



By E-MAIL

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Attn: Ms Mandy Poon
Clerk to Panel

To Whom It May Concern:

**February 22nd Panel Meeting On A New Producer Responsibility Scheme For
Waste Electrical and Electronic Equipment (WEEE):
Green Council's Submission**

Thank you for inviting Green Council officials to contribute comments and suggestions on the proposal to introduce a new producer responsibility scheme (PRS) for waste electrical and electronic equipment (WEEE). For the Panel's consideration, and on behalf of the Green Council, I am pleased to submit the following pre-meeting comments, questions and recommendations:

General

- (a) With the Green Council being the preeminent Hong Kong organization advocating and overseeing the Hong Kong Green Label Scheme¹ (HKGLS), we applaud and support the HKSAR Government in taking a decisive and timely position regarding the introduction of a mandatory producer responsibility scheme. This Scheme should promote and help facilitate WEEE reduction, recovery and recycling as a means to properly address and handle hazardous components that are harmful to human health and the environment. According to the findings of the Consultation

¹ This is an independent, not-for-profit and voluntary scheme that has operated since 2000. Its focus is to identify, differentiate, certify and recognize environmentally preferable products produced and/or marketed in Hong Kong. For more details, please visit → www.greenlabel.org.hk.



Document, there will be approximately 73,000 tonnes of WEEE generated in Hong Kong in 2010². Owing to the inadequacy of the existing voluntary producer responsibility scheme to cope with the increasing volume and variety of WEEE, there is a need to develop a more substantial and effective solution to manage and alleviate the WEEE problem as soon as practicable.

- (b) It is noteworthy that under existing voluntary WEEE processing and recycling programmes, an annual capacity of only 380 tonnes of WEEE has been collected which represents only 0.54% of all estimated household WEEE. Assuming that Government officials choose to develop and establish a Hong Kong Scheme structure and requirements predominantly based upon the European Union's current WEEE programme (as described in the Consultation Document), it is estimated that approximately 22,400 tonnes (i.e. approximately 32% of 70,000+ total tonnes generated from households annually) of components, materials and substances may actually be reused or recycled. If Government officials intend for this WEEE Scheme to serve as a stimulus for the development and advancement of *waste recovery and reuse* within the local environmental products and services industry sector, the Government should ensure that the proposed WEEE Scheme can and will consider and collect as much WEEE as possible³ since a lower collection / conversion rate will definitely hinder the attractiveness, impact and self-financing nature of the whole WEEE Scheme from a private sector perspective. Nevertheless, clearly the actual main focus of the Scheme will be waste avoidance, reduction and proper "end-of-life" handling and disposal rather than the introduction and application of industrial recovery, recycling and re-use processes and applications. Given these circumstances, Government officials will most likely have to play an active role in providing long-term assistance and WEEE Scheme management and direction.
- (c) Theoretically speaking, the manufacturer is the party most familiar with the potential and methodology for the reuse and recycling of its products. Therefore, besides encouraging the local third-party WEEE recycling and reuse industry to upgrade their technologies and increase their efforts on the treatment and potential "re-processing" of WEEE (i.e. more than simply collection and storage), the Government should encourage the WEEE manufacturers to devise and deploy a local or regional WEEE collection and treatment programme (e.g. setting up recycling plants for their products in-situ/ex-situ) and/or guide and train the appointed WEEE Management Contractors (WMCs) on how to dismantle, reuse and recycle the components of their products. In other words, the costs of the overall

² In 2008, more than 70,000 tonnes of WEEE were produced and the Consultation Document estimated that the WEEE generation will increase at a rate of 2% annually.

³ Apart from the WEEE generation from the public and private sectors, the WEEE Scheme should strategically and more aggressively target and address the collection and handling of all WEEE produced locally instead of just 32% of household WEEE.



collection and treatment of WEEE should not be totally financed by the product consumers and government; manufacturers should (and have to) bear some of the costs as well. This opinion complements our broader view that a desirable strategy to address the WEEE problem is to have the manufacturers produce and market more environmentally preferable (i.e. lower and less harmful waste / reusable / recoverable / recyclable / longer life, etc.) products and bear the costs involved. If there are no or insufficient environmentally preferable options for the consumers to consider and select in the market, the WEEE problem will persist. Without desirable and competitive greener options, the only parties that will significantly benefit from the WEEE Scheme will be the WEEE collection and treatment agents.

