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**Bills Committee on  
Product Eco-responsibility Bill**

**Background brief prepared for the  
meeting on 24 January 2008**

**Purpose**

This paper gives a summary of discussion by the Panel on Environmental Affairs (the Panel) on the new legislation for the implementation of producer responsibility schemes (PRS)<sup>1</sup> in Hong Kong.

**Introduction**

2. In December 2005, the Administration published “A Policy Framework for the Management of Municipal Solid Waste (2005-2014)” (Policy Framework) setting out its strategy to tackle the imminent waste problem. Enshrining the principle of “polluter pays” and the element of “eco-responsibility”, PRS is a key policy tool in the Policy Framework for waste reduction, recovery and recycling. Under PRS, manufacturers, importers, wholesalers, retailers and consumers are required to share the responsibility for the collection, recycling, treatment and disposal of end-of-life products with a view to avoiding and reducing the environmental impacts caused by such wastes.

**Mandatory PRS**

3. In 2002, the Administration launched a voluntary PRS for mobile phone rechargeable batteries, which was later extended to cover other types of rechargeable batteries. While the voluntary PRS has certain impact on waste reduction and recycling, it is considered that mandatory PRS should be introduced to achieve more substantial results. As such, the Administration proposes in the Policy Framework

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<sup>1</sup> PRS can take the form of –

- (a) product take-back schemes to ensure proper treatment of end-of-life products;
- (b) deposit—refund schemes to ensure the return of end-of-life products;
- (c) advanced recycling fees to finance the treatment of end-of-life products; and
- (d) environmental levies to discourage the use of certain products at source.

the introduction of PRS for the following six types of products –

- (a) Vehicle tyres;
- (b) Plastic shopping bags;
- (c) Electrical and electronic equipment;
- (d) Packaging materials;
- (e) Beverage containers; and
- (f) Rechargeable batteries.

These products are accorded priority because they could be a stable source of materials for developing local recycling industry and their diversion from landfills could help save landfill space.

4. The Administration proposes to adopt an umbrella legislative approach to implement PRS i.e. an enabling legislation to provide for the shared core elements of PRS with detailed regulatory requirements in respect of individual types of products to be set out in subsidiary legislation when the opportunity is ripe.

### **The Bill**

5. The Bill provides a legal framework for implementing PRS in Hong Kong, with the environmental levy on plastic bags as the first PRS under the Bill.

### **Major issues raised by the Panel**

6. On 24 April 2006, the Panel received a briefing on the proposed legislation for implementation of PRS. While supporting in general the concept of PRS, members were particularly concerned about the proposed umbrella approach since the enabling legislation would be seen as a lip service in the absence of regulatory control. They considered that a separate bill for each product would be more desirable than a legislative framework without the regulatory control. A separate bill for each PRS would also allow sufficient time for the Legislature to consult stakeholders and examine each Bill. According to the Administration, the umbrella approach was commonly adopted by overseas countries in implementing PRS. Consultation would be held with the stakeholders so that they would be made aware of the details of the schemes and their responsibility for the collection, recycling, treatment and disposal of end-of-life products. To allow sufficient time for the scrutiny of PRS regulations, consideration would be given to using a positive vetting procedure for these regulations. The Administration also undertook to consider members' suggestion that at least one PRS regulation would be submitted together with the enabling legislation to facilitate understanding on the proposed regulatory control.

7. On 28 May 2007, the Panel was consulted on the Administration's proposal to introduce a PRS on plastic shopping bags involving an environmental levy. Retailers covered by the scheme will no longer be allowed to give out free plastic shopping bags, and their customers must pay an environmental levy, which will be initially set at 50 cents, for each plastic shopping bag they ask for. Members generally supported the proposal which aimed to reduce the indiscriminate use of plastic shopping bags. However, concern was raised on the scope of the scheme which would only cover chain or large supermarkets, convenience stores and personal health and beauty stores in the first phase. They considered it more equitable to apply the levy across the board to all retail outlets. As the proposal would require a change in the public's habit, publicity and public education should be stepped up to promote behavioural change.

8. Given the far-reaching implications of the proposed PRS on plastic shopping bags, stakeholders, including the affected trades and green groups, were invited to express their views at the Panel meeting on 16 July 2007. While supporting the need to protect the environment, the trades were opposed to the imposition of environmental levy on plastic shopping bags given the unsuccessful experience in countries like Taiwan and Ireland, the former of which had ceased collection of the levy since other plastic wastes had increased from 50 million to 90 million tonnes while the latter had to contemplate an increase in the levy as a result of the surge in other plastic wastes and packaging materials. They also pointed out that there was no indiscriminate use of plastic shopping bags in Hong Kong as 90% of people were re-using plastic bags for purposes such as garbage bags. Other organizations however generally supported the implementation of an environmental levy of plastic shopping bags, but considered it necessary that a comprehensive review of the scheme should be conducted one year after implementation. A time-table should be set for the second phase of the scheme so that smaller retail stores would be prepared for inclusion in the scheme. The levy collected should be used to support environmental initiatives instead of becoming a part of Government revenue. In parallel, public education on the need to reduce waste to address the problem of depletion of landfill spaces should be stepped up.

### **Relevant papers**

Information paper provided by the Administration for the Environmental Affairs Panel meetings on 24 April 2006

<http://www.legco.gov.hk/yr05-06/english/panels/ea/papers/ea0424cb1-1300-4-e.pdf>

Minutes of the Environmental Affairs Panel meeting on 24 April 2006

<http://www.legco.gov.hk/yr05-06/english/panels/ea/minutes/ea060424.pdf>

Information paper provided by the Administration for the Environmental Affairs Panel meetings on 28 May 2007

<http://www.legco.gov.hk/yr06-07/english/panels/ea/papers/ea0528cb1-1666-17-e.pdf>

Minutes of the Environmental Affairs Panel meeting on 28 May 2007

<http://www.legco.gov.hk/yr06-07/english/panels/ea/minutes/ea070528.pdf>

Information paper provided by the Administration for the Environmental Affairs Panel meetings on 16 July 2007

<http://www.legco.gov.hk/yr06-07/english/panels/ea/papers/ea0716cb1-2078-20-e.pdf>

Minutes of the Environmental Affairs Panel meeting on 16 July 2007

<http://www.legco.gov.hk/yr06-07/english/panels/ea/minutes/ea070716.pdf>

Public Consultation Report on the proposal on An Environmental Levy on Plastic Shopping Bags

<http://www.legco.gov.hk/yr06-07/english/panels/ea/papers/ea0716cb1-54-1-e.pdf>

Information paper on the recovery and recycling of plastic waste

<http://www.legco.gov.hk/yr06-07/english/panels/ea/papers/ea0716cb1-54-2-e.pdf>

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