

**立法會**  
*Legislative Council*

LC Paper No. CB(1)979/14-15  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/EA/1

**Panel on Environmental Affairs**

**Minutes of meeting**  
**held on Monday, 27 April 2015, at 2:30 pm**  
**in Conference Room 3 of the Legislative Council Complex**

**Members present** : Hon CHAN Hak-kan, JP (Chairman)  
Dr Hon Kenneth CHAN Ka-lok (Deputy Chairman)  
Hon James TO Kun-sun  
Hon TAM Yiu-chung, GBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Hon Cyd HO Sau-lan, JP  
Hon CHAN Kin-por, BBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Albert CHAN Wai-yip  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin  
Hon WU Chi-wai, MH  
Hon Charles Peter MOK, JP  
Hon CHAN Han-pan, JP  
Hon Kenneth LEUNG  
Hon KWOK Wai-keung  
Hon Dennis KWOK  
Dr Hon Elizabeth QUAT, JP  
Ir Dr Hon LO Wai-kwok, BBS, MH, JP  
Hon Tony TSE Wai-chuen, BBS

**Members absent** : Hon Frankie YICK Chi-ming  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

**Public Officers attending** : **For item IV**

Ms Christine LOH, JP  
Under Secretary for the Environment

Mr Andrew LAI, JP  
Deputy Director of Environmental Protection (3)  
Environmental Protection Department

Mr MOK Wai-chuen, JP  
Assistant Director (Air Policy)  
Environmental Protection Department

Mr FONG Kin-wa  
Principal Environmental Protection Officer  
(Mobile Source)  
Environmental Protection Department

**For item V**

Ms Christine LOH, JP  
Under Secretary for the Environment

Mr Samson LAI  
Assistant Director (Waste Management Policy)  
Environmental Protection Department

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

**Clerk in attendance** : Ms Shirley CHAN  
Chief Council Secretary (1)1

**Staff in attendance** : Miss Lilian MOK  
Senior Council Secretary (1)1

Ms Mandy LI  
Council Secretary (1)1

Miss Mandy POON  
Legislative Assistant (1)1

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**I. Confirmation of minutes**

(LC Paper No. CB(1)674/14-15 — Minutes of the meeting held on 26 January 2015

LC Paper No. CB(1)726/14-15 — Minutes of the meeting held on 25 February 2015)

1. The minutes of the meetings held on 26 January and 25 February 2015 respectively were confirmed.

**II. Information papers issued since last meeting**

2. Members noted that the following papers had been issued since the last meeting –

(LC Paper No. CB(1)742/14-15(01) — Letter dated 25 March 2015 from Dr Hon Kenneth CHAN Ka-lok on the review of the implementation of the extension of the Plastic Shopping Bag Charging to all retail outlets (Chinese version only)

LC Paper No. CB(1)755/14-15(01) — Joint letter dated 14 April 2015 from Dr Hon Kenneth CHAN Ka-lok and Hon Dennis KWOK regarding the future development of the

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electricity market (Chinese version only))

3. The Chairman referred to the letter dated 25 March 2015 from the Deputy Chairman regarding the implementation of the extension of the Plastic Shopping Bag Charging to all retail outlets, and advised that the Administration had been requested to provide a written response to the issues raised therein.

*(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)804/14-15(01) on 29 April 2015.)*

4. As regards the joint letter of 14 April 2015 from the Deputy Chairman and Mr Dennis KWOK on the future development of the electricity market in Hong Kong, the Chairman informed members that as agreed at the Panel on Economic Development ("the EDEV Panel") meeting on 27 April 2015, the subject would be discussed at the next regular meeting of the EDEV Panel scheduled for 27 May 2015 and a public hearing would be held on 16 June 2015. Members of this Panel would be invited to attend the meetings.

