

立法會
Legislative Council

LC Paper No. CB(1)364/15-16
(These minutes have been seen
by the Administration)

Ref : CB1/BC/10/14/2

**Bills Committee on Promotion of Recycling and Proper Disposal
(Product Container) (Amendment) Bill 2015**

**Minutes of the second meeting
held on Monday, 30 November 2015, at 8:30 am
in Conference Room 1 of the Legislative Council Complex**

Members present : Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Chairman)
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Cyd HO Sau-lan, JP
Hon CHAN Hak-kan, JP
Hon WU Chi-wai, MH
Hon Gary FAN Kwok-wai
Hon CHAN Chi-chuen
Hon Tony TSE Wai-chuen, BBS

Members absent : Dr Hon Kenneth CHAN Ka-lok
Hon KWOK Wai-keung
Hon Christopher CHUNG Shu-kun, BBS, MH, 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 of Environmental Protection
(Waste Management Policy)
Environmental Protection Department

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

Mr Gilbert MO
Acting Law Draftsman
Department of Justice

Miss Elaine NG
Senior Government Counsel
Department of Justice

**Attendance by
invitation**

: For item II

Construction Industry Council

Ms YUEN Hou-yee
Manager – Council Services

K. Wah Construction Materials

Miss Teresa LAI
Deputy General Manager – Asphalt, Bricks and Cement Terminal

World Green Organisation

Mr Angus WONG
Senior Manager, Policy Advocacy and Campaign

Federation of Hong Kong Industries

Mr Eric NG
Vice Chairman
Group 8 (Food, Beverage and Tobacco)

Designing Hong Kong

Mr Paul ZIMMERMAN
Chief Executive Officer

Greeners Action

Mr Angus HO
Executive Director

Liberal Party

Mr Peter SHIU
Vice Party Chair

The Hong Kong Food, Drink & Grocery Association

Mr Michael GLOVER
Chairman

Wine Association of Hong Kong

Mr HO Chi-hang
Secretary General

Individual

Mr CHAN Kai-ming

Green Sense

Miss LUK Ting-yan
Project Officer

The Conservancy Association

Mr WONG Tze-kang
Deputy Chief Executive

Hong Kong Environmental Industry Association

Mr Joe NG
Vice President

The Hong Kong Association of Property Management Companies

Mr Gary YEUNG
Chairman, Professional Practice Committee

ALBA Integrated Waste Solutions (Hong Kong) Limited

Mr Nigel MATTRAVERS
General Manger

Hong Kong Catering Industry Association
Mr Tony TAM
Vice Chairman

Environmental Contractors Management Association

Mr Bryan LEUNG
Recycling & Trading Manager

Hong Kong Dumper Truck Drivers Association

Ms April LAI
Glass Recycling Programme Co-ordinator

The Hong Kong Beverage Association Limited

Mr Charles CHYI
President

Clerk in Attendance : Ms Angel SHEK
Chief Council Secretary (1)1

Staff in attendance : Miss Evelyn LEE
Assistant Legal Adviser 10

Ms Doris LO
Senior Council Secretary (1)1

Ms Mandy LI
Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

Action

I. Confirmation of minutes

(LC Paper No. CB(1)189/15-16 — Minutes of the meeting held on 30 October 2015)

The minutes of the meeting held on 30 October 2015 were confirmed.

II. Meeting with deputations and the Administration

Meeting with deputations

Submissions from deputations/individual attending the meeting

(LC Paper No. CB(1)196/15-16(03) — Joint submission from The Hong Kong Food, Drink & Grocery Association and The Hong Kong Beverage Association Limited (English version only)(Restricted to members only)

LC Paper No. CB(1)214/15-16(01) — Submission from The Hong Kong Food, Drink & Grocery Association (English version only)(Restricted to members only)

LC Paper No. CB(1)214/15-16(02) — Submission from ALBA Integrated Waste Solutions (Hong Kong) Limited (English version only)

LC Paper No. CB(1)224/15-16(01) — Submission from Federation of Hong Kong Industries (Chinese version only)

LC Paper No. CB(1)224/15-16(02) — Submission from Wine Association of Hong Kong (English version only)

LC Paper No. CB(1)224/15-16(03) — Submission from Mr CHAN Kai-ming (Chinese version only)

Action

- LC Paper No. CB(1)224/15-16(04) — Submission from Green Sense (Chinese version only)
- LC Paper No. CB(1)224/15-16(05) — Submission from The Conservancy Association (Chinese version only)
- LC Paper No. CB(1)224/15-16(06) — Submission from Hong Kong Catering Industry Association (Chinese version only)
- LC Paper No. CB(1)224/15-16(07) — Submission from Hong Kong Dumper Truck Drivers Association (Chinese Version only)
- LC Paper No. CB(1)224/15-16(08) — Submission from The Hong Kong Beverage Association Limited (English Version only))

