

立法會
Legislative Council

LC Paper No. CB(1) 2411/06-07
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EA/1

Panel on Environmental Affairs

Minutes of meeting
held on Monday, 16 July 2007, at 8:30 am
in the Chamber of the Legislative Council Building

Members present : Hon Audrey EU Yuet-mee, SC, JP (Chairman)
Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon SIN Chung-kai, SBS, JP
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon CHOY So-yuk, JP
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon TAM Heung-man

Members attending : Hon CHAN Yuen-han, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP

Members absent : Hon Martin LEE Chu-ming, SC, JP
Hon WONG Yung-kan, SBS, JP

Public officers attending : **For item III**

Environmental Protection Department

Mr Raymond FAN
Deputy Director (2)

Mr Alfred LEE
Assistant Director (Waste Management Policy)

Mr TE Chi-wang
Senior Administrative Officer (Waste Management Policy)

**Attendance by
Invitation**

: For Item III

Democratic Alliance for the Betterment and Progress of
Hong Kong

Mr Hoden CHOW
Deputy Spokesman of Environmental Affairs

Green Council

Ms Linda HO
Chief Executive Officer

Green Sense

Mr Roy TAM
President

Friends of the Earth (HK)

Ms Michelle AU
Environmental Affairs Officer

Association of Engineering Professionals in Society

Ir YIM Kin-ping
Senior Vice Chairman

Civic Party

Mr Alfred LEE
Convenor, Solid Waste Management Group

Hong Kong Plastic Bags Manufacturers' Association

Mr Rickly WONG
Executive Vice-President

Green Manufacturing Alliance

Mr Robert YAN
Chairman

The Hong Kong Institution of Engineers

Ir Dr LO Wai-kwok
President

Clean Air Action Group

Ms Yolanda NG
Convenor

The Chartered Institution of Water and Environmental
Management Hong Kong

Mr Alex KWAN
Chairman

The Conservancy Association

Mr Peter LI
Campaign Manager

Advisory Council on the Environment

Dr YAU Wing-kwong
Member

Green Student Council

Mr Angus HO
Executive Director

Hong Kong Retail Management Association

Ms Caroline MAK
Member of Strategic Sub-Committee

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

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

Miss Mandy POON
Legislative Assistant (1)4

I. Information paper issued since last meeting

(LC Paper No. CB(1) 1979/06-07(01) — Administration's response to a submission forwarded by Hon Emily LAU on the subject of extension of the South East New Territories Landfill)

Ms Emily LAU requested and the Chairman agreed that the proposed extension of the South East New Territories Landfill should be included in the list of outstanding items for discussion by the Panel.

II. Items for discussion at the next meeting

(LC Paper No. CB(1) 2078/06-07(01) — List of follow-up actions
LC Paper No. CB(1) 2078/06-07(02) — List of outstanding items for discussion)

2. The Chairman reminded members that a special Panel meeting would be held on Friday, 20 July 2007, at 2:30 pm to receive a briefing by the Secretary for the Environment and to exchange views with deputations on the environmental impacts arising from the proposed construction of a Liquefied Natural Gas Receiving Terminal at South Soko Island.

III. A proposal on an environmental levy on plastic shopping bags

Meeting with Democratic Alliance for Betterment and Progress of Hong Kong (DAB)
(LC Paper No. CB(1) 2078/06-07(03))

3. Mr Hoden CHOW, Deputy Spokesman of Environmental Affairs, said that DAB supported in principle the proposed environmental levy on plastic shopping bags given by relevant retailers as this would improve consumers' awareness on environmental protection. It would also support the adoption of a phased approach to first cover chain or large supermarkets, convenience stores, personal health and beauty stores to start changing the public habit. However, the Administration should work out the arrangements for implementation of the second and subsequent phases of the scheme. DAB would suggest that the environmental levy should not form part of Government revenue but should go to the Environment and Conservation and Fund to support waste recycling and nature conservation initiatives. There was also a need to work out recycling mechanisms for used plastic bags and to regularly update the public on the progress of implementation of the levy.

