

立法會
Legislative Council

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(These minutes have been seen
by the Administration)

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Panel on Environmental Affairs

Minutes of meeting
held on Monday, 29 March 2010, at 1:30 pm
in Conference Room A of the Legislative Council Building

Members present : Hon Audrey EU Yuet-mee, SC, JP (Chairman)
Hon CHAN Hak-kan (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon WONG Yung-kan, SBS, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon Andrew CHENG Kar-foo
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon CHAN Kin-por, JP

Member attending : Hon Vincent FANG Kang, SBS, JP

Public officers attending : **For item IV**

Dr Kitty POON
Under Secretary for the Environment

Mr Elvis AU
Assistant Director (Water Policy)
Environmental Protection Department

Dr YEUNG Hung-yiu
Principal Environmental Protection Officer (Sewerage
Infrastructure)
Environmental Protection Department

Mr SHIU Wing-yu
Assistant Director (Sewage Services)
Drainage Services Department

Mr CHAU Kwok-ming
Chief Engineer (Harbour Area Treatment Scheme)
Drainage Services Department

For item V

Dr Kitty POON
Under Secretary for the Environment

Mr Albert LAM
Deputy Director of Environmental Protection (2)
Environmental Protection Department

Ms Margaret HSIA
Assistant Director (Waste Management Policy)
Environmental Protection Department

For item VI

Dr Kitty POON
Under Secretary for the Environment

Dr Lawrence WONG
Principal Environmental Protection Officer
(Special Duties)
Environmental Protection Department

Dr Alain LAM
Principal Environmental Protection Officer (Waste
Management Policy)
Environmental Protection Department

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. Confirmation of minutes

- (LC Paper No. CB(1) 1428/09-10 — Minutes of the joint meeting with the Panel on Development held on 14 December 2009
- LC Paper No. CB(1) 1392/09-10 — Minutes of the special meeting held on 21 January 2010
- LC Paper No. CB(1) 1441/09-10 — Minutes of the meeting held on 25 January 2010)

The minutes of the joint meeting held on 14 December 2009, the special meeting and the regular meeting held on 21 and 25 January 2010 respectively were confirmed.

II. Information paper issued since last meeting

2. Members noted that following information paper had been issued since last meeting -

- LC Paper No. CB(1) 1258/09-10(01) — Information paper provided by the Administration regarding the outcome of consultation on the revised code of practice for implementing the second phase of the Mandatory Energy Efficiency Labelling Scheme

III. Items for discussion at the next meeting

- (LC Paper No. CB(1) 1443/09-10(01) — List of follow-up actions
- LC Paper No. CB(1) 1443/09-10(02) — List of outstanding items for discussion)

3. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 26 April 2010, at 2:30 pm -

- (a) Pilot Green Transport Fund; and
- (b) Buildings Energy Efficiency Funding Scheme

4. Mr KAM Nai-wai requested discussion on the impact of recent sandstorms from Northern China on local air quality, and the precautionary measures to be taken in the event of recurrences. The Chairman advised that the subject fell under the remit of the Subcommittee on Improving Air Quality which might discuss the matter at its meeting on 6 May 2010 at 2:30 pm.

(Post-meeting note: The subject of “Measures to mitigate the impacts of future sandstorms” was subsequently included in the agenda of the Subcommittee meeting on 6 May 2010.)

5. In response to Mr KAM Nai-wai’s further question on the timeframe for discussion of the outcome of consultation on the Air Quality Objectives Review, the Under Secretary for the Environment (USEN) said that it would take time for the Administration to analyze the views collated from the consultation exercise. Mr KAM requested that information gathered from the consultation exercise should be made available for members’ reference as soon as possible. The Administration undertook to endeavour to report the findings of consultation to the Panel in May 2010.

