立法會 Legislative Council

LC Paper No. CB(1)878/14-15 (These minutes have been seen by the Administration)

Ref: CB1/BC/4/14/1

Bills Committee on Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Bill 2015

Minutes of the second meeting held on Monday, 4 May 2015, at 9:00 am in Conference Room 1 of the Legislative Council Complex

Members present: Ir Dr Hon LO Wai-kwok, BBS, MH, JP (Chairman)

Hon Vincent FANG Kang, SBS, JP Hon Jeffrey LAM Kin-fung, GBS, JP Hon WONG Ting-kwong, SBS, JP

Hon CHAN Hak-kan, JP Hon WU Chi-wai, MH Hon Charles Peter MOK, JP Dr Hon Kenneth CHAN Ka-lok

Hon KWOK Wai-keung

Member absent: Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon Cyd HO Sau-lan, JP

Public Officers attending

: For item II

Mr Howard CHAN, JP

Deputy Director of Environmental Protection (2)

Environmental Protection Department

Mr Samson LAI

Assistant Director (Waste Management Policy)

Environmental Protection Department

Mr Lawrence CHEUNG Senior Environmental Protection Officer (Waste Management Policy)3 Environmental Protection Department

Mr Gilbert MO Deputy Law Draftsman (Bilingual Drafting & Administration) Department of Justice

Miss Cindy CHEUK Government Counsel Department of Justice

Attendance by invitation

: For item II

Hong Kong Baptist University

Dr CHUNG Shan-shan Assistant Professor Department of Biology

Surface Mount Technology Limited

Professor CHAN Kei-biu Chairman & Senior Managing Director

Environmental Contractors Management Association

Mr LEE Ho-ting

Friends of the Earth (HK)

Mr Edwin LAU Che-feng Head of Community Engagement & Partnership

<u>Liberal Party</u>

Mr Peter SHIU Vice Party Chair

Hong Kong Waste Management Association

Mr Victor LI Chi-leung Vice Chairman

EcoSage Limited

Mr Felix CHUNG Suet-lam Director

Consumer Council

Mr Brian CHENG Chief Research and Survey Officer

Apple Inc.

Mr YU Yang Regional Environmental Affair Manager Greater China

Hong Kong WEEE Recycling Association

Mr Jacky CHEUNG Yiu-shing Founding President

Civic Party

Mr NG Yin-keung District Developer

St. James' Settlement

Ms Josephine LEE Yuk-chi Deputy Chief Executive Officer

Hong Kong & Kowloon Electrical Appliances Merchants Association Limited

Mr David MONG Tak-yeung Chairman

Green Technology Consortium

Mr Eddie CHAN Wing-lai Chief Executive Officer

The Hong Kong Polytechnic University

Professor POON Chi-sun Professor

World Green Organisation

Mr Angus WONG Policy Advocacy Manager

Caritas Computer Workshop

Mr CHEUNG Chun-wai Supervisor

Hong Kong Waste Disposal Industry Association

Mr Thomas TAM Chairman

The Chinese Manufacturers' Association of Hong Kong

Miss Winnie SIU

The Chamber of Hong Kong Computer Industry

Mr Sam HUI Kin-sang Director

Hewlett-Packard Company

Mr Ernest WONG Wai-hung Asia Supply Chain Responsibility Manager

Radio Association of Hong Kong

Mr Terrence CHAN Ting-kwok Chairman

Clerk in Attendance: Ms Shirley CHAN

Chief Council Secretary (1)1

Staff in attendance: Miss Evelyn LEE

Assistant Legal Adviser 10

Miss Lilian MOK

Senior Council Secretary (1)1

Ms Mandy LI Council Secretary (1)1

Miss Mandy POON Legislative Assistant (1)1

Action

Confirmation of minutes I.

(LC Paper No. CB(1)805/14-15 — Minutes of the meeting held on 9 April 2015)

The minutes of the meeting held on 9 April 2015 were confirmed. 1.

Meeting with deputations and the Administration II.