Meeting with Green Council
(LC Paper No. CB(1) 2078/06-07(04))

4. Ms Linda HO, Chief Executive Officer, said that while the Green Council was supportive of the imposition of environmental levy on plastic shopping bags, it held the view that the success of the scheme would largely hinge on the changing of

consumer attitudes and habits through public education. In parallel with the environmental levy, efforts should be made to develop and provide positive incentives, like shopping discounts or coupons, for consumers to reduce the indiscriminate use of plastic shopping bags. Reusable bags supplied by large chain stores should be made from durable materials and large enough for effective use. The phased approach of the scheme should be explicitly stated in order to assure the affected retailers that they were not being targeted at and to alert other retailers to prepare for the same requirements and conditions in future. Public education on the need to reduce waste to address the problem of depletion of landfill spaces should also be stepped up.

Meeting with Green Sense

(LC Paper No. CB(1) 2078/06-07(05))

5. Mr Roy TAM, President, said that Green Sense would fully support the phased implementation of environmental levy on plastic shopping bags as soon as possible starting with chain or large supermarkets, convenience stores and personal health and beauty stores as it would help change the public habit in a stepwise manner. With the successful implementation of the first phase of the scheme, consideration should be given to further expanding the scheme to include newspaper stalls and bakery stores which were often found to have abused the use of plastic bags. The Green Sense believed that the environmental levy on plastic shopping bags was the first Producer Responsibility Scheme (PRS) to be followed by other schemes which aimed to reduce waste and to address the problem of depletion of landfills. It would also support the charging of municipal solid waste (MSW). The environmental levy collected should be used to support measures to protect the environment and should not be merely included as part of Government revenue.

Meeting with Friends of the Earth (HK) (FOE)

(LC Paper No. CB(1) 2078/06-07(06))

6. Ms Michelle AU, Environmental Affairs Officer, said that FOE welcomed the imposition of environmental levy on plastic shopping bags, which in its view should have been implemented earlier to avoid the indiscriminate use of plastic bags. She said that according to the Irish environmental authorities, the imposition of environment levy on plastic shopping bags in Ireland in 2002 had been able to reduce the number of used plastic bags from 200 million to 90 million, representing a 92% reduction together with a reduction in landfill space from 5% to 0.2%. While supporting the phased implementation of the levy as this would help the public to adjust to the changes, FOE considered it necessary that a comprehensive review should be conducted on the scheme one year after implementation. A time table should be set for the second phase of the scheme so that the smaller retail stores would be prepared for its implementation. She also urged the public to bring their own shopping bags because in this way, they would not have to pay the environmental levy.

Meeting with Association of Engineering Professionals in Society Ltd (AEPS)

(LC Paper No. CB(1) 2078/06-07(07))

7. Ir YIM Kin-ping, Senior Vice Chairman, said that in view of the imminent and

serious waste problem in Hong Kong, AEPS was in full support of the adoption of the "polluter-pays principle" to tackle the waste problem and the belated introduction of an environmental levy on plastic shopping bags to discourage the indiscriminate use of plastic bags. It believed that the proposed levy of 50 cents per plastic bag as a start would create a deterrent effect and help change public behaviour to use fewer plastic shopping bags and turn to re-usable bags. Depending on the result of the scheme, consideration should be given to raising the levy to one dollar or introducing a sliding charge in respect of the number, weight and size of plastic shopping bags so as to enhance the effectiveness of the scheme. AEPS had no objection to the phased approach, but considered that all 55 000 retail outlets in Hong Kong should ultimately be included in the scheme once the administrative problems were resolved. It also supported that the scheme should apply to all types of bags, be they plastic, non-plastic, degradable or non-degradable to discourage the indiscriminate use of these bags. A life cycle analyses of the various types of shopping bags should be carried out to assess their environmental impacts. AEPS held the view that the collected levy of about \$200 million each year should be deposited into a separate fund rather than Government revenue, and the money should be used for environmental protection initiatives.