### **III. Items for discussion at the next meeting**

(LC Paper No. CB(1)763/14-15(01) — List of follow-up actions

LC Paper No. CB(1)763/14-15(02) — List of outstanding items for discussion)

5. Members agreed to discuss the following items at the next regular meeting scheduled for Friday, 29 May 2015, at 10:45 am –

- (a) Findings of the study on the provision of onshore power system in Kai Tak Cruise Terminal; and
- (b) Report of the Task Force on External Lighting.

*(Post-meeting note: With the concurrence of the Chairman, the next regular Panel meeting originally scheduled for 29 May 2015 was re-scheduled for Tuesday, 2 June 2015 at 8:30 am. A circular about the re-scheduling of the meeting was issued to members vide LC Paper No. CB(1)797/14-15 on 29 April 2015.)*

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Use of liquefied petroleum gas ("LPG") vehicles in Hong Kong

6. Referring to the explosion incident at a vehicle repair workshop in Wong Tai Sin on 26 April 2015, the Chairman expressed concern about the safety and maintenance of LPG vehicles. He sought members' views on the inclusion of an item on the safety and maintenance of LPG vehicles and the statutory safety requirements for vehicle repair workshops in the Panel's list of outstanding items for discussion.

7. Having regard that quite a lot of vehicle repair workshops were located near domestic premises and the maintenance of motor vehicles might pose safety risks to residents in the vicinity, the Deputy Chairman considered that the Panel should discuss the proposed item together with the regulation of LPG vehicle workshops as early as possible. Ms Cyd HO pointed out that aged and poorly maintained LPG vehicles might pose great danger to public safety. She shared the Deputy Chairman's views and opined that representatives of the Environment Bureau ("ENB") and other relevant Government bureaux/departments ("B/Ds"), for example, the Transport Department, the Electrical and Mechanical Services Department, and the Fire Services Department, should be invited to attend the discussion of the proposed item. Ir Dr LO Wai-kwok also agreed that the proposed item should be scheduled for discussion by the Panel pending the investigation of the explosion incident. Mr Steven HO urged the Administration to provide relevant information, such as the existing regulations governing the repair and maintenance of LPG vehicles, for members' reference. Mr Albert CHAN proposed that the handling of LPG cylinders and other types of dangerous goods, as well as the berthing of vessels carrying dangerous goods in the vicinity of residential areas, should also be discussed under the proposed item.

8. The Deputy Director of Environmental Protection (3) ("DDEP(3)") advised that LPG taxi scheme was launched by the then Environment and Food Bureau in 1999 to improve the air quality. ENB would provide information on the implementation of LPG vehicles scheme for Panel's information and solicit inputs from relevant B/Ds, if necessary.

9. The Chairman advised that as discussed with the Permanent Secretary for the Environment, he was given to understand that there was no evidence at this stage indicating that the LPG fuel system of the taxi involved in the incident was a direct cause of the explosion. The Under Secretary for the Environment ("USEN") also said that the explosion incident might have various potential causes, and an inter-departmental investigation led by the Security Bureau was being conducted into the cause of the accident.

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10. Noting that the majority of members were in support of early discussion of the matter, the Chairman requested the Administration to provide an information paper on the use of LPG vehicles in Hong Kong, including details on the repair and maintenance of LPG vehicles, the statutory requirements and safety standards for an LPG vehicle workshop and a LPG filling station, the conduct of regular inspection of LPG vehicles and facilities, and the safety handling of LPG cylinders and other types of dangerous goods, as well as the berthing of vessels carrying dangerous goods in the vicinity of residential areas. Upon receipt of the information, members would further decide on the matter.

**IV. Progress of air quality improvement measures**

(LC Paper No. CB(1)763/14-15(03) — Administration's paper on "Progress of air quality improvement measures"

LC Paper No. CB(1)763/14-15(04) — Background brief on "Progress of air quality improvement measures" prepared by the Legislative Council Secretariat)

11. USEN briefly introduced that the Administration had been implementing various air quality improvement measures to tackle local and regional air pollution.

