LC Item FCR(2016-17)79

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(Fax: 2869 6794) 28 April 2017

Clerk to Finance Committee (Attn: Ms. Anita SIT) Legislative Council Secretariat Legislative Council Complex 1 Legislative Council Road Central, Hong Kong

Dear Ms. SIT,

Finance Committee Follow-up to meeting on 11 February 2017 FCR(2016-17)79

Our reply to the information requested by Members at the Finance Committee ("FC") meeting on 11 February 2017 is as follows –

(a) regarding the proposed policy on food waste reduction at source to be formulated by the Administration (including legislative timetable), please refer to <u>Annex A</u>; and

(b) regarding the information to be provided by the Administration as requested by Hon CHU Hoi-dick in his letter dated 10 February 2017 to the FC Chairman and Secretary for the Environment (SEN), please refer to <u>Annex B</u>.

Yours sincerely,

(Elvis AU) for Director of Environmental Protection

Encl: Annex A and Annex B

Annex A

<u>Response regarding the proposed policy on food waste reduction at source to be</u> formulated by the Administration (including legislative timetable)

In 2014, the Government published "A Food Waste & Yard Waste Plan for Hong Kong 2014-2022" ("the Plan") to provide a clear and holistic approach and strategy for reducing food waste and enhancing reuse and recycling, with an aim to reduce the amount of food waste disposed of at landfills by 40% by 2022.

Food waste reduction at source is a key strategy under the Plan. Tasks involved include:

Food Waste Reduction Activities

Since 2011, the Environmental Protection Department (EPD) has, in conjunction with various District Councils, organised district-based Food Waste Reduction Activities throughout the territory to motivate and encourage the public and the commercial sector to avoid and reduce food waste generation at source. By the end of 2016, we have successively organised Food Waste Reduction Activities in ten districts, including Kwun Tong, Tsuen Wan, Tuen Mun, Wong Tai Sin, Wan Chai, Sha Tin, Kwai Tsing, Eastern, Yau Tsim Mong and Sham Shui Po.

Food Waste Recycling Partnership Scheme

Since June 2010, EPD has formed a working group with the commercial and industrial (C&I) sectors to implement the Food Waste Recycling Partnership Scheme, so as to encourage them to reduce food waste and to perform source separation and recycling of unavoidable food waste. EPD is responsible for helping participating organisations to train their management and frontline staff on good food waste management practices. At the same time, source separation of food waste has also been piloted by delivering the food waste collected to the Kowloon Bay Pilot Composting Plant for recycling and producing compost products for use at various community parks managed by the Leisure and Cultural Services Department (LCSD), local farms and schools, etc. Through this partnership scheme, EPD has also set out guidelines on source separation and recycling of food waste for reference by the catering industry, shopping malls and markets respectively. From June 2010 to December 2016, a total of 277 C&I organisations participated in the Food Waste Recycling Partnership Scheme

launched by EPD. Over 2 500 tonnes of food waste separated at source by the C&I sectors have been collected.

The Food Wise Hong Kong Campaign

The Food Wise Hong Kong Campaign, launched in 2013, is a territory-wide food waste reduction campaign which aims to promote public awareness of the food waste problem and instill behavioural changes in various sectors of the community. EPD has provided practical tips on reducing waste to different sectors, including markets, schools, food and beverage industry, hotels, residential buildings and shopping malls, and developed Food Waste Reduction Good Practice Guides to encourage the industries to comply with the good practices guides so as to reduce food waste to landfills. As at February 2017, about 650 organisations/companies have signed the Food Wise Charter to show their commitment to food waste reduction. We will continue to encourage more local businesses and organisations to sign the Food Waste Charter. The Government has held roving exhibitions in various districts to convey food wise messages to the general public. In raising awareness of and promoting good practices on food waste reduction in the food and beverage sector, training workshops have been provided by EPD. As at February 2017, about 65 "Food Wise" talks have been held by EPD with over 4 300 participants.