IV. 230DS - Outlying Islands sewerage, stage 1 phase 1 part 2 - Yung Shue Wan sewerage, sewage treatment works and outfall and 234DS - Outlying Islands sewerage, stage 1 phase 2 - Sok Kwu Wan sewage collection, treatment and disposal facilities

(LC Paper No. CB(1) 1443/09-10(03) — Administration’s paper on **230DS** - Outlying Islands sewerage, stage 1 phase 1 part 2 - Yung Shue Wan sewerage, sewage treatment works and outfall and **234DS** - Outlying Islands sewerage, stage 1 phase 2 - Sok Kwu Wan sewage collection, treatment and disposal facilities)

6. USEN briefed members on the proposals to increase the approved project estimates (APE) of **230DS** by \$59.2 million (from \$288.3 million to \$347.5 million) and **234DS** by \$97.3 million (from \$256.4 million to \$353.7 million) in money-of-the-day prices. The Chief Engineer (Harbour Area Treatment Scheme) (CE(HATS)) gave a power-point presentation on the background and justifications for the proposed increase in APE of the two projects.

7. The Chairman recalled that when the proposal to increase the APE of **359DS** - North District sewerage, stage 1 phase 2B was discussed in January 2010, the Administration had advised that the cost of other sewerage projects in progress would unlikely increase significantly due to similar technical issues. She questioned the reasons underlying the proposed increase in the APE of **230DS** and **234DS**. The Assistant Director (Sewage Services) (AD(SS)) said that the project team for the North District sewerage, stage 1 phase 2B had not been involved in **230DS** and **234DS**, and thus they might not be aware of the need to increase the APE of these two projects at that time. Mr KAM Nai-wai expressed disappointment at the lack of shared knowledge about works projects undertaken within the same department.

Scope of works and time-frame for completion

8. While supporting the projects which would provide treatment for the sewage generated from the villages in Yung Shue Wan (YSW) and Sok Kwu Wan (SKW), Mr CHEUNG Hok-ming was concerned about the long time for the works which were expected to be completed in 2013. AD(SS) said that the Drainage Services Department (DSD) was implementing **230DS** and **234DS** under two contracts. The first contract comprised the construction of the sewage collection facilities whereas the second contract comprised the construction of the sewage treatment facilities. DSD awarded the works contract for the sewage collection facilities in January 2008 as scheduled and commenced construction subsequently. The progress had been satisfactory and about 72% of the works under the first contract had been completed as at February 2010. As regards the second contract on the construction of the sewage treatment facilities, it was only re-tendered in the fourth quarter of 2009 after the unsuccessful first tendering exercise in November 2008. DSD would proceed to award the contract and commence the works soon after approval of the proposed increase in the APE of **230DS** and **234DS** by the Finance Committee. Based on the above, the works to be covered by the second contract would be completed by 2013.

9. The Chairman noted that while funding for **230DS** and **234DS** was approved in November 2007, the contract for construction of the sewage treatment facilities was only re-tendered in the fourth quarter of 2009, resulting in much delay in delivery of the projects. She questioned whether the increase in APE, amounting to \$59.2 million for **230DS** and \$97.3 million for **234DS**, was partly attributable to the delay. AD(SS) explained that additional time was needed to identify and encourage pre-qualified tenderers to submit bids for the tender. Moreover, tendering for the sewage treatment facilities had followed the Design-Build-Operate (DBO) arrangement, under which the tender period would generally be longer when compared with the conventional arrangements as the tenderers would need to develop their own preliminary design prior to cost estimation. Some tenderers had therefore sought extension of the tender period. Before re-tendering the project, the project consultant also required additional time to carry out the design work and revise the tender documents due to the switch in procurement mode from DBO approach to consultant-design-contractor-build approach.

Higher-than-expected returned tender prices

10. Mr KAM Nai-wai enquired about the reasons for the higher-than-expected returned tender prices for the two projects. AD(SS) explained that there were numerous reasons underlying the increase. These included the substantial risk involved in maintaining the stability of the massive rock slopes behind the sewage treatment works (STWs) at SKW, the need for additional pumping facilities, as well as the additional transport cost incurred due to the remote location of the treatment facilities at YSW and SKW. Mr KAM said that the Administration should have been well aware of these issues when tendering for these projects. AD(SS) explained that the project consultant had reviewed the proposed extent of slope stabilization works and hence the increase in estimated cost of the slope works.