Meeting with Civic Party (CP)
(LC Paper No. CB(1) 2078/06-07(08))

8. Mr Alfred LEE, Convenor of the Solid Waste Management Group, said that CP considered the designation of limited retailers under the scheme not apparent to the public, and that the proposed levy at a flat rate would encourage customers to demand larger shopping bags. It held the view the environmental levy on plastic shopping bags should be reviewed one year after its implementation, with a view to working out the next course of action, and that biodegradable bags should not be exempted from the scheme as these would require more resources for their production. There was a need to step up public education against the indiscriminate use of plastic shopping bags, and to introduce incentives to encourage the use of re-usable bags. The environmental levy collected should not be included as Government revenue, but should be used to set up a special fund to take forward waste reduction projects, for example, in the reduction of disposables in fast food shops and foam lunch boxes in schools.

Meeting with Hong Kong Plastic Bags Manufacturers' Association (HKPBMA)
(LC Paper No. CB(1) 2078/06-07(09))

9. Mr Rickly WONG, Executive Vice-President, said that while the trades were supportive of the need to protect the environment, they were opposed to the imposition of environmental levy on plastic shopping bags in the absence of detailed studies on the environmental strategy and life cycle analyses of the various types of shopping bags. It was regretted that the Government intended to implement the scheme hastily to increase Government revenue, without making reference to the unsuccessful experience in other countries. By way of illustration, food shops in Taiwan were not required to collect the environmental levy on plastic bags since May 2006 as other plastic wastes had increased from 50 million to 90 million tonnes. In the case of

Ireland, the number of plastic bags had been reduced after the introduction of environmental levy, but there was an increase in other plastic wastes and packaging materials. A further increase in environmental levy was contemplated. Meanwhile, Scotland had withdrawn the proposal on environmental levy as it was not considered cost effective. The study made by the Australian Government had also found that the curb on plastic bags would bring about more environmental problems because other alternatives were even more polluting. He pointed out that there was no indiscriminate use of plastic shopping bags in Hong Kong as 90% of people were re-using plastic bags. As plastic bags had only occupied 1% of landfill space, the reduction in the use of plastic bags could not have extended the lifespan of landfills. He said that the Government should take the lead in promoting recycling industries, and set better standards for re-usable bags so that these could be more durable. Reduction targets and incentives should be provided for plastic bags. Lastly, HKPBMA held the view that the scheme would not be feasible nor would it achieve the desired environmental objective. Instead, the Administration should set clear and practical environmental initiatives to reduce waste.

Meeting with Green Manufacturing Alliance (GMA)
(LC Paper No. CB(1) 2078/06-07(10))

10. Mr Robert YAN, Chairman, said that GMA would support measures to reduce the indiscriminate use of plastic bags as well as initiatives to reduce, recycle and re-use waste materials (the three Rs). However, it did not support the imposition of environmental levy given the unsuccessful experience in Taiwan and Ireland. He opined that Government should take the lead in promoting the three Rs, particularly in the manufacturing industries, taking into account the latest technological development.

Meeting with The Hong Kong Institution of Engineers (HKIE)
(LC Paper No. CB(1) 2078/06-07(11))

11. Ir Dr LO Wai-kwok, President, said that HKIE was supportive of Government's initiative to reduce solid wastes through economic means and actions to stop the indiscriminate use of plastic shopping bags. The initial phase of the scheme should only be viewed as a pilot trial scheme because this would unlikely achieve significant benefits since the relevant retailers covered under the scheme only comprised less than 4% of retail outlets. HKIE considered it scientifically incorrect to apply the same environmental levy of 50 cents per bag irrespective of its size and weight. Consideration should be given to collecting the levy directly through plastic bag suppliers based on the weight of plastic bags provided. The curb on plastic bag use might not necessarily induce reduction in solid wastes if people switched to use paper bags or fabric bags, the latter might be disposed without being re-used once becoming dirty. Besides, paper bags and fabric bags would take much more energy in their production. As such, HKIE would advise against any improper message and education on the use of so-called "environment friendly" shopping bags which might possible give rise to more environmental problems than plastic bags. The Government should consider providing incentives in the form of reward and subsidy to promote attractive and environmentally green shopping bags for repeated uses.