To further reduce food waste generation and disposal, a "Food Wise Eateries" Scheme promoting food waste avoidance and reduction has been launched since November 2015 to encourage the food & beverage sector to offer portioned meals so that customers may order the right amount of food according to their appetite. As at February 2017, about 830 eatery outlets have enrolled in the Scheme.

Food Donation

The Government has been encouraging the donation of edible surplus food to people in need. We have supported non-government organisations in recovering edible surplus food from markets, retail shops and food wholesalers for distribution to people in need through the funding support of the Environment and Conservation Fund (ECF). As at December 2016, the ECF has approved about \$32 million for 20 food recycling and donation projects. It is anticipated that about 2 300 tonnes of food can be recovered for donation to some 1.9 million headcounts.

Food Waste Recycling Projects in Housing Estates

Through the Food Waste Recycling Projects in Housing Estates (the Project) under the ECF, the Government has encouraged households to practice food waste reduction and source separation, as well as installed small on-site treatment facilities for housing estates to recycle food waste and produce compost. As at the end of December 2016, a total of 30 housing estates were funded under the Project with the total approved funding of \$31.75 million.

It is mentioned in the 2017 Policy Address that the Government will provide tertiary institutions and primary and secondary schools with suitable support for on-site treatment of food waste, with a view to enhancing student and teacher awareness of the "food wise" culture. Moreover, we have commenced the relevant preparatory work to study the feasibility of implementing a mandatory food waste source separation scheme in Hong Kong. We are now collecting information, including local experience of food waste source separation, overseas experience of mandatory source separation and the issues that need to be explored for implementing mandatory food waste source separation in Hong Kong, etc.

The Government has been actively preparing for the implementation of municipal solid waste (MSW) charging. The Government plans to submit the relevant bill for scrutiny later this year. If the bill is passed, it is expected that MSW charging can be implemented in the second half of 2019 at the soonest. Overseas experience has shown that the implementation of MSW charging can provide a bigger incentive for the public to reduce waste (including food waste) at source and recycle.

Annex B

<u>Response regarding the information to be provided by the Administration as</u> requested by Hon CHU Hoi-dick in his letter dated 10 February 2017 to the Finance Committee Chairman and Secretary for the Environment

Question (1)

Regarding the food waste management of Organic Resource Recovery Centres (ORRCs), I wish to seek clarification on whether transportation costs of food waste collection are paid by catering enterprises.

It is noted in paragraph 61 in the minutes of meeting dated 24 October 2016 of the Panel on Environmental Affairs that "Secretary for the Environment advised that for the time being, the Administration did not intend to charge commercial & industrial (C&I) establishments for their food waste delivered to ORRCs for recycling".

However, as reported by Mingpao on 2 November 2015, "it is, however, understood that EPD originally requested food establishments to bear their own costs of source separation and delivery of food waste to the food waste plant. However, given the lukewarm response from the industry in general, the Department may eventually need to deploy vehicles to collect food waste from markets and cooked food centres under the management of the Food and Environmental Hygiene Department (FEHD) and Link Properties Limited. This would in effect subsidise them with public funds. Some green groups are concerned that the food waste plant will end up becoming a white elephant project." It was also reported that "according to the reply of EPD, the C&I sectors are currently responsible for delivering food waste to refuse transfer stations or landfills for disposal by themselves. In this regard, the Government is liaising proactively with stakeholders and waste collectors, with a view to encouraging the C&I sectors to separate food waste from MSW and deliver the separated food waste to recycling facilities. The Government will provide technical support, codes of practice and training to the sectors for reference to facilitate their separation, collection and transportation of food waste, etc."

This shows that the Environmental Bureau (ENB) originally intended for catering enterprises to pay the food waste transportation costs. With legislation of waste charging and increase in landfill charges in the background and the polluter-pays principle as the major principle, why did SEN agree to Hon Tommy CHEUNG Yu-yan's request not to charge the catering industry for the costs of food waste transportation at the meeting of the Panel on Environmental Affairs? Or is it my misunderstanding? Will the Administration consider revising the exemption period to less than one year? If yes, what is the timetable? If no, what are the reasons?