11. Mr CHAN Kin-por enquired about the experience gained from the change in procurement mode for the two projects. Ms Cyd HO also enquired if DBO had been adopted in the tendering of other sewage projects, and whether a review would be made on its application to other projects. AD(SS) advised that the Administration had been exploring different procurement options for STWs so as to provide sewage services in a more cost-effective manner. The STWs at Lamma Island used to be one of the three cases identified for tendering under the DBO arrangement. DSD had conducted a post-tender review to gauge the feedback from potential bidders after the first tendering attempt. In gist, some potential bidders were cautious about committing themselves to a long operating period given the uncertain economic outlook at that time. Some of them also expressed doubts on the economies of scale given the relatively small size of the facilities. DSD had therefore decided to switch to the consultant-design-contractor-build approach, and to take up the operation of STWs itself. While eventually DSD did not adopt the DBO procurement mode for the contract under **230DS** and **234DS**, it would continue to explore using this approach in tendering for other upcoming sewerage projects as appropriate. Ms HO requested the Administration to provide information on the applicability of DBO to sewage projects.

(Post-meeting note: The supplementary information paper setting out the detailed arrangements for a DBO contract provided by the Administration was circulated to members under LC Paper No. CB(1) 1544/09-10 on 1 April 2010.)

On-site constraints

12. Noting that DSD had followed the Antiquities and Monuments Office's (AMO) advice to undertake appropriate measures to preserve the remains of four small pottery kilns discovered in the course of sewerage works at a cost of \$0.5 million, Ms Cyd HO enquired what measures had been taken and whether these were sufficient to preserve the archaeological remains. AD(SS) said that under the works contract for sewage collection facilities, the contractor was required to pay attention to the presence of any archaeological remains. AMO was immediately notified upon discovery of the remains of four small pottery kilns. Following the recommendation of AMO for *in situ* preservation of the kilns, DSD had applied trenchless method instead of open excavation in the construction of sewers in the area.

Increase in provision for price adjustment

13. Mr KAM Nai-wai noted that the increase in provision for price adjustment had made up a significant proportion within the proposed increase in APE. He was concerned that the significant increase in provision for price adjustment for **230DS** and **234DS** would set a bad precedent for other projects, and considered that a review of all other sewerage projects in progress should be conducted. Prof Patrick LAU questioned the need for the substantial allowance for price adjustment as it often turned out that there was a huge difference between the estimated and actual costs. The Administration could apply for additional funding to make up the difference if

necessary. Mr CHAN Kin-por also questioned the need for additional funding when contracts had already been awarded. AD(SS) explained that contract price fluctuations (CPF) was a contractual term applicable to both projects to cater for fluctuations in prices of construction materials, staff costs and other inflationary adjustments. The proposed increase in provision for price adjustment was necessary for actual and anticipated CPF payments for **230DS** and **234DS**. Determination of the level of provision for price adjustment had followed a standard procedure based on the latest forecast of trend rate of change in the prices of public sector building and construction output. When approval was sought for the funding proposal in November 2007, the Administration had estimated the inflationary adjustments to be very mild having regard to the outlook at that time. Both the actual increase and the forecast for price levels in subsequent years had been adjusted upwards since then. Consequently, the CPF payments would be higher than expected. He further explained that the provision for price adjustment would not be used if it turned out there were no inflationary adjustments.