Meeting with Clean Air Action Group
(LC Paper No. CB(1) 2078/06-07(12))

12. Ms Yolanda NG, Convenor, said that the Clean Air Action Group would support the implementation of environmental levy on plastic shopping bags to discourage indiscriminate use. She opined that Hong Kong should make reference to overseas experience and formulate its own levy system through the introduction of relevant legislation. Apart from re-usable bags, consideration could be given to using food containers when shopping for food.

Meeting with The Chartered Institution of Water and Environmental Management Hong Kong (CIWEN HK)
(LC Paper No. CB(1) 2078/06-07(13))

13. Mr Alex KWAN, Chairman, said that CIWEN HK supported Government's approach of adopting PRS to address the waste problems in Hong Kong. It also supported the proposed levy scheme as a starting point to materialize PRS. However, the Administration should provide clear milestones and quantitative waste reduction targets, as well as available options with cost-benefit analyses to help formulate long-term policy decisions. Practical alternatives for plastic bags should be devised and promoted before the levy was put in force. The span of control of the levy scheme should be extended to cover department stores and other retail shops as far as practicable. The levy scheme should not be taken as a means for generating Government revenue and the collected levy should be properly used in supporting conservation programmes open for bidding by local organizations.

Meeting with The Conservancy Association (CA)
(LC Paper No. CB(1) 2078/06-07(15))

14. Mr Peter LI, Campaign Manager, said that CA supported the proposed introduction of the levy scheme based on the polluter-pays principle to address the waste problems in Hong Kong, but considered the scope of the scheme too small. It also supported the phased approach and the subsequent expansion of the scheme after a review was made one year after implementation. Apart from reducing the use of plastic bags, other measures should be introduced to reduce packaging. The charging of MSW by weight would serve as an incentive to reduce waste. Public education and publicity efforts were needed to ensure success of the levy scheme. The scheme should be transparent and revenue-neutral so that the collected levy would be used to support environmental initiatives instead of becoming part of Government revenue.

Meeting with Advisory Council on the Environment (ACE)
(LC Paper No. CB(1) 2078/06-07(16))

15. Dr YAU Wing-kwong, member, said that ACE supported the Administration's proposal to introduce an environmental levy on plastic shopping bags, which aimed to reduce the indiscriminate use of plastic shopping bags through a direct economic disincentive. The proposed environmental levy represented a major step forward in putting the polluter-pays principle into practice. The scheme, being the first phase in

the introduction of PRS in Hong Kong, should be simple and easy to administer such that it could get off the ground smoothly. The scheme should be reviewed in a year's time so that consideration should be given to extending the scheme to other retail outlets so as to realize more environmental benefits and foster a level-playing field in the affected business sector. Meanwhile, the Administration should continue with voluntary efforts on plastic shopping bag reduction, especially at retailers not yet covered by the scheme. ACE urged the Administration and Legislative Council to work together to bring in this statutory PRS as soon as practicable.

Green Student Council (GSC)

(LC Paper No. CB(1) 2078/06-07(17))

16. Mr Angus HO, Executive Director, said that GSC had been advocating the "No Plastic Bag" Campaign at newspaper stands since 1999 and had successfully launched the "No Plastic Bag Day" Campaign at retail chains. Hence, it would support the early introduction of the levy scheme and the phased implementation starting with chain or large supermarkets, convenience stores and personal health and beauty stores. Regular reviews should be conducted on the progress of the levy scheme and the details of the next phase should be worked out one year after implementation. Retail outlets not included in the first phase of the scheme should be allowed to participate on a voluntary basis. According to a survey conducted by GSC, over 80% of the public were in support of the levy. Notwithstanding, there was a need for public education and publicity efforts to promote reduction in the use of plastic bags. While acknowledging the proposed levy of 50 cents would provide the needed deterrent effect, GSC held the view that the levy scheme should be open and transparent and the collected levy should be used to finance waste reduction projects, such as the reduction of disposable lunch boxes in schools.