- (d) Regarding the “grace period” of the WEEE Scheme, Government officials must consider and determine how to address and handle a situation where a significant number of both regulated and non-regulated products may be covertly discarded and abandoned all over the territory once public citizens as well as private company officials realize that they will otherwise be required to pay for proper disposal of their consumed products after the enactment of the Ordinance. Special consideration, strategies, efforts and corresponding government funding may need to be committed in order to deal with this potential development.

Specific Comments

- (e) Coverage of the WEEE Scheme
- (1) *Should our WEEE Scheme cover (i) television sets, washing machines, refrigerators and air conditioners, and (ii) computer products?*

Yes, and in addition to these product categories, Government officials should also consider including the category of **compact fluorescent lamps (CFLs)**. This additional product category is currently covered under the Mandatory Energy Efficiency Labelling Scheme (MEELS) through the Energy Efficiency (Labelling of Products) Ordinance, Cap. 598. At the same time, there could be merit in having television sets and computer products covered in the proposed second phase of the MEELS as a means to ensure that the two Ordinances evolve in a complementary and coordinated manner.

We also strongly advocate that the WEEE Scheme incorporate consideration and handling of **mobile telephones**, given the high volume in use, being purchased, and being replaced (i.e. it has been estimated that there were 10,550,000 units in

use locally in 2009⁴). Mobile phones are composed of a number of valuable materials and contain components that, if carefully removed, can be used again. More importantly, some mobile phones and their accessories (especially the Ni-Cd batteries) contain highly toxic and environmentally harmful substances (e.g. arsenic, mercury, cadmium, rhodium, palladium, beryllium, lead, etc.). Without formal requirements and mechanisms to properly process / recycle / recover / dispose of the harmful materials and components, most have and will continue to inappropriately and dangerously end up in landfill sites or discarded into the sea. Consequently, Government officials should give strong consideration and attention to mobile phones within the WEEE Scheme; it is unacceptable and risky for government officials to minimize or dismiss efforts in this regard. Further, we are quite alarmed by the current consideration and treatment proposed and reflected in the Consultation Document wherein this product category seems to be dismissed from consideration based upon a notion that “...a considerable portion of such equipment is abandoned before its economic life expires and thus carries value in the commercial second-hand market, which can facilitate reuse, recycling and recovery in an efficient manner”. We view this perspective as naïve, unrealistic and wrong. Government authorities and officials should give this matter greater reflection and further consideration.

(f) Proper Treatment of WEEE

- (1) *Should we introduce a licensing requirement for the dismantling and recycling of regulated WEEE and for the storage sites for used regulated products and regulated WEEE?*

Yes, all dismantling and recycling procedures should be formally reviewed and licensed, and conducted by qualified and licensed operators. Beyond initial licensing, stringent monitoring / surveillance audits should also be periodically performed by appropriate Government officials and/or their third-party agents.

Regarding storage sites, not only a licensing system is necessary but also a site-specific, effective and stringent environmental management system (EMS) should be required and implemented (as well as attention paid to confirmed compliance with other statutory requirements on health and safety).

(g) Managing the Flow of WEEE

- (1) *Should regulated WEEE be banned from disposal as ordinary trash and be collected separately for recycling?*

⁴ Census and Statistics Department (2009) Hong Kong Statistics (online). Retrieved from http://www.censtatd.gov.hk/hong_kong_statistics/statistics_by_subject/index.jsp?subjectID=1&charsetID=1&displayMode=T on 10th February 2010.

All WEEE should be separated from ordinary trash for independent collection, recycling and/or proper re-processing or disposal. Further, to encourage and guide proper separation, collection and handling processes, there will need to be: (i) general public education and promotion on the 4Rs (i.e. Reduce, Reuse, Recycle and Replace⁵); (ii) training and instructions for pertinent third-party suppliers, collectors, handlers and processors; (iii) adequate enforcement with imposed penalties/fines for violations; and (iv) public information and awareness-raising campaigns to direct citizens to consider and participate in returning their WEEE to appropriate collection networks and facilities such as municipal collection facilities, second-hand dealers, charitable organizations and retailers with take-back services, etc.). On the other hand, effective enforcement by relevant officials should be in place as a means to discourage violation of legal requirements among the citizens.