Response

Under the existing arrangement, it is the responsibility of the C&I sectors to deliver C&I food waste as part of the MSW to the current disposal facilities (including refuse transfer stations and landfills). Such arrangement will continue upon commissioning of the first phase of Organic Resource Recovery Centres (ORRC Phase 1) in the second half of this year, i.e. the C&I establishments will separate food waste from MSW on their own and deliver such separated food waste to ORRC Phase 1, and the manpower and transport costs involved will be borne by the C&I sectors themselves. EPD will arrange training programmes for the sectors and provide technical support and codes of practice to the sectors for reference to facilitate their separation, collection and transportation of food waste.

Question (2)

At the above meeting of the Panel on Environmental Affairs, Hon CHAN Hak-kan mentioned the direction of the Good Samaritan law. Dr Hon KWOK Ka-ki raised similar views. According to a media report last year, "In 2012, Friends of the Earth found in a random check on four supermarkets that an average of 135 kg of food was discarded every night, mostly expired or damaged, but one-third of the food, such as bread, oranges and plenty of fresh green vegetables, actually did not expire." Regarding this, it is learnt that the supermarkets have made some improvements by co-operating with organisations like Food Angel for food donation. However, the media has also quoted civil groups as saying that not all supermarkets make donation. The quantity of C&I food waste disposed of at the landfills has increased rather than decreased in recent years, amounting to about 1 000 tons per day.

Would ENB provide the latest data on the quantity of edible food discarded by major supermarkets? Would ENB explain why the Government stated that the Administration had no plan to introduce the Good Samaritan law at this stage? Taking Siu Ho Wan as an example, it is quite often that a food waste treatment plant can cost \$1 billion, even up to \$2 billion if the land value is included. It is believed that it will be even more expensive for the

subsequent phases 2, 3, 4, 5 and 6. If legislation similar to the Good Samaritan law is introduced to promote food donation, what is the quantity of food waste that can be rescued each day? What is the amount of public funds that can be saved by the Government in the long run? I would appreciate it if ENB could provide the statistics and estimate.

Response

As food prior to disposal is a resource, not waste, and the amount of food discarded by major supermarkets in Hong Kong involves the operational information of individual companies, EPD does not have any specific data.

We are concerned about the possible losses occurring along the food chain because they represent a loss in valuable resources. Therefore, we agree that surplus food and food that has not reached its "best before date" are still edible and should not be thrown away. In May 2013, the Government launched the Food Wise Hong Kong Campaign to promote reduction of food waste including donation of surplus food from business sectors.

So far, different food donation programmes have succeeded in donating edible surplus food to people in need. The current Food Safety Guidelines for Food Recovery (Food Safety Guidelines) issued by the Centre for Food Safety in August 2013 also play a role in ensuring the safety of food donations. The Guidelines set out food safety principles on donating food regardless the types and sources of food. The Food Safety Guidelines have been made available on government websites for sharing with the trades, food recovery organisations and non-government At present, some food donors and recipients of food donation organisations. programmes have taken into account the Food Safety Guidelines in respect of food safety and liability issues during the discussion and in drawing up an agreement in order to eliminate concerns from food donors about the potential legal liabilities in relation to food safety. In addition, if the organisation applies funding from the ECF to finance food recovery project, at least one full-time employee in the project team should possess a health manager or hygiene supervisor qualification recognised by the FEHD to oversee the food safety issues of the operation of the entire project. Legislation on exempting legal liability of food donors relates to food safety, therefore the Government must take a cautious approach. At this stage, we have no plans to introduce any legislation similar to the Good Samaritan law.

Question (3)

Would the Government advise if it would make better use of local agriculture and gardens of the LCSD to absorb food waste? If the Government does not agree with this approach, what are the reasons? Please provide more profound justifications, as this is a more convenient and environmentally friendly method that can save more government resources.