Sewage network coverage on Lamma Island

14. Mr KAM Nai-wai enquired whether **230DS** and **234DS** would provide all the necessary sewerage for YSW and SKW. Prof Patrick LAU also asked if the sewage collection facilities would be extended to other villages on Lamma Island. Mr CHEUNG Hok-ming enquired about the time-frame for the second stage of works, and whether the proposed sewerage projects would be able to cater for the future developments of Lamma Island. AD(SS) said that the outlying islands sewerage would be implemented in two stages. The sewer network would be further extended upon implementation of the second stage, which would likely require resumption of lands. DSD was proceeding with the design of the second stage in parallel with a view to applying for the necessary funds for the project in 2011. The sewage treatment facilities at YSW and SKW should possess sufficient capacity to cater to the sewage generated from other foreseeable developments in Lamma Island.

V. Update on the progress of the key initiatives in the “Policy Framework for the Management of Municipal Solid Waste (2005-2014)”

(LC Paper No. CB(1) 1443/09-10(04) — Administration's paper on update on the progress of the key initiatives in the “Policy Framework for the Management of Municipal Solid Waste (2005-2014)”

LC Paper No. CB(1) 1443/09-10(05) — Paper on management of municipal solid waste in Hong Kong prepared by the Legislative Council Secretariat (updated background brief)

15. USEN briefed members on the progress of key initiatives in the “Policy

Framework for the Management of Municipal Solid Waste (2005-2014)” by highlighting the salient points in the information paper.

Waste management

16. Ms Cyd HO enquired about the purpose and the outcome of the Baseline Study to collect information on the waste generation and waste management practices of different commercial and industrial (C&I) establishments, and whether it was related to the introduction of municipal solid waste (MSW) charging in Hong Kong, which was unlikely accepted by the community. USEN said that the Administration had conducted in 2007 a three-month trial scheme to examine the logistical requirements for waste recovery and disposal in different domestic housing settings. The Baseline Study to be completed in March 2010 was meant to collect information on the waste generation and waste management practices of different C&I establishments in Hong Kong. The information collected from the trial scheme and the baseline study would facilitate the development of possible MSW charging options, having regard to the policy objective of providing economic incentives for the public to avoid, reduce, reuse and recycle as stated in the Policy Framework. Ms HO considered it necessary for the Administration to make public the findings of public-funded studies. USEN said that Administration would analyze the data and would report to the Panel outcome of the studies before deciding on the way forward.

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17. Mr KAM Nai-wai enquired about the progress of reducing the consumption of photocopying paper by Government bureaux and departments. USEN said that the Administration was committed to reducing the amount of photocopying paper and recycling used papers. At members’ request, the Administration undertook to provide updated figures on reduction of paper consumption by Government bureaux and departments.

18. Noting that the three strategic landfills were approaching their capacity, Mr CHAN Kin-por enquired when these landfills would be depleted if no extension was allowed. Given the limited land supply and the fast depletion of landfills, Ms Cyd HO expressed concern that there might not be enough land for the development of landfills. To this end, the Administration should step up waste reduction and recycling with a view to dispensing with the need for landfills. USEN said that the three existing landfills would start approaching their capacity one by one in the mid to late of 2010s and their extension would be necessary. As extending landfills alone would not resolve the waste problem, there was a need for the early commissioning of the Integrated Waste Management Facilities (IWMF) on the one hand and continued efforts to reduce and recycle waste on the other. However, there remained non-recyclable wastes which still had to be disposed of at landfills and/or treated at IWMF upon its commissioning. The Deputy Director of Environmental Protection (2) (DDEP(2)) added that landfills could not be dispensed with even if incineration was adopted as unavoidable waste such as ashes from incineration would still have to be disposed of at landfills. Ms HO however pointed out that the ashes from incineration could be reused by the construction industry.

