

**Motion Debate on
“Promoting the waste recycling industries”
at the Legislative Council Meeting on 24 November 2010”**

Progress Report

Purpose

At its meeting on 24 November 2010, the Legislative Council (LegCo) carried the motion on “Promoting the waste recycling industries” moved by the Hon Vincent FANG Kang as amended by the Hon IP Wai-ming, the Hon KAM Nai-wai, the Hon Tanya CHAN, the Hon CHAN Hak-kan and the Hon Jeffrey LAM Kin-fung. The full text of the motion carried is at Annex.

2. This report sets out the Administration’s position and follow-up actions in respect of the aforementioned motion.

Reduce, Recycle and Proper Waste Management

3. The Administration announced a policy framework on “Reduce, Recycle and Proper Waste Management” in January 2011, clearly setting out a comprehensive strategy for the management of municipal solid waste (MSW). The Administration considers that the three-pronged strategy of waste avoidance and minimisation; promoting reuse, recovery and recycling; and development of modern waste treatment facilities should be reaffirmed for taking forward our waste management strategy.

Promoting reuse, recovery and recycling

Source Separation of Waste

4. A crucial, on-going piece of our waste management strategy is to reduce waste at source. At present, we have achieved a 49% MSW recovery rate. To facilitate source separation of waste, the Environmental Protection Department (EPD) has since 2005 launched the territory-wide Programme on Source Separation of Domestic Waste (PSSW) to provide additional waste separation facilities on each floor of buildings and other areas within housing estates. Moreover, the EPD has joined hands with the Food and Environmental Hygiene Department (FEHD) since early 2010 to provide additional three-coloured waste separation bins at over 500 rural refuse collection points to facilitate source separation of waste by villagers. As at March 2011, over 1 700 housing estates/ residential buildings participated in the PSSW; waste recovery facilities were provided in the neighbourhood of over 80% of our population. As for the commercial and industrial (C&I) sectors, over 670 C&I buildings are assisted with waste recovery under the Programme on Source Separation of Commercial and Industrial Waste. Through the amendment to Building (Refuse Storage and Material Recovery Chambers and Refuse Chutes) Regulation, it has also been made a requirement since December 2008 that a refuse storage and material

recovery room should be provided on every floor of all newly built domestic buildings, so as to facilitate the separation of waste at source.

5. In view of the situation in the old districts, the EPD has since mid-2010 formulated a “Standard Application Framework” for community-based recycling of plastic. This Framework allows non-profit making organizations to recruit buildings in old districts into the PSSW through subsidies from the Environment and Conservation Fund (ECF). Broadly speaking, participating organisations will set up retail plastic recycling centres for simple sorting, compacting and baling, employ environmental/recycling ambassadors to promote separation and recovery of waste in residential buildings, assist with the on-site collection of waste plastics as well as the operation of recycling centres. This facilitates the recovery of plastics from single-block buildings in old districts. After being sorted, compacted and baled in the reprocessing centres, plastics will be sold to the Plastic Resources Recycling Centre in EcoPark for reprocessing to produce plastic reusable materials. This helps secure the outlet of recyclables. Since mid-2010, the ECF has approved eight applications under the Application Framework. The eight community-based recycling projects will raise the awareness of recycling of 300 000 residents in the buildings in old districts. Over 500 tonnes of waste plastic are expected to be collected and recycled under these projects. Several applications are now under consideration.

6. In the policy framework of “Reduce, Recycle and Proper Waste Management” announced by the Administration in January 2011, we are committed to raising our target waste recovery rate to 55% by 2015. To achieve this target, we will introduce a series of complementary measures in conjunction with government departments, the property management trade, restaurant operators, community organisations, green groups and social services groups in efforts to broaden the participation in waste reduction and recycling. Meanwhile, we are exploring to expand the PSSW and will organise waste recycling activities at suitable locations in the community to facilitate the collection of recyclables from the community with a view to instilling behavioural change. We will also rally the support of government departments that are in close interface with the public in waste reduction programmes as far as possible.

