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## **ACE Paper 13/2005**

### ***For Information***

## **Advisory Council on the Environment**

### **Waste Subcommittee**

### **Annual Report 2004**

The ACE Waste Subcommittee (WSC) was established in March 2004 to monitor the trends and problems related to the management of solid waste in Hong Kong, to examine the applicability of waste reduction measures that are adopted in overseas economies to Hong Kong, and to advise on possible waste reduction policies and programmes. At its first meeting, the WSC agreed that its focus areas should include Product Responsibility Schemes (PRS), waste disposal charging, and measures to assist the waste recycling trade. The WSC deliberated on the following issues in 2004.

#### **Charging scheme**

2. In December 2003 and November 2004, the Waste Disposal (Amendment) Bill 2004 and its subsidiary legislation for implementing the construction waste charging scheme were respectively introduced into the

Legislative Council for consideration. In line with the polluter pays principle, the construction waste charging scheme provides the economic incentive to reduce construction waste for all construction and demolition projects.

3. The WSC strongly supported the early implementation of the construction waste charging scheme. It sent a letter on 26 April 2004 to the Legislative Council Bills Committee set up to scrutinize the Waste Disposal (Amendment) Bill 2004 to express its full support for early implementation of the construction waste charging scheme. Some members suggested that the publicity programme of the construction waste charging scheme should include educating renovation contractors to open billing accounts and pay charges to the Government, and to emphasize the fact that the aim of the charging scheme was to induce reduction of waste rather than to generate revenue. It was also suggested that the government should start considering extending the waste disposal charging scheme to other waste types.

4. The Bill was passed by Legislative Council in July 2004 and the two sets of subsidiary legislation were passed in January 2005. The construction waste charging scheme was scheduled to be implemented in summer 2005 upon the completion of all preparatory works.

### ***Earth Filling Activities***

5. Following media reports on earth filling activities on private agricultural land in She Shan Tsuen, WSC was concerned that such activities might increase with the implementation of the construction waste charging scheme.

6. In response to Government's proposal to subject major earth filling activities to Environmental Impact Assessment Control by requiring the proponent of such projects to apply for an Environmental Permit, the WSC considered that such proposal would address the issue of earth filling on private land only from the environmental angle, but not from the land use and planning angle, and therefore could not provide a complete solution. The WSC considered that the issue should best be addressed from the planning and land use angle and that the Administration should come up with control measures on land use, such as by reviewing the definition of "agricultural use" in the Outline Zoning Plan (OZP). The WSC noted that Planning Department would examine the feasibility of amending the "Notes" to "Agricultural Zone" in the OZP.

### **Product Responsibility Scheme**

7. Product Responsibility Scheme (PRS) is a scheme whereby the manufacturers, importers, retailers and consumers of goods are required to take responsibility for the collection and disposal of end-of-life products so as to enhance recovery, recycling and reuse of waste.

### ***Tyres***

8. In 2004, the Environmental Protection Department (EPD) conducted a Regulatory Impact Assessment (RIA) Study on the PRS on tyres and rechargeable batteries to draw up and assess the feasible options in implementing PRS in the two products. The RIA Study on tyres identified the following five options –

- (a) Levy be added to the annual vehicle license fee which is used to cover the cost for the government to administer, promote and operate a scheme to collect and recycle waste tyres;
- (b) Levy be imposed on each new tyre when imported;
- (c) Mandatory scheme operated by industry, overseen by the government, under which each tyre importer and manufacturer would be legally required to demonstrate that the equivalent of all tyres produced by the company are managed in an appropriate way once they reach the end of their service life;
- (d) Charges imposed on disposal of waste tyres at landfills;
- (e) Mandatory scheme operated by the industry (as in Option c) with a levy as a percentage of the annual vehicle license fee collected by the Government to finance the scheme operated by the industry to collect and recycle waste tyres.

9. The WSC considered that imposition of levy, as in proposed options (a) and (e) would not be fair to users who minimize their use of tyres and would not provide the incentive for tyre-users to reduce waste. It was suggested that an approach similar to the collection of duties on perfume and tobacco should be explored if levy were to be charged to minimize the impact on the industry. Administration costs would be an issue that needs careful consideration. The WSC suggested the Government to consider banning the disposal of waste tyres at landfills altogether if there were sufficient outlets for recovered waste tyres.

10. The WSC considered Option (c) as the most desirable approach. The likely transfer of cost to the consumers would induce the consumers to avoid producing waste. .

### ***Rechargeable batteries***

11. The WSC examined three options identified by the RIA Study –
- (a) Levy be applied on new rechargeable batteries at the point of manufacture or import, which is used to fund the collection and recycling of batteries;
  - (b) Take-back programme funded and managed by industry on a voluntary basis to recover and recycle end-of-life rechargeable batteries; and
  - (c) Producers be required by law to demonstrate that a specified amount of waste rechargeable batteries of specified types are recovered and recycled.
12. The WSC noted that the industry was more receptive to a voluntary scheme to recover waste rechargeable batteries than a mandatory scheme through legislation. It welcomed the industry's launch of a voluntary scheme to recover rechargeable batteries in 2005. Members advised that overseas experience indicated that for PRS to be successful, it has to be supported by legislation but different trades should start with voluntary schemes to first establish a mechanism for handling end-of-life products. WSC was of the view that PRS through legislation should be the ultimate goal.