Submissions from deputations not attending the meeting

- (LC Paper No. CB(1)224/15-16(09) — Submission from Business Environment Council (English version only)
- LC Paper No. CB(1)224/15-16(10) — Submission from Consumer Council (English version only)
- LC Paper No. CB(1)224/15-16(11) — Submission from The Hong Kong Institution of Engineers (English version only))

Meeting with the Administration

Matters arising from the previous meeting

- (LC Paper No. CB(1)196/15-16(01) — List of follow-up actions arising from the meeting on 30 October 2015

Action

LC Paper No. CB(1)79/15-16(04) — Assistant Legal Adviser's letter dated 23 October 2015 to the Administration

LC Paper No. CB(1)196/15-16(02) — Administration's reply to Assistant Legal Adviser's letter dated 23 October 2015)

Other relevant papers

(LC Paper No. CB(3)829/14-15 — The Bill

File Ref: EP CR 9/150/35 Pt.4 — Legislative Council Brief

LC Paper No. LS86/14-15 — Legal Service Division Report

LC Paper No. CB(1)79/15-16(01) — Marked-up copy of the Bill prepared by the Legal Service Division (Restricted to Members)

LC Paper No. CB(1)79/15-16(02) — Assistant Legal Adviser's letter dated 14 September 2015 to the Administration

LC Paper No. CB(1)79/15-16(03) — Administration's reply to Assistant Legal Adviser's letter dated 14 September 2015

LC Paper No. CB(1)79/15-16(05) — Background brief prepared by the Legislative Council Secretariat)

Presentation of views by deputations/individual

2. The Chairman welcomed representatives of the Administration and deputations/individual to the meeting. He reminded the deputations/individual that their written submissions provided to the Bills Committee and views presented at the meeting would not be covered by the protection and immunity provided under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382).

Action

3. The Bills Committee deliberated (index of proceedings attached at **Annex**).

4. The Bills Committee received views from 19 deputations/individual attending the meeting and noted the views from three deputations which did not attend the meeting.

(Post-meeting note: Seven submissions from deputations on the Bill received after the meeting were issued to members vide LC Paper Nos. CB(1)253/15-16(01) to (07) on 4 December 2015.)

Follow-up actions to be taken by the Administration

Admin 5. The Administration was requested to provide a written response to the views raised by the deputations/individuals at the meeting or in their submissions.

III. Any other business

Date of next meeting

6. The Chairman reminded members that the next meeting would be held on Tuesday, 15 December 2015 at 2:30 pm.

7. There being no other business, the meeting ended at 10:29 am.

Council Business Division 1
Legislative Council Secretariat
24 December 2015

**Bills Committee on Promotion of Recycling and Proper Disposal
(Product Container) (Amendment) Bill 2015**

**Proceedings of the second meeting
on Monday, 30 November 2015, at 8:30 am
in Conference Room 1 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<i>Agenda Item I - Confirmation of minutes</i>			
000219 - 000245	Chairman	The minutes of the meeting held on 30 October 2015 (LC Paper No. CB(1)189/15-16) were confirmed.	
<i>Agenda Item II - Meeting with deputations and the Administration</i>			
000246 - 000254	Chairman	Introductory remarks	
000255 - 000839	Construction Industry Council	Presentation of views [LC Paper No. CB(1)253/15-16(07)]	
000840 - 001059	K. Wah Construction Materials	Presentation of views	
001100 - 001353	World Green Organisation	Presentation of views [LC Paper No. CB(1)253/15-16(03)]	
001354 - 001708	Federation of Hong Kong Industries	Presentation of views [LC Paper No. CB(1)224/15-16(01)]	
001709 - 002016	Greeners Action	Presentation of views [LC Paper No. CB(1)253/15-16(06)]	
002017 - 002326	Liberal Party	Presentation of views	
002327 - 002638	The Hong Kong Food, Drink & Grocery Association	Presentation of views [LC Paper Nos. CB(1)196/15-16(03) and CB(1)214/15-16(01)]	
002639 - 002937	Wine Association of Hong Kong	Presentation of views [LC Paper No. CB(1)224/15-16(02)]	
002938 - 003244	Mr CHAN Kai-ming	Presentation of views [LC Paper No. CB(1)224/15-16(03)]	
003245 - 003514	Green Sense	Presentation of views [LC Paper No. CB(1)224/15-16(04)]	