Ozone pollution

12. Mr CHAN Kin-por expressed concern that from 2006 to 2014, while Hong Kong's overall air quality had continued to improve progressively, the concentration level of ozone had increased by 28% due to the regional photochemical smog problem. He sought elaboration on the interface between the regional photochemical smog problem and the ozone level. Ir Dr LO Wai-kwok was also disappointed to note that although the Administration had introduced a number of measures to reduce vehicular emissions, roadside nitrogen dioxide had increased by 6% from 2006 to 2014 due to excessive emissions from aged vehicles and the increase in regional ozone concentration.

13. The Assistant Director of Environmental Protection (Air Policy) ("ADEP(AP)") advised that ozone was a regional air pollution problem. The air pollutant was not directly emitted from a pollution source but a secondary

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pollutant formed under sunlight by photochemical reactions of primary pollutants, such as nitrogen oxides ("NO<sub>x</sub>") and volatile organic compounds ("VOC"). A high concentration of ozone would occur during the days with high solar radiation and low wind speed, which favoured photochemical reactions to take place. To alleviate the photochemical smog problem and reduce the ozone level in the Pearl River Delta ("PRD") region, the Administration had been working closely with the Guangdong authorities to control the emissions of NO<sub>x</sub> and VOC.

Air Quality Objectives ("AQOs")

14. Noting that the Air Pollution Control Ordinance (Cap. 311) had stipulated that AQOs would be reviewed at least once every five years, Mr Dennis KWOK enquired when the Administration would commence reviewing the prevailing AQOs which had come into effect on 1 January 2014. Ms Cyd HO opined that the Administration should kick off the review process as early as possible with a view to devising a new set of AQOs for the next five years starting from 1 January 2019 and formulating corresponding air quality improvement plans. DDEP(3) responded that the Administration would endeavour to complete the AQO review by the end of 2018, which might involve changes of AQOs, subject to the practicability to attain new objectives. The Administration would report to the Panel in end 2015 the progress of formulating the approach and methodology for conducting the review.

15. Pointing out that the new "Pollutants in the Atmosphere and their Transport over Hong Kong" ("PATH") model had been launched in January 2015, Mr Dennis KWOK suggested that the Administration should brief the relevant users about the operation and application of the new modelling system. Furthermore, the Administration should ensure that adequate number of roadside remote sensing equipment had been deployed to detect emissions from petrol and LPG vehicles.

16. Ms Cyd HO expressed concern about the effectiveness of the air quality improvement measures, including the phasing out of pre-Euro IV diesel commercial vehicles ("DCVs"), the setting up of low emission zones ("LEZs") for franchised buses at busy corridors and the mandatory fuel switch at berth in Hong Kong waters, in attaining the prevailing AQOs by 2020. She requested the Administration to include information on the changes in the emission levels of major air pollutants and their possible association with public health in its paper on the AQO review to be submitted to the Panel in end 2015. Mr Tony TSE shared Ms HO's views that the Administration should provide information on the impact of air pollution on public health for members' reference. The Deputy Chairman also held the view that the Administration should elaborate more on the Air Quality Health

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Index ("AQHI") to draw public attention to the possible association of adverse health effects with air pollution and provide health advice to people with different degrees of susceptibility to air pollution when AQHI reached high or above categories. The Administration should also take into account the possible negative impact of different development projects on traffic flow and air quality in future land use planning.

17. ADEP(AP) advised that although the Administration would review AQOs at least once every five years, it had been monitoring closely air quality changes for assessing the effectiveness of the air quality improvement measures. When conducting the review, it would also make reference to the air quality guidelines and standards of the World Health Organization. He further explained that apart from local and regional air pollutant emissions, meteorological factors could also affect air quality. As weather conditions could fluctuate between years, the fluctuations could cause year-to-year air quality changes. It was therefore not appropriate to select air quality data over a short period and compare the data with those of the same period in previous years to assess whether air quality had improved or deteriorated. The proper and scientific way to assess air quality changes and the effectiveness of air quality improvement measures was to examine the long-term trends of major air pollutants. USEN reiterated that the Administration would report to the Panel in end 2015 the progress of formulating the approach and methodology for conducting the AQO review.

