

立法會
Legislative Council

LC Paper No. CB(1) 2650/01-02
(These minutes have been seen
by the Administration)

Ref: CB1/PL/EA/1

Panel on Environmental Affairs

**Minutes of meeting held on
Monday, 24 June 2002, at 2:30 pm
in Conference Room A of the Legislative Council Building**

Members present : Hon CHOY So-yuk (Chairman)
Hon Cyd HO Sau-lan (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, JP
Hon Martin LEE Chu-ming, SC, JP
Hon SIN Chung-kai
Hon WONG Yung-kan
Hon LAU Kong-wah
Hon Miriam LAU Kin-ye, JP
Hon Emily LAU Wai-hing, JP
Hon LAW Chi-kwong, JP
Hon Abraham SHEK Lai-him, JP
Hon Henry WU King-cheong, BBS
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Dr Hon LO Wing-lok
Hon LAU Ping-cheung
Hon Audrey EU Yuet-mee, SC, JP

Member absent : Hon CHAN Yuen-han, JP

**Public officers
attending** : **For item IV**

Environment and Food Bureau

Mr Donald TONG
Deputy Secretary (B)

Ms Annie CHOI
Principal Assistant Secretary (B)2

Environmental Protection Department

Dr Ellen CHAN
Assistant Director (Waste Facilities)

Mr T K CHENG
Acting Principal Environmental Protection Officer
(Facility Planning)

**Attendance by
invitation**

: For item IV

Conservancy Association

Dr Gordon NG
Chief Executive

Ms Kate CHOY
Campaign Officer

Friends of the Earth (Hong Kong)

Mr Edwin LAU
Assistant Director

Real Estate Developers Association of Hong Kong

Mr Martin TAM
Representative

Hong Kong Construction Association Limited

Mr Joseph SHEK
Chairman, Environmental Committee

Mr Patrick CHAN
Secretary General

Hong Kong Association of Property Management
Companies

Mr Raymond CHAN
Vice President

Hong Kong Waste Management Association

Mr Daniel CHENG
Committee Member

Waste Reduction Committee

Ir Otto POON
Chairman

Waste Reduction Task Force for the Construction Industry

Mr David D C WESTWOOD
Chairman, Waste Reduction Committee

Hong Kong General Chamber of Commerce

Mr James GRAHAM
Chairman, Environment Committee

Hong Kong Polytechnic University

Mr POON Chi-sun
Professor

Hong Kong Dumper Truck Drivers Association

Mr HO Hung-fai
Secretary

Hong Kong, KLN & NT Refuse Collection Vehicle Owners
Union Limited

Mr HO Kwok-sun
Consultant

Hong Kong, KLN & NT Grab Mounted Lorries Association
Limited

Mr CHAN Hon-chiu
Director

Mr WONG Chun-wing
Director

Clerk in attendance : Miss Becky YU
Chief Assistant Secretary (1)1

Staff in attendance : Mrs Mary TANG
Senior Assistant Secretary (1)2

I Confirmation of minutes of previous meetings and endorsement of the report of the Panel for submission to the Legislative Council

LC Paper No. CB(1) 1725/01-02 — Minutes of the joint meeting with the Transport Panel held on 11 December 2001

LC Paper No. CB(1) 2070/01-02 — Minutes of the special meeting held on 19 April 2002

LC Paper No. CB(1) 2073/01-02 — Minutes of the meeting held on 27 May 2002

LC Paper No. CB(1) 2074/01-02 — Draft report of the Panel for submission to the Legislative Council)

The minutes of the meetings held on 11 December 2001, 19 April and 27 May 2002 were confirmed.

2. Members endorsed the draft report of the Panel on Environmental Affairs for the current session and authorized the Chairman to revise the report to cover discussion at this and further meetings before it was presented to the Council on 3 July 2002.

II Information papers issued since last meeting

3. Members noted the following information papers which had been issued since last meeting-

LC Paper No. CB(1) 1898/01-02 — Administration's response to the concerns raised by the Conservation Officer of Kadoorie Farm and Botanic Garden on the impact of drainage projects in Northern New Territories on the fresh water ecology in the area

LC Paper No. CB(1) 2049/01-02 — 2001 Implementation Report of the Waste Reduction Framework Plan

4. Referring to LC Paper No. CB(1) 1898/01-02, the Chairman said that as the Administration's reply had adequately addressed the concern about the impact of drainage projects in Northern New Territories on the fresh water ecology in the area, the subject need not be discussed by the Panel and would be deleted from the list of outstanding items for discussion.

