMA coordinated extensive consultations with internal and external stakeholders to ensure success criteria are inbuilt in the projects design.

During the review period, EUMA continued to monitor relevant funding opportunities and advise the management on potential participation. A total of 22 requests to participate in projects and information on 94 calls for proposals were screened by EUMA through an e-based checklist system. Amongst the requests to participate / bid for existing project proposals, EUMA evaluated 4 requests for participation in twinning initiatives.

During the period, EUMA invested heavily in the project management capacity of MEPA, developing internal procedures and state of the art database systems together with the ICT unit for the management of project-related data. All critical data related to workflow, resources, procurement and financial management of internationally funded projects has now been consolidated in a unified project management system, radically improving data quality, accessibility and audit trail.

Besides fulfilling a co-ordination function, EUMA also led particular projects including a Transitional Facility project to build the capacity of the Maltese Government to introduce the Polluter Pays Principle through economic instruments, and an Interreg 3C project on Greening the Regional Development Programmes. In the former project EUMA co-ordinated the preparation of a Current State Assessment on the use of Environmental economic instruments in Malta and a number of training events and communications culminating in the preparation of a draft strategy, in the latter, EUMA led the development of the European Handbook on Greening Projects for Growth and Jobs.

A separate task for EUMA was to be the interface between the Planning & Priorities Coordinating Division (PPCD) within the Office of the Prime Minister on issues pertaining to the integration of environment in the next programming period (2007 - 2013). In this capacity, EUMA coordinated an internal consultation process and provided detailed feedback on the draft National Strategic Reference Framework Document and to two draft Operational Programmes that will be financed by Structural and Cohesion Funds. In related work, EUMA also coordinated MEPA input to the formulation of the national position on various aspects of programming for the proposed Life+ instrument, and provided regular input to other units on the consultation process on the draft Rural Development Programme. The unit also participated in two Steering Committee meetings as part of the programme set-up for the Interreg 3A (Malta / Sicily) programme and coordinated an internal environmental appraisal of over 40 project proposals submitted under this programme. Throughout the review period, EUMA also maintained its participation in the European Network of Environmental Authorities, attending two plenary meetings and contributing to the network's outputs.

Finally, EUMA continued to administer a system for travel on duties overseas together with the Accounts Unit and the Support Services Section. There were almost 700 invitations for meetings in the review period of which MEPA officers attended over 250. These included bilateral visits to the EU, Ministerial Council Meetings, Council Working Parties and Working Parties on International Environment Issues, Commission Working Groups, Convention Meeting of Parties and Conference of Parties, and visits stemming and funded by International Projects.

## POLICY COORDINATION

During the last 12 months the Policy Coordination Team focused on three major cross-cutting policy initiatives, namely state of the environment reporting, the sustainable development dossier, and the preparation of MEPA guidelines on how to develop and manage policy. During this period two new horizontal dossiers were added to the Team's responsibilities, namely the Aarhus Convention and the proposed Environment Strategy for the Mediterranean. In order to supplement the capacity of the Team, a new recruit joined in August 2006.

The 2005 State of the Environment Report (SOER) was released in January 2006. In order to reach as wide an audience as possible, three distinct products have been launched. The first is an attractive, 50-page Report on the State of the Environment, which was aimed at national leaders and policymakers. The second is a spiral-bound booklet containing 32 environmental indicators. This booklet is aimed at decision-makers and opinion formers such as the press, which require resonant yet scientifically-valid pieces of quantified information that can be used to communicate key messages easily and effectively. The third product is the innovative SOER website, which as well as electronic versions of the other two products, contains the suite of information that was used to produce the 2005 Report. For every SOER chapter, this website contains the datasheets, maps, indicator sheets, sub-reports and background reports and links. The 2005 SOER was widely distributed in Malta and abroad.

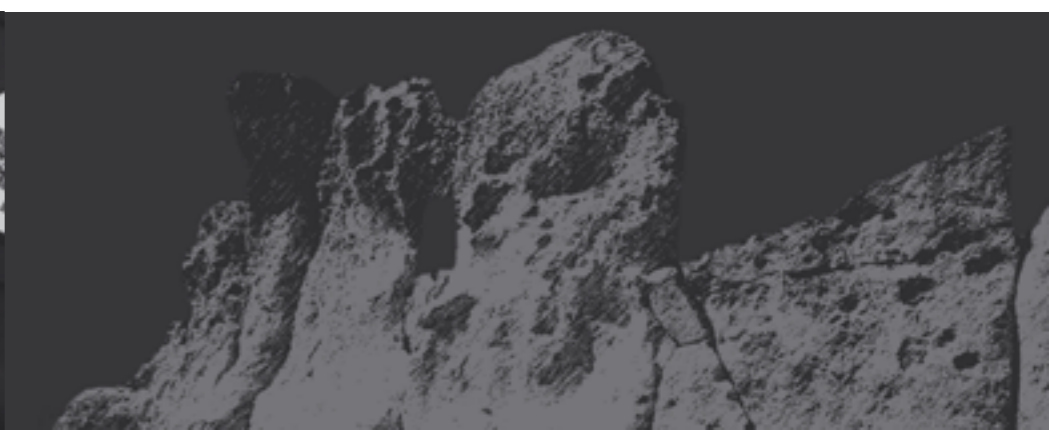
In order to institutionalise the SOE reporting process, MEPA will publish the 30 or so major SOE indicators on a yearly basis. It was agreed with major holders of environmental information that they would provide data for these indicators on a yearly basis. In this way, as well as any new data to have emerged in the interim, the 3-yearly report will be able to draw on datasets that have been updated each year. Work on the 2006 indicators began in April. The Team also supported the European Environment Agency in its compilation of the 2005 report 'The European Environment; State and outlook report', and assisted

with its dissemination in Malta.

In the area of sustainable development, the Policy Coordination Team continued to provide a national focal point of support for major policy initiatives at national, EU, Mediterranean and UN level. At a national level the team coordinated MEPA's input into the National Sustainable Development Strategy, played an active role in the National Sustainable Development Conference organized in April, reviewed the environmental comments from the public consultations and proposed revisions to the text. This last period was an active one at EU level, since the revised EU Sustainable Development Strategy was approved in June. The Policy Coordination Team gave active support to the Office of the Prime Minister's Management Efficiency Unit in their work to coordinate a national position. The Team also followed the related Sustainable Consumption and Production EU dossier, participating in an expert group meeting and other meetings on this subject.

On a Mediterranean level, the Policy Coordination Team represented Malta on the Mediterranean Commission for Sustainable Development, and during the last meeting shared some of Malta's experiences in preparing its national sustainability strategy with other Mediterranean States. In this context the Team has been active in putting into place monitoring systems for national implementation of this Strategy. The Team also keeps track of sustainable development activities carried out by the UN Commission for Sustainable Development.

The Team also carries out research into sustainability impact assessment tools. As part of the FP6 SENSOR research consortium, the Policy Coordination Team completed two studies; the first looked at key sustainability issues in islands across Europe, while the second identified key sustainability issues in Malta on the basis of in-depth expert interviews and focus groups.



## PUBLIC RELATIONS OFFICE

The Public Relations Office this year was heavily engaged in the dissemination of information on initiatives carried out by the Malta Environment and Planning Authority. During this financial year a total of 40 press calls and 82 press Releases were issued. A major PR exercise was concluded in the last trimester of 2005. This involved the publicity centred around the removal of the illegal air-conditioning units hanging on facades of buildings in Valletta. This initiative, undertaken in collaboration with the Valletta Rehabilitation Project and the Valletta Local Council, involved the door to door distribution of informative leaflets and a nationwide advertising campaign. The campaign left a positive impact in that over two thirds of the offending elements were removed and relocated.

At the beginning of this year the Malta Environment & Planning Authority (MEPA) published 'The State of the Environment Report' a comprehensive document whose aims were to support progress towards sustainable development by providing credible environmental information, provide guidance for the development of new policy directions and help identify investment requirements. In order to simplify this technical report, the authority also published an accompanying pocket-book reference that summarised the key messages, gave the principal indicators used in building it and listed the action priorities it identifies.

To make this report more accessible and practical for students to use and explore, the Authority penned out a project for school children that combined the environment with the media industry, the first of its kind in Malta. Through the co-operation of EkoSkola, this project set out to provide students with the opportunity to explore the relevance of local environmental issues to their lives, help students express their understanding and feelings about these issues and to empower students to befriend the use of the digital media.

To accomplish its purpose and give students a tangible experience, MEPA partnered with

some of Malta's top media houses. For this project to take off, each school had to choose a particular environmental topic from the State of the Environment Report and the students had to produce a framework with their own understanding on the topic and the message they wished to convey and choose medium with which to communicate to the public. It was the Authority's primary intention to move away from the traditional ways of expression through poetry, essays and picture drawing and give the students the chance to discover the tools of video clips, radio audio, web sites, newspaper supplements and performing arts. In this way the Public Relations office aimed not only at disseminating the environmental message but also at inculcating media education and engendering a really active and intelligent participation from different age-groups.

The hands-on work started when the students first met up with their assigned journalist or producer whose role it was to guide and assist each group of students with script writing techniques and how best to re-interpret the material they worked on to best suit the media they had chosen.

The students blended skillfully with all media personnel including NET TV presenter Amanda Ciappara, RTK producer Sonya Young and Super One journalist Claudette Baldacchino. With much needed assistance and patience Head of In-house Productions at One Productions Ltd. Mark Doneo, Head of Operations Media Link Communications Limited Sergio Pisani and Managing Director at The Bigger Picture Matthew Pulicino found all the time to carry the students through the production and editing of their clip. The work produced by the students was published on the medium it was meant for.

Two initiatives promoting Environmental Initiatives in Partnership were undertaken. These were the restoration of St. Michael's Chapel in Salina and a contribution to the production of an underwater documentary. Work on these is still underway and

## PUBLIC RELATIONS OFFICE

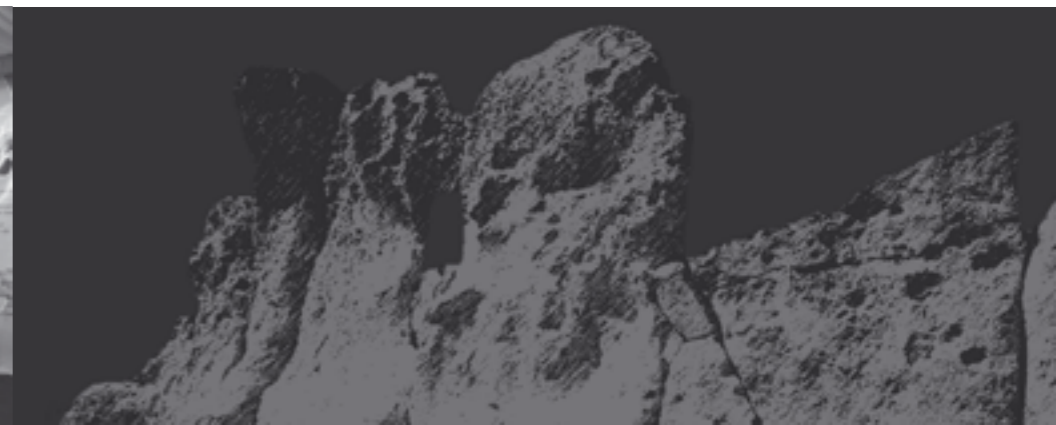
are planned for finalisation in the last trimester of 2006. The initiative taken the previous year to increase cost-effectiveness by designing the publicity material for use both within the locality where the project was being carried out and also in national exhibitions paid off. This concept was extended further.