Phasing out pre-Euro IV DCVs

18. The Deputy Chairman noted with concern that under the ex-gratia payment scheme for phasing out pre-Euro IV DCVs, there was about 43% of pre-Euro DCVs not yet been scrapped or replaced with new ones as of 31 March 2015. Given that all pre-Euro DCVs would have to be retired by end of 2015, he enquired how the Administration would facilitate the transport trade to make necessary preparation and arrangements for phasing out their pre-Euro DCVs as early as possible.

19. DDEP(3) responded that as stipulated in the Air Pollution Control (Air Pollutant Emission) (Controlled Vehicles) Regulation (Cap. 311X), pre-Euro IV DCVs (i.e. pre-Euro, Euro I, Euro II and Euro III vehicles) would be phased out by different retirement deadlines according to their first registration dates. The Environmental Protection Department ("EPD") had sent letters to all pre-Euro DCV owners in February 2015 and issued a press release on 2 April 2015 to remind them to replace their vehicles before respective stipulated deadlines. As pre-Euro IV DCV owners granted with ex-gratia payment could choose whether or not to buy a replacement vehicle after their old DCVs had been scrapped, some of them might quit their business and did not acquire a replacement. The Administration had no plan



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to extend the retirement deadlines as stipulated in the legislation or otherwise, the attainment of the prevailing AQOs by 2020 would be compromised. The Deputy Chairman urged the Administration to proactively encourage vehicle owners to phase out their pre-Euro IV DCVs earlier than the specified deadline.

Air pollutant emissions from aircraft

20. Mr Albert CHAN expressed grave concern about aircraft pollution as large amounts of air pollutants namely carbon monoxide, respirable suspended particulates ("RSP") and NO<sub>x</sub> would be emitted during aircraft takeoff and landing. He also pointed out that different districts were susceptible to different air pollutant emission sources, such as power plants, vessels, vehicles, aircrafts, etc. While the Administration had been implementing territory-wide measures to cut down local emissions, Mr CHAN opined that EPD should identify the major types of air pollution sources in individual districts and set out in its paper on the AQO review to be submitted to the Panel in end 2015 specific air quality improvement measures for particular districts. He also suggested that the Research Office of the Secretariat should conduct a related study to facilitate member's understanding in this aspect.

21. USEN responded that EPD published every year an annual emission inventory for Hong Kong listing out the quantities of emissions of major emission sources, including power plants, vessels, motor vehicles, aviation and other fuel combustion sources. The Administration would base on the inventory to develop relevant air quality management strategies and emission control measures. She suggested that if members wished to gain better understanding of Hong Kong's overall air quality, the Panel might consider inviting experts and academics to share their views in this regard.

Marine emissions

22. Ir Dr LO Wai-kyok sought elaboration on the latest progress of installing onshore power ("OSP") facilities at the Kai Tak Cruise Terminal ("KTCT") or container terminals. Mr CHAN Han-pan also expressed concern about the use of OSP facilities at container terminals (e.g. Kwai Chung Container Ports) to reduce vessel emissions. USEN advised that the Administration would report the findings of the study on the feasibility of installing OSP facilities at KTCT and recommend the way forward at the Panel's regular meeting in May 2015. At present, the Administration was discussing with the Guangdong authorities to explore introducing measures to reduce marine emissions within PRD waters.