Hong Kong Retail Management Association (HKRMA)

(LC Paper No. CB(1) 2100/06-07(01))

17. Ms Caroline MAK, member of Strategic Sub-Committee, set out HKRMA's views as follows -

- (a) HKRMA supported a holistic approach in addressing the environmental protection issues as proposed by the Government under the Policy Framework for the Management of Municipal Solid Waste (2005 - 2014);
- (b) the proposed levy scheme did not address the issue of approximately eight billion plastic bags, from sources other than chain stores, which represented more than 90% of the total number of plastic bags disposed of in the landfill. Consumers would to be able to obtain "free" plastic shopping bags at 96% of the retail outlets in Hong Kong and might use these free plastic bags while shopping at the chain stores, thereby "switching" but not reducing the use of plastic shopping bag;

- (c) the proposed scheme might result in little or no reduction in the amount of tonnage of plastic bags (including plastic shopping bags, plastic garbage bags and other plastic packaging bags) disposed of in the landfills as plastic shopping bags were used as garbage bags by over 90% of households. In the absence of comprehensive waste reduction, recycling and re-use measures, households would use more garbage bags to throw away waste. As a result, there might be less shopping bags but more garbage bags disposed of in the landfills;
- (d) a Regulatory Impact Assessment study should be carried out to ascertain whether the proposed scheme would result in a reduction of tonnage of plastic bags in the landfills;
- (e) a waste reduction target should be set and a voluntary scheme should be applied across all sectors; and
- (f) any proposed measures, including a levy, must be applied across the board to the business sector, including all retailers.

18. The Chairman drew members' attention to the following submissions from deputations not attending the meeting -

LC Paper No. CB(1) 2078/06-07(18) — Submission from Hong Kong Waste Management Association

LC Paper No. CB(1) 2078/06-07(19) — Submission from Members of the Sai Kung District Council

LC Paper No. CB(1) 2100/06-07(02) — Submission from Christians for Eco-concern

Meeting with the Administration

(LC Paper Nos. CB(1) 1666/06-07(17) and 2078/06-07(20))

19. The Deputy Director of Environmental Protection (2) (DDEP(2)) said that the "First Sustainable Development Strategy for Hong Kong" had recommended, among others, that the polluter-pays principle should be implemented to tackle the waste problem. As foreshadowed in the "Policy Framework for the Management of Municipal Solid Waste (2005-2014)" (the Policy Framework), the Administration proposed to introduce a PRS on plastic shopping bags. The current proposal of an environmental levy was meant to target at the indiscriminate use of plastic shopping bags. The Administration had liaised with retail chains on the voluntary reduction in the usage of plastic shopping bags since early 2006. It had also supported the "No Plastic Bag Day" Campaign launched by green groups. Since voluntary and publicity efforts had not been able to significantly deter the indiscriminate use of plastic shopping bags, the Administration had proposed a statutory PRS targeting at plastic shopping bags.

20. As regards overseas experience, DDEP(2) said that there were successful experiences on the imposition of environmental levy in other countries, as well as lessons to learn from. He clarified that the reason why Scotland had not imposed the environmental levy was because the relevant legislation was introduced by way of a Private Member's Bill, and the parliament preferred a more comprehensive waste management strategy, similar to Hong Kong's Policy Framework. As for the experience in Ireland, he said that there was a 95% reduction in plastic bag usage in the first year of implementation of the environmental levy, but the percentage had dropped to about 80% to 90% in subsequent years. As such, the Irish Government decided to increase the levy by about 50% to increase the deterrent effect. In Hong Kong, the amount of construction waste disposed of in landfills had effectively been reduced by 40% since the introduction of the Construction Waste Charging Scheme in 2006. This served to show that direct economic incentives were needed to enable the success of waste reduction schemes.