(II) *Should retailers offer consumers mandatory take-back services free of charge on a “new for old” basis?*

Yes, retailers should. However, not only the retailers but also the importers and/or distributors should be expected (and perhaps even directed) to cover the costs involved for the mandatory take-back services.

On the other hand, and in instances where a consumer does not return the used item to the retailer of record (especially for the “historical products”), she / he should be charged and required to pay a “processing cost” related to treatment, logistics and other expenses to the WEEE management contractor (WMC) accessed / involved.

(III) *Should we apply permit controls to the import and export of used regulated products and regulated WEEE?*

With Hong Kong being a major regional transportation and supply hub, import and export controls can and should play important roles in discouraging and addressing inappropriate actions of importers and exporters of such products, while safeguarding our territory from becoming a dumping zone for such products. Relevant departments (particularly Customs and the Police) should diligently seek out and perform stringent inspections on any undeclared WEEE being transported in or out of Hong Kong. Detailed guidance and instructions should be prepared and provided to pertinent officials to aid them in identifying and effectively monitoring regulated WEEE items and components.

⁵ “Replace” refers to the use of environmentally preferable products / services for consumption / application.

(h) Sharing the Costs

(I) *Should some form of fee be introduced to recover the costs of the WEEE Scheme?*

To cover the costs for waste collection, sorting, handling and recycling processes, as well as for other management and administrative aspects, the manufacturers, importers, brand agents, distributors, retailers and consumers should collectively be responsible for bearing the costs. While realistically, the associated costs will frequently be passed along to the consumers through production and/or supply price increases, it is important to publicly assess the scheme delivery expenses towards both the producers and suppliers while encouraging them to find means to remain price competitive.

(II) *Is an end-of-life fee infeasible in Hong Kong? Should a fee at the point of sale be collected instead?*

As stated in the Consultation Document, an end-of-life fee would not be feasible in Hong Kong. As a result, a ‘pre-payment’ method (i.e. fee received at the point of sale) would be the alternative for an effective implementation and operation of the WEEE Scheme.

(III) *If we decide on a fee at the point of sale, should it be incorporated into the retail price as a combined payment?*

For the implementation of “pre-payment”, even though the fee could be incorporated into the total retail price, a detailed breakdown should be required that includes the Scheme fee component of the total price clearly identified on the price tag and/or the receipt for the applicable product.

(IV) *Under the “polluter pays” principle, the full costs of the scheme should be recovered. Should this principle be applied fully, with WEEE producers, including manufacturers, importers, brand agents, distributors, retailers and consumers, sharing out the full costs?*

As stated earlier (i.e. in section (b)), there may be a need and merit for the Government to provide direct or indirect assistance (in terms of finance, technology and management) on the WEEE Scheme. We believe that the Government should subsidize the WEEE Scheme to some degree while all other parties should share the remaining costs.

(V) *Are there other stakeholders who you think should also share the costs?*



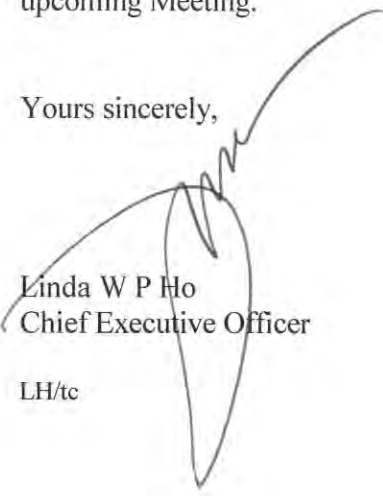
Second-hand dealers and existing WEEE storage site operators should also share the costs if their commodities need to be collected and treated under the WEEE Scheme.

- (VI) *Is it appropriate or necessary for the Government to provide some initial support to kick start the WEEE Scheme and facilitate the development of the recycling industry?*

Active support and assistance (in terms of finance, technology and management) from the Government are crucial to kick start the WEEE Scheme and facilitate the development of the recycling industry. In addition, the Government, in collaboration with the Central and Provincial Governments, should explore and further advance complementary regional strategies and solutions for the WEEE handling and disposal problem for the sake of environmental health and protection.

The above summarizes the Green Council position on the proposed WEEE Scheme and related issues. On behalf and as the CEO of the Green Council, I look forward to the opportunity to personally present, elaborate upon, and discuss this submission at the upcoming Meeting.

Yours sincerely,



Linda W P Ho
Chief Executive Officer

LH/tc