

**Advisory Council on the Environment
Waste Management Subcommittee**

Notes of the 29th Meeting held on 15 June 2011

Present

Dr Yau Wing-kwong	(Chairman)
Mr Oscar Chow	
Mr Edwin Lau	
Dr Man Chi-sum	
Mr Tsang Kam-lam	
Ir Dr Lo Wai-kwok	
Miss Yolanda Ng	
Dr Carrie Willis	
Prof Ignatius Yu	
Miss Libera Cheng	(Secretary)

Absent with Apologies

Mr Simon Wong

In Attendance

Mr Albert Lam	Deputy Director of Environmental Protection (2)
Mr Samson Lai	Assistant Director of Environmental Protection (Waste Management Policy)
Dr Derek Wong	Environmental Protection Officer (Waste Management Policy Division)1

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Agenda Item 1: Election of Chairman of ACE Waste Management Subcommittee

1. The former Chairman of the ACE Waste Management Subcommittee (WMSC), Professor WONG Ming-hung has tendered resignation from the ACE and the ACE WMSC prior to the meeting. An election of a new Chairman was therefore conducted. A Member nominated Dr Yau Wing-kwong to be the new Chairman; Another Member seconded. There was no other nomination. With the support of all other attending

members, Dr Yau Wing-kwong was elected as the new Chairman of the Subcommittee for the rest of the term.

2. On behalf of the WMSC, the Chairman thanked the former Chairman for his leadership and professional contribution to the ACE WMSC as the Chairman for the past 2.5 years. He also welcomed the following new Members to the WMSC:
 - Dr Lo Wai-kwok
 - Miss Yolanda Ng Yuen-ting
 - Dr Willis Yau Sheung-mui, Carrie
 - Professor Ignatius Yu Tak-sun

Agenda Item 2: Confirmation of Minutes of Last Meeting

3. The draft minutes of the 28th meeting held on 22 October 2010 were confirmed without amendment.

Agenda Item 3: Matters Arising

4. There were no matters arising from the last meeting.

Agenda Item 4: Public Consultation on the Extension of the Environmental Levy Scheme on Plastic Shopping Bags (Paper WMSC 01/2011)

5. The Chairman said that the first phase of the Environmental Levy Scheme on Plastic Shopping Bags (the Levy Scheme) was launched on 7 July 2009 and it has received general support from the community. In particular he noted that the amount of plastic shopping bags (PSBs) littered onto the sea had greatly reduced. The Chairman then invited Mr Samson Lai, Assistant Director of Environmental Protection (Waste Management Policy) to take Members through the proposed extension of the Levy Scheme.
6. Mr Samson Lai said that as could be evident from various indicators, the Levy Scheme has been effective in reducing the indiscriminate use of PSBs. The number of PSBs distributed by some 3,000 registered retailers was estimated to have fallen by about 90%. But the overall

problem persisted given that the current scheme only covered 4% of the total retail outlets in Hong Kong and PSB disposal attributable to the “non-regulated” sector continued to increase. To further address the indiscriminate use of the PSBs, the Government proposed that the Levy Scheme be fully extended to all retailers. He further briefed Members on the experience of the Mainland, Taiwan and Ireland where a mandatory charge for PSB distribution has been imposed at the retail level; and the analysis on the pros and cons of the two approaches in handling the levy collected, namely the “remittance” and “retention” approaches. He also briefed Members on the proposed exemption for those PSBs used on food hygiene grounds, and the regulation of “flat-top” bags in the next phase. Mr Samson Lai said that the public consultation would continue until 16 August 2011 and Members were invited to comment on the effectiveness of the current Levy Scheme and the proposed way forward.