Waste Separation Bins

7. Apart from encouraging the public to separate waste at source, the Government has also placed more than 42 000 waste separation bins throughout Hong Kong to facilitate waste separation. Government departments will adjust the number of bins and locations in the light of the actual condition and demand at the locations (e.g. on-street conditions, pedestrian flow, quantities of recyclables collected and demand of the community). Separately, the FEHD has tried placing “trash-cum-recycling bins” at 10 locations in Hong Kong since late 2009. Together with the EPD and the Leisure and Cultural Services Department, the FEHD has expanded the trial and has placed such bins at over 100 public places since early 2011. The bins will facilitate the disposal of recyclables at appropriate recycling compartments by the public at the time they are disposing of rubbish. This will not only encourage the

public to form the habit of separating waste but also reduce the recyclable resources being dumped in litter bins. Subject to the outcome of the trial, the Government will place such bins at more locations.

Promoting the development of the Recycling Industry

Short-Term Tenancy sites and EcoPark

8. The Government has provided an impetus to the development of the recycling industry through various channels. Apart from promoting waste recycling, we will also continue to provide land on a long-term basis within the 20-hectare EcoPark for the development of the recycling industry, with a view to encouraging investment in more advanced technologies and value-adding processes.

9. We invited tenders for the first batch of the Phase 2 lots with an area of approximately 5 hectares in March 2011. We consulted the proposed leasing arrangements for the Phase 2 lots with relevant stakeholders and the Panel on Environmental Affairs of the Legislative Council; stakeholders generally support appropriate adjustments to the leasing arrangements to enhance the attractiveness of EcoPark Phase 2 to potential tenants. For example, the types of waste to be processed in the EcoPark will become market driven; the lot size will be more flexible to suit operators' requirements; the tenancy will be lengthened to 20 years; a robust system of tender assessment will be adopted; more guidance and assistance will be provided to tenants.

10. To address the problem of waste plastics and waste electrical and electronic equipment (WEEE) currently having rather limited recycling avenues in the local market, we have through the ECF funded two non-profit making organisations to manage and operate two waste recycling centres in EcoPark Phase 2 respectively to provide a secured outlet for recyclables recovered. The waste plastics recycling centre and the WEEE recycling centre commenced operation in March and October 2010 respectively.

11. Separately, the Government will continue to identify suitable short-term tenancy (STT) sites for lease by recyclers through open tender. This will provide more land for the development of the recycling industry. There are currently 33 dedicated STT sites, occupying a total area of about 5.8 hectares.

Green Procurement and Certification

12. As before, the Government is taking the lead to promote green procurement and encourage the business sector to follow so as to enhance the development of environmental industries in Hong Kong. At the same time, it enables waste to return to the consumption loop through reuse, recovery and recycling. At present, the number of products with green specifications on the Government procurement list has been increased from some 30 items in 2000 to over 100 items. We have published the related green specifications on the EPD website. We will closely monitor the

supply of products complying with the green specifications in the market and will adopt such specifications as the tenders' mandatory requirements to the extent that is economically rational. We believe that the joint efforts of various sectors will encourage consumers to purchase green products with improved recyclability, reduced packaging, greater durability and higher recycled content.

13. Separately, we have drawn up green guidelines for the Government's cleansing services contracts. We will also incorporate minimum emission standards into the Government's new vehicle hiring services contracts for the contractors to comply with. In addition, we have extended green procurement to public works. For instance, in order to further promote the recycling of waste glass bottles, the Highways Department has since October 2010 mandated the priority use of eco-paving blocks containing recycled glass for road maintenance contracts. The Housing Department has also committed to using eco-paving blocks containing recycled glass in its works contracts as far as possible.

Waste avoidance and minimization

Producer Responsibility Scheme

14. The Producer Responsibility Scheme (PRS) is a key policy tool in the policy framework on "Reduce, Recycle and Proper Waste Management". Enshrining the principle of "polluter pays", stakeholders including manufacturers and importers of products, brand agents, distributors, retailers and consumers have to share the financial or practical responsibility for the treatment or disposal of end-of-life products with a view to reducing the environmental impacts.