With the aim of promoting the need to protect biodiversity, the PR office produced a series of six coasters featuring species of flora and fauna endemic to the Maltese Islands and endangered by littering and carelessness. The coasters were distributed to restaurants and bars all over Malta for use by the patrons. Following the distribution, MEPA received considerable positive response from landlords requesting further supplies to distribute. Within the limits dictated by the very limited resources available, the PR Office serviced these requests.

A significant strain on the resources of the PR Office was placed by the need to publicise and produce the Rationalisation Schemes and the five local plans. These projects were in quick succession and spanned the period May-September 2005. The public consultation process was co-ordinated and the documents printed in very tight time frames meant a heavy burden for the already strained staff complement. Following publication, a mailing campaign to all households was carried out to inform the citizens of what the local plans were going to mean for the localities.

With regards to participation in fairs and exhibitions, MEPA maintained an environmental theme focusing on protection of wildlife. This theme was displayed in the Environment Fair, the Malta International Trade Fair and in World Environment Day.

The Public Relations Office was also entrusted with overseeing the process of public consultation. MEPA board approved a document which the PR office co-ordinated formalizing the principles and means with which Public consultation was to be carried out for the different document.



LEGAL OFFICE

As on the 1<sup>st</sup> October, 2005, the Legal Office caseload amounted to 30 pending court cases before the Court of Appeal, 41 court cases pending before the Superior Courts, and 16 court cases pending before the Inferior Courts.

During the period under review, the Legal Office received and dealt with 61 judicial letters/judicial protests. 16 warrants of prohibitory injunctions were received by MEPA and handled by the Legal Office, 15 of which have been decided by the Superior Courts. The Legal Office received and handled a total of 29 new Court of Appeal cases on behalf of MEPA and, during the same period, 39 court cases were decided by the Court of Appeal. Furthermore, a total of 21 new Superior Court cases were received by MEPA and handled by the Legal Office, during which period a total of 11 court cases were decided by the Superior Courts. 5 court cases were decided by the Inferior Courts. The Legal Office also represented MEPA judicially in all court cases to which MEPA is a party.

Being responsible for nearly all litigation involving MEPA in the Courts of Law, members of the law firm Abela Stafrace & Associates have attended an average of twenty five (25) court sittings per week. It is worth noting that whereas the majority of the cases relate to appeals filed by applicants or MEPA from decisions of the Planning Appeals Board (similar to last year), we have noted a decrease in the number of warrants for prohibitory injunctions filed against the Authority. On the other hand, the number of proceedings instituted by MEPA to recover costs incurred for direct action has increased slightly. The number of civil litigation remained stable, whereas there are no pending proceedings before the tribunal for the investigation of injustices. The majority of proceedings are conducted in Malta, but we do have a small number of cases being heard by the Court of Magistrates in Gozo. Representations are spread on four lawyers within the law firm Abela Stafrace & Associates – namely appeals, prohibitory injunctions and civil litigation being handled by Dr. George Abela, Dr. Ian J. Stafrace and Dr. Claire

Stafrace Zammit; whereas proceedings before the Tribunal for the investigations of Injustices and those instituted by MEPA for the recovery of costs incurred for direct action (most of which are before the Small Claims Tribunal) being handled by Dr. Claire Stafrace Zammit and Dr. Lydia Zerafa.

During the period under review the Legal Office tendered advice to other Units within the Planning Directorate, the Environment Directorate, the Development Control Commission, the Director General’s Office, the Chairman’s Office and to the MEPA Board.

Legal office is assisted by three members of law firm Abela Stafrace & Associates, - namely Dr. George Abela, Dr. Ian J. Stafrace and Dr. Claire Stafrace Zammit attending MEPA offices on a daily basis (average of 35 hours per week) to advise on Development Planning matters. On the other hand the needs emanating from the Environment Protection Directorate, which have now stabilised to the same levels of last year, are handled by Dr. Ian J. Stafrace. Our work in this regard involves replies to legal queries referred to legal office by MEPA Board, officials and the DCC, replies to legal letters and protests filed against MEPA, as well as attendance to meetings as and when requested.

Legal Office has also assisted MEPA in the drafting, vetting and/or translation of legislative instruments. During the period in question, most of the time allocated to matters involving Environment Protection is in fact directly connected to the legislative process.



AUDIT OFFICE REPORT

I am submitting this report in terms of the requirements of Section 17C of the Development Planning Act.

**Introduction**

1 During the current year, the Audit Office handled 720 complaints and requests for information. Requests for information were handled immediately whilst a substantial number of complaints were resolved. Eighty-one of the said complaints were investigated in detail and a report in respect of each case was released.

2 In respect of one of the investigations leading to a report (Audit Office Report 2006/020), I declared a conflict of interest and was substituted by Mr Louis Cilia, appointed for the purpose in October 2005 by MEPA in terms of Section 17C (1) of the Development Planning Act.

3 Nine of the investigations were carried out at the request of the Ombudsman, another one at the request of the Chairman of the DCC Division ‘A’, whilst another one was carried out at the request of the Housing Authority.

4 Seven investigations were carried out on my own initiative in terms of Section 17C (2) of the Development Planning Act. These investigations were as a result of:

i An article published in The Times on the 7 October 2005 entitled: “Residents complain about permits for garages” (Audit Report 2006/005) relative to permits at Triq It-Tramm, Hamrun,

ii An article published in The Malta Independent on Sunday entitled: “The Rape of Ramla” on 6 November 2005 and another article published in The Edge in November 2005, entitled “Different Weights Different Measures” (Audit Report 2006/023), relative to the proposed development in the vicinity

of Ir-Ramla il-Hamra at Gozo,

iii A press report in The Times dated 3 January 2006, entitled: “Demolition of existing premises and reconstruction of training hotel”, which published the concern of the Chamber of Architects and Civil Engineers on the demolition of a large part of the Qala Primary school (Audit Report 2006/026),

iv An article published in The Times dated 27 January 2006 entitled: “Tensioned Structure raises winemaker ire” (Audit Report 2006/031), relative to the proposed setting up of a tented structure at Ta’ Qali,

v An article published in It-Torca, dated 12 March 2006, entitled: “Minn Lm8,000 g]all Lm4,000 bl-Indhil tal-Ministru. Il-MEPA trid li ninvestigaw ahna. Il-PM jinheba wara l-kunfidenzjalita” (Audit Report 2006/041).

vi A letter published in The Malta Independent on Sunday, dated 14 May 2006, signed by Mr Joseph Mercieca, on behalf of resident of Triq Wied Blandun, Paola, entitled: Residents deplore MEPA decisions, (Audit Report 2006/059).

vii An article published in The Sunday Times on 11 December 2005 under the signature of Mr Alan Deidun and entitled: “Of Sanctioning and Deferments” (Audit Report 2006/075).

5 All reports were submitted to the MEPA Chairman for transmission to the MEPA Board in terms of Section 17C (3) of the Development Planning Act. A copy of the said reports was also forwarded to the complainants where applicable.

Investigations Report

6 The Investigation Reports totalled 81 during the reporting period and dealt with the subject areas



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listed in Table 1 below. They contained a total of 122 recommendations: 56 being specific to the cases investigated and 66 being of a general nature. Of the 81 complaints reported upon, 42 were sustained in full, whilst 7 were partially sustained.

Area of Consideration	Number
Compliance certificates	3
DCC Workings	3
Delays	4
Development Notification Order	3
Discrimination	3
Enforcement / Illegal development	14
Processing of Applications	38
Miscellaneous	13
Total	81

TABLE 1: Subject Areas Investigated

7 In reviewing the cases examined in the past twelve months, I arrived at the conclusion that the number of cases involving minor and petty complaints have reduced substantially, as have those which can be traced to human error. The number of investigations concluded this year (81) when compared to those concluded last year (108) indicates a 25% reduction. However, at the same time the number of investigations highlighting serious institutional issues and focusing on the involvement of management and senior officials at MEPA, is on the increase. What follows is a discussion on a number of important considerations as detailed in the 81 reports submitted during the reporting period.

Meetings with developers / objectors

8 The Audit Office drew the attention of the MEPA on the need for a proper shouldering of responsibilities within MEPA structures.

9 In the investigation (Audit Report 2006/031) carried out after the publication of an article in *The Times* on 27 January 2006 entitled *“Tensioned structures raises winemaker’s ire”*, the Audit Office queried the practice of the MEPA Chairman in meeting developers or objectors, which meetings are emitting conflicting signals to both the developers objectors themselves as well as MEPA staff. The Chairman has no executive role in the MEPA. It would be considered reasonable if the Chairman participates in meetings involving developers/objectors and senior management of MEPA targeted at identifying problems. However meetings are being held with the participation of those carrying out assessments of applications and developers or objectors. The discussions which develop in such meetings easily lead to conclusions which would eventually be deemed as decisions to be followed. It would be preferable if meetings with developers or objectors, when necessary, should be carried out by the Director of Planning and that detailed minutes, signed by both parties, should be kept of such meetings.

10 The duties of the Chairman of MEPA are primarily limited to the chairing of the meetings of the MEPA Board (vide Section 3 and First Schedule to the Development Planning Act) and the judicial and legal representation of MEPA (vide Section 4(2) of the Development Planning Act) and activities ancillary to these duties. The assumption by the MEPA Chairman of executive duties is resulting in overlaps with the duties of the MEPA Director General. Occasionally this is inevitable as the Chairman’s Office is also the channel through which Government policies are communicated to the MEPA. However, as a result, the line of demarcation between the functions of the Chairman and the senior management in the different Directorates of the Authority may thus become blurred and issues of accountability are rendered difficult to determine if there is excessive involvement in

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the day-to-day running of the Authority. He should limit his activities to the monitoring of the workings of the different Directorates.

Staff Management Relations

11 Likewise in the investigation carried out after the publication in *The Sunday Times* of an article penned by Mr Alan Deidun on the 11 December 2005, entitled: *“Of Sanctioning and Deferments”*, this Office (Audit Report 2006/075) identified a problem in communication between senior management and staff. A query from the Director of Planning (now Director General of MEPA) was interpreted by the officer assessing an application, as being an instruction to be followed, confirming what has been stated in the preceding paragraph.