### ***Beverage containers***

13. The WSC noted that the study on the implementation of PRS on beverage containers would commence in 2005.

14. It was noted that while the Hong Kong Beverage Association Limited (HKBA) had not reached a consensus on the concept of a trial recycling project on beverage containers, Swire Coca-cola and Vitasoy pioneered in carrying out a pilot programme to recover PET bottles of their brands in Po Lam, Tseung Kwan O, with a view to expanding to three or four more locations in 2005.

15. Members were of the view that a more proactive approach should be adopted for implementing PRS on beverage containers. The WSC also acknowledged that a mandatory scheme on beverage containers would affect all walks of life, and advised that the Government should carefully assess its economic and political impact before a decision was made. It was proposed that the environmental costs and ecological footprint of beverage containers from production to disposal should be borne out in educational programmes.

### ***Waste Electronic and Electrical Equipment***

16. The WSC noted that the study on the implementation of PRS on waste electronic and electrical equipment (WEEE) would commence in 2005.

17. The WSC was of the view that an umbrella legislation should be introduced as an enabling framework for different types of products. Members also opined that a programme should be devised for implementing PRS for the different products.

### **Separation of waste at source**

18. The WSC noted the Government's plan to expand the scope of the separation of waste at source programme on a territory-wide basis.

19. Thirteen housing estates participated in the source separation of waste pilot programme which was launched in August 2004. The programme aimed to make it more convenient for residents to separate domestic waste at source by encouraging and assisting property management companies to provide waste separation facilities on each floor of the building. The programme also aimed to expand the types of recyclables to be collected to include all plastics, all metals, and other types of recyclables such as old clothing and waste electrical products. Recyclables would be separated within each estate and sold to recyclers direct without having to be transported to a central location for additional sorting, which made the operation more cost-effective. Initial results of the pilot programme showed that the volume of recovered recyclables has increased significantly. In view of the encouraging results, the Government decided to roll-out the programme on a territory-wide basis through publicity campaigns.

### **Hunghom Peninsula**

20. Hunghom Peninsula (HHP) was a Private Sector Participation Scheme project jointly developed by NWS Holdings Ltd. (NWS) and Sun Hung Kai Properties Ltd. (SHK). During the year, there was speculation over the possible demolition of the buildings at HHP even before it was occupied which would generate about 190,000 tonnes of construction waste and cause undue waste of unused materials.

21. Members were gravely concerned that the huge amount of waste that might be generated and the pressure it would create on the waste facilities in Hong Kong. The WSC wrote to the developers on 12 August 2004 and 13

October 2004 to impress upon them clearly that such indiscriminate demolition would be environmentally undesirable and that, as a responsible corporate citizen, the developers should avoid coming to such a decision as far as possible.

22. The consortium announced its decision to demolish HHP on 29 November 2004. The announcement drew immense public criticism. Subsequently, on 12 December 2004, the consortium announced its change of plan and would reconfigure and refurbish the buildings instead of demolishing them. The WSC welcomed the consortium's decision and sent a letter to the developers on 23 December 2004 to welcome the decision and request the consortium to take all possible measures to recycle materials and minimize waste in the course of refurbishment.

### **Integrated Waste Management Facilities**

23. The WSC was briefed on the latest development of the selection of large-scale waste treatment technologies. In 2002, expressions of interest were invited and 59 submissions were received. These options were evaluated by the Advisory Group on Waste Management Facilities (AG) in five areas, namely, environmental, technological, economical, social, and consumer. The public would be consulted after the best technology options for Hong Kong have been identified. Since the Sustainable Development Council (SDC) would be conducting workshops to discuss issues related to waste management, to avoid confusing the public, the public consultation on the choice of technological options would take place after SDC had completed their engagement process.

24. Members observed that costs and impact on health would be the key concern of the public. They were of the view that the effects of pollutants



generated from activities like smoking and those generated from incineration should be quantified and put into perspective for comparison and informed discussion. Educational programmes should set out the pros and cons of both landfilling and incineration for balanced discussion.

## **Looking ahead**

25. The waste management strategy comprises three key elements: (a) waste minimization and avoidance; (b) reuse, recovery and recycling; and (c) bulk reduction and disposal. The WSC will continue to play an important role in providing advice to the Government on the implementation of strategic waste policies, with particular focus on the following issues –

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| (a) Domestic Waste Recovery        | The domestic waste recovery rate in Hong Kong remained low at 14% and there is much room for improvement. Source separation of waste is also heart to efficient and effective collection for the purpose of recycling. A campaign on territory-wide separation of waste at source has been rolled out with a view to enhance recovery rate and divert waste from landfills. Advice from members on policies and programmes for improvement of domestic waste recovery rates would be useful. |
| (b) Product Responsibility Schemes | As a measure to help reduce and recycle waste, the government has been examining the feasibility of introducing mandatory Product Responsibility   |

Schemes (PRS) for a number of products. In the coming year, the first voluntary PRS to recover and recycle rechargeable batteries will commence. The public will be consulted on a PRS on tyres. Members' advice would be invited when the policy and the legislation for the introduction of mandatory PRS are being drawn up.

- (c) MSW Charging      To help reduce waste and alleviate pressure on the waste management system, it is important to implement the polluter pays principle and introduce economic disincentives in the waste management strategy. The construction waste charging scheme will commence in 2005. The experience gained will be valuable in the formulation of MSW charging scheme in future. Members' advice on possible methods of charging, drawing on overseas experience, and how to legislate, would be most valuable.

ACE Waste Subcommittee Secretariat

June 2005