21. On the use of the collected levy, DDEP(2) explained that the provision of funding in support of environmental initiatives by the Government would be independent of the collected levy. Besides, the revenue from the levy would unlikely be significant if the scheme was successful when the public had developed a habit of not using plastic bags. As contained in the Policy Framework, a series of PRSs for other waste types would be introduced at a later stage. To achieve the waste reduction targets, consideration would be given to introducing the MSW Charging Scheme.

General discussion

22. Ms Emily LAU expressed regret that the Secretary for the Environment had not attended the meeting to exchange views with deputations on the subject. She said that while Members of the Frontier would support the proposed introduction of environmental levy, they were well aware of the concerns expressed by the trades, some of whom claimed that they had not been consulted on the scheme except for the level of the levy. Noting that the Government of San Francisco had gone through much difficulty in introducing the levy scheme on plastic bags, she sought the trades' views on whether they were prepared to accept the proposed levy scheme.

23. Mr Robert YAN/GMA said that the trades were in support of the three Rs, but not the levy scheme which only provided for levies and not incentives for the use of biodegradable plastic bags manufactured using the latest technologies. Mr Rickly WONG/HKPBMA said that the trades did not accept that the environmental levy should only target at plastic bags. Besides, the use of other alternatives to replace plastic bag was equally polluting and would lead to other environmental problems. Ms Caroline MAK/HKRMA said that the Administration had failed to address the problem of plastic bags given by over 90% of the retail outlets not covered under the scheme. The environmental levy, if introduced, should apply to all retailers and not just large chain stores and supermarkets. Moreover, the waste reduction targets set by the Administration seemed to be at variance with what could be achieved by the trades. Through the Chair, DDEP(2) said that the trades had been adequately consulted on the proposal. At members' request,

Admin the Administration undertook to provide a report setting out the outcome of consultation with the trades on the levy scheme.

24. Mr LEE Wing-tat opined that that it would be difficult to implement the trades' suggestion of applying the environmental levy to all retailers at one go instead of through the proposed phased approach as this would incur significant resources in monitoring and control, particularly in respect of smaller retail outlets. He agreed with Mr Robert YAN of GMA on the need for incentives to curb the use of plastic bags. Chain supermarkets which had participated in the "No Plastic Bag Day" Campaign and had successfully reduced the use of plastic bags would receive good publicity which was conducive to their business in the long run. DDEP(2) said that it would be administratively simpler to apply the scheme to major supermarkets and chain stores. The Administration would continue its efforts to encourage retail outlets which were not covered under the first phase of the scheme to participate in voluntary waste reduction projects. A review would be conducted one year after implementation of the scheme with a view to expanding it to cover more retail outlets. The Administration would follow-up on the latest development of environment-friendly products to replace plastic bags and would consider providing incentives for their use. In any case, the best way to reduce waste was for consumers to bring their own re-usable bags when shopping.

25. Mr LAU Kong-wah enquired how political parties could convince the public to accept the levy scheme. Mr Hoden CHOW/DAB said that the focus should be on the need for environmental protection. As with the anti-smoking campaign, the scheme would first be met with opposition but would be generally accepted by the public later. Once the levy was implemented, consumers would feel the pressure to reduce the indiscriminate use of plastic bags. Mr Alfred LEE/CP said that consumers could choose to bring their own re-usable bags to supermarkets if they wanted to avoid the payment of environmental levy. More education and publicity efforts were needed to change the consumers' habit of using plastic bags. Instead of confining the first phase of the scheme to chain or large supermarkets, convenience stores and personal health and beauty stores, consideration could be given to extending the scheme to retailers who wished to join on a voluntary basis.

26. On overseas experience, Mr LAU Kong-wah sought deputations' views on the implementation of the levy scheme in different countries. Ms Michelle AU/FOE said that the Taiwan experience had provided a very good reference for Hong Kong in view of their similar cultural background. The Taiwan experience did not turn out to be too successful since the levy charged was too minimal to achieve a deterrent effect. Besides, the levy collected was not for the Government but the retailers. Hong Kong could benefit from hindsight the experience of Taiwan in implementing the levy scheme. As for Ireland, the levy scheme was much easier to implement since it was targeted at major supermarket chains. Mr Rickly WONG/HKPBMA clarified that the levy charged in Taiwan was NT\$2 which was equivalent to HK\$0.5 per bag. The fact that the use of plastic bags was on the rise even after the introduction of the levy was because plastic bags were a necessity. He pointed out that the curb on plastic bags would result in the higher usage of paper and fabric bags as well as other packaging materials.