12 An application to sanction an illegal villa on a prominent ridge had been consistently refused by the DCC following negative recommendations by the Planning Directorate. After several attempts, finally the Planning Directorate recommended the approval of the application. The case officer defended her actions by referring to a note written by the Director of Planning (now Director General of MEPA) on his own initiative wherein he queried the negative recommendation of the Directorate. The Director General explained that it was a simple request for information which was interpreted by the case officer as a rhetorical question indicating that the particular application should be accepted.

13 The MEPA should ensure that all professional officers shoulder their responsibilities when assessing planning applications. While it is perfectly reasonable, and indeed to be recommended, that junior officers seek the advice of more experienced staff, this in itself does not exonerate them from their professional responsibilities. Senior management should be conscious of the

dilemma which a Junior Officer finds himself in when ambiguous comments are received from his superiors.

14 At this stage no remedial action is possible as none of the conditions established in Section 39A of the Development Planning Act exist to withdraw or modify permit. Consequently it is inevitable that applicants for similar development would claim that the MEPA is using two weights and two measures, if their applications are not considered favourably.

The MEPA Board

15 The Audit Office is preoccupied with the practice, adopted by the MEPA since its inception in 1992, of requesting informal briefings by the Planning Directorate staff on development applications to be decided upon at some future meeting. The Planning Directorate also requests guidance on the manner of dealing with specific applications.

16. Such informal briefings and requests for guidance are not held during a MEPA Board meeting which is open to the public, thereby circumventing the provisions of the Development Planning Act [Article 13 (5) and Schedule 1, paragraph 8].

17 The attention of the MEPA was drawn to this in a memorandum dated 7 August 2006. In reply to my memo, the MEPA Chairman maintained that this procedure is within MEPA’s right to regularize its own procedures and is not in conflict with the Development Planning Act, as no decisions are ever taken during such presentations or requests for guidance.

18 Whilst MEPA, certainly has the right to regulate its own procedures, it is submitted that such regulation has to be carried out in full respect of both the letter and spirit of the Development Planning Act as when the MEPA Board considers



## AUDIT OFFICE

any planning application, it assumes the duties of the Development Control Commission which in terms of Section 13 (5) of the Development Planning Act “shall be open to the public”. The fact that no “formal” decision is taken at such meetings is irrelevant. The mere consideration of an application is sufficient to oblige the MEPA Board to hold the meeting open to the public.

19 The Audit Office understands that the MEPA Board carries out informal presentations in order to ascertain that all the relevant issues have been dealt with by the Planning Directorate and that all procedures have been followed, thus ensuring that the Board is not faced with surprises and also allowing for a period of reflection. However, this is not the function of the MEPA Board but of the Director of Planning who should ascertain that the Board has at its disposal all the necessary information in order that it may proceed with the determination of an application. This practice by the MEPA Board infringes the provisions of the Development Planning Act as well as the rights of applicants and objectors who are thereby not in a position to control what information is being fed to the MEPA Board.

20 The same can be said as to the requests for guidance by the Planning Directorate to the MEPA Board. The MEPA Board cannot in terms of the Development Planning Act issue guidance to the Directorate relative to a specific application. It is prejudging the case in a manner which could be prejudicial to both the applicant and the community at large, including objectors where applicable. Guidance should be at the discretion of the Director of Planning in terms of existing policy. In the absence of applicable policies, the Director of Planning should take the initiative in submitting recommendations to the MEPA Board in order to fill the lacuna, thus avoiding a situation where policy is decided upon on the basis of specific

planning applications.

## Local Plans

21 The Audit Office has had the opportunity to examine complaints on the consultation process applicable to the Local Plans recently approved. (Audit Report 2006/080)

22 Various complainants highlighted the fact that additions to or deletions from the Draft Local Plans carried out as a result of the public consultation process, internal discussions within MEPA and the discussions carried out with the MEPA Board, were not part of the public consultation exercise. The public did not have the opportunity to submit its comments to these additions/deletions, accept on part of those included in the Rationalisation of Development boundaries exercise.

23 The Audit Office is conscious that the MEPA acted on legal advice on this crucial matter. The problem hinges on the interpretation of Section 27 of the Development Planning Act. While it is not reasonable for the Audit Office to criticise the MEPA for acting on legal advice, I have to express my serious concern on the matter. The whole Development Planning Act is based on the concept of the democratisation of the planning process by providing a mechanism for public consultation. The manner in which the legislation has been interpreted can very easily lead to abuse as a result of which crucial matters are hidden from public scrutiny at the early stages of the local plan process to be included later on when no further consultation is possible. If the manner in which the Development Planning Act has been interpreted in relation to local plan consultation is sustained if challenged, then I would have no hesitation in recommending amendments to ensure that there is no difficulty in ensuring that public participation is necessary at all stages.

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## The Development Control Commissions

24 The Audit Office censored the Development Control Commission, Division ‘A’ three times and Division ‘B’ once, for overturning decisions without justifying such overturning, on the basis of adequate planning grounds. In all four cases, the DCC Divisions ‘A’ and ‘B’ had ignored the reasons brought forward by the Planning Directorate and contrary to the provisions of Section 13 (5) of the Development Planning Act, did not address the reasons brought forward by the Directorate in recommending the refusal of the applications under consideration. (Vide Audit Reports 2006/001, 2006/015, 2006/018 and 2006/044).

## Processing

25 During the reporting period, I have not observed an improvement in the quality of the processing of applications and the reporting submitted by the Planning Directorate.

26 A number of reports are of a poor quality and case officers are reluctant to use their professional judgment in adjudicating applications. In particular Development Permit Application Reports generally fail to distinguish between cases where an application is objectionable in principle, and where it is just the details which are objectionable.

27 It was noted, for example, that applications concerning Urban Conservation Areas are being issued with a blanket refusal relative to the use of aluminium. This clearly runs contrary to the *Approved Design Guidance for Development Control within Urban Conservation Areas* which establish “existing buildings and the surrounding environment” as the benchmark against which to gauge applications in Urban Conservation Areas (UCAs). This necessitates that UCA applications are first analysed

within their setting rather than applying the automatic barring of the use of aluminium therein. Understandably such an exercise can be time consuming and ill fits into a management system which is statistics driven. Unfortunately Case Officers at MEPA are at times more worried in meeting the management targets for files processed per week, than in the quality of their work.

28 Attention should also be drawn to the application for the proposed demolition of a substantial part of the Qala Primary School in Gozo (Audit Report 2006/026) and the construction of a training hotel run by the Institute for Tourism Studies in its stead. In this case, the Development Permit Application Report ignored the internal advice given by the Integrated Heritage Management Team (IHM) and the Heritage Advisory Committee (HAC) of Malta. Both these bodies considered the existing building to be of great architectural merit, and even recommended its scheduling and protection as a fine example of modern architecture in Malta. This advice was completely ignored and without any justification whatsoever, the application was recommended for approval.

29 This is the first case encountered by the Audit Office wherein the Planning Directorate issued a positive recommendation for the approval of an application in respect of which, both the IHM Team and the HAC, had seriously advised against. The arguments brought forward by MEPA through the Development Permit Application Report signed by the Case Officer and countersigned by the Team Manager to accept the demolition of this building are at best derisory. At worst they lead to the suspicion of undue pressure (both internal and external) exerted on the MEPA officials concerned.



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Enforcement

- 30

The Audit Office has once again to express its concern on the lack of effective enforcement action against illegal development.
- 31

There are two types of infringements which need to be carefully considered by the MEPA:

a.

those cases where a developer carries out a development without any form of permit; and

b.

those cases where a developer has a valid permit but chooses not to comply with some of the permit conditions.
- 32

It is to be stressed that whenever the MEPA ignores or fails to take effective action against an illegal development, it is indirectly responsible for its effects on society in general and on specific third parties. The Audit Office had occasion to consider complaints from the public on various cases of illegal development which though of a minor nature from a planning point of view, are causing serious inconvenience to third parties, generally neighbours. The fact remains, therefore, that even a minor illegal development can have serious consequences and MEPA cannot keep ignoring this fact. The effects of development on third parties should thus be given more weight by MEPA during the adjudication of applications.
- 33

The issue of enforcement is ridiculed when it is Government Departments/Agencies which flout the law. The cases which came to the attention of the Audit Office during the reporting period are listed below:

a.

The Works Division in the Ministry for Resources and Infrastructure carried out an illegal development at Bormla when the application for this development was still being processed by the MEPA,

b.

The Birkirkara Local Council demolished a building without MEPA's authorization. The Integrated Heritage Management Team was considering this building as worthy of scheduling,

c.

The Housing Authority failed to abide by and ignored a condition in a permit, consequently forfeiting a Bank Guarantee,

d.

The Lands Department allowed an illegal development to be carried out on public land for the construction of a Hotel in Bugibba without its authorization.

e.

The Works Division failed to follow an approved permit for the upgrading of an existing walkway at Wied Babu, Zurrieq, which permit should not in the first place have been issued by MEPA in its present format, as it is in breach of the Habitats Directive.
- 34

The responsibilities of the MEPA and of other institutions responsible for law enforcement are to be clearly defined. At present the MEPA is faced with a situation, where a number of conditions appended to development permits are in reality the responsibility of other bodies such as the Police, the Health Department, the Maritime Authority, the Transport Authority, etc. The Audit Office recommends that a committee of all parties concerned should be set up to co-ordinate enforcement. In this way the public would be better served, as it is frequently unable to get redress for justifiable complaints as the different authorities disclaim responsibility once a permit is issued by MEPA. The concept of a one stop shop as applied to development planning has to be revisited as in practice it has rendered enforcement cumbersome and at times downright impossible.
- 35

In the course of its investigations, the Audit Office discovered that a seven-storey hotel could

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- be built, rendered operational, and remain so for over ten years without any form of building permit (Audit Report 2006/048).
- 36

I was appointed to chair a Commission of Inquiry covering such an illegal development at Xemxija, limits of St Paul's Bay. The conclusions of this Commission have been made public and give a clear picture of the situation. The Audit Office regrets that it has not been informed in any way on how the MEPA intends to react to the recommendations of this Commission.
- 37

The Audit Office also notes, with regret, that although substantial illegal development was pointed out to the MEPA, (and also referred to in last year's report), no action whatsoever was taken. Two specific cases should be mentioned. A large tract of agricultural land was levelled and developed as an illegal car park at *Ghadira*, Mellieha. This development was fully operational in Summer 2005 and was again in use in Summer 2006. Additionally, a beach development on a scheduled site at Ir-Ramla tal-Bir, Marfa, was again operational this summer, complete with an illegal gate limiting access to the public. These are only two of the cases which came to the attention of the Audit Office. The continuous press reports disclosing similar cases of illegal developments, causing irreparable damage to our environment, unfortunately stimulate at best, sporadic action from the MEPA which is generally ineffective. The Audit Office regrets that the limited resources at its disposal prevent it from investigating more of these reports.
- 38