(LC Paper No. CB(1)788/14-15(04)	 Assistant Legal Adviser's letter dated 23 April 2015 to the Administration
LC Paper No. CB(1)788/14-15(05)	 List of follow-up actions arising from the meeting on 9 April 2015
LC Paper No. CB(1)788/14-15(06)	 Administration's response to the issues raised at the meeting on 9 April 2015
LC Paper No. CB(1)725/14-15(01)	 Assistant Legal Adviser's letter dated 8 April 2015 to the Administration
LC Paper No. CB(1)807/14-15(02)	 Administration's reply to Assistant Legal Adviser's letter dated 8 April 2015
Relevant papers	

Relevant papers

LC Paper No. CB(1)712/14-15(01) — Marked-up copy of the Bill prepared by the Legal Service Division (Restricted Members)

Action

Admin

LC Paper No. CB(1)712/14-15(02) — Assistant Legal Adviser's letter dated 17 March 2015 to the Administration

LC Paper No. CB(1)712/14-15(03) — Administration's reply to Assistant Legal Adviser's letter dated 17 March 2015

LC Paper No. CB(3)513/14-15 — The Bill

File Ref: EP CR 9/150/28 Pt.4 — Legislative Council Brief

LC Paper No. LS52/14-15 — Legal Service Division Report

LC Paper No. CB(1)712/14-15(04) — Background brief prepared by the Legislative Council Secretariat)

- 2. The <u>Bills Committee</u> deliberated (index of proceedings attached at **Annex**).
- 3. The <u>Bills Committee</u> received views from 22 deputations/individuals attending the meeting and noted the written submissions provided by the following three deputations which did not attend the meeting
 - (a) CO2 Feeds The World (LC Paper No. CB(1)788/14-15(02));
 - (b) The Hong Kong Polytechnic University (LC Paper No. CB(1)788/14-15(03)); and
 - (c) Information Technology Industry Council (LC Paper No. CB(1)817/14-15(07)).
- 4. The Administration was requested to provide a written response to the views and submissions from the deputations/individuals.

III. Any other business

Date of next meeting

5. The <u>Chairman</u> reminded members that the next meeting would be held on Tuesday, 2 June 2015, at 2:30 pm.

<u>Action</u>

6. There being no other business, the meeting ended at 11:00 am.

Council Business Division 1 <u>Legislative Council Secretariat</u> 22 May 2015

Proceedings of the second meeting of the Bills Committee on Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Bill 2015 on Monday, 4 May 2015, at 9:00 am in Conference Room 1 of the Legislative Council Complex

Time marker	Speaker	Subject(s)	Action required
Agenda It	em I - Confirmation of minutes	,	
000149 - 000234	Chairman	The minutes of the meeting held on 9 April 2015 (LC Paper No. CB(1)805/14-15) were confirmed.	
Agenda It	em II - Meeting with deputations o	and the Administration	
000235 – 000655	Chairman	Opening remarks	
000656 - 000955	Dr CHUNG Shan-shan, Hong Kong Baptist University	Presentation of views	
000956 - 001400	Professor CHAN Kei-biu, Surface Mount Technology Limited	Presentation of views	
001401 - 001616	Mr LEE Ho-ting, Environmental Contractors Management Association	Presentation of views	
001617 - 001959	Mr Edwin LAU Che-feng, Friends of the Earth (HK)	Presentation of views as set out in submission (LC Paper No. CB(1)788/14-15(01))	
002000 - 002339	Mr Peter SHIU, Liberal Party	Presentation of views	
002340 - 002657	Mr Victor LI Chi-leung, Hong Kong Waste Management Association	Presentation of views as set out in submission (LC Paper No. CB(1)807/14-15(01))	
002658 - 002822	Mr Felix CHUNG Suet-lam, EcoSage Limited	Presentation of views as set out in submission (LC Paper No. CB(1)817/14-15(01))	
002823 - 003215	Mr Brian CHENG, Consumer Council	Presentation of views as set out in submission (LC Paper No. CB(1)817/14-15(02))	
003216 - 003300	Mr YU Yang, Apple Inc.	Presentation of views	
003301 - 003628	Mr Jacky CHEUNG Yiu-shing, Hong Kong WEEE Recycling Association	Presentation of views as set out in submission (LC Paper No. CB(1)817/14-15(03))	