7. In response to an enquiry from a member, Mr Samson Lai advised that prior to the implementation of the Levy Scheme, 14% of the overall PSB disposal could be attributable to the three categories of retailers which were currently covered by the Levy Scheme but the percentage dropped to about 3% after the Levy Scheme was implemented. On this basis, a Member opined that there remained a lot of rooms in reducing indiscriminate use of PSBs especially for those retail categories that were not covered in the current scheme.
8. A Member agreed that members of the public had widely adopted the Bring Your Own Bag (BYOB) habit after the implementation of the Levy Scheme, and it was opportune to consider an extended coverage. He however asked about the considerations for the proposal of putting “flat-top” bags under regulation, including relevant statistics. He noted that such bags were mainly used for carrying food. Mr Samson Lai said that on the whole, “flat-top” bags were being used for carrying food but there were also episodic reports of abuses. Under the current scheme, “flat-top” bags were not subject to a levy

irrespective of how they were used. There would be dedicated provisions in the extended scheme providing exemption for PSBs used on food hygiene grounds, that would completely serve the purpose of the current exemption arrangement for “flat-top” bags. Mr Albert Lam supplemented that there were practical difficulties in conducting specific research on the use of “flat-top” bags. Nevertheless, there had been some reports of retailers encouraging the indiscriminate use of “flat-top” bags by placing them at the cashiers for use by customers who did not bring with them a shopping bag. Putting “flat-top” bags under regulation in the next phase could address this problem.

9. A Member agreed that the Levy Scheme should be extended to cover all retailers but the scope of exemption should be carefully devised. Another Member concurred. She added that the compliance system should be kept as simple as possible so as not to create undue burden to the small and medium enterprises (SMEs). She also enquired how the Government would devise the effective enforcement actions should retailers be allowed to retain the PSB charge without the need to remitting it to the Government. In response, Mr Albert Lam said that the Government would act on complaints. There would also be spot checks and proactive inspections.
10. A Member also supported the proposed extension. On reducing the use of PSBs (including “flat-top” bag) for food wrapping, she asked if the Government could consider promoting the use of reusable food containers, e.g. making available such containers for loan by customers. Mr Samson Lai said that there were resources available from the Environment and Conservation Fund (ECF) to support appropriate education and publicity programmes. In the past, there was an ECF-sponsored programme on shopping bag rental service. But one had to adequately address a hygiene concern before he might successfully roll out a scheme of this type.
11. A Member said that there should be an effective

enforcement strategy to tackle “rebate” which was a common practice for SMEs but could potentially be a loophole for the extended scheme. He also asked if the Government could monitor the effectiveness of the Levy Scheme with reference to PSB sales figures. Mr Samson Lai said that offering discount or rebate had already been prohibited under the current scheme. Regarding the sales situation of PSBs, the Census and Statistics Department compiled statistics on the import of plastic bags but did not have break down figures on those plastic bags that were subsequently re-exported. Accordingly, such statistics could not reflect the actual usage of PSBs locally in Hong Kong.

12. A Member supported that the Levy Scheme should be extended to cover all retailers. He also supported the “retention” approach in handling the PSB charge since doing so could obviate the administrative burden. He was interested in how retailers would make use of such income and suggested relevant surveys be conducted. Separately, he considered it important to create incentive for individual retailers to collect the PSB charge as would be required by the law.
13. A Member supported the “retention” approach. He envisaged that there could be teething problem in the initial period of the extension which however would unlikely be insurmountable with enhanced publicity and education. He also said that there might be a shifting effect leading to increased use of paper shopping bags. Mr Albert Lam said that the Levy Scheme was primarily targeting at PSBs but the Government would keep paper shopping bag under watch.
14. A Member asked how the SMEs would be engaged in the consultation process. In response, Mr Samson Lai said that the Government would brief the SME Committee. There would also be publicity that could reach out to a wider audience.
15. A Member enquired how the Levy Scheme would address the problem of excessive packaging. Mr Samson Lai

said that the Levy Scheme was primarily targeting at PSBs and the Government would promote the avoidance of excessive packaging through other measures. A Member added that similar to the experience in Taiwan, the relevant trades did respond to the levy by bundling multiple items in a pre-packaged bag which was not subject to a levy. But this phenomenon was confined to the initial stage because customers opted to practice BYOB.