Time marker	Speaker	Subject(s)	Action required
003515 - 003821	The Conservancy Association	Presentation of views [LC Paper No. CB(1)224/15-16(05)]	
003822 - 004142	Hong Kong Environmental Industry Association	Presentation of views	
004143 - 004456	The Hong Kong Association of Property Management Companies	Presentation of views [LC Paper No. CB(1)253/15-16(05)]	
004457 - 004630	Designing Hong Kong	Presentation of views	
004631 - 004910	ALBA Integrated Waste Solutions (Hong Kong) Limited	Presentation of views [LC Paper No. CB(1)214/15-16(02)]	
004911 - 005156	Hong Kong Catering Industry Association	Presentation of views [LC Paper No. CB(1)224/15-16(06)]	
005157 - 005430	Environmental Contractors Management Association	Presentation of views	
005431 - 005740	Hong Kong Dumper Truck Drivers Association	Presentation of views [LC Paper No. CB(1)224/15-16(07)]	
005741 - 010019	The Hong Kong Beverage Association Limited	Presentation of views [LC Paper Nos. CB(1)196/15-16(03) and CB(1)224/15-16(08)]	
010020 - 011025	Chairman Administration	<p>The Administration's general response to the views of the deputations/individual –</p> <p>(a) the Promotion of Recycling and Proper Disposal (Product Container) (Amendment) Bill 2015 ("the Bill") would provide for a statutory regulatory framework for a mandatory producer responsibility scheme on product containers which would initially cover glass beverage containers ("the mandatory PRS"), and subject to future review, considerations could be given if the mandatory PRS should be expanded to cover other types of product containers;</p> <p>(b) up to three glass management contractors ("GMCs") would be hired to support glass container recycling on a territory-wide scale. GMCs would need to meet contractual recovery</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>targets by collaborating with private recyclers and Community Green Stations ("CGSs") in the collection of waste glass containers, and providing incentives to stakeholders with a view to increasing the quantity of waste glass containers collected;</p> <p>(c) the recycling levy to be imposed on beverages held in glass containers ("the levy") would be set at a level to recover the full costs of the mandatory PRS which could only be ascertained after completion of the open tendering for the services from GMCs, and the specific levy level would be prescribed by way of subsidiary legislation which would be subject to positive vetting by the Legislative Council ("LegCo") in the next stage. The levy would be collected from registered suppliers as this was considered more feasible and cost-effective comparing to collecting it at other points of the supply/recycling chain including the consumers;</p> <p>(d) GMCs might also recycle glass containers other than glass beverage containers ("non-beverage glass containers") by GMCs, the costs for which would be absorbed by recurrent government expenses and not be counted in the determination of the levy. In this regard, GMCs had to keep relevant records and cost accounts which were subject to audits;</p> <p>(e) there would be a levy exemption mechanism by which registered suppliers could submit plans on the recovery/reuse of their glass beverage containers for consideration and approval;</p> <p>(f) the Administration had made continued efforts to expand the glass container collection network in the community, and step up publicity and public education to mobilize participation and better facilitate members of the public to put the "clean recycling" concept into practice; and</p> <p>(g) there would be sufficient outlets for the recycled glass materials, including using them for the production of eco-pavers and other construction materials, or as fill materials in reclamation and other earthworks.</p>	

Time marker	Speaker	Subject(s)	Action required
		As requested by the Chairman, the Administration would provide a written response to the views raised by the deputations/individuals at the meeting or in their submissions.	Admin (paragraph 5 of the minutes refers)
011026 - 011602	Chairman Mr WONG Ting-kwong	<p>Mr WONG Ting-kwong enquired about –</p> <ul style="list-style-type: none"> (a) the justifications for imposing a levy on glass beverage containers most of which were essential for holding the beverages, whereas under the Plastic Shopping Bags ("PSBs") Levy Scheme, levy exemption was granted for PSBs that contained unpackaged goods or were specifically designed for containing the goods; (b) the schedule for expanding the mandatory PRS to cover non-beverage glass containers; (c) whether the costs of the collection of non-beverage glass containers by GMCs would affect the levy level. He agreed with some deputations' views that the levy should not be used for subsidizing any costs incurred for the collection of non-beverage glass containers; (d) whether there would be incentives for recovering glass beverage containers through a deposit-and-return system; and (e) the Administration's work in promoting "clean recycling" and the effectiveness of such work. <p>The Administration responded that –</p> <ul style="list-style-type: none"> (a) the considerations for charging the levies for PSBs and glass beverage containers were different in that the PSB levy was meant to disincentivize the indiscriminate use of PSBs while the levy on beverages held in glass containers sought to recover the full PRS costs incurred for the treatment of waste glass beverage containers; (b) the costs for recycling non-beverage glass containers would not be counted in the determination of the levy; and (c) it supported the reuse of glass containers and would continue to promote "clean recycling" concept through publicity and education initiatives, including those conducted by CGSs. 	