27. Ms Emily LAU was concerned that the levy might have to be revised upwards, as in the case of Ireland, and that the public should be prepared for the increase. Mr Peter LI/CA said that the increase in levy for plastic bags had been provided for in the relevant legislation introduced in Ireland. Ms Michelle AU/FOE said that the increase in levy was necessitated in Ireland on account of the rise in usage of plastic bags. She opined that any future increase in levy should be governed by established guidelines based on the use of plastic bags. Ms Caroline MAK/HKRMA held the view that a Regulatory Impact Assessment should have been conducted on the proposed scheme. Ir YIM Kin-ping/AEPS said that while the proposed environmental levy would help in discouraging the indiscriminate use of plastic bags, efforts were needed to encourage more innovative technology aiming at the manufacture of more environment friendly products to replace plastic bags. Consideration should also be given to levying carbon tax against non-environmental practices. Ms Linda HO/Green Council said that the PRSs in overseas countries were mostly targeted at plastic bottles rather than plastic bags, and that more attention should be given to identifying alternatives rather than imposing levy on plastic bags. Through the Chair, DDEP(2) said that the Administration noted the views put forward by deputations and would take follow-up actions as appropriate.

28. On the application of the levy scheme, Miss TAM Heung-man urged the Administration to use the collected levy to set up a separate fund for environmental protection purposes as otherwise the levy scheme would end up as a revenue raising measure. She was also concerned that if the public were to use paper bags to replace plastic bags, the same waste problem would arise. Therefore, there was a need to encourage the public to bring their re-usable bags when shopping. Ms Michelle AU/FOE said that it would be quite unlikely that there would be a switch from plastic to paper bags in view of the cost implications since the latter were more costly and space consuming. She nevertheless emphasized the need to extend the levy scheme to bags made of non-plastic materials if it turned out that these were used to replace plastic bags. She also pointed out the need to review the level of the levy to maintain its deterrent effect. Mr Robert YAN/GMA suggested that consideration could be given to introducing an incentive scheme for replacement of plastic bags, similar to that for environment friendly vehicles. This would encourage the use of more environment friendly alternatives to replace plastic bags. He also expressed concern about the Government's procurement policy which was based on pricing. As a result, a number of environment friendly products were not procured because of their higher prices. Mr Hoden CHOW/DAB said that in order to control the use of plastic/paper bags, consideration could be given to monitoring the distribution of these bags by suppliers. In this way, the Administration would be able to find out which retail outlets had been abusing the use of plastic/paper bags. Mr Angus HO(GSC) said that education played a key role in promoting environmental awareness as evidenced by the success of the "No Plastic Bag Day" Campaign where the public were accustomed to bring their own bags when shopping. He shared the view about the need to extend the levy scheme to bags made of non-plastic materials if it turned out that these were used to replace plastic bags.

29. On recycling of plastic bags, Mr Andrew LEUNG said that plastic bags were in fact more environment friendly than most other alternative packaging materials which required more resources in their production. While the introduction of the environmental levy might be able to reduce the use of plastic bags, this would only constitute a small percentage of waste disposed of at landfills. As plastic bags could be recycled and/or re-manufactured for other uses, he enquired about the efforts which the Administration and the industries had made in this respect. He added that the introduction of the environmental levy should not be the only means to resolve the waste problem and a package of other measures, including separation and charging of MSW as well as enhanced publicity efforts, were needed. DDEP(2) said that a comprehensive plan to tackle the waste problem based on the three Rs had been worked out by the Administration. This included a territory-wide campaign to promote separation of domestic waste at source where about two million people in Hong Kong had participated. The recyclables collected would be processed by the local waste recycling industries as far as practicable and more efforts to promote recycling would be made. Meanwhile, education and publicity efforts would continue to be made to enhance public awareness on waste reduction measures. The feasibility of introducing charging for MSW, which was very effective in the reduction of waste, would be explored.