19. Mr Jeffrey LAM sought elaboration on the study findings on IWMF, particularly the incineration technology to be adopted. He pointed out that incineration technologies were very advanced nowadays, and the ashes could be reused for road surfacing rather than disposing at landfills. Reference to overseas experience should be made on the type of incineration technology to be adopted. USEN assured members that IWMF would be subject to the most stringent emission standards. Efforts would be made to address local concerns about the operation of IWMF. DDEP(2) said that the Administration had recently consulted the Advisory Council on the Environment in respect of the choice of incineration technology for IWMF. It was agreed that a waste-to-energy technology should be adopted as in the case of many European countries. The waste would be incinerated with high heat using a moving grate to reduce the size of waste loads significantly. Public tenders would be invited for the construction of IWMF after a decision on the choice of site was made.

20. Mr KAM Nai-wai was concerned about the limited capacity of the Organic Waste Treatment Facilities (OWTF) to be built at Siu Ho Wan which could only handle about 200 tonnes of source separated food waste, as compared to daily generation of over 2 900 tonnes of food waste in Hong Kong. Given that over 70% of food waste generated was from domestic sources, he enquired about the means to reduce the food waste. USEN said that there were difficulties in handling food waste from domestic sources given the general living environment in Hong Kong. Efforts would be made to educate the public on the need to reduce food waste while funding from the Environment and Conservation Fund (ECF) would be provided for organizing campaigns to reduce food waste. As regards OWTF, USEN said that the first phase of OWTF would be built in Siu Ho Wan while the second phase in Sha Ling/North District. Each phase would handle about 200 tonnes of source separated food waste from the C&I sector per day.

Public education and partnership

21. Referring to the Green Lunch Charter to encourage schools to stop using disposable lunch boxes and adopt on-site meal portioning where possible, the Chairman enquired if there were targets on the number of schools joining the Green Lunch Charter and the number of disposable lunch boxes to be reduced. She also enquired about the number of schools which had indicated interest in applying ECF funds to install basic facilities for on-site meal portioning. DDEP(2) advised that about 280 primary and secondary schools in Hong Kong had signed the Green Lunch Charter to demonstrate their support for the provision of green lunch at schools. As at end February 2010, more than 180 schools had indicated interest in the funding support from ECF for the installation of basic facilities for on-site meal portioning and more than 20 ECF applications had been approved. The number of successful ECF applications had since been increased to over 40 in late March 2010. While no target had been set on the number of disposable lunch boxes to be reduced, the number was expected to go down following the on-site meal portioning arrangement. USEN added that at present, there were about 550 000 students in Hong Kong and around 270 000 foam lunch boxes were disposed of everyday. The ECF Committee had

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recently allocated an additional \$100 million, on top of the previously allocated \$50 million, to support existing schools in installing basic facilities for on-site meal portioning. However, not all schools had the needed space to accommodate these facilities. For schools which could not install facilities for on-site meal portioning, alternative measures such as using disposable lunch boxes made from more environment-friendly materials would be put in place with the collaboration of catering companies to reduce food waste. At members' request, the Administration undertook to provide a supplementary information paper on the Green Lunch Charter, setting out the targeted reduction on the use of disposable lunch boxes and the timeframe for achieving the target.

VI. A new producer responsibility scheme for waste electrical and electronic equipment

(LC Paper No. CB(1) 1443/09-10(06) — Administration's paper on a new producer responsibility scheme for waste electrical and electronic equipment

LC Paper No. CB(1) 1443/09-10(07) — Paper on a new producer responsibility scheme for waste electrical and electronic equipment prepared by the Legislative Council Secretariat (updated background brief)

Relevant papers

LC Paper No. CB(1) 915/09-10(07) — Administration's paper on a new producer responsibility scheme for waste electrical and electronic equipment

LC Paper No. CB(1) 1123/09-10(01) — Administration's paper on a new producer responsibility scheme for waste electrical and electronic equipment)

22. The Chairman said that the new producer responsibility scheme for waste electrical and electronic equipment (WEEE) was discussed at the last meetings on 25 January and 22 February 2010, and deputations were invited to attend the latter meeting. As members considered that more time should be allotted to discuss the proposed scheme taking into account the views gathered, it was decided that the present meeting be advanced by an hour to allow sufficient time for discussion of all the items on the agenda.