16. A Member raised the issue of plastic garbage bags and asked if the Levy Scheme had led to increased disposal of such bags. Separately, given the compliance cost issue in respect of SME retailers, he suggested the Government also consider the alternative of charging at the wholesale level. Mr Samson Lai said that there was increased disposal of plastic garbage bags but the Levy Scheme achieved a more significant reduction of PSB disposal. This further reinforced the effectiveness of the Levy Scheme in addressing the indiscriminate use of PSBs. On a wholesale PSB charge, he said that the Levy Scheme was to create a direct economic disincentive so that consumers would reduce waste. It was considered more effective if the levy was charged at the retail level.
17. Following on the issue of garbage bags, a Member said that the use of such bags was unavoidable. The correct PR message was to focus on the reduction within the coverage of the Levy Scheme. He also supported continued research efforts by the Government, on the basis of which the longer-term way forward of the Levy Scheme could be considered.
18. A Member supported the Government's proposal. He noted that the operational details would likely be complex and hoped that the Administration would keep the relevant stakeholders engaged and exercise caution when devising the operational details.
19. A Member said that non-woven bags might emerge as an issue when the Levy Scheme was extended. The Government should enhance publicity and public

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education accordingly. The Chairman said that extensive distribution of non-woven bags had once been prevalent but the situation improved subsequently. He noted in particular that District Councils had stopped distributing non-woven bags in their community activities. Mr Albert Lam agreed with the Chairman's observation. He also encouraged Members to help spreading the message so as to avoid the problem of excessive distribution.

20. A Member followed up on the point of a wholesale levy and asked if this alternative would in turn create incentives for retailers to charge their customers for PSB distribution. Mr Albert Lam said that if the levy was collected at the wholesale level, retailers would no longer be liable to impose the PSB charge and it was entirely up to them to decide whether or not to pass the PSB cost onto their customers.
21. A Member asked whether plastic bags used for packing medicine would be subject to a levy in future. Mr Samson Lai said that the Government's proposal was to provide exemption for PSBs used on food hygiene grounds and would on the basis of this principle carefully examine the various special cases when drawing up the specific scope of exemption.
22. After deliberations, the Chairman concluded that:
 - the Subcommittee generally supported the proposal in fully extending the Levy Scheme to all retailers;
 - Retailers should also be allowed to retain the levy so as to obviate the administrative burden to SMEs;
 - the Government should consider conducting surveys or researches to look into our people's behaviour in respect of BYOB and the use of PSBs; and
 - effort on publicity and education programmes should continue.

Agenda Item 5: Any Other Business (AOB)

23. Upon invitation by the Chairman, a Member enquired about the background of a Next Magazine article about the

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delivery of contaminated mud to Mainland China from allegedly a Government project in Hong Kong. Mr Samson Lai said that various pieces of key information in the article were factually incorrect. Among other things, the article had wrongly referred to the Taishan delivery scheme as a cross-boundary arrangement for handling contaminated mud and the Government project being named was not generating contaminated mud. The Secretariat would notify Members after the Government had looked into the matter in detail.

EPD

(Post meeting notes: EPD has investigated the alleged export of contaminated mud from the Drainage Services Department's drainage channel project at Cyberport as reported by the Next Magazine in June 2011. It was found that the contractor concerned has been exporting excavated materials comprising clean rock pieces and soil from his tunnelling works to Zhongshan for use as filling materials in an approved land formation project. No contaminated mud has been involved. The Chairman and Dr Man Chi-sum were informed of the above.)

Agenda Item 6: Date of Next Meeting

24. The Secretariat would contact individual members to arrange the next meeting.

**ACE Waste Management Subcommittee
Secretariat
August 2011**