Time marker	Speaker	Subject(s)	Action required
003629 - 003945	Mr NG Yin-keung, Civic Party	Presentation of views as set out in submission (LC Paper No. CB(1)817/14-15(04))	
003946 - 004234	Ms Josephine LEE Yuk-chi, St. James' Settlement	Presentation of views	
004235 - 004611	Mr David MONG Tak-yeung, Hong Kong & Kowloon Electrical Appliances Merchants Association Limited	Presentation of views as set out in submission (LC Paper No. CB(1)829/14-15(01))	
004612 - 005019	Mr Eddie CHAN Wing-lai, Green Technology Consortium	Presentation of views as set out in submission (LC Paper No. CB(1)817/14-15(05))	
005020 - 005425	Professor POON Chi-sun, The Hong Kong Polytechnic University	Presentation of views	
005426 - 005810	Mr Angus WONG, World Green Organisation	Presentation of views	
005811 - 010210	Mr CHEUNG Chun-wai, Caritas Computer Workshop	Presentation of views as set out in submission (LC Paper No. CB(1)817/14-15(06))	
010211 - 010412	Mr Thomas TAM, Hong Kong Waste Disposal Industry Association	Presentation of views	
010413 - 010732	Miss Winnie SIU, The Chinese Manufacturers' Association of Hong Kong	Presentation of views	
010733 - 010945	Mr Sam HUI Kin-sang, The Chamber of Hong Kong Computer Industry	Presentation of views	
010946 - 011136	Mr Ernest WONG Wai-hung, Hewlett-Packard Company	Presentation of views	
011137 - 011449	Mr Terrence CHAN Ting-kwok, Radio Association of Hong Kong	Presentation of views	
011450 - 012823	Chairman Administration	Administration's general response to deputations/individuals' views — (a) since the regulated electrical equipment ("REE") under the mandatory producer	

Time marker	Speaker	Subject(s)	Action required
		responsibility scheme ("PRS") on waste electrical and electronic equipment ("WEEE") already accounted for about 85% of WEEE generated locally, the Administration considered it appropriate to focus primarily on the REE proposed under the Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment)(Amendment) Bill 2015 ("the Bill") at this stage. The Administration would consider extending the scope of REE in due course;	
		(b) the Administration proposed to impose permit control under the Waste Disposal Ordinance (Cap. 354) ("the WDO") such that the import and export of e-waste would require a permit. In addition, it proposed to apply the licensing control under section 16 of the WDO to the disposal of e-waste to require recyclers undertaking storage, treatment, reprocessing and recycling of e-waste to obtain a waste disposal licence. Exemption would be granted for the disposal of e-waste on land or in premises with an area of not more than 100 square meters ("m²");	
		(c) same as other private WEEE recyclers, the WEEE Treatment and Recycling Facility ("WEEETRF") to be developed would be required to obtain a waste disposal licence under the WDO for the disposal of e-waste;	
		(d) the proposed recycling fees for the REE proposed under the Bill were to be determined at full cost recovery basis taking into account the development and operation costs of WEEETRF and other management and administrative matters;	
		(e) as mentioned in the Consultation Document issued in 2010, the indicative range of recycling fees were around \$100 for a small piece of REE and around \$200 to \$250 for a bulky one. The recycling fees for computer products were expected to be lower;	
		(f) the Administration estimated that the recycling fee levels would not be higher than the indicative range mentioned in the	

Time marker	Speaker	Subject(s)	Action required
21101		Consultation Document. The fees would be provided for in subsidiary legislation for approval by the Legislative Council (i.e. positive vetting);	
		(g) REE sellers would be required to issue a proper receipt upon the sale of REE to inform consumers of the recycling fees which had been or would be paid to the Government by registered suppliers;	
		(h) REE sellers were required to have a removal service plan specifying that for every piece of new REE purchased by a consumer, an equivalent old product could be removed from a premises designated by the consumer for proper disposal at no extra charge to the consumer. While REE sellers did not have to provide the collection and treatment services direct, they had to specify the service providers in their removal service plans and make necessary arrangements for the services. Upon request by REE sellers, the WEEETRF operator could provide the removal services;	
		(i) the availability of removal services did not imply that a consumer had to use such service. The consumer could choose to keep the old product or to make separate disposal arrangement such as donation;	
		(j) since computer products usually had a comparatively high market value in the second-hand market, it was expected that the amount of waste computer products to be disposed of at WEEETRF or other licensed recycling facilities would be small;	
		(k) the Administration had been providing support in terms of land and funding to non-governmental organizations ("NGOs") operating voluntary WEEE recycling programmes;	
		(l) the Administration would provide financial support to assist local recyclers including WEEE recyclers to upgrade or enhance their operation through the Recycling Fund, subject to funding approval by the Finance Committee; and	