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23. In response to Mr CHAN Han-pan's enquiry about the effectiveness of the Port Facilities and Light Dues Incentive Scheme in encouraging ocean-going vessels ("OGVs") to switch to low sulphur marine fuel while berthing in Hong Kong waters, DDEP(3) advised that the scheme was voluntary in nature and was launched in September 2012. There were around 3 000 OGV-calls participating in the scheme a year and as at end of 2014, the participation rate was about 13%. The Administration expected that when the Air Pollution Control (Ocean Going Vessels) (Fuel at Berth) Regulation took effect on 1 July 2015 to require all OGVs to use marine fuel with sulphur content not exceeding 0.5% while berthing in Hong Kong, the total emissions of sulphur dioxide and RSP would be reduced. USEN assured members that the Administration had been implementing a host of air quality improvement measures targeting at different types of air pollutants from various sources.

Setting up of LEZs

24. While expressing support for the Administration's plan to set up LEZs in Central, Causeway Bay and Mong Kok to allow only low emission buses to enter the zones, Mr Tony TSE opined that the Administration should ensure that the franchised bus companies would strike an appropriate balance between deploying low emission buses to run through LEZs and other districts or otherwise, the air quality in other districts might be undermined as most low emission buses were deployed to serve only LEZs.

Promotion of renewable energy ("RE") and energy saving

25. Mr Tony TSE noted that the cost of electricity generated from RE was higher than that generated from fossil fuel and the use of RE would have high tariff implications. He sought elaboration on the future development of RE in Hong Kong. USEN advised that the Government had launched a three-month public consultation on the Future Development of the Electricity Market and the use of RE was one of the areas for review. Having regard that the future development of electricity market involved different complicated issues, USEN considered it more desirable to discuss with members at a later stage after soliciting views from the public. Mr TSE was of the view that while the power companies might not be proactively promoting RE due to the tariff impact, the Government should take the lead in the further promotion of RE.

26. In response to Mr Kenneth LEUNG's enquiry about future energy policies, USEN advised that the Administration planned to issue a blueprint in the summer of 2015 to set out its policies on energy conservation and green buildings.

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Use of biodiesel

27. Noting that some overseas countries like Malaysia and the Philippines planned to specify the biodiesel content in a motor vehicle biodiesel blend through legislation, Mr Kenneth LEUNG enquired whether the Administration would consider developing specifications and regulations on the use of biodiesel as vehicle fuel in Hong Kong to reduce greenhouse gas ("GHG") emissions.

28. USEN advised that the main environmental benefits of using biodiesel lied in a reduction of GHG emissions, thereby helping to relieve global warming. ADEP(AP) further explained that biodiesel was a renewable fuel manufactured from vegetable oils, animal fats, waste cooking oil, etc. Some countries would turn their excessive agricultural produces into biodiesel to fuel vehicles, thus reducing reliance on fossil diesel and reducing their carbon footprint. However, in respect of the potential to improve roadside air quality, biodiesel and Euro V diesel were similar.

Use of electric taxis

29. Noting that the Shenzhen authorities had provided subsidies to taxi owners to switch to electric taxis and there were about 800 electric taxis in use in Shenzhen, Mr CHAN Kin-por asked whether the Administration would consider offering financial incentives to the taxi trade to encourage them to use electric taxis in Hong Kong. DDEP(3) responded that the Government set up the \$300 million Pilot Green Transport Fund in March 2011 to provide subsidies to the transport trade to try out green innovative transport technology, including electric vehicles and hybrid vehicles. Up to 31 March 2015, 86 trials were approved involving 21 electric taxis, 11 electric buses and 12 hybrid light buses.

Promotion of cycling

30. As some European countries were actively planning and developing cycling networks to promote bicycle as a form of green transport, Mr WU Chi-wai enquired whether the Administration would conduct a review of cycling policies to formulate proposals to enhance local cycling facilities and establish Hong Kong as a "bike-friendly" city. USEN responded that measures to encourage cycling as a means of transport would straddle different policy areas. Further discussion with relevant B/Ds was required before putting forward policies and proposals to promote bicycle as a transport mode in urban areas.