The common practice of the MEPA to try to simultaneously satisfy both developers and objectors by inserting conditions in permits limiting the use of landed property is a cause of problems. In many cases, the MEPA is unable to ensure compliance with these conditions. Conditions which are not easily quantifiable or practical to enforce, should not be inserted in permits. Conditions which are impossible for the operator to comply with are therefore to be avoided. The Audit Office had the opportunity to view a permit for a cow farm close to a residential area wherein it was required not to cause inconvenience to residents! As if this is possible, in view of the proximity of the farm to the residential area.
- 39

The Audit Office does not believe that direct action is the solution to the problem of illegal development. Unfortunately, we live in a culture which considers it perfectly legitimate for a person to try to avoid complying with laws and regulations. When authorities, with a duty of law enforcement, turn a blind eye to illegalities or else are completely ineffective when dealing with infringements, the inevitable happens. This is a manifest signal that anything can be permitted, or can be sanctioned or would be ignored by the authorities. Unless the MEPA is able to transmit an unequivocal message to all that no illegal developments would be ignored whatever the consequences, then the situation is likely to deteriorate further. Government Departments/Agencies should, in particular, lead by example.
- 40

In view of the limited resources available, MEPA cannot handle this problem on its own. The MEPA needs the unequivocal support of society in general and of the political forces in particular, to come up with a detailed and practical plan of action in this respect. Once such a plan of action is approved, then it should be made clear to the MEPA that implementation of such a plan is mandatory and no excuses should be acceptable.
- Other matters
- i

Code of Ethics
- 41

Around two years ago I was requested to submit a Draft Code of Ethics for the MEPA. In last year's Annual Report, I had stated that I had



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been informed that this was under consideration by the Government. To date, I have not been informed of any developments.

ii Preliminary Reports - MEPA's Reactions

42 It is the practice of the Audit Office to transmit a preliminary copy of investigation reports to the MEPA prior to publishing, for any comments on its part. I noted that whenever a report is critical of any action on the operation of the MEPA, it takes a defensive attitude and tries to defend its actions as being beyond reproach.

43 The MEPA took exception on a comment in one report where I stated that it is unable or unwilling to take effective enforcement action! Facts however, speak for themselves.

44. The MEPA also objected to an investigation (Audit Report 2006/008) into an alleged discrimination between its employees on the determination of their point of entry into their respective salary scale. The MEPA claimed that this was of no concern to the Audit Office. The Audit Office had to seek legal advice which confirmed my duty to investigate as I am authorized "to review all the functions and workings of the Authority" in terms of Section 17C (1) of the Development Planning Act. In the meantime, the MEPA settled the issue with the employee concerned to the satisfaction of both.

iii Availability of Audit Reports

45 Unfortunately MEPA has, since the inception of the Audit Office, objected to the practice of informing the complainants on the conclusions on the investigations relative to their complaint. This office has been copying audit reports to the complainants in order that they are informed in detail as to the reasons for the conclusions reached in the Audit Office Investigation.

46 MEPA is stating that this course of action is precluded by the provisions of Section 17C of the Development Planning Act which provides in subsection 3 that a copy of all reports drawn up by the Audit officer shall be transmitted to the Board of the Authority. I disagree completely with this interpretation as the said provision of the Development Planning Act only lays down the minimum reporting requirements and does not in any way exclude the communication of Audit Reports through other avenues.

47 The matter is also dictated by common sense. It is inconceivable that in this day and age, any attempt is made by a public body to block the communication to a complainant of the facts and reasons as a result of which an investigation in which he/she has an interest, was concluded.

Conclusion

48 In last year's Annual Report, I had commented on the bold step which the Government of Malta took when it created the post of Audit Officer. I cannot, however, ignore the negative attitude of the MEPA towards the Audit Office as stated in the preceding paragraphs.

49 The Audit Office has to be seen as a vital resource in the operation of the MEPA. Increasingly, the public is demanding that the national institutions deliver promptly and effectively. The sustainable use of land is fast becoming a major issue with environmental groups becoming more vociferous. The MEPA has been in existence for fourteen years. The question to be asked is: has MEPA fulfilled its mission statement to provide a better quality of life? Or is it being seen by the public as merely a bureaucratic and expensive institution, where you apply at considerable cost to obtain a development permit? Inevitably applicants are likely to take the latter stand; this effect has to be offset by the positive effects which the

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interventions of the MEPA have on the overall quality of the environment to the benefit of society in general.

50 It had been my concern that the channel of communication between the Audit Office and the MEPA Board was limited to the submission of Audit Reports and this Annual Report. However, I note with satisfaction that following a request on my part, I had the opportunity of a fruitful meeting with the MEPA Board during which the contents of this report were discussed at length. I recommend that such meetings would be held at regular intervals to discuss issues which result from the concluded investigations.

51 My term of office shall come to an end in March 2007. The legacy which I would like to leave to my successor is that of an independent office which looks critically and yet objectively, at the operations of the MEPA. An office which believes in the relevance of the institution, understands its limitations, and tries with the few resources available at its disposal to point out where things may be improved.

52 Finally, I would like to express my gratitude to those involved in the MEPA (both employees and appointed members of the different bodies) who in most cases, were prompt in their assistance to the Audit Office, whenever this was required. A particular word of thanks goes to the staff of the Audit Office. My thanks also go to the members of the press and other contributors to the local papers on environmental or land use issues. Their criticism – even when manifestly unfair – should be a continuous stimulus for the MEPA to continuously re-examine its operations and thus be able to perform its mission effectively.



Joseph Falzon  
Audit Office

2 November 2006

MEPA RESPONSE TO AUDITOR'S REPORT

The MEPA Board has reviewed and discussed the report by the Audit Officer (AO). The following are the Board's comments; .

Investigations Paragraph 7:

- i The report refers to "serious institutional issues." This statement is subjective and based on conclusions which in MEPA's view, are incorrect. This assertion is not borne out in the report.
- ii The paragraph also refers to "the involvement of management and senior officials". suggesting that senior Directorate officials should not be involved in the process. This suggestion effectively negates the raison d'être of senior management who should be actively involved in checking progress of files and give technical advice and input as necessary.

MEPA RESPONSE TO AUDITOR’S REPORT

Meetings with developers/objectors Paragraphs 8 to 10:

- i While the Chairman decides on applications only as part of a collective responsibility of the board his position definitely entitles him to call or attend any meetings he deems necessary, be they between Directorate officials, applicants, objectors, advisors, consultants and others as the need arises. Such meetings facilitate a better understanding of the issues involved. With reference to meetings regarding development applications, these help to unblock situations where proposals get “jammed” because of certain, particularly difficult issues, involved. Alternatively, either the developer has taken a stand which can be considered as unreasonable or the Directorate has taken a stand which may be interpreted as excessively technocratic. In these circumstances the Chairman facilitates communications and therefore his actions are in line with AO’s recommendations.
- ii Referring to the legal context, it bears pointing out that the law does not preclude the Chairman from being involved in such meetings. Therefore as long as the Chairman does not take decisions on his own, this procedure is fully in accordance with the letter and spirit of the law. If the AO strongly feels that this practice should be stopped, he should then recommend that the law is amended accordingly.
- iii If it is true that “the demarcation of functions .... become blurred and issues of accountability are rendered difficult to determine”, then one would agree that effective action is taken to ensure that everyone understands his or her respective role in the process.

Staff Management Relations Paragraphs 11 to 13:

- i The Board agrees that MEPA should ensure that all professional officers shoulder their responsibilities when assessing planning applications.

The MEPA board Paragraphs 15 to 20:

- i The Board reiterates that this procedure is within MEPA’s right to regulate its own procedures. MEPA’s legal advice is that informal briefings are compliant with the law.
- ii These meetings are not intended as a consideration of applications with a view to determine them, but are regarded as an opportunity for board members to be briefed about the issues involved. The Director of Planning (DoP) places these items on the agenda to allow MEPA board members to highlight issues and request information which the Directorates may have overlooked. This ensures that, in the public meeting, all the relevant information is presented in the presence of the applicant and objectors.
- iii This procedure does not in anyway compromise the rights of applicants and objectors. All the relevant information is presented during the public meeting and recorded in writing on the application report drawn up by the case officer which is made available to all concerned before the actual sitting of the board. The applicant and objectors would have already made their case in writing and in meetings with the case officer. In fact, during these informal briefings, the board is informed of what the objectors and applicant have argued in their written submissions. Besides at the public meeting objectors and applicant would still be granted the facility to make verbal observations.
- iv It is worth mentioning that this procedure was adopted by the Board ever since its inception and is no different than the procedure adhered to when the Audit Officer held the posts of Deputy Chairman on the MEPA Board and Chairman of the Development Control Commission.

MEPA RESPONSE TO AUDITOR’S REPORT

Local Plans Paragraphs 21 to 23:

- i MEPA reaffirms that the procedure adopted for approving the local plans is strictly according to law. This position is supported by legal advice.
- ii The reason why complainants may feel aggrieved is understood. One could argue that the process was unfair for them. There is nothing in the legislation, however, which requires MEPA to go for a second round of consultation on a policy document.
- iii The Board has taken note of the AO’s recommendation to the legislator to have the law amended so that there will be a public consultation process every time there is a material change in a subsidiary plan following the first round of public consultation.
- iv Whilst appreciating the motivations for this recommendation, one also needs to keep in mind the practicalities. There are numerous types of subsidiary plans; subject plans, local plans, development briefs, action plans. Each is a complex document in its own right. Local plans, in particular, deal with a multitude of issues since each deals with issues related to numerous towns and villages. A public consultation process every time there is a change to a plan may mean that each plan is subject to two or three rounds of public consultation. This is impractical and would lead to a paralysis of forward planning. MEPA board believes that a situation which would result in a net paralysis of the forward planning system is not in the best public interest.

Processing Paragraph 26:

- i Agreed that DPA reports sometimes fail to distinguish that which is objectionable in principle (on the basis of policy) and that where the details are objectionable.
- ii MEPA is aware that there are weaknesses and efforts to address these weaknesses are ongoing.
- iii AO claims that “case officers are reluctant to use their professional judgement in adjudicating applications.” This is agreed to for some situations. The use of professional judgement involves some element of subjectivity and hence is susceptible to criticism as evidenced from certain Audit Officers’ reports. It is not the first time that the Audit Officer has criticized the case officers for using their professional judgment. Ironically, it may well be that staff may consider it safer not to use their professional judgment to avoid eventually falling under the scrutiny and subjectivity of the AO.