III Date of next meeting and items for discussion

(LC Paper No. CB(1) 2075/01-02(01) — List of follow-up actions arising from discussion

LC Paper No. CB(1) 2075/01-02(02) — List of outstanding items for discussion)

5. As some members might be away during the summer recess, the Chairman suggested advancing the next regular meeting originally scheduled for 22 July to 15 July 2002. A notice would be sent to members shortly requesting them to indicate their availability for the meeting. Members agreed to discuss the subject on “Air Quality of Hong Kong”, which was deferred from the last joint meeting with Panel on Transport on 13 June 2002, at the next meeting in July 2002. Members of the Panel on Transport would be invited to join the discussion.

(Post-meeting note: Based on the returns from members and with the concurrence of the Chairman, the next regular meeting was scheduled for 22 July 2002 at 2:30 pm.)

IV Proposed Landfill Charging Scheme

Meeting with Conservancy Association (CA)

(LC Paper No. CB(1) 2075/01-02(03) -- Submission from CA)

6. Mr Gordon NG said that CA welcomed the proposed Landfill Charging Scheme (the Scheme) as an important step to a sustainable waste management regime comparable to other developed economies. The levy of landfill charges according to the polluter-pays principle would provide financial incentive to discourage indiscriminate disposal at landfill through waste recycling and minimization, which would in turn benefit the recycling industry. The Government’s effort to address waste haulers’ concerns about cash flow and bad debt problems was also commendable. CA proposed that revenue generated from the Scheme be used to implement waste reduction and minimization measures, and that other forms of economic incentives, such as producer responsibility and preferential procurement, be implemented to complement landfill charges. Apart from construction and demolition (C&D) waste, consideration should be given to extending the Scheme to cover waste from industrial, commercial and domestic sources.

Meeting with Friends of the Earth (FOE)

(LC Paper No. CB(1) 2075/01-02(04) -- Submission from FOE)

7. Mr Edwin LAU said that FOE fully supported the Scheme which should have been implemented in 1995. It provided the necessary incentive to minimize waste generation and maximize waste recovery, thereby boosting the recycling industry. Meanwhile, measures should be taken to avoid fly-tipping and enhance public awareness of the Scheme. Efforts should also be made to minimize the potential dispute between waste haulers and their clients and to extend the Scheme to other waste producers.

Meeting with Real Estate Developers Association of Hong Kong (REDA)
(LC Paper No. CB(1) 2075/01-02(05) -- Submission from REDA)

8. Mr Martin TAM said that REDA supported the principle of landfill charging to discourage indiscriminate dumping of C&D waste at landfills. However, concerted effort from relevant departments was essential to ensure the effective implementation of the Scheme, particularly amid the economic downturn. In order for the Scheme to work out smoothly in the beginning of the waste management and reduction regime, the Administration should take into account the valid concerns of other constituents of the construction industry in defining and fine tuning details of the Scheme.

Meeting with Hong Kong Construction Association Limited (HKCA)
(LC Paper No. CB(1) 2075/01-02(06) -- Submission from HKCA)

9. Mr Joseph SHEK said that HKCA was in support of the Scheme. While welcoming the proposal to exempt all construction contracts signed before the implementation of the Scheme, HKCA held the view that the exemption be extended to all construction projects tendered before the implementation of the Scheme. Given the space constraint in most construction sites to have in place sorting facilities, the landfill charge of \$125 per tonne might not be able to serve as an incentive for on-site separation of C&D waste but would likely induce fly-tipping. Besides, the high landfill charge would undoubtedly create additional financial burden on the construction industry, particularly amid the economic downturn. He added that as part of the waste management regime, there should be better co-ordination between the Scheme and other waste reduction and recycling schemes.