30. While expressing support for the levy scheme, Miss CHAN Yuen-han considered that more efforts should be made in the recycling of plastic bags. DDEP(2) said that the recycling of plastic bags and the use of paper bags as an alternative would be looked into in the review of the levy scheme. At members' request, the Administration undertook to provide an information paper on the recycling of plastic bags.

Admin

31. On the legislative time table for the levy scheme, Mr SIN Chung-kai said that Members of the Democratic Party supported the scheme. While supporting the implementation of the environmental levy on plastic bags as a starting point, he requested the Administration to take into account overseas experience before introducing the scheme. He hoped that the relevant legislation, which would likely attract much controversy, could be introduced as soon as practicable, preferably within this year. He shared the view that differential levy should be applied to plastic bags which were biodegradable, as an incentive to use more environmental friendly products.

32. While supporting the introduction of environmental levy, Miss CHOY So-yuk stressed that it was the indiscriminate use rather than the normal use of plastic bags which should be discouraged. She said that the implementation of the levy scheme alone could not have resolved the waste problem and more PRSs based on the polluters-pays principle should be introduced as soon as practicable. DDEP(2) agreed that the scheme should be targeted at the indiscriminate use of plastic shopping bags. He said that the Administration intended to introduce the legislation on PRS and the levy scheme in 2007, after further consultation with the trades. Apart from the environmental levy on plastic shopping bags, the Administration had plans to introduce PRSs on packaging materials, beverage containers, rechargeable batteries, waste tyres, and waste electric/electronic equipment, etc. The environmental groups

had called for the early introduction of the PRS on packaging materials, since the levy on plastic shopping bags might have impact on the packaging materials to be used.

33. The Chairman noted that the environmental levy on plastic shopping bags would be the first PRS to be introduced under the legislation on PRS. Since the levy was being charged on consumers who were not the producers of the product, she enquired how the scheme and the responsibility of the producer could fit in with the spirit of the legislation. DDEP(2) explained that PRS would involve manufacturers, importers, wholesalers, retailers and consumers, and indeed all stakeholders who would lead to the production of waste. As such, the proposed legislation on PRS would be named "Product Eco-responsibility Bill" to reflect the intended purpose of sharing responsibility along the chain of production, distribution, consumption, collection, recycling, treatment and disposal of waste. According to overseas experience, an umbrella approach was commonly used to implement PRS by way of an enabling legislation which provided the core elements of PRS while detailed regulatory requirements would be set out in the subsidiary legislation subsequently.

34. Noting that the enabling legislation for PRSs would only be introduced in November this year, the Chairman was concerned that this would leave very little time for members to scrutinize such controversial legislation before the end of the legislative term in 2008. As different PRSs would affect different trades, it was likely that the affected parties would be very keen to give their views during the scrutiny period and this would take up a lot of time. She hoped that the Administration would give thoughts to the timeliness of the legislative process. Ms Emily LAU said that there might be a need for the Administration to liaise with the political parties during the interim with a view to reaching a consensus on the way forward on PRSs before introducing the relevant legislation. At members' request, the Administration undertook to provide the timetable for introducing the Product Eco-responsibility Bill and its subsidiary legislation.

Admin

35. Miss CHOY So-yuk said that it would not be possible to formulate an enabling legislation to cover all PRSs on plastic bags, waste tyres, bottles etc. Hence, it would be more desirable to set out specific regulatory controls for individual products in separate bills. She also considered it necessary for the Administration to liaise with the Mainland authorities on the means through which the Basel Convention in relation to the recycling of waste should be implemented between the two sides. DDEP(2) undertook to follow-up on the implementation of the Basel Convention with regard to the recycling of waste.

Admin

IV. Any other business

36. There being no other business, the meeting ended at 10:45 am.