Paragraph 27:

Agreed. The matters relating to blanket refusal to use aluminum in Urban Conservation Areas is being actively looked into by MEPA

Enforcement Paragraphs 30-32:

Enforcement action is an ongoing activity which requires adequate resources to be effective. The Authority sometimes faces difficulties when it comes to take direct action because of lack of logistical support. It has already made recommendations to tighten up legislative provisions and to bring into force the upper limit of fines to Lm10,000 as already provided for in legislation.



## MEPA RESPONSE TO AUDITOR'S REPORT

## Paragraph 36:

Actions of MEPA relating to Xemxija were made public although it is acknowledged that informing the AO formally would have been advisable.

## Paragraph 39:

- i Direct action is not the solution to the problem of illegal developments but it is certainly part of it.
- ii MEPA realizes the need to transmit an unequivocal message and hence the continuous effort by the Authority in relation to enforcement including direct action and the sealing of illegal premises (as was recommended in AO's report of last year).

## Paragraph 40:

Fully agree that MEPA needs the support of society and of the political forces in its fight against illegal developments

## Preliminary Reports - MEPA's reaction Paragraph 42:

When MEPA disagrees with the conclusion of the AO's report, it has every right to say so and argue its case. Note also that there were several instances where MEPA acknowledged and confirmed AO's conclusions. For example, cases involving section 39(a) to 'revoke or modify permission' were pursued by MEPA following AO's recommendation.

## Paragraph 43:

Whilst acknowledging that there are difficulties in enforcement, MEPA is consistently striving to improve the situation within the limitation of resources and the difficulties resulting from legislation, which gives the opportunity to the developer to use legal means to postpone direct action by several years. MEPA takes exception to AO's sweeping statements based on a few cases and which give the impression that absolutely nothing is being done. For example, in this financial year alone, there were 285 instances where owners removed the illegality themselves following the threat of enforcement or enforcement action by MEPA. These do not hit the headlines (and therefore it seems AO completely ignores them) but to MEPA and the rest of society they are important.

## Paragraph 44:

This was a minor complaint which could have been resolved between employee and management. The best practice would have been for the individual to exhaust all channels of redress prior to referring to Audit Officer.

## MEPA RESPONSE TO AUDITOR'S REPORT

## Conclusion Paragraph 50:

It is agreed that the Audit Office has to be seen as a vital resource in the operation of MEPA. It is unfortunate that this is only happening to a limited degree. The manner with which the AO occasionally arrives at conclusions of investigations on the basis of his interpretation, without reference to legal advice is a factor which has undermined the Board's confidence in the Audit Office.

It is also agreed that there is a need of better communication between AO and Board. MEPA is taking action to address this.

In conclusion, the Board appreciates those parts of the report which provide constructive criticism of MEPA. The Board will consider carefully what remedial action can be taken.

On the other hand, the Board considers parts of the report to have two shortcomings. First, the AO confers upon himself the right to interpret legislation. MEPA has always adhered to the law and where in doubt it sought legal advice to ensure that it always acts within the parameters of the law. Second, the AO makes sweeping and generic statements based on one or two cases. Even if the AO's conclusions in these individual cases were correct, one should exercise caution before extrapolating conclusions on the entire operations of MEPA.



BOARDS AND COMMITTEES

DCC A

Mrs Catherine Galea M.Q.R. B.Sc.(Eng) B.A. (Arch) A&CE	Chairperson	Until 28th November 2005
Mr Felix Sciberras BE&A(Hons), A&CE	Member	
Mr Carmel J Portelli	Member	
Mr Anthony Mifsud HND(Agric.)	Member	
Mr Damian Vella Lenicker BE&A(Hons), A&CE	Member	
Mr Philip Azzopardi A&CE	Member	Appointed Chairman on 28th November 2005
Mr Charles Calleja	Member	
Mr Chris Spiteri	Member	Appointed on 28th November 2005

DCC B

Ms Mariella Axisa BE&A(Hons), A&CE	Chairperson	
Mr Paul Buhagiar B.E.&A (Hons), A&CE	Member	
Mr William Soler B.Sc(Eng.), B.A(Arch), A.M.I.C.E, A&CE	Member	
Ms Elena Borg Costanzi BE&A(Hons), A&CE	Member	
Mr Joe Spiteri Bailly	Member	
Mr Michael Bonnici	Member	Until 9th May 2006
Mr Patrick Calleja	Member	
Mr David Vassallo	Member	From 9th May 2006



BOARDS AND COMMITTEES

DCC C

Mr Norbert Gatt A&CE, Dip. restoration (Rome)	Chairman
Mr Mark Azzopardi BE&A(Hons), A&CE	Member
Mr Kenneth Zammit Endrich A&CE	Member
Mr Joe Attard Tabone	Member
Mr Claude Emvin Borg A&CE	Member
Ms Joanna Spiteri Staines A&CE	Member
Mr Claude Muscat	Member

CULTURAL HERITAGE ADVISORY COMMITTEE

Dr Albert Ganado MOM, KM, LL.D., BA (Chairperson)	Chairman
Dr Ray Bondin BA(Hons), MA (Bar.Stud), PhD	Member
Perit Konrad Buhagiar B.E.&A.(Hons), Dip. Cons (Rome), A&CE	Member
Perit Michael Ellul M.Q.R., B.E.&A.(Hons), Dip. Arch. (Rome), F.R. Hist.S. (London), A&CE	Member
Perit Marie Louise Musumeci B.E.&A. (Hons) MSc (Conservation Tech.) A&CE	Member
Perit Hermann Bonnici B.E. & A. (Hons.), MSc Arch. Coms. (Edin.) A&CE.	Member
Mrs Joan Abela BA(Hons) History	Member



BOARDS AND COMMITTEES

NATURAL HERITAGE ADVISORY COMMITTEE

Mr. David Dandria B.Sc. (Hons) A.R.C.S.	Chairman
Ms. Antonella Attard Montalto B.Sc, M.Sc.	Member
Mr. Joe Bondin B. E&A. (Hons), A & C.E.	Member
Ms. Henriette Debono B.Sc. (Hons), M.Sc.	Member
Mr. Mark C. Mifsud B.Ed.(Hons.), P.G.Dip (Env.Mangt.), M.Sc., C.Biol., M.I.Biol., AMPS,AIEEM	Member
Mr. Antoine Vella D.Agr.Sc.(Milan), Ph.D.(Malta)	Member
Mr. Anthony Zammit B.Sc., M.Sc.	Member

BIO-SAFETY COMMITTEE

Dr Godwin Cassar B. Arch, DipBIE(R'dam), A&CE, FRTPI, FCMI, DUNIV(B'gham)	Chairman
Ms Nadia Lanzon B.Sc.(Hons) Chem. Biol.	Member
Mr Cedric Camilleri B.Sc.(Hons) Chem. Biol.	Member
Mr Alfred.E Baldacchino D.P.A., D.E.S., P.G.D.Env. Mngmt.,M.Sc.Env.Mngmt & Plan	Member
Mr Victor Farrugia M.Sc., H.N.D.H., D.D.D., M.A., DIP. Mgt	Member
Mr John Attard Kingswell M.Sc.Environmental Health (Edinburgh)	Member
Dr Marion Zammit Mangion B.Sc. Chem. Biol., M.Sc. Biotech(Kent) PhD.(Westmin) Molecular Biotechnology	Member
Mr Tristan Camilleri B.Sc.(Hons.) Chem. Biol	Member
Mr Darrin Stevens B.Sc. Biol. Chem., M.Sc. Biol.	Member

BOARDS AND COMMITTEES

ORNIS COMMITTEE

Mr Joe Sultana	Chairman
Mr Frederick Bowman	Representative for the Director of Environment
Mr Mark Gauci	Technical Advisor
Mr Joseph M. Mangion	Birdlife Malta
Mr Norman Chetcuti	Birdlife Malta
Mr Joe Perici Calascione	Federazzjoni Kaccaturi Nassaba Konservazzjonisti
Mr Lino Farrugia	Federazzjoni Kaccaturi Nassaba Konservazzjonisti

IPPC

Ms Charmaine Vassallo B.Sc (Hons) Bio & Chem	Officer responsible for pollution prevention and control
Mr Kevin Mercieca Bed (Hons), MSc, MCIWM	Officer responsible for waste management
Mr John Attard Kingswell M.Sc. Env. HLTH (EDIN)	Public Health Department
Mr Antoine Riolo BSc (Eng) MSc (Glas) MI Mech E C. Eng	Malta Resources Authority
Ms Ramona Scerri B.Sc. (Hons)	Officer responsible for discharges into the marine environment
Michelle Piccinino B.E.&A.(Hons)	Development Control - MEPA
Ms Sarah Ruth Grech a B.Com(Hons)Econ	Ministry for Finance
Mr David Bugeja	Malta Maritime Authority
Mr Cedric Camilleri BSc (Hons) Bio. Chem	Occupational Health and Safety Authority
Insp. Alexander Miruzzi B.A. (Hons), C.P., MSC. (Leic.)	Malta Police
Dr. Duncan Chetcuti Ganado DVM	Food & Veterianry Regulation Division
Ms Fleur Bonett	Secretary



BOARDS AND COMMITTEES

MINERALS ADVISORY BOARD

Dr Godwin Cassar BArch, Dip BIE(R'ham), A&CE, FRTPI, FIMgt, D.UNIV.	Chairman
Dr Dimitrio Duca D.Geol. (Milan), FGS, FIAEG	Deputy Chairman
P.C. Vincent Mifsud	Commissioner of Police
P.C. Lawrence Cachia	Commissioner of Police
Mr Robert Musumeci	Ministry for Resources and Infrastructure
Mr Annetto Portelli	Works Division Explosives Section
Mr Anthony Pace BA, Mphil (Catab.), FCCF	Superintendent of Cultural Heritage
Director or his representative	Department of Agriculture
Director EPD or his representative	Environment Protection Directorate
Mr Vince Farrugia BA(Hons)Econ, D.Econ.FITD	Association of General Retailers and Traders
Director Health or his representative	Department of Health
Mr Franco Pisani	Acting Secretary

USERS' COMMITTEE

Mr Ian Mizzi	Representing FOI	Chairman
Mr Emanuel Abela	Consumers' Union	Member
Dr Joseph Doublet Dip Env Sc; B Sc; PGCE; M Sc (Wales) Ph D (Wales)	Environmental Groups	Member
Mr Mario DeBono	GRTU	Member
Ms Claudette Baldacchino	Local Councils' Association	Member
Mr Albert P Mamo	Malta Chamber of Commerce	Member
Mr Anthony Fenech Vella B Arch A & CE ACI Arb	Kamra tal-Periti	Member