23. USEN said that the Administration had exchanged views with the trades on the WEEE Scheme, and was aware of the divergent views on some of the proposed arrangements of the Scheme, notably the point of collection of the levy and the standard of treatment. The Administration would maintain dialogue with the trades

with a view to reaching a consensus on the way forward.

Anticipated fee collected under the WEEE Scheme

24. Mr KAM Nai-wai enquired about the aggregate fees to be collected from the WEEE Scheme, and the means to address the trades' concern about the collection arrangements for the fees, particularly the point for collection given that the fees were to be collected upon purchase of the new equipment rather at the time of disposal. USEN said that as the level of fee had yet to be decided, the Administration was not able to advise on the aggregate fees to be collected under the WEEE Scheme. Making reference to some overseas jurisdictions, fees could be around \$100 for a small WEEE and \$200 to \$250 for a bulky one. Under the polluter-pays principle, the aggregate fee collected should in principle be able to cover the full costs of the WEEE Scheme. However, the exact fee level would be considered in the context of design of the Scheme.

25. While supporting the early implementation of the WEEE Scheme, Ms Cyd HO expressed concern about some operational problems of the Scheme. She had met with the trades and noted their concerns about the proposed requirement for upfront payment by importers and distributors for relevant products being brought into Hong Kong for local use. The proposed requirement would inevitably increase the financial burden and operating cost of importers and distributors, particularly if the products could not sell. The collection and treatment of WEEE would also incur additional costs for the relevant trades. More studies on the cost implications of the Scheme should be conducted before arriving at the fee level to be charged under the Scheme. The Administration should also adequately address the trades' concerns. USEN said that the Administration would assess and analyze the views expressed by stakeholders before taking forward the Scheme with a view to balancing the interest of consumers, the trades as well as green groups.

26. Mr Vincent FANG considered the proposed collection of fee by retailers at the point of sale not acceptable as this would likely increase the price of electrical and electronic equipment. Given that some electric and electronic equipment were sold to overseas visitors or domestic helpers working in Hong Kong who would bring the equipment back to their homeland, it would be unfair if they had to pay for the treatment of equipment which would not be disposed of or treated in Hong Kong. Refunding of the fee at control points would be administratively difficult to implement and thus not worthwhile to be considered. The trades would therefore support an end-of-life fee in the form of coupons to be acquired by consumers upon disposal of WEEE. USEN said that the Administration was open about the cost recovery mechanism. However, it was worth noting that an end-of-life fee might encourage illegal dumping and free-riding of WEEE in the municipal waste system, the treatment cost of which would have to be shared by the community at large. Besides, an end-of-life fee would be very difficult to enforce.

27. Mr CHAN Hak-kan considered it unfair to require consumers to pay for the treatment of the used regulated equipment upon purchase of new ones from retailers if they chose to keep the used equipment. USEN said that as the used regulated equipment would eventually be disposed of, consumers should share the treatment cost through the payment of fee.

28. Ms Miriam LAU enquired if the fees collected from the Scheme would be used to fund the Scheme, including the treatment of WEEE, and whether Government subsidy would be provided if the fees collected were found insufficient. USEN said that fees collected would be expected to be sufficient to fund the operation of the Scheme in the long run, including treatment cost of WEEE. Members' concern about the insufficiency of funds would be taken into consideration in formulating the Scheme.