Time marker	Speaker	Subject(s)	Action required
		(m) the Bill did not contain provisions specifically providing for the operation of WEEETRF. The operation of WEEETRF would be monitored by the Administration through contractual arrangements. Given that Hong Kong generated about 70 000 tonnes of WEEE per year and the treatment capacity of WEEETRF was about 30 000 tonnes of e-waste per annum, WEEETRF would not monopolize WEEE recycling and crowd out existing WEEE recyclers. It was anticipated that private recyclers would focus their business on recycling WEEE of higher commercial value while WEEE which had relatively low commercial value or required complicated treatment processes would more likely be left to WEEETRF. As requested by the Chairman, the Administration would provide a written response to the views and submissions from the deputations/individuals.	Admin (paragraph 4 of the minutes refers)
012824 - 013525	Chairman Mr Vincent FANG Administration	Mr Vincent FANG expressed support for the development of WEEETRF to provide proper treatment for e-waste, in particular those equipment containing toxic and hazardous substances. He was also of the view that — (a) some private WEEE recyclers might not be able to compete with WEEETRF in the collection and recycling of WEEE and might well choose to close their business and thus create unemployment; (b) computer products which usually had a comparatively high market value in the second-hand market might not be disposed of at WEEETRF or other licensed recycling facilities for treatment; (c) apart from e-waste, WEEETRF should also collect and recycle other types of WEEE not covered under the Bill, such as used dehumidifiers; (d) the Administration should specify the proposed recycling fees for the REE that were proposed under the Bill and the fees should be charged at a percentage of the retail price of REE; and	

Time marker	Speaker	Subject(s)	Action required
		(e) the Administration should require REE sellers to specify on the receipt issued to consumers upon the sale of REE the exact amount of payment for the removal services to be provided by the sellers or their appointed service providers.	
		The Administration responded that –	
		(a) the proposed licensing requirement sought to enhance the control on the disposal of e-waste. However, noting that some private WEEE recyclers might undertake part of the treatment process on a small scale which did not cause adverse environmental impacts, the Administration proposed that the disposal of e-waste on land or in premises with an area of not more than 100 m² would be eligible for exemption to avoid undue impact on the operation of these recyclers;	
		(b) the proposed recycling fees for the REE that were proposed under the Bill would be determined at full cost recovery basis taking into account the development and operation costs for WEEETRF and other management and administrative matters. It might not be equitable to charge the recycling fees at a percentage of the retail price of REE; and	
		(c) the recycling fees which had been or would be paid to the Government by registered suppliers would be specified in the receipt issued by REE sellers to consumers upon the sale of REE. The Administration would recover the full costs of the PRS through the recycling fees, including the costs of removal and treatment of e-waste and other administrative costs. It was not feasible to provide a breakdown of the fees for individual PRS service.	
013526 - 013934	Chairman Mr KWOK Wai-keung Administration	Mr KWOK Wai-keung expressed concern that – (a) some private WEEE recyclers, in particular NGOs operating voluntary WEEE recycling programmes, might not be able to continue their business when WEEETRF came into operation; and	
		(b) some WEEE recycling operations might	

Time marker	Speaker	Subject(s)	Action required
marker	Speaker	occupy part of a road or pedestrian walkway. The Administration responded that — (a) it would continue to provide support in terms of land and funding to NGOs operating voluntary WEEE recycling programmes. Some private companies had been donating their old computers to charitable organizations for further distribution to families in need;	Action required
		(b) a certain amount of reusable e-waste disposed of at WEEETRF would be refurbished and then donated to the needy or put up for charitable sale. However, it was anticipated that the amount of waste computer products to be disposed of at WEEETRF would be small given its comparatively high market value in the second-hand market; and	
		(c) exemption under the proposed licensing control would be granted for the disposal of e-waste on land or in premises with an area of not more than 100 m ² , excluding any area illegally occupied.	
013935 - 014516	Chairman Mr WU Chi-wai Administration	 Mr WU Chi-wai expressed concern about – (a) the operation of private WEEE recyclers which had to compete with WEEETRF in the collection and recycling of WEEE; (b) whether the proposed recycling fees to be collected from suppliers of REE would be used to support WEEETRF and other licensed recyclers in the collection and recycling of WEEE; and 	
		(c) the reuse and refurbishment of e-waste to be disposed of at WEEETRF or other licensed recycling facilities.The Administration responded that –	
		(a) both WEEETRF and other private recyclers undertaking the recycling of e-waste would be required to obtain a waste disposal licence. As such, there would be a	