BOARDS AND COMMITTEES

PLANNING CONSULTATIVE COMMITTEE

Mr Andrew Ellul BE&A (Hons), A&CE	Chamber of Architects & Civil Engineers	Chairman
Mr Louis Apap	The Malta Chamber of Commerce	Member
Mr Joe A Doublet BSc	Birdlife Malta	Member
Mr Lino D. Abela L.P.	Malta Federation of Industry	Member
Mr Victor Mamo	Ghaqda Kaccaturi Nassaba u Konservazzjonisti	Member
Prof. Edward Mallia PhD (Oxon)	Moviment ghall-Ambjent	Member
Mr Joseph Bugeja	National Commission for the Disabled	Member
Mr David Dandria BSc (Zoology) Hons (Lond), ARCS	Nature Trust	Member
Mr Giovanni Buttigieg	Ecological Society	Member
Mr David Mallia BE&A (Hons), LRSM, Dip Cons (Milan), A&CE	Din l-Art Helwa	Member
Mr Godwin Vella	Wirt Ghawdex	Member
Dr Mario Buhagiar BA (Hons), M Phil (Lond), PhD (Lond)	Grupp Wirt Storiku	Member
Ms Marie Louise Mangion	Malta Tourism Authority	Member
Ms Blanche Martin	Council of Women of Malta	Member
Mr G. A Fairclough	Malta Archaeological Society	Member
Mr Maurice Tabone	Association of Estate Agents	Member
Mr Anthony Zammit	National Youth Council	Member
Mr Vince Farrugia BA (Hons) Econ, Decon, FITD	GRTU	Member
Mr. Darrin Stevens	Arbor	Member
Mr Charles Zammit	Local Councils Association	Member
Mr Francis Tabone	Malta Environment and Planning Authority	Secretary





REPORT OF THE BOARD MEMBERS

The board members present their report and the audited financial statements of the Authority for the year ended 30 September 2006

Principal Activities

The Authority was set up on the 28 October 1992 for the promotion of proper development of land and at sea, both public and private, and the control of such development in accordance with approved policies and plans. It carries out National Mapping including carrying out land surveys of specific areas and keeping up to date the national geographic database. It regulates the alignment leveling of schemes and their interpretation on site. With effect from 1 March 2002, the authority was designated as the “Competent Authority” in terms of the Environment Protection Act and assumed the following obligations :

- To take all those measures, both preventive and remedial, that may be necessary for the protection of the environment of Malta
- To collaborate with other environments and entities for the protection of the world environment
- To take into account the need of the environment when deciding on economic or social matters
- To disseminate in Malta knowledge about the environment; about pollution or threats of pollution; and facilitate the help of all persons in the protection of the environment
- To endeavor to apply scientific and technical knowledge and resources when deciding upon matters that effect the environment
- To endeavor that food and drink, the land, the sea and the air be free of contamination of any toxic substances of the use from any unnecessary energies or from noise
- To safeguard the biological diversity of all species
- To safeguard the common heritage of mankind.

Throughout this year, the Board met for a total of 63 times and 72 applications were determined.

Board Members

Independent Members

- Mr. Andrew Calleja I.A.P (Chairman)
- Mr. Victor Torpiano B.A. (Arch), B.Arch(Hons.), A&C.E. (Deputy Chairman) (until 01.11.05)
- Ms. Catherine Galea M.Q.R.B.SC(Eng). B.A.(Arch) (appointed 01.11.05)
- Mr Michael Ellul B.E.&A (Hons), Dip.Arch.(Rome), F.R.Hist.SLond), A&CE, M.Q.R.
- Dr. Sandra Sladden LL.D
- Mr Joe Tabone Jacono
- Ms Simone Vella B.Sc.
- Mr Peter Zammit BE & A (Hons) A& CE
- Mr Louis F Cassar C Biol MI Biol, p-gDip Env. Mgt, MSc (Enc Plan & Mgt)

Public Officers

- Mr. Leonard Callus F.Ph. B
- Dr Godwin Debono B.Sc., M.Sc., D.LL.C., Ph.D .
- Mr Saviour Gauci
- Mr Anthony Mifsud HND (Agric.)
- Dr Karen Vincenti M.D., M.Sc., PG Dip.Inf.Dis

Members of the House of Representatives

- Hon Dr Joe Brincat M.P. LL.D
- Hon Mr Joe Falzon M.P. A&CE,

In accordance with the Development Planning Act, 1992, the eight independent members shall hold office for a period of three years. These members may resign but may not be removed except by a resolution of the House of Representatives on the grounds of misconduct or inability to perform duties of their office. The other members shall hold office until they are replaced by the authority appointing them, as long as they remain public officers or members of the House, as the case may require. No member shall hold office for a consecutive period of seven years.

REPORT OF THE BOARD MEMBERS

Statement of the Board Members Responsibilities

The Development Planning Act, 1992, requires the Board Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of its income and expenditure for that year. In preparing those financial statements, the Board Members are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Authority will continue in business;
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items;
- report comparative figures corresponding to those of the preceding accounting period.

The Board Members are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Authority and to enable them to ensure that the financial statements comply with the Development Planning Act, 1992. They are also responsible for safeguarding the assets of the Authority and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

F. Tabone MBA (Maastricht) MIM. Secretary

Address:	Malta Environment and Planning Authority St. Francis Ravelin, Floriana, Malta
Auditors:	Deloitte & Touche, 1, Col. Savona Street, Sliema, Malta
Principal bankers:	Bank of Valletta p.l.c., St. Anne Street, Floriana, Malta
Legal advisers:	Grech, Vella, Tortell & Hyzler Advocates 192, Old Bakery Street, Valletta, Malta  Abela, Stafrace & Associates 43/3, 2nd Floor, Strait Street, Valletta, Malta



REPORT OF THE AUDITORS

We have audited the financial statements of the Malta Environment and Planning Authority on pages eighty-one to ninety-nine for the year ended 30 September 2006. As described in the statement of Board Members’ responsibilities on page seventy-nine, these financial statements are the responsibility of the Authority’s Board Members. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board Members, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the state of affairs of the Authority as at 30 September 2006 and of its surplus, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Development Planning Act, 1992.



Paul Darmanin

DELOITTE & TOUCHE  
Certified Public Accountants

2 November 2006

INCOME STATEMENT

Year ended September 2006

	Notes	2006 Lm	2005 restated Lm
Revenue	5	3,546,423	2,722,628
Recurrent expenditure	7	(5,916,919)	(5,452,111)
Operating deficit		(2,370,496)	(2,729,483)
Subvention receivable from Consolidated Fund		2,469,000	2,837,500
Funding of deficit of the Planning Appeals’ Board	8	(55,106)	(48,949)
Investment gains	9	11,771	13,054
Surplus for the year		55,169	72,122

## BALANCE SHEET

30 September 2006

	Notes	2006 Lm	2005 restated Lm
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	930,451	883,786
<b>Current assets</b>			
Inventories	13	7,202	9,102
Trade and other receivables	14	749,139	531,395
Cash and cash equivalents	18	1,484,225	1,191,286
		2,240,566	1,731,783
<b>Total assets</b>		3,171,017	2,615,569
<b>Current liabilities</b>			
Trade and other payables	15	3,783,691	3,420,438
<b>Non-current liabilities</b>			
Other non-current liabilities	16	862,282	725,256
<b>Total liabilities</b>		4,645,973	4,145,694
<b>Net liabilities</b>		(1,474,956)	(1,530,125)
<b>EQUITY</b>			
Endowment capital	17	500,000	500,000
Accumulated losses		(1,974,956)	(2,030,125)
<b>Total equity</b>		(1,474,956)	(1,530,125)

These financial statements were approved by the Board Members on 2 November 2006 and signed on its behalf by:



Andrew Calleja  
Chairman



Catherine Galea  
Deputy Chairperson



Godwin Cassar  
Director General



Matthew Gatt  
Director Corporate  
Services

## STATEMENT OF CHANGES IN EQUITY

Year ended 30 September 2006

	Endowment capital Lm	Accumulated losses Lm	Total Lm
<b>Balance at 1 October 2004</b>			
As previously reported	500,000	(1,954,337)	(1,454,337)
Effect of changes in accounting policy (note 3)	-	(147,910)	(147,910)
As restated	500,000	(2,102,247)	(1,602,247)
Surplus for the year (restated)	-	72,122	72,122
<b>Balance at 1 October 2005</b>	500,000	(2,030,125)	(1,530,125)
Surplus for the year	-	55,169	55,169
<b>Balance at 30 September 2006</b>	500,000	(1,974,956)	(1,474,956)

CASH FLOW STATEMENT

Year ended 30 September 2006

	Notes	2006	2005 restated
		Lm	Lm
<b>Cash flows from operating activities</b>			
Surplus for the year		55,169	72,122
Adjustments for:			
Bad debts written off		192,912	-
Depreciation		222,462	199,786
Movement in provision for bad debts		(24,663)	45,830
Provision for retirement benefits		58,364	56,110
Profit on disposal of tangible assets		(6,210)	(3,875)
Interest income		(11,771)	(13,054)
Operating surplus before working capital movement		486,263	356,919
Movement in inventories		1,900	562
Movement in trade and other receivables		(385,993)	57,311
Movement in trade and other payables		252,749	467,505
Net cash flows from operating activities		354,919	882,297
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(79,961)	(146,053)
Proceeds from sale of property, plant and equipment		6,210	3,875
Interest received		11,771	13,054
Net cash flows from investing activities		(61,980)	(129,124)
<b>Net movement in cash and cash equivalents</b>		292,939	753,173
<b>Cash and cash equivalents at the beginning of the year</b>		1,191,286	438,113
<b>Cash and cash equivalents at the end of the year</b>	18	1,484,225	1,191,286

NOTES TO THE FINANCIAL STATEMENTS

30 September 2006

1. Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Development Planning Act, 1992 and International Financial Reporting Standards. The significant accounting policies adopted are set out below.

2. Significant accounting policies

Property, plant and equipment

The Authority's property, plant and equipment are classified into the following classes – improvements to leased premises, furniture, fixtures and fittings, computer and other equipment, motor vehicles, electrical and other equipment.

Property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Improvements to leasehold premises	5% per annum
Furniture, fixtures and fittings	15% per annum
Computer and other equipment	15% - 20% per annum
Motor vehicles	20% per annum
Electrical and other equipment	10% - 15% per annum

The depreciation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at each balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS  
30 September 2006

Financial instruments

Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when the Authority has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the Authority after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(i) Trade receivables

Trade receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

(ii) Trade payables

Trade payables are classified with current liabilities and are stated at their nominal value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition.

Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

NOTES TO THE FINANCIAL STATEMENTS  
30 September 2006

Impairment

All assets are tested for impairment except for financial assets measured at fair value through profit or loss, inventories, assets arising from construction contracts, deferred tax assets, assets arising from employee benefits and investment property measured at fair value.