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Concluding remarks

31. The Chairman urged the Administration to take note of members' views and provide relevant information in its paper on the AQO review to be submitted to the Panel by end of 2015. The Chairman also requested members to notify the Secretariat in writing if they had further views on the AQO review.

**V. Producer Responsibility Scheme on Glass Beverage Bottles**

(LC Paper No. CB(1)763/14-15(05) — Administration's paper on "Producer Responsibility Scheme on Glass Beverage Bottles"

LC Paper No. CB(1)763/14-15(06) — Updated background brief on "Producer Responsibility Scheme on Glass Beverage Bottles" prepared by the Legislative Council Secretariat)

32. The Chairman referred members to the submission from the Hong Kong Wine Chamber of Commerce ("HKWCC") to the Secretary for the Environment which was tabled at the meeting.

*(Post-meeting note: The submission was circulated to members vide LC Paper No. CB(1)796/14-15(01) on 27 April 2015.)*

33. At the invitation of the Chairman, the Assistant Director of Environmental Protection (Waste Management Policy) ("ADEP(WMP)") briefed members on the latest development of the preparation for the implementation of the mandatory producer responsibility scheme ("PRS") on glass beverage bottles ("GBBs") in Hong Kong, including the necessary legislative proposals for establishing the statutory regulatory framework.

Proper treatment of waste glass bottles

34. While expressing support for the implementation of the mandatory PRS on GBBs to enhance the recycling of waste glass bottles and save landfill space, Ir Dr LO Wai-ki enquired whether there were adequate treatment facilities to collect and treat waste glass bottles to become reusable materials. ADEP(WMP) advised that glass was chemically non-hazardous and the treatment process was relatively simple. Waste glass bottles would

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be crushed into cullet for use as construction materials, such as eco-pavers and partition bricks. At present, most of the waste glass bottles recovered was supplied to two local eco-paver manufacturers whose crushing plants had a combined treatment capacity of 30 000 to 40 000 tonnes of waste glass bottles. Noting that at least one new glass bottle processing/treatment line was being installed by a local recycler, the Administration would continue to facilitate potential investors to develop their GBB recycling business.

35. In response to Ir Dr LO Wai-kwok's further enquiry about the recycling of waste glass bottles from restaurants and bars, ADEP(WMP) advised that the Administration had launched the Glass Container Recycling Programme for the Hotel Sector with the Hong Kong Hotels Association in November 2008. It was a major trade-led glass recycling programme to help hotels reduce waste disposal and ensure that the glass containers generated were managed in an environmentally friendly way in Hong Kong. A total of about 700 tonnes waste glass bottles were recovered under the programme annually. The Administration had also been supporting a number of voluntary glass recycling schemes through the Environment and Conservation Fund to enhance public awareness of glass recycling. To facilitate the implementation of the mandatory PRS on GBBs, the Administration would continue to expand the glass bottle collection network such that waste producers (mainly pubs and bars and other catering services) could conveniently participate in waste glass bottle recycling.

Waste glass bottle collection

36. Mr Tony TSE was in support of the mandatory PRS on GBBs. However, he noted with concern that while a number of glass bottle collection points had been set up in residential estates, other premises and public places, there were only about 6 000 tonnes of recovered glass materials reused in the manufacturing of eco-pavers annually. He doubted whether the target of recovering 50 000 tonnes of waste glass bottles per annum under the mandatory PRS on GBBs could be achieved.

37. USEN assured members that the Administration placed great importance on the cost-effectiveness of the mandatory PRS on GBBs. While maintaining a sufficient network of glass bottle collection points in residential estates, the Administration would further increase the number of collection points and expand the collection network to cover food and beverage facilities, particularly bars and restaurants, to facilitate bulk collection. ADEP(WMP) supplemented that the Administration had considerably expanded the glass bottle collection network in the past two years and the amount of waste glass bottles being recovered had been increasing.