Time marker	Speaker	Subject(s)	Action required
011603 - 012213	Chairman Mr Vincent FANG Administration	<p>Mr Vincent FANG sought clarifications on the following matters –</p> <ul style="list-style-type: none"> (a) where a product might be regarded as both food and beverage, such as bird's nest essence, held in glass containers, whether it would be subject to regulation under the mandatory PRS at the initial stage covering only beverages held in glass containers; (b) whether the Administration would consult the stakeholders before expanding the scope of the mandatory PRS to cover non-beverage glass containers in future, and seek approval from the LegCo on the relevant legislative proposal; and (c) the outlets for recycled glass, and whether the Administration would take the lead in using materials manufactured from recycled glass. <p>The Administration responded that –</p> <ul style="list-style-type: none"> (a) the mandatory PRS covered alcoholic (such as beer and wine) and non-alcoholic (such as water, milk and tea) beverages held in glass containers in the initial stage, and bird's nest essence was not regarded as a beverage; (b) under the Bill, further expansion of the scope of the mandatory PRS or adjustments of the levy level would be subject to approval by the LegCo (i.e. by way of subsidiary legislation subject to positive vetting by LegCo); and (c) the Administration adopted "green procurement" and had taken the lead to use recycled glass materials such as eco-pavers in public works. It had also collaborated with the Construction Industry Council to conduct research on potential application of recycled glass materials. 	
012214 - 012724	Chairman Mr Tony TSE Administration	<p>Mr Tony TSE enquired about –</p> <ul style="list-style-type: none"> (a) the measures to encourage the reuse of glass beverage containers; and (b) the considerations to be taken into account in determining the schedule of expanding the scope of the mandatory PRS. 	

Time marker	Speaker	Subject(s)	Action required
		<p>The Administration responded that –</p> <ul style="list-style-type: none"> (a) a levy exemption mechanism would be in place under the mandatory PRS to encourage registered suppliers to recover/reuse their glass beverage containers; and (b) it would consider expanding the scope of the mandatory PRS where practicable in the light of the experience gained from the initial stage of implementation. 	
012725 - 013406	Chairman Ms Cyd HO Administration	<p>Ms Cyd HO requested the Administration to –</p> <ul style="list-style-type: none"> (a) introduce more complementary measures to facilitate the supply of waste glass containers from waste producers (such as pubs, bars and other catering outlets), such as mandating the submission of a proper recycling plan for liquor licence applications, and imposing a landfill disposal ban for glass beverage containers, as suggested by some deputations; and (b) address some deputations' concern that beverage suppliers might switch to using plastic bottles for packing their beverages. She also urged the Administration to take measures to discourage suppliers from using plastic bottles that were quite common for beverages like tea and water. <p>The Administration responded that –</p> <ul style="list-style-type: none"> (a) since the public consultation on the mandatory PRS conducted in 2013, considerable progress was made in various complementary measures to facilitate glass container collection, including recycling programmes in collaboration with residential estates, shopping centres, pubs, bars and other catering outlets, increasing the number of collection points in residential estates and other premises and public places, and publicity and education programmes; (b) in future, GMCs would contribute to the expansion of the regional network of collection points through collaborating with CGSs and waste recyclers. Besides, GMCs might also provide incentives to stakeholders with a view to increasing the quantity of waste glass containers collected; and 	

Time marker	Speaker	Subject(s)	Action required
		(c) the Environmental Protection Department had collaborated with the Development Bureau and works departments in expanding the use of recycled glass materials in public works.	
013407 – 013908	Chairman Administration	<p>The Chairman requested the Administration to give an initial response to the following suggestions of the deputations –</p> <ul style="list-style-type: none"> (a) imposition of a landfill ban on glass beverage containers; (b) introduction of recycling machines for collecting glass containers and dispensing redeemable coupons to persons disposing the containers into the machines; and (c) promoting the deposit-and-return system for glass beverage containers. <p>The Administration responded that –</p> <ul style="list-style-type: none"> (a) it would be premature to impose a statutory landfill ban having considered the present volume of glass containers disposed of at landfills and the operational difficulties; (b) it had kept an open mind to proposals of promoting glass container recycling from GMCs and the recycling industry, and provided funding through the Recycling Fund to support relevant initiatives by the recycling industry; and (c) it supported the reuse of glass beverage containers, as manifested in the introduction of exemption arrangements to encourage registered suppliers to recover/reuse their glass beverage containers. 	
013909 - 014320	Chairman Mr Vincent FANG Administration	In reply to Mr Vincent FANG's enquiry about the outlets for the recycled glass, the Administration supplemented that apart from the existing outlets, the construction trade was exploring other potential applications, including the use of glass cullet as a substitute for river sand.	
014321 - 014727	Chairman Mr Tony TSE Administration	Mr Tony TSE agreed with the suggestion of some deputations to introduce incentive measures including the deposit-and-return system of glass beverage containers, and opined that the Administration should take the lead in introducing such measures.	