15. To encourage waste recycling and reduction, we will soon launch the consultation on the extension of the PRS on plastic shopping bags. Following the conclusion of the public consultation on the new PRS on WEEE in 2010, we will invite the relevant trades to discuss the implementation plan. We intend to facilitate the treatment of locally generated WEEE in Hong Kong through a series of measures regarding recycling and proper treatment. They include take-back by retailers, enforcement of landfill disposal bans, enhanced import and export control. Upon the implementation of the PRS, we expect a sizable expansion in the current scale of operations of WEEE treatment facilities. This will facilitate a circular economy, promote technological upgrades in local WEEE recycling, and create job opportunities.

16. The Government will continue to implement various voluntary PRSs in collaboration with relevant trades. With the direct participation of and funding from the trades, these schemes not only provide free recycling service to the public and the trades but also encourage and boost the development of the relevant logistics and recycling industries.

17. At present, more than one third of the 9,000 tonnes of MSW disposed of at the 3 landfills is food waste. To encourage food waste reduction in the private sector, we have implemented a Food Waste Recycling Partnership Scheme to help train the

management and frontline staff of participating organisations on good practices in food waste reduction and management. We will also produce a code of practice on the management of food waste with the trade to provide useful guides on food waste avoidance, reduction and source separation for recycling. Separately, we are promoting the wider use of on-site food waste treatment equipment to deal with food waste generated in shopping centres, restaurants and eateries. We also plan to launch a scheme under the ECF to subsidise on-site food waste treatment in housing estates. Currently, some food waste generators such as shopping centres and hotels have already installed these on-site facilities of different scales. We believe that through efforts on this front, the generation of food wastes can be reduced and that substantial food waste can be treated on site daily instead of being disposed of at landfills.

18. The daily per capita disposal rate of MSW in Hong Kong decreased from 1.38 kilograms in 2005 to 1.28 kilograms in 2009, representing a 7% reduction. We will continue with various measures that encourage waste reduction and recycling so as to ease the pressure on the landfills.

19. The motion proposed that the Government should allocate the revenues generated from PRSs to a designated fund to support the development of recycling and other environmental industries. We reiterate that any fees and charges (in whatever form) under the PRS are not aim at revenue-raising, and such fees and charges cannot provide steady and sufficient funding for environmental causes. We also consider it inappropriate to earmark the environmental levy for the proposed designated fund because the public may be given a wrong perception that they are contributing to the effort of environmental protection as they pay. This is contrary to the objective of an environmental levy. Separately, the Government's commitment to environmental protection is evident in its injection of \$1 billion into the ECF in 2008 and other resources earmarked for environmental protection in the past five years. We will seek funding approval from the LegCo in first half of this year to further inject \$ 500 million into the ECF to subsidize more environmental protection projects.

Bulk reduction and disposal of waste

20. We have set out our target to develop various waste treatment facilities in the policy framework announced in January this year. We have selected Siu Ho Wan in North Lantau as the site for the development of the first phase of Organic Waste Treatment Facilities (OWTF), which will have a daily treatment capacity of around 200 tonnes for source separated food wastes from C&I establishments. Biological treatment will be employed to produce usable resources such as biogas and compost. We briefed the LegCo Panel on Environmental Affairs on the background and scope of this project in November 2010. The first phase of OWTF is expected to commence operation in 2014. EPD will conduct engineering investigation and environmental impact assessment studies (EI & EIA studies) for the development of the second phase of OWTF in Sha Ling in North District, which will have a treatment capacity of 300 tonnes per day. The two OWTFs will have a total daily capacity to treat food waste of 500 tonnes.