Meeting with Hong Kong Association of Property Management Companies (HKAPMC)
(LC Paper No. CB(1) 2075/01-02(07) -- Submission from HKAPMC)

10. Mr Raymond CHAN said that HKAPMC was in support of the Scheme. However, consideration should be given to requiring waste producers of ad hoc renovation projects to pay the collection and landfill charges to waste haulers direct to reduce the administrative cost.

Meeting with Hong Kong Waste Management Association (HKWMA)
(LC Paper No. CB(1) 2075/01-02(08) -- Submission from HKWMA)

11. Mr Daniel CHENG said that HKWMA supported the introduction of landfill charge which would form an integral part of a sustainable waste management system. The proposed charge would serve as an effective incentive to waste minimization and recycling.

Meeting with Waste Reduction Committee (WRC)
(LC Paper No. CB(1) 2075/01-02(09) -- Submission from WRC)

12. Ir Otto POON said that WRC fully supported the Scheme as an important element of a sustainable waste management regime. At present, free disposal at landfill discouraged waste recovery and recycling. The Scheme would provide direct economic incentive for the community to reduce waste which was essential to achieve the target as set out in the Waste Reduction Framework Plan. Therefore, WRC supported the early introduction of the Scheme to cover C&D waste first with a view to including other types of waste in the near future.

Meeting with Waste Reduction Task Force for the Construction Industry (the Task Force)
(LC Paper No. CB(1) 2075/01-02(10) -- Submission from the Task Force)

13. Mr David WESTWOOD said that the Task Force agreed that landfill charging was one of the initiatives that should be implemented in order to achieve the objectives of waste reduction in Hong Kong. While supporting the Scheme, the Task Force considered it necessary for the Administration to address concerns raised by certain stakeholders regarding the implementation of the Scheme at the planning stage.

Meeting with Hong Kong General Chamber of Commerce (HKGCC)
(LC Paper No. CB(1) 2075/01-02(11) -- Submission from HKGCC)

14. Mr James GRAHAM said that HKGCC supported the principle of imposing a landfill charge on waste disposal. However, it should be noted that landfill charging was only one element of a comprehensive package of measures for waste management. These measures should include, among others, incentives for waste reduction and recycling, responsibility for packaging, building rehabilitation and alternatives to demolition. In gist, the Government should -

- (a) implement landfill charging for construction and commercial waste;
- (b) commence a detailed study on charging for domestic wastes;
- (c) step up enforcement against and increase the penalty for illegal dumping; and
- (d) develop a proactive programme to encourage waste reduction and recycling with a view to extending the life span of landfills.

Meeting with Professor POON Chi-sun of the Hong Kong Polytechnic University
(LC Paper No. CB(1) 2075/01-02(12) -- Submission from Professor POON Chi-sun)

15. Professor POON Chi-sun said that as a lecturer in waste management, he supported the Scheme since landfill charging was an integral part of a waste management system. It would provide economic incentives to waste producers to reduce and recycle wastes. Without the Scheme, most of the efforts currently devoted to waste minimization and recycling, both by the private and the public sectors, would

not succeed. He considered the proposed charge of \$125 per tonne to recover the capital and recurrent costs of landfills justified and reasonable. He was aware that the proposed charging arrangement had given rise to a lot of controversies, particularly among waste haulers. Based on his knowledge of the practices in overseas countries, it was the responsibility of waste collectors to collect and pay the landfill charges at the “gate” of the disposal facilities.

Meeting with Hong Kong, KLN & NT Refuse Collection Vehicle Owners Union Limited

(LC Paper No. CB(1) 2075/01-02(14) -- Joint submission from the Hong Kong Dumper Truck Drivers Association, Hong Kong, KLN & NT Grab Mounted Lorries Association Limited and Hong Kong, KLN & NT Refuse Collection Vehicle Owners Union Limited)