29. In response to the Chairman's enquiry on the cost required to treat the 30 000 tonnes of WEEE to be collected for processing in Hong Kong each year, USEN said that the treatment cost of regulated WEEE would depend on WEEE collected and an estimate at this stage would be difficult. Mr KAM Nai-wai failed to see why the Administration was not able to work out the treatment cost of regulated WEEE, given that the number of electrical and electronic equipment purchased by consumers was readily available. USEN acknowledged the trades' rough estimates that about one to two million pieces of regulated WEEE were expected to be collected for treatment each year, and costing around \$400 million to \$800 million for setting up a modern treatment plant and the related collection facilities. While public consultation on the Scheme, including the role of the Government, sharing of treatment cost etc, was underway, the initial feedback indicated that there were calls for the Government to provide land for the development of treatment plants and the private sector to provide treatment services. Principal Environmental Protection Officer (Special Duties) (PEPO(SD)) added that the exact level of fees would hinge on the detailed design of the Scheme, while the treatment cost would depend on the tender price for WEEE Management Contractors (WMCs). While supporting the WEEE Scheme, the Chairman emphasized the need for the Administration to clearly explain the cost recovery mechanism. USEN said that the cost should be recovered along the supply chain, wholly or partially, from consumers.

Enhanced collection network and impact on existing recyclers

30. Mr Vincent FANG expressed concern about the impact of the Scheme on the livelihood of existing WEEE recyclers. Mr CHAN Hak-kan also pointed out that the proposed requirement for mandatory take-back by retailers free of charge on a "new for old" basis would exclude the participation of existing WEEE recyclers and second-hand dealers. Besides, the monopolization of WEEE treatment by WMCs would likely reduce the resale prices of WEEE, thereby affecting the livelihood of existing WEEE recyclers and second-hand dealers which would in turn undermine the employment opportunities of unskilled workers. This was contrary to the Administration's undertaking that the Scheme would not have impact on these people. USEN said that the Scheme aimed at enhancing the collection network for WEEE.

Under the Scheme, a retailer was required to take back the used equipment upon purchase of a new one. It was expected that most retailers would outsource the collection of WEEE. Consumers who did not want to dispose of their WEEE through retailers could sell these to recyclers or second-hand dealers. Therefore, it was expected that the existing recyclers and second-hand dealers would still be able to continue their services and contribute to the Scheme. Mr CHAN further asked if studies had been conducted to ascertain the business losses of waste recyclers and second-hand dealers as a result of implementation of the Scheme. USEN said that as the existing collection network for WEEE would continue to be in use, there should not be any severe impact on the livelihood of waste recyclers and second-hand dealers.

31. The Chairman enquired about the licensing arrangements for dismantling, recycling and storing WEEE, and whether existing waste recyclers would need to be licensed in order to continue their business. PEPO(SD) said that under the proposed WEEE Scheme, a licence would be required for the dismantling, recycling and storage of WEEE. However, there were divergent views on the need to license the collection of WEEE which might only involve logistical arrangements. As the licensing requirement might have some impacts on existing waste collectors, care would be exercised in deciding on the need for such a requirement taking into account views gathered. Consideration might be given to putting in place a registration system instead of a licensing requirement for the collection of WEEE.

WEEE treatment plants

32. Mr Vincent FANG held the view that the Consultation Document was more focused on the cost recovery mechanism and lacked details on the operation of the Scheme. However, the trades would need to know more about the collection and treatment of WEEE, such as whether the Government would undertake the more difficult detoxification process if private contractors did not have the capability to do so, as well as whether the anticipated cost of \$100 for a small WEEE and \$200 to \$250 for a bulky one were sufficient to cover the treatment cost etc, before deciding whether they would support the Scheme. Expressing similar concerns, Ms Miriam LAU was disappointed that not much information on the treatment options was provided in the Consultation Document. Given that the present treatment of WEEE was carried out on a very small scale, there was a need to ascertain the feasibility of putting in place a practicable and sustainable plan to deal with the collection, detoxification, mechanical dismantling, recycling and disposal of the large number of regulated WEEEs generated in Hong Kong each year. PEPO(SD) said that apart from drawing reference from WEEE treatment plants in European countries and Japan, staff of the Environmental Protection Department would also go abroad to learn the latest development in the treatment of WEEE.