Time marker	Speaker	Subject(s)	Action required
marker		level-playing field for all WEEE recyclers to develop their business; (b) at present, Hong Kong generated about 70 000 tonnes of WEEE per year. With a design capacity of about 30 000 tonnes per annum, WEEETRF would not crowd out existing WEEE recyclers; and (c) it was anticipated that computer products or other types of REE which had a comparatively high market value in the second-hand market would not be disposed of at WEEETRF. Rather, they would be recycled and re-sold through second-hand dealers. The Chairman remarked that the mandatory PRS on WEEE would have the effect of enforcing the diversion of e-waste from the waste stream to proper recycling facilities. In anticipation of the growing quantities of WEEE, both WEEETRF and private recyclers should be able to develop their business.	
014517 - 014949	Chairman Mr WONG Ting-kwong Administration	Mr WONG Ting-kwong opined that the Administration should – (a) closely communicate with the recycling industry to ensure the effective and smooth implementation of the mandatory PRS on WEEE; (b) facilitate private WEEE recyclers to continue their business and minimize any possible adverse impact of the mandatory PRS on WEEE on their operation; and (c) set the proposed recycling fees at an appropriate level to avoid imposing too much burden on consumers and other stakeholders on the supply chain. The Administration assured members that it would continue to maintain close communication with relevant stakeholders for the implementation of the mandatory PRS on WEEE.	
014950 - 015632	Chairman Mr Charles Peter MOK	At the invitation of Mr Charles Peter MOK, Mr YU Yang of Apple Inc. expressed his concerns	

Time marker	Speaker	Subject(s)	Action required
	Mr YU Yang, Apple Inc. Mr Ernest WONG Wai-hung, Hewlett-Packard Company Mr Jacky CHEUNG Yiu-shing, Hong Kong WEEE Recycling Association Professor CHAN Kei-biu, Surface Mount Technology Limited Administration	about the provision of recycling label for REE sellers. Mr Ernest WONG Wai-hung of Hewlett-Packard Company shared similar concerns and referred members to the submission of the Information Technology Industry Council tabled in the meeting. The Administration responded that — (a) the labelling system under the mandatory PRS on WEEE sought to identify products to which recycling fees had been or would be paid; (b) while the recycling label might not be required to be affixed to the piece of REE that was sold at the point of sale, REE sellers would arrange to provide the labels to consumers within a reasonable period of time; and (c) operational details of the labelling system would be set out in subsidiary legislation later. Mr Jacky CHEUNG Yiu-shing of the Hong	
		Kong WEEE Recycling Association hoped that the Recycling Fund could support different recycling operations and promote the sustainable development of the recycling industry. Professor CHAN Kei-biu of the Surface Mount Technology Limited anticipated that private recyclers would focus their business on recycling WEEE which were marketable in the second-hand market while WEEETRF would undertake the recycling of WEEE which had relatively low commercial value or required complicated treatment processes.	
015633 - 020050	Chairman Mr WU Chi-wai Administration	Mr WU Chi-wai reiterated his concerns about – (a) the operation of private WEEE recyclers which might not be able to compete with WEEETRF in the collection and recycling of WEEE; and (b) whether the proposed recycling fees to be collected from suppliers of REE would be	

Time marker	Speaker	Subject(s)	Action required
		licensed recyclers in the collection and recycling of WEEE.	
		The Administration responded that –	
		(a) the quantities of locally generated WEEE for recycling in Hong Kong were expected to increase because a permit control for export of e-waste would be put in place;	
		(b) at present, Hong Kong generated about 70 000 tonnes of WEEE per year. With a design capacity of about 30 000 tonnes per annum, WEEETRF would not crowd out existing WEEE recyclers. Both WEEETRF and private recyclers should be able to develop their business;	
		(c) while private recyclers would focus their business on recycling WEEE that carried value in the commercial second-hand market, WEETRF would be recycling those e-waste which had relatively low commercial value;	
		(d) the proposed recycling fees for the REE that were proposed under the Bill were to be determined at full cost recovery basis taking into account the development and operation costs for WEEETRF and other management and administrative matters. The levels of fees would be reviewed as necessary;	
		(e) the Government would collect the proposed recycling fees from registered suppliers and the revenue would be paid into the General Revenue; and	
		(f) the WEEETRF operator would be paid with approved funding out of the General Revenue in accordance with the contract taking into account the amount of e-waste collected and treated by WEEETRF.	
020051 – Chai 020157	rman	Closing remarks	