16. Mr HO Kwok-sun highlighted the salient points in the joint submission entitled “Objection against the shifting of responsibility from waste producers to waste haulers” from the Hong Kong Dumper Truck Drivers Association, Hong Kong, KLN & NT Grab Mounted Lorries Association Limited and Hong Kong, KLN & NT Refuse Collection Vehicle Owners Union Limited. While supporting the polluter-pays principle, waste haulers associations were strongly opposed to the proposed charging arrangement on waste haulers for the transport of waste to landfills. They were concerned that the charging arrangement would expose waste haulers to cash flow and bad debt problems, which would in turn affect the survival of small transport companies and lead to possible monopolization of the waste collection trade by large corporations. They also queried if this was the right time to introduce landfill charges given the poor economy and high unemployment rate. Taking into account the mode of operation of the waste collection trade, the waste haulers associations proposed that the direct settlement system be extended to all waste producers, including developers, contractors as well as property management companies. Payment should be made via a chit system to be settled monthly. As for minor renovation works, payment should be borne by the waste producers concerned through the respective management companies. In this way, landfill charges could be settled in an administratively simple manner without the need to involve waste haulers.

Meeting with Hong Kong Dumper Truck Drivers Association (HKDTDA)

(LC Paper No. CB(1) 2075/01-02(13) -- Submission from HKDTDA)

17. Mr HO Hung-fai said that HKDTDA was concerned about the impact of the Scheme on the operation of the waste collection trade. The Administration should take into account the interest of all affected parties to work out an acceptable charging arrangement. He also pointed out that the proposed on-site payment of landfill charges on a “per-tonne basis” at the landfill gate for those waste haulers who had not registered their vehicles with the Environmental Protection Department (EPD) was at variance with the entire charging arrangement.

Meeting with Hong Kong, KLN & NT Grab Mounted Lorries Association Limited

18. As waste haulers were collectors rather than producers of waste, Mr CHAN Hon-chiu said that his association was strongly opposed to the requirement for waste haulers to register their vehicles under the Scheme. He said that the problems arising from the proposed charging arrangement could be effectively resolved by entrusting property management companies with the responsibility for settling landfill charges direct with EPD.

19. Members also noted the following submissions from organizations not attending the meeting -

- (a) LC Paper No. CB(1) 2075/01-02(15) -- Submission from Green Power
- (b) LC Paper No. CB(1) 2075/01-02(16) -- Submission from the Hong Kong Institution of Engineers
- (c) LC Paper No. CB(1) 2075/01-02(17) -- Submission from the Advisory Council on the Environment

Meeting with the Administration

(LC Paper No. CB(1) 1811/01-02(06) -- Background brief prepared by the Legislative Council Secretariat
 LC Paper No. CB(1) 1811/01-02(07) -- Information paper provided by the Administration)

20. With the consent of the Chairman, the Deputy Secretary for the Environment and Food (B) (DSEF(B)) took the opportunity to respond to some of the points raised by deputations. He was pleased that there was general acceptance that the Scheme would provide financial incentive to reduce waste, and that it would facilitate the development of the waste recycling industry. The imposition of landfill charges for C&D waste would be the first step. Efforts would be made to step up publicity on waste reduction. Sorting and waste recycling facilities would be provided to assist waste producers in reducing the amount of waste to be disposed of at landfills. Apart from exempting all construction contracts signed before the implementation of the Scheme, the Administration would work out with the trade details on the applicability of the Scheme to projects tendered before the implementation date.

21. On waste haulers' concern over the proposed account billing system, DSEF(B) pointed out that in many overseas economies, landfill charges were collected through a "gate fee" system whereby waste haulers or individuals who delivered the waste were required to pay the charges at the landfill gate. To address waste haulers' concern about the bad debt problem, the Administration had agreed to impose a direct settlement system for major C&D waste producers who generated 70% to 80% of all C&D waste. As regards waste haulers' proposal to extend the direct settlement

Action

system to the remaining 20% to 30% C&D waste arising mostly from ad hoc renovation works, DSEF(B) advised that this was not feasible since it was not possible to locate each of the over 300 000 small ad hoc waste producers each year. He added that the Administration also considered the suggestion of entrusting property management companies to handle the landfill charges not feasible as not all buildings were managed by property management companies. Therefore, there was no alternative but to collect the landfill charges through waste haulers. To allay their concern about cash flow problem, waste haulers would be billed on a monthly basis and given a credit period of 30 days. Measures would be put in place to suspend the payment of landfill charges if clear evidence was available to show that they failed to collect charges from waste producers within the credit period. Moreover, the Administration intended to set up a liaison group comprising representatives from the Government, Hong Kong Construction Association and waste haulers associations to sort out operational issues relating to the Scheme.