21. Separately, we are developing the Integrated Waste Management Facilities (IWWMF) with a capacity of sorting and incinerating 3 000 tonnes of MSW daily. In 2008, we identified Shek Kwu Chau (SKC) and Tsang Tsui in Tuen Mun as two possible locations for the development of IWWMF. We conducted a detailed EI & EIA Studies for the two sites to confirm their suitability. The EIA Study was completed in January 2011 while the EI Study is near completion. In accordance with the requirements under the Environmental Impact Assessment Ordinance, the EIA report was available for the public to comment from 17 February 2011 to 18 March 2011. Taking into account the EIA report results, other factors relating to site selection and Hong Kong's overall waste management strategy, the Government has identified the artificial island near SKC as the preferred site for developing the first modern IWWMF, subject to final approval of the EIA report. We will discuss with the relevant stakeholders on the EIA reports and the site selection. We will seek funding approval from the LegCo in early 2012. If the artificial island near SKC is chosen as the site, the IWWMF is expected to be completed for operation in 2018. In order to cater for the long-term needs of Hong Kong, we will take account of progress and effectiveness in waste reduction measures to consider plans for further development of IWWMF.

Other Supporting Measures

22. Apart from taking forward initiatives to facilitate waste recovery at the policy level, we have also supported research and development of recovery and recycling technologies in the environmental industries through the ECF and the Innovation and Technology Fund and other funds that support small and medium enterprises (SMEs). We have also provided them with effective support in seeking to upgrade the standard of local recycling industry. Furthermore, through the ECF, we have funded institutions to organise conferences on environmental protection and carry out research projects to demonstrate and promote waste reduction.

23. Apart from producing a series of TV and radio announcements of public interest, the Environment Bureau (ENB) organises roving exhibitions at major shopping centres and estates throughout Hong Kong from time to time to promote and encourage waste reduction, waste recovery, separation and recycling by the public. Moreover, through the ECF, we have subsidised local non-profit making organisations to launch environmental education projects to enhance public awareness and to take a direct and proactive approach to improve and conserve the local environment.

24. The Administration also encourages the community to participate in waste recovery and recycling. In schools, the Environmental Campaign Committee (ECC) has launched the Waste Separation and Recycling Scheme in Schools to cultivate the habit of waste reduction, separation and recovery among students. The ECC distributes complimentary waste separation bins to participating secondary and primary schools and arranges FEHD to provide the ECC regular recyclables collection service. The ECC also organises seminars, workshops and site visits with different themes for primary and secondary school students under the Student Environmental Protection Ambassador Scheme to enhance their awareness of the importance of environmental protection and resource conservation.

25. For the businesses, the ECC collaborates with nine co-organisers in launching the Hong Kong Awards for Environmental Excellence which aims to encourage businesses to adopt green management and present them with an opportunity to benchmark their commitment towards environmental excellence. The Productwi\$e Label among Environmental Labels recognises efforts and honours successes of businesses in reducing environmental impacts arising across products' life-cycle which covers materials/components, manufacturing process, product packaging and end-of-life disposal. The Wastewi\$e Label encourages businesses in adopting measures to reduce the amount of waste generated during business operation or through the services and products they provide.

Environment Bureau
April 2011

**Motion on
“Promoting the waste recycling industries”
moved by Hon Vincent FANG Kang
at the Legislative Council meeting commencing
on Wednesday, 24 November 2010**

**Motion as amended by Hon IP Wai-ming, Hon KAM Nai-wai, Hon Tanya CHAN,
Hon CHAN Hak-kan and Hon Jeffrey LAM Kin-fung**

That, although the recovery rate of municipal solid waste in Hong Kong has risen to 49%, over 90% of the recyclable waste currently recovered is exported to other countries or places for recycling, and owing to developed countries’ gradual tightening of their policies on waste import, the number of countries permitting waste import will decrease in the future; in order to resolve the problem of waste accumulation in Hong Kong in the long run, it is of utmost importance to extend the categories and proportion of recyclable waste recovery and expedite the development of Hong Kong’s environmental and recycling industries; in this connection, this Council proposes that:

- (a) the various policies and measures put forward in ‘A Policy Framework for the Management of Municipal Solid Waste (2005-2014)’ should be expeditiously fulfilled and implemented, so as to achieve the various targets proposed in the Policy Framework by 2014;
- (b) the Government should conceive an overall waste policy on the 3R concept (i.e. reduce, reuse and recycle), so as to formulate a follow-through policy on reducing, recovering and recycling waste, implementing and promoting it in a well-planned manner, with a view to resolving the problem of waste accumulation in Hong Kong, encouraging the development of environment-related new industries, promoting a ‘circular economy’ capable of sustainable development and creating more employment opportunities;
- (c) since waste recycling industries require considerable investments but yield relatively low returns, the Government should therefore, by making reference to the policies of developed countries on promoting environmental and waste recycling industries, and having regard to the requirements and uniqueness of different recyclable products, formulate various preferential policies for developing local recycling industries, including providing land and tax concessions, technology and operational support, etc., so as to encourage the commercial sector to invest in waste recovery and recycling industries;
- (d) while broadening the scope of product eco-responsibility, present efforts in recovering recyclable waste should be extended, including implementing non-punitive measures to encourage members of the public to increase their awareness of waste recovery and expanding community waste recovery networks, and a

more extensive use of various green products by society should be encouraged;

- (e) while developing recycling industries, the Government must also assist the industries concerned in integrating into the communities, and through various support measures ranging from community planning, improving recovery venue designs, improving transport networks to environmental hygiene, etc., enable recycling industries to have the acceptance and support of residents, thereby expanding community waste recovery networks; and
- (f) prohibition orders on landfill disposal should be made, and the separation and recovery of solid waste should be promoted, so as to reduce the disposal of recyclable materials at landfills, increase the volumes of waste recovery and prolong the lifespan of landfills; at the same time, for those landfills that are near the residential areas and close to saturation, timetables for their closure should be drawn up, so as to avoid the authorities lessening their efforts to develop recycling industries and related measures due to the reliance on landfills expansion to tackle the problem of solid waste;
- (g) producer responsibility should be promoted, and producer responsibility schemes for waste electrical and electronic products should be expeditiously implemented; and under the 'polluter pays' principle, the Government should actively study various financial means, such as the provision of financial incentives or the imposition of levies, etc., to encourage and motivate the public to more proactively practise waste reduction at source, waste separation and recycling in their daily life;
- (h) studies should be conducted on the establishment of a licensing system for waste recovery operators and the allocation of space in some existing refuse collection points for use by waste recovery operators, so as to reduce nuisance to local communities;
- (i) studies should be actively conducted on the designation of test points in various districts and the provision of land and financial incentives to people and organizations of local communities and social enterprises, so as to encourage residents in various districts to participate in the development of waste recovery and recycling industries;
- (j) the development of the EcoPark should be expedited to provide waste recovery and recycling operators with supporting infrastructure facilities, so as to attract more interested operators to participate; and
- (k) the relevant publicity and public education work should be strengthened to increase the public awareness and understanding of the advantages and importance of waste reduction at source and the recovery, separation and recycling of waste;
- (l) the Government should allocate the proceeds from implementing the producer responsibility system to establish a special fund to support the development of the

recycling industry and other environmental industries on a 'dedicated-fund-for-dedicated-use' basis;

- (m) studies should be conducted on the establishment of a certification system for manufacturers of environmental products to ensure that the raw materials and manufacturing procedures of the products concerned meet certain environmental standards, with a view to enhancing the recognition of environmental products, and the Government should consider taking the lead to fully use environmental products that meet certain environmental standards; and
- (n) the Government should review its existing policy on the provision of recycling bins, including providing recycling bins in all government buildings, hospitals and schools, and it should also consider installing a greater number of rubbish bins equipped with recycling bins to replace the existing ones on the street, so as to enhance the efficiency of waste recovery and separation;
- (o) a system of green products certification and labelling should be formulated; and
- (p) since 40% of the municipal solid waste at present is perishable waste such as food waste, the Government should devise an effective mechanism for the massive recovery of food waste, construct additional food waste recycling facilities, and encourage private organizations to engage in the food waste recovery and recycling industry; and
- (q) the Government should assist small and medium enterprises in applying for various types of environmental certification, so as to facilitate the development of environmental industries.