At each balance sheet date, the carrying amount of assets, is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

In the case of assets tested for impairment, the recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case, the impairment loss is recognised directly against the asset's revaluation surplus to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

In the case of assets tested for impairment, an impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Impairment reversals are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case, the impairment reversal is recognised directly in equity, unless an impairment loss on the same asset was previously recognised in profit or loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value-added tax and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Authority and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) Subventions from Government

Subventions available to cover recurrent expenditure are reflected in the Authority's income and expenditure account.



NOTES TO THE FINANCIAL STATEMENTS  
30 September 2006

(ii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

(iii) Government grants

Government grants are recognised when there is reasonable assurance that all the conditions attaching to them are complied with and the grants will be received.

Government grants related to income are recognised in profit or loss over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Such grants are presented as a credit in the income statement.

Government grants related to assets are presented in the balance sheet as deferred income, which is recognised as income on a systematic basis over the useful life of the asset.

*Unearned income*

A substantial portion of the income of the Authority is derived from Development Permit Fees, which are received with applications for development permits in advance of the completion of the work connected therewith.

A provision is made at the end of each financial year to recognise the unearned income representing:

- (i) income received for development applications which have not yet been determined;
- (ii) income received for inspection and enforcement work which has not yet been performed; and
- (iii) refunds which may be due on applications not yet determined.

*Employee benefits*

The Authority contributes towards the state pension in accordance with local legislation. The only obligation of the Authority is to make the required contributions. Costs are expensed in the period in which they occur.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with estimations being carried out at each balance sheet date. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested. The amount recognised in the balance sheet represents the present value of the defined benefit obligation.

*Currency translation*

The financial statements of the Authority are presented in its functional currency, the Maltese lira, being the currency of the primary economic environment in which the Authority operates. Transactions denominated

NOTES TO THE FINANCIAL STATEMENTS  
30 September 2006

in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was determined.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits.

3. Prior year adjustment

The Authority changed its accounting policy with respect to the accounting treatment of Government grants received to finance capital assets. Such grants were previously accounted for directly in equity, which practice is not in accordance with International Accounting Standard 20 - Accounting for Government Grants and Disclosure of Government Assistance. During the year under review, the Authority decided to start accounting for such grants as deferred income, which is then recognised as income on a systematic basis over the useful life of the asset.

The adoption of this accounting policy has been accounted for retrospectively in accordance with the requirements of International Accounting Standard 8 - Accounting Policies, Changes in Accounting Estimates and Errors and consequently the comparative financial statements have been restated.

The change in accounting policy did not have an effect on the Authority's accumulated deficit as at 1 October 2005, however, the surplus for the year ended 30 September 2005 was increased by Lm17,339. The capital reserve at 1 October 2005, which amounted to Lm130,571 was transferred to deferred income.

4. Adoption of new and revised International Financial Reporting Standards

In the current year, the Authority has applied all of the new and revised International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2005.

The adoption of these new and revised International Financial Reporting Standards has not resulted in material changes to the Authority's accounting policies.



## NOTES TO THE FINANCIAL STATEMENTS

30 September 2006

## 5. Revenue

	2006 Lm	2005 Lm
Development permit fees	2,902,499	2,306,991
Infrastructure services contribution		
administration charge	333,236	255,193
Sale of maps and land survey fees	125,058	148,693
Fines	170,465	183,165
Other income (note 6)	506,384	330,341
Refunds on refused and withdrawn applications	(62,182)	(85,203)
Increase in provision for unearned income	(429,037)	(416,552)
	<u>3,546,423</u>	<u>2,722,628</u>

## 6. Other income

	2006 Lm	2005 Lm
Administration charge re: Commuted		
Parking Payment Scheme	85,008	80,721
Administration charge re: Environmental		
Initiatives in Partnership Programme	94,428	112,376
Compliance certificates	52,586	56,297
Direct enforcement action	53,430	16,391
EU funded projects	87,677	13,489
Income from reconsideration of applications	28,332	37,391
Miscellaneous income	30,270	38,092
Planning control	6,220	7,396
Profit on disposal of property, plant and machinery	6,210	3,875
Property, plant and equipment grants	55,332	17,339
Recharge of professional fees	6,891	9,380
Reversal of over-accrued direct enforcement		
action income	-	(62,406)
	<u>506,384</u>	<u>330,341</u>

## NOTES TO THE FINANCIAL STATEMENTS

30 September 2006

## 7. Recurrent expenditure

	2006 Lm	2005 Lm
Advertising	34,465	32,467
Auditors' remuneration	2,360	2,360
Bank charges	16,562	15,511
Bad debts written off	192,912	-
Cleaning of premises	22,244	20,512
Depreciation	222,462	199,786
Direct enforcement action expenses	56,376	41,605
Environment, planning and resource studies	48,990	56,497
Hospitality	9,106	9,970
Insurance	24,696	18,077
Legal fees	51,167	49,516
Materials, supplies and sundries	135,822	38,765
Movement in provision for doubtful debts	(24,663)	45,830
Overseas conferences	54,517	67,466
Programmes, initiatives and professional fees	202,279	114,205
Provision for retirement benefits	58,364	56,110
Public relations and exhibitions	17,613	20,768
Remuneration of Authority Board Members	39,827	29,673
Remuneration of Sub-committees and other boards	116,816	93,439
Rent	54,370	54,834
Repairs, upkeep and Microsoft Enterprise licence fees	125,945	137,835
Security	60,908	62,792
Stationery and printing	36,806	35,159
Subscriptions, books and postage	43,742	38,457
Telecommunications	111,876	106,881
Timber balcony grant scheme	20,000	20,000
Training	17,733	42,664
Transport	156,366	147,655
Wages and salaries	3,936,945	3,845,905
Water and electricity	70,313	47,372
	<u>5,916,919</u>	<u>5,452,111</u>

## 8. Funding of deficit of the Planning Appeals Board

In accordance with Section 15(8) of the Development Planning Act, 1992, the Authority is required to provide the Planning Appeals Board with the funds required by the Board for the performance of its functions.

## NOTES TO THE FINANCIAL STATEMENTS

30 September 2006

## 9. Investment gains

	2006 Lm	2005 Lm
Interest income on bank deposits	11,771	13,054

## 10. Key management personnel compensation

	2006 Lm	2005 Lm
Board Members' compensation:		
Short-term benefits:		
Management remuneration	38,690	28,433
Fringe benefits	1,137	1,240
	39,827	29,673
Other key management personnel compensation:		
Short-term benefits:		
Salaries and social security contributions	66,004	63,075
Fringe benefits	6,860	6,860
	72,864	69,935
Total key management personnel compensation:		
Short-term benefits:	112,691	99,608

## 11. Income tax expense

In accordance with Section 11 of the Development Planning Act, 1992, the Authority is exempt from any liability for the payment of income tax.

## NOTES TO THE FINANCIAL STATEMENTS

30 September 2006

## 12. Property, plant and equipment

	Improvements to leased premises Lm	Furniture, fixtures and fittings Lm	Computer and other equipment Lm	Motor vehicles Lm	Electrical and other equipment Lm	Total Lm
Cost						
At 01.10.2004	1,149,468	341,008	1,511,171	21,586	318,058	3,341,291
Additions	17,814	13,316	114,923	-	-	146,053
Disposals	-	-	(41,230)	-	-	(41,230)
At 01.10.2005	1,167,282	354,324	1,584,864	21,586	318,058	3,446,114
Additions	1,111	11,330	245,595	11,091	-	269,127
Disposals	-	-	(46,938)	(11,998)	-	(58,936)
At 30.09.2006	1,168,393	365,654	1,783,521	20,679	318,058	3,656,305
Accumulated depreciation						
At 01.10.2004	522,522	282,432	1,261,704	21,586	315,528	2,403,772
Provision for the year	58,363	14,821	125,867	-	735	199,786
Eliminated on disposals	-	-	(41,230)	-	-	(41,230)
At 01.10.2005	580,885	297,253	1,346,341	21,586	316,263	2,562,328
Provision for the year	58,421	14,771	146,522	2,218	530	222,462
Eliminated on disposals	-	-	(46,938)	(11,998)	-	(58,936)
At 30.09.2006	639,306	312,024	1,445,925	11,806	316,793	2,725,854
Carrying amount						
At 30.09.2005	586,397	57,071	238,523	-	1,795	883,786
At 30.09.2006	529,087	53,630	337,596	8,873	1,265	930,451

Following the revisions to IAS 16 *Property, plant and equipment* in 2003, that are effective for the current accounting period, the Authority has reviewed the residual values used for the purposes of depreciation calculations in the light of the amended definition of residual value in the revised Standard. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods.

The Authority has incurred, since inception, capital expenditure totaling *Lm1,168,393 (2005 - Lm1,167,282)* on improving the Authority's and Appeals Board's premises at Floriana and the Authority's premises in Gozo. Formal lease agreements have been signed with the Commissioner of Land during 1998 for the Authority's leased premises in Malta and Gozo, specifying that the lease agreement is for a one-year period, thereafter

## NOTES TO THE FINANCIAL STATEMENTS

30 September 2006

renewable at the option of Government from year to year, with a definite lease period not established. The capital expenditure incurred is being depreciated at 5% per annum on the assumption that the Authority will continue to occupy the premises for at least 20 years from the date of the improvement.

At 30 September 2006, tangible assets costing *Lm1,760,289* (2005 - *Lm1,720,816*) were fully written off but still used by the Authority.

## 13. Inventories

	2006 Lm	2005 Lm
Consumables	<b>7,202</b>	9,102

## 14. Trade and other receivables

	2006 Lm	2005 Lm
Subvention income due by Government	<b>344,001</b>	-
Other amounts due by related parties	<b>65,508</b>	234,202
Trade receivables	<b>130,508</b>	121,324
Other receivables	<b>84,328</b>	80,560
Prepayments and accrued income	<b>124,794</b>	95,309
	<b>749,139</b>	531,395

No interest is charged on trade and other receivables.

*Allowance for estimated irrecoverable amounts*

A reversal of bad debt allowance has been made for estimated irrecoverable amounts from the sale of products and rendering of services of *Lm24,663* (2005 - charge of *Lm45,830*). This allowance has been determined by reference to past default experience, adjusted on the basis of current observable data and is included with recurrent expenditure.

## NOTES TO THE FINANCIAL STATEMENTS

30 September 2006

## 15. Trade and other payables

	2006 Lm	2005 Lm
Amounts due to Government for Infrastructure Services	<b>161,537</b>	188,349
Other amounts due to related parties	<b>44,525</b>	54,062
Other payables	<b>136,561</b>	193,357
Unearned income	<b>2,720,731</b>	2,291,694
Accruals and deferred income	<b>720,337</b>	692,976
	<b>3,783,691</b>	3,420,438

Unearned income represents income received for services not yet completed and is based on the stage of completion of each development application.