33. The Chairman enquired whether the same WMC or separate WMCs would be engaged in the collection and treatment of WEEE. PEPO(SD) said that various options were available for consideration, including the appointment of multiple contractors in the open tender to jointly undertake WMC functions should this prove to be more cost effective, or procurement of services from a network of existing operators

etc. In view of the toxic nature of WEEE, the detoxification and treatment processes should best be carried out within the same treatment plant. At present, only a few recyclers in Hong Kong treat waste computer products with comprehensive detoxification processes, however, such technologies were available internationally. It should not be a problem for Hong Kong to acquire the required technologies upon the implementation of the Scheme. In response to the Chairman's further enquiry on whether companies with the requisite technologies were interested in setting up operations in Hong Kong, USEN said that the Administration had met with the trades which had indicated interest in investing on WEEE treatment plants given the large volume of WEEE to be collected for local treatment. Through consultation with stakeholders, the Administration would work out the detailed design of the Scheme and set out the operating requirements for WMCs in the tender documents.

Admin 34. Ms Cyd HO was concerned about the viability of WEEE treatment plants. Given that 30 000 tonnes of regulated WEEE would be collected for processing in Hong Kong each year, the Chairman enquired about the estimated distribution of and treatment cost (using detoxification, dismantling, shredding and sorting of recyclable materials) for small and large WEEE and the respective fees to be collected. The estimate would facilitate investors in deciding on the viability of setting up WEEE treatment plants in Hong Kong. PEPO(SD) said that in parallel with the public consultation exercise, the Administration was conducting a business impact assessment of the proposed Scheme. A consultant had been appointed to consult the stakeholders, including importers, distributors, retailers, recyclers and second-hand dealers. The outcome of the assessment would be taken into account in formulating the Scheme.

The Government's role

35. Mr CHAN Kin-por noted that at the last meeting on 22 February 2010, some trade members had expressed concern about the lack of incentives and Government participation in the WEEE Scheme. While the Administration had explained that it would take the lead in putting the Scheme in place and would further consider the issue of Government support taking into account the outcome of consultation, he held the view that the Government should take a more proactive role in providing an environment conducive to the development of business for WEEE, such as provision of land for the treatment plants for WEEE. The Administration should also be prepared to take up the management and treatment of WEEE if the more desirable option of appointing WMC from the private sector was found not feasible. USEN said that there were divergent views on whether the Government should run the collection and treatment centres for WEEE. The Administration would take into account public views on the appointment of WMC. Consideration could be given to providing land for the treatment plant, similar to that for EcoPark.

Legislative time-table

36. Mr Vincent FANG enquired about the legislative time-table for the WEEE Scheme. USEN said that as the public consultation on the Scheme was still underway,

no definite time-table could be set for the legislation on the WEEE Scheme. Besides, further discussion would need to be held with the trades on the formulation of the Scheme taking into account views received from the consultation exercise. Ms Cyd HO expressed concern about the time constraints in scrutinizing the relevant legislation if it was to be passed within the current legislative term. USEN said that as the public consultation on the Scheme would end on 30 April 2010, the Administration would collate and analyze the views gathered with a view to reverting back to the Panel before the end of the current legislative session.

Way forward

37. While supporting the Scheme, Mr KAM Nai-wai said that Members belonging to the Democratic Party considered it necessary for the Government to assume a more proactive role in taking forward the Scheme by providing land for development of the WEEE treatment plant and sharing the treatment cost since the Scheme would unlikely receive public support if the cost incurred was to be borne by consumers and the trades only. He requested that more information on the Scheme should be provided to facilitate members in considering the Scheme. Ms Cyd HO concurred with the need for further consultation on details of the Scheme. USEN said that details of the Scheme, including treatment method and cost etc, would be worked out based on the outcome of consultation, taking into account the pros and cons of different options.

38. In concluding, the Chairman said that the Administration had to provide more information before members could lend their support for the Scheme. In this connection, the Administration was requested to address various concerns of members and the trades as set out in the preceding paragraphs.

VII. Any other business

39. There being no other business, the meeting ended at 4:20 pm.