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38. While expressing support for the implementation of the mandatory PRS on GBBs, Dr Elizabeth QUAT pointed out that the public might not be very familiar with the "clean recycling" concept and glass bottle recycling. Mr KWOK Wai-keung opined that the Administration should enhance public education on "clean recycling" as the cleanliness of the recyclables would affect the after-use potential and recycling cost. ADEP(WMP) assured members that the Administration had stepped up publicity and public education to promote "clean recycling" and disseminate information about glass bottle recycling. It had produced a series of announcements of public interest about proper recycling procedures, including one episode promoting "rinse before recycle" for glass bottle recycling. The Community Green Stations being developed would help promote the "clean recycling" concept. The Administration would also continue to bring forth the message to the public that there were adequate and sustainable outlets to absorb all recycled glass materials to reinforce them to support waste glass bottle recycling.

39. Dr Elizabeth QUAT noted that high transportation cost would be incurred in the collection of waste glass bottles, which were bulky and had to be handled with care when they were stockpiled in large quantity. She sought elaboration on how waste glass bottles would be effectively collected and properly treated to become reusable resource. Referring to the submission from HKWCC tabled at the meeting, Mr WU Chi-wai also expressed concern about the collection of waste glass bottles. As the Government was introducing mandatory PRSs on specific products, he enquired whether an integrated resource recovery system would be developed for the collection of different regulated products so that logistics could be arranged more efficiently. Mr Paul TSE was of the view that when municipal solid waste ("MSW") charging was implemented, the public would endeavour to reduce, separate and recycle waste proactively in order to save money. This might be more cost-effective than introducing the mandatory PRS on GBBs to encourage the public to recycle waste glass bottles.

40. ADEP(WMP) responded that the Administration had come up with a framework proposal for the implementation of MSW charging and would proceed with other preparatory work such that the charging scheme would be implemented in coherence with other PRSs. It was expected that the interface between MSW charging and PRSs would achieve greater synergy in waste reduction and separation. ADEP(WMP) further advised that in the light of the experience gained from various voluntary recycling programmes, high logistics cost was one of the key impediments to the efficient collection of recyclable products. However, the mandatory PRS on GBBs which would be implemented in a territory-wide scale could benefit from economy of scale. The Administration would hire up to three contractors called Glass Management Contractors ("GMCs") to serve the catchment regions of Hong Kong Island, Kowloon and the New Territories respectively. GMC would be

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required by contract to manage glass bottle collection services and properly treat the waste glass bottles collected until the bottles become reusable materials. According to the "polluter pays" principle, a recycling fee for GBBs was proposed to be imposed to recover the full PRS costs.

41. In response to Mr KWOK Wai-keung's enquiry about whether the Administration would consider allocating land in EcoPark for the glass recycling industry, ADEP(WMP) advised that no surplus land was currently available in the EcoPark.

Sustainable outlets of recycled glass materials

42. Dr Elizabeth QUAT enquired whether all waste glass bottles recovered could be consumed locally. Mr KWOK Wai-keung also expressed concern about the applications of waste glass bottles. ADEP(WMP) advised that waste glass bottles collected would be crushed into cullet for use as construction materials, such as eco-pavers and partition bricks. Besides eco-pavers, glass cullet of appropriate size could be used as fill materials in reclamation and other earthworks and might also substitute river sand. The Administration had been promoting the use of eco-pavers in public works projects through the green procurement policy.

Exemption

43. Noting that an exemption mechanism would be introduced under the mandatory PRS on GBBs whereby registered suppliers might apply for exemption from paying the proposed recycling fee by submitting a corporate reuse/recycling plan on how the waste glass bottles of their brands would be recovered, the Deputy Chairman sought elaboration on the exemption requirements, in particular whether registered suppliers would be required to achieve a specific target recovery rate of waste glass bottles.