Time marker	Speaker	Subject(s)	Action required
		<p>Mr TSE further enquired about –</p> <ul style="list-style-type: none"> (a) the number of local companies conducting glass recycling business that could become potential GMCs; and (b) the timetable of reviewing the effectiveness of the mandatory PRS. <p>The Administration responded that –</p> <ul style="list-style-type: none"> (a) while it would take forward complementary measures to facilitate the implementation of the mandatory PRS, it was considered more appropriate to let the three GMCs determine whether and what incentives should be provided to stakeholders based on market forces; (b) a number of local companies conducting glass recycling business had showed interest in bidding the GMC contracts; and (c) subject to the timing of implementing the mandatory PRS upon completion of all legislative procedures, a review of the mandatory PRS might be conducted after it had been in operation for some time. 	
<p>014728 - 015142</p>	<p>Chairman Ms Cyd HO Administration</p>	<p>Ms Cyd HO enquired about –</p> <ul style="list-style-type: none"> (a) whether GMCs would be allowed by the relevant contract to operate the deposit-and-return system of glass beverage containers; (b) whether a minimum recovery amount of glass containers would be prescribed in the GMC contracts; and (c) whether there would be any contraventions against the Agreement on Government Procurement ("GPA") of the World Trade Organization ("WTO") if the Government procured recycled glass materials manufactured locally for public works. <p>The Administration responded that –</p> <ul style="list-style-type: none"> (a) it encouraged GMCs to pursue different means, including the deposit-and-return system, to facilitate the reuse of glass containers; 	

Time marker	Speaker	Subject(s)	Action required
		<p>(b) a minimum recovery amount of glass containers (which would take into account glass containers holding beverages and other products) would be prescribed in the GMC contracts; and</p> <p>(c) the Department of Justice had confirmed that the procurement by the Government of recycled glass materials manufactured locally would not contravene GPA of WTO.</p>	
015143 - 015953	Chairman Mr WU Chi-wai Administration	<p>Mr WU Chi-wai enquired about –</p> <p>(a) the costs of the mandatory PRS;</p> <p>(b) collaborations among GMCs and other operators of waste treatment facilities developed by the Government, such as the Waste Electrical and Electronic Equipment Treatment and Recycling Facilities, and the Organic Waste Treatment Facilities for food waste, etc.;</p> <p>(c) whether there would be undue competition between GMCs and small to medium-sized private recyclers in the collection of glass containers;</p> <p>(d) the justifications for granting levy exemption to beverage suppliers with plans for the reuse of glass beverage containers, given that ultimately the glass beverage containers would still be disposed of at landfills after a certain times of reuse;</p> <p>(e) whether importing beverages held in glass containers purchased online would be subject to the levy payment; and</p> <p>(f) whether the Administration would re-consider collecting the levy from the consumers to achieve the effect of changing their behaviour of using and recycling glass containers.</p> <p>The Administration responded that –</p> <p>(a) it would provide details of the determination of PRS costs to the Bills Committee at the next meeting;</p> <p>(b) it would facilitate the collaboration between GMCs and other operators of waste treatment facilities of the Government;</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>(c) GMCs would leverage on the local network of private recyclers in the collection of waste glass containers. The Administration took note of the compliance costs arising from the mandatory PRS and would consider suitable relaxations in the auditing requirements for registered suppliers manufacturing or importing a small amount of beverages in glass containers;</p> <p>(d) granting of the levy exemption was in line with the current situation that glass beverage containers would normally be recovered and reused for five times or more under a typical reuse scheme of a local beverage manufacturer;</p> <p>(e) a person who, in the course of the person's business, caused the beverages held in glass containers to be imported into Hong Kong, whether or not through the internet, would be regarded as a supplier and had to pay the levy in respect of the beverages held in glass containers imported for distribution/consumption; and</p> <p>(f) it had considered the pros and cons of collecting the levy at different points of the supply/recycling chain, and on balance, it was considered more feasible and cost effective to collect the levy from registered suppliers.</p>	
015954 - 020049	Chairman	<p>Date of next meeting</p> <p>Closing remarks</p>	