Discussion session

22. On *waste reduction and recycling*, DSEF(B) noted Mr WONG Yung-kan's concern about the provision of sorting facilities to assist the construction industry to reduce and recycle C&D waste. In this connection, two sorting facilities, one in Tuen Mun near the West New Territories Landfill and another in Tseung Kwan O near the South East New Territories Landfill, would be set up. The Administration was examining the implementation details of these facilities with a view to having them in place to tie in with the implementation of the Scheme.

23. Referring to the submission from REDA (LC Paper No. CB(1) 2075/01-02(05)), Ms Audrey EU asked if the Administration would consider specifying the types of C&D waste to be reused in building works as proposed. PAS/EF(B2) said that Authorized Persons were encouraged to effectively manage C&D waste and to apply re-usable materials in construction works where appropriate. The Administration would also examine the need to amend the Buildings Ordinance (Cap. 123) regarding the use of more environmental practices in building works. The Chairman drew members' attention to an explanatory note tabled at the meeting from REDA explaining its position on the matter.

(Post-meeting note: The explanatory note was circulated to members vide LC Paper No. CB(1) 2103/01-02(01).)

24. While acknowledging that there was general support for the principles of the Scheme, Mr Abraham SHEK questioned the basis upon which the landfill charge of \$125 per tonne was arrived at. He pointed out that the average cost of about \$1,500 per vehicle was rather high, particularly amid the present economic situation. The Assistant Director of Environmental Protection (Waste Facilities) (ADEF(WF)) explained that the landfill charge of \$125 per tonne was set to recoup the full capital (\$56) and recurrent (\$69) costs of the three existing landfills. At members' request, the Administration undertook to provide information on the costs of landfills.

25. On *charging arrangement*, Ms Miriam LAU urged the Administration to reconsider the proposal of extending the direct settlement system to small waste producers such that they could dispose of the renovation waste and effect payment through property management companies and contractors registered under the Scheme. In this way, waste haulers would not have to worry about cash flow and bad debt problems as they would only transport and dispose of the waste at landfills upon receipt of the necessary chits. This would also dispense with the need for setting up a complicated account billing system for waste haulers. DSEF(B) explained that unlike C&D waste generated from construction sites which could be effectively monitored, it was difficult to monitor C&D waste arising from ad hoc renovation works given the large number of waste producers and contractors involved, which also explained why it was not possible to extend the direct settlement system to cover these waste producers. On the other hand, the number of waste haulers in Hong Kong was only limited to around two to three thousand. He added that waste haulers were also users of landfills and therefore did have a responsibility to handle landfill charges.

26. Mr HO Kwok-sun/Hong Kong, KLN & NT Refuse Collection Vehicle Owners Union Limited said that waste haulers were strongly opposed to the proposed charging arrangement. He pointed out that unlike most overseas countries where the waste collection trade was dominated by large corporations which had direct accounts with the government, the situation in Hong Kong was very much different in that some of the waste was being collected and disposed of in landfills by individual waste haulers. Instead of imposing an account billing system for waste haulers, consideration should be given to requiring property management companies to register under the direct settlement system, which was much easier to administer given the limited number of only a few hundred property management companies in Hong Kong. As property management companies were well aware of the renovation works within their buildings, Mr WONG Yung-kan agreed that it would not be difficult for them to collect the landfill charges from the waste producers concerned.

27. Ms Emily LAU said that there should not be further delay to the implementation of the Scheme. Noting from HKAPMC's submission that property management companies were willing to collect the charges for removal of renovation waste upon intake of new residential estates, she asked if they would agree to take a step further to collect landfill charges from ad hoc renovation works and pay the waste haulers direct for disposal of waste at landfills. Mr Raymond CHAN/HKAPMC said that while it was a common practice for property management companies to secure a deposit from occupiers of newly completed residential buildings for the removal of renovation waste, they would have difficulties in collecting landfill charges from ad hoc renovation works, which should more appropriately be included in the renovation costs to be settled by the contractors undertaking the works. As property management companies were not waste producers, he failed to see why they should become part of a complicated account billing system involving payment by chits/vouchers when landfill charges could be settled in a much simpler manner.