No interest is charged on trade and other payable.

## 16. Other non-current liabilities

	2006 Lm	2005 Lm
Provision for retirement benefits	<b>653,049</b>	594,685
Deferred income	<b>209,233</b>	130,571
	<b>862,282</b>	725,256

*Provision for retirement benefits*

The provision for retirement benefits represents the year-end provision for likely future liabilities relating to pensions of employees, arising under the Pensions Ordinance, who joined the public service before the 15 January 1979 and were subsequently transferred to the Authority on its inception or at a later date. The provision has been computed in accordance with the accounting policy stated in note 2 and represents the Authority's obligation discounted to the net present value after considering the average life expectancy of such employees and expected increases in salaries, where applicable. The movement in provision for retirement benefits may be analysed as follows:

## NOTES TO THE FINANCIAL STATEMENTS

30 September 2006

	2006 Lm	2005 Lm
Balance at 1 October	594,685	538,575
Charge for the year	58,364	56,110
Balance at 30 September	<u>653,049</u>	<u>594,685</u>

*Deferred income*

Deferred income represents the carrying amount of property, plant and equipment owned by the Authority which were funded by Government grants. During the current year, the Authority received funds amounting to *Lm189,166* to finance specific property, plant and equipment. Each year an amount equivalent to depreciation charged on these assets is transferred to profit or loss.

## 17. Endowment capital

In accordance with Section 7(1) of the Development Planning Act, 1992, the endowment capital of the Authority is *Lm500,000*.

## 18. Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2006 Lm	2005 Lm
Cash at bank and on hand	<u>1,484,225</u>	<u>1,191,286</u>

## 19. Administration and specific funds

The Authority is responsible for the collection and administration of special funds in the form of Planning Obligations under the provisions of Article 40 of the Development Planning Act. These funds are to be applied for specific purposes as provided for by the Act and the provisions for the Commuted Parking Payment Scheme and the Urban Improvement Fund. At 30 September 2006, the funds and other assets held by the Authority may be analysed as follows:

	2006 Lm	2005 Lm
Cash at bank	4,747,744	3,642,104
Other receivables	46,500	101,408
	<u>4,794,244</u>	<u>3,743,512</u>

## NOTES TO THE FINANCIAL STATEMENTS

30 September 2006

These assets are held in respect of:

	2006 Lm	2005 Lm
Commuted Parking Payment Scheme	3,036,642	2,717,606
Environmental Initiatives on Partnership Programme Funds	744,361	765,425
Urban Improvement Funds	1,013,241	260,481
	<u>4,794,244</u>	<u>3,743,512</u>

The Authority earns an administration fee of 3% per annum of the funds held on behalf of the Commuted Parking Payment Scheme as well as 10% upon receipt of all Environmental Initiatives on Partnership Programme Funds and Urban Improvement Funds contributed by applicants.

The movement in special funds may be analysed as follows:

	2006 Lm	2005 Lm
Balance at 1 October	3,743,512	3,476,387
Funds collected during the year, net of refunds	1,179,560	694,430
Interest received for the year	83,642	71,836
	<u>5,006,714</u>	<u>4,242,653</u>
Administration charge for the year	(179,436)	(193,097)
Funds applied during the year	(33,034)	(306,044)
Balance at 30 September	<u>4,794,244</u>	<u>3,743,512</u>

## 20. Contingent liabilities

Due to the very nature of its activities, the Authority is currently defending in Court a number of claims or legal proceedings which might lead to a liability falling due which, owing to their very special nature, cannot be reasonably quantified. Based on information available to the Authority no current claims or legal proceedings is deemed to be exceptional or which could lead to a significant liability falling on the Authority and therefore no provision for any claims or legal proceedings was deemed necessary as at the balance sheet date.

Furthermore, at the balance sheet date, the Authority had issued a bank guarantee of *Lm40,600* to comply with an agreement reached with the European Commission against its contribution to the Nature Trust Project.

NOTES TO THE FINANCIAL STATEMENTS  
30 September 2006

21. Related party disclosures

The Authority considers the ultimate controlling party to be the Government of Malta who appoints the majority of the board members.

During the course of the year, the Authority entered into transactions with a number of Government entities, which are related through common control.

The amounts due to/from related parties at year-end are disclosed in notes 14 and 15, which amounts are repayable in the Authority's normal course of operations. No guarantees have been given and received. These amounts are unsecured and interest-free.

The related party transactions in question were:

	Related party activity Lm	2006 Total activity Lm	%	Related party activity Lm	2005 Total activity Lm	%
Revenue (excluding movement in provision for unearned income)	652,900	3,975,460	16%	674,372	3,139,180	21%
Recurrent expenditure	426,647	5,916,919	7%	361,302	5,452,111	7%
Subvention receivable from Consolidated Fund	2,469,000	2,469,000	100%	2,837,500	2,837,500	100%
Funding of deficit of Planning Appeals Board	55,106	55,106	100%	48,949	48,949	100%

The information to extract related party transactions within the movement in provision for unearned income is not available to the Authority. As a result, this amount is excluded from the above table.

Bad debts amounting to Lm192,912, which are included in recurrent expenditure in the above table, were written off during the year in respect of amounts due by related parties.

22. Fair values of financial assets and financial liabilities

At 30 September 2006 and 2005 the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short term maturities of these assets and liabilities. The fair values of non-current financial assets and non-current financial liabilities are not materially different from their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS  
30 September 2006

23. Financial risk management

Credit risk

Financial assets which potentially subject the Authority to concentrations of credit risk, consist principally of receivables, investments and cash at bank. Receivables are presented net of an allowance for doubtful debts. An allowance for doubtful debts is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Credit risk with respect to debtors is limited due to credit control procedures and the large number of customers comprising the Authority's debtor base. Cash at bank is placed with reliable financial institutions.

Currency risk

The Authority is exposed to currency risk on its sales and purchases which it enters into in currencies other than the reporting currency, and comprise mainly Euro. This risk is managed by regular monitoring of the relevant exchange rates and management's reaction to material movements thereto.

24. Comparative figures

Certain comparative figures have been reclassified in accordance with this year's presentation of the financial statements.



## REVENUE AND EXPENDITURE ESTIMATES

For the year ending 30 September 2007

(in terms of Section 7 of the Development Planning Act, 1992)

### Projected Income and Expenditure Account

	Estimates Year ending 30.09.07 Lm	Actual Year ended 30.09.06 Lm	Estimates year ended 30.09.06 Lm
<b>Income</b>			
Unearned income brought forward	2,720,731	2,291,694	2,291,694
Development permit fess (net of refunds)	2,357,269	2,823,937	1,986,306
Administration of infrastructure and services contributions	330,000	333,236	250,000
Income from sanctioning of illegal development and issuance of compliance certificates, DNOs, etc	72,000	68,966	72,000
Other income	685,000	761,092	567,000
Unearned income carried forward	(1,900,000)	(2,720,731)	(2,200,000)
	<b>4,265,000</b>	<b>3,558,194</b>	<b>2,967,000</b>
<b>Expenditure</b>			
Salaries and remuneration	4,724,301	4,124,132	4,146,525
Training	71,000	73,000	
Overseas conferences	55,000	54,517	65,000
Staff welfare	30,976	27,821	34,500
Depreciation	220,000	222,462	200,000
Environment, planning and resource studies	158,000	48,990	57,240
Timber balcony grant scheme	20,000	20,000	20,000
Administration and operational expenses	1,599,291	1,401,264	1,306,541
	<b>6,878,568</b>	<b>5,916,919</b>	<b>5,902,806</b>
<b>Operating deficit</b>	<b>(2,613,568)</b>	<b>(2,358,725)</b>	<b>(2,935,806)</b>
Subvention from Government	2,645,500	2,469,000	2,670,500
Amount committed to projects in progress	-	-	-
Funding of deficit of the Planning Appeals' Board	(27,500)	(55,106)	(27,500)
<b>Surplus/(Deficit) for the year</b>	<b>4,432</b>	<b>55,169</b>	<b>(292,806)</b>

## REVENUE AND EXPENDITURE ESTIMATES

For the year ending 30 September 2007

(in terms of Section 7 of the Development Planning Act, 1992)

### Projected Cash Flows

	Estimates Year ending 30.09.07 Lm	Actual Year ended 30.09.06 Lm	Estimates year ended 30.09.06 Lm
Surplus/(Deficit) for the year	4,432	55,169	(292,806)
Add back: Depreciation	220,000	222,462	200,000
Bad debts written off	-	192,912	-
Provision for retirement benefits	56,110	58,364	56,110
Profit on disposal of tangible fixed assets	-	(6,210)	-
(Decrease)/Increase in unearned income	(820,731)	429,037	(91,694)
Increase/(Decrease) in creditors	320,543	(176,288)	35,219
Decrease in stocks	-	1,900	-
Decrease/(Increase) in debtors	490,188	(410,656)	46,475
<b>Cash from/(used in) operations</b>	<b>270,542</b>	<b>366,690</b>	<b>(46,696)</b>
<b>Investing Activities</b>			
<b>Capital Expenditure</b>			
Office accommodation - Malta	35,000	1,111	25,000
Environmental monitoring equipment	105,000	-	-
Mapping and land survey equipment	50,000	5,046	-
Information technology	92,000	51,383	110,000
Furniture, fixtures and fittings	50,000	11,330	25,000
Motor vehicles	60,000	11,091	11,000
Proceeds from disposal of tangible fixed assets	-	(6,210)	-
<b>Net cash outflow in investing activities</b>	<b>392,000</b>	<b>73,751</b>	<b>171,000</b>
<b>Net cash (outflow)/inflow</b>	<b>(121,458)</b>	<b>292,939</b>	<b>(217,696)</b>

## REVENUE AND EXPENDITURE ESTIMATES

For the year ending 30 September 2007

(in terms of Section 7 of the Development Planning Act, 1992)

## Notes to the estimates

Overlap of income

Income received from Development Permit Fees in advance of the processing work connected therewith, is considered to be unearned income. This means that, at any point in time, the Authority is in possession of funds for development permit applications, which have yet to be processed. Therefore, should the application be eventually refused, one half of the development permit fee will become refundable.

## Subvention From Government

The Government in its estimates for the 2007 fiscal year has voted a subvention of Lm2,394,000. Accordingly the amount voted to the Authority for the fiscal year 2007 has been estimated at:

Recurrent vote	Lm2,394,000
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The subvention figures appearing in the estimates are made up as follows:

	Lm
Amounts receivable in October to December 2006 from Government Budget for the MEPA for 2006	850,000
Amounts receivable in January to September 2007 from Government Budget for 2007 (75% of Lm2,394,000)	1,795,500
	<u>2,645,500</u>

MALTA ENVIRONMENT AND PLANNING AUTHORITY

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