44. ADEP(WMP) advised that subject to meeting certain performance standards and other terms and conditions, waste glass bottles covered under a reuse/recycling plan would not be subject to the proposed recycling fee. The Administration would engage the trade and draw up the exemption requirements and operational details at the next stage. It was expected that registered suppliers with a satisfactory reuse/recycling plan could achieve a recovery rate of 80 – 90%. The Deputy Chairman urged the Administration to set out clearly the exemption requirements and operational details of the exemption mechanism, including the recovery rate of waste glass bottles that registered suppliers should attain and the acceptable amount of material loss arising from the collection and treatment process, when the relevant legislative proposals were submitted to the Legislative Council for scrutiny. The Administration should also plan for extending the mandatory PRS on

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GBBs to cover glass food/sauce bottles in a phased approach.

45. Mr Paul TSE pointed out that some local beverage manufacturers had put in place a deposit-refund system to recover their glass bottles for rebottling. They normally worked with restaurants and retailers who would receive and return empty bottles to them and consumers would be refunded upon return of empty bottles. He enquired whether the Administration would encourage local beverage manufacturers to adopt the deposit-refund system to incentivize the recycling of waste glass bottles. ADEP(WMP) acknowledged that some beverage manufacturers had developed their own system to recover the glass bottles of their brands for reuse. However, there was still a large quantity of waste glass bottles remained in the waste stream. The mandatory PRS on GBBs could establish a circular economy whereby waste glass bottles could be effectively collected and properly treated to become reusable resource, such as eco-pavers and partition bricks.

Charging of recycling fee

46. Citing the plastic shopping bags ("PSB") Charging (which required sellers of goods to charge their customers an amount of not less than \$0.5 for each PSB) as an example, the Chairman enquired why the proposed recycling fee under the mandatory PRS on GBBs was to be collected from registered suppliers instead of consumers. Mr Paul TSE was of the view that imposing the proposed recycling fee on registered suppliers might not create sufficient incentive to consumers to reduce the use of glass bottles.

47. ADEP(WMP) explained that the main objective of PSB charging was to encourage reduction in the use of PSBs and imposing the PSB charge on customers could create a direct economic disincentive to reduce the excessive use of PSBs, thereby reducing waste at source. However, the mandatory PRSs on waste electrical and electronic equipment ("WEEE") and GBBs did not seek to discourage the public from using electrical and electronic products and glass bottles. Rather, the main objectives of these two mandatory PRSs were to establish a circular economy for WEEE and waste glass. ADEP(WMP) further advised that the Administration had considered the alternative of collecting the proposed recycling fee for GBBs at the points of sale, but this approach was far less cost effective given the vast number of catering and retail establishments. Having consulted the trade, the Administration proposed to collect the fee from registered suppliers.

48. Noting that a registered supplier would be required to submit to the Government periodic returns setting out information on the computation of the recycling fee payable and engage an independent auditor to conduct annual audits on the periodic returns, the Chairman expressed concern about the administrative costs to be incurred in complying with the requirements.



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Mr Paul TSE shared the Chairman's concerns that the requirements might impose a financial burden on registered suppliers. ADEP(WMP) advised that the Administration had conducted an impact assessment on the mechanism for collecting the proposed recycling fee. Detailed reporting requirements would be worked out and prescribed by regulation, taking into account the operation of beverage and wine suppliers.

49. In response to Mr Paul TSE's further enquiry as to whether the charging of recycling fee would undermine Hong Kong's status as the regional wine hub, ADEP(WMP) explained that the Administration would only collect the proposed recycling fee for glass-bottled beverages that were "distributed" or "consumed" in Hong Kong, but would exclude exports of locally manufactured glass-bottled beverages and re-exports of imported glass-bottled beverages.

Concluding remarks

50. The Chairman concluded that members were generally supportive of the mandatory PRS on GBBs and urged the Administration to take heed of members' views when drafting the relevant legislative proposals.

**VI. Any other business**

51. There being no other business, the meeting ended at 4:28 pm.