28. Mr LAW Chi-kwong said that Members of the Democratic Party supported the early implementation of the Scheme and the extension of the direct settlement system to other stakeholders, including property management companies and contractors of ad

hoc renovation works. The problem of locating and setting up accounts for the large number of small waste producers could be resolved using their Business Registration Certificates. For further improvements in the longer term, consideration could be given to allowing on-line registration and use of chits or vouchers for payment of landfill charges via banks. Expressing similar view, Ms Cyd HO said that payment for landfill charges could be effected at automated teller machines similar to the existing arrangement for payment of utility charges. In this way, small waste producers could simply purchase the vouchers and give these to waste haulers for disposal of waste at landfills. Ms Miriam LAU echoed that the proposed extension of the direct settlement system to all waste producers was worth considering as this would in effect hold the polluters responsible for waste generation. Besides, waste haulers had indicated that they were now prepared to accept the chit system. DSEF(B) said that measures to streamline the charging arrangement would be considered in the light of feedback from users after the Scheme came in operation for a certain period of time.

29. Noting that payment of landfill charges could be suspended if waste haulers were unable to recover landfill charges from construction contractors, Ms Audrey EU expressed reservations at the proposed arrangement as this was against the user-pays principle. Ms Miriam LAU also expressed concern that the proposal would be difficult to administer and open to abuse. DSEF(B) said that the proposed suspension was one of the means to alleviate waste haulers' concern about cash flow and bad debt problems. While details of implementation had yet to be worked out, measures would be taken to prevent possible abuse. The Principal Assistant Secretary for the Environment and Food (B2) (PAS/EF(B2)) added that the proposal was put forward by members at the last meeting on 27 May 2002 during which the Administration had agreed to consider the proposal despite the administrative difficulties associated with it. She emphasized that suspension of payment would have to be substantiated by supporting evidence such as a claim lodged at the Small Claims Tribunal.

30. Ms Audrey EU asked if the implementation of the Scheme would involve legislative changes and if so, whether waste producers of ad hoc renovation works would be penalized if their contractors failed to settle the landfill charges. DSEF(B) affirmed that legislative amendments would be required. However, the details had to be worked out with the Department of Justice after details of implementation of the Scheme were agreed by members. PAS/EF(B2) assured members that small waste producers would not be held accountable if they had paid landfill charges to waste haulers. Fly-tippers would be penalized if they were caught disposing of their waste illegally.

31. Mr Abraham SHEK remarked that the Administration should resolve any discrepancy with the affected trades before presenting the Scheme to members. DSEF(B) said that the Administration had made every effort to address the concerns of the affected trades. Waste haulers were nonetheless adamant that they should not be involved in the collection of landfill charges, which in their view was the responsibility of waste producers and property management companies.

32. Ms Emily LAU reiterated the urgent need for the Scheme which was meant to reduce waste and to extend the life span of landfills. The Public Accounts Committee was also very concerned about the delay in the implementation of the Scheme. She cautioned that if all stakeholders were reluctant to get involved in the collection of landfill charges, there would be no alternative but to adopt the “gate fee” system. Mr Daniel CHENG/HKWMA said that as a member of the public, he was concerned about the high administrative costs incurred from a complicated accounting system involving large numbers of stakeholders. He considered that the Administration should further look into the applicability of the much simpler “gate fee” system being adopted by many overseas countries. Given the differences in opinion among the affected trades, Ir Otto POON/WRC said that it would be for LegCo Members to decide on the way forward.

33. The Chairman said that LegCo Members, including Members of the Democratic Alliance for the Betterment of Hong Kong, had all along been supportive of the Scheme. It was also evident from the views expressed at the meeting that there was general support for the principles of the Scheme despite the discrepancies on how the Scheme should be implemented. She hoped that the Administration would take into account the views put forward by the trades in working out the implementation details for the Scheme. DSEF(B) thanked members and deputations for their views. While agreeing to consider the various proposals being put forward, he stressed the need to ascertain their practicability.

V Any other business

34. There being no other business, the meeting ended at 4:30 pm.

Legislative Council Secretariat
7 October 2002