Meanwhile, has the Government considered allocating reasonable resources to rural communities, so that community organisations or green groups may try out the plan to "use rural food waste for local agriculture"? I believe that such proposal will not only help absorb food waste, but will also support local agriculture to some extent by facilitating urban-rural symbiosis and rural community development. Would ENB advise if it will consider this proposal and consult the agriculture sector, Heung Yee Kuk and residents in the rural areas?

Response

At present, certain organic farms in the New Territories have adopted the approach of processing local food waste to produce compost for use in organic farming. This approach deserves support and encouragement due to its great effectiveness in terms of environmental conservation, food waste recovery and recycling. Interested organisations may apply for funding under the ECF to launch similar projects. The Government will continue to promote the use of compost produced by the OWTFs in the local agriculture sector and gardens of government departments, including the Agriculture, Fisheries and Conservation Department and the LCSD. The remaining compost can be used by the general public.

Question (4)

Please elaborate on the Government's reply to the enquiry previously raised by Hon CHAN Chi-chuen on the mandatory food waste separation and provide details of the Government's current plan, including observation, target, direction, timetable, public education, industry consultation, etc. I understand that it is currently at the study stage. However, since the Government promised Hon CHAN Chi-chuen that the newly created Principal Environmental Protection Officer post would be responsible for the relevant work, I hope that ENB can provide further information for reference by this Committee.

Response

We have commenced the relevant preparatory work to study the feasibility of implementing a mandatory food waste source separation scheme in Hong Kong. We are now collecting information, including local experience of food waste source separation, overseas experience of mandatory source separation and the issues that need to be explored for implementing mandatory food waste source separation in Hong Kong, etc.

Question (5)

Taking into account that the second phase of ORRCs (ORRC Phase 2) is situated in Sha Ling and the Bureau has conceivably completed its preparatory work, would ENB please provide clear pollution data to this Committee as there are already cremation facilities, a "super cemetery" consisting of some 200 000 niches in Sha Ling, an asphalt plant in Sheung Shui and the nearby North East New Territories Landfill in the vicinity? In addition, please provide the main body (not the summary) of the Traffic Impact Assessment Report on the food waste recycling facility in Sha Ling, since the "New Territories North Development" with a population of over 250 000 – 350 000 and a working population of over 200 000 had not emerged during site selection for the food waste recycling facility in Sha Ling. The summary provided by the Government currently does not explain the assumptions of the assessment.

Response

In December 2013, the Environmental Impact Assessment (EIA) Report of ORRC Phase 2 was approved by the Director of Environmental Protection under the Environmental Impact Assessment Ordinance. According to the findings of the EIA Report, the environmental impacts of the facilities including the development of columbarium, crematorium and related facilities at Sandy Ridge Cemetery on the ecology, settlements and developments of the nearby area comply with the statutory requirements and there will not be unacceptable impacts. The EIA report available from the link below can be referred to for the relevant EIA details and data: http://www.epd.gov.hk/eia/register/report/eia/2182013/index.htm

It is estimated in the Traffic Impact Assessment that around 70 vehicle trips on average per day will be made to ORRC Phase 2; since the number of increased vehicle trips is small, it will not pose traffic impact to the road network in the district, including major roads such as Man Kam To Road. Although the Traffic Impact Assessment of ORRC Phase 2 has been completed before the commencement of the study on "New Territories North Development", it is expected that the vehicle trips brought by the facilities will not pose traffic impact to "New Territories North Development" due to its small number.

Question (6)

It is noted that the third phase of ORRCs (ORRC Phase 3) is in Shek Kong. Would ENB provide the current Study Brief and Project Profile with maps to this Committee for reference?

Response

We have reserved a site with an area of about 1.86 hectare in Shek Kong for development of ORRC Phase 3 with an anticipated daily treatment capacity of 300 tonnes of food waste. We plan to engage a consultant within this year to commence the environmental impact assessment and engineering feasibility study covering treatment technologies, land planning, environmental impact and mode of operation, etc. A location plan of the OWTF is now attached for information.

Question (7)

As regards the overall treatment of food waste, I understand that it is relatively easy for ORRC Phase 1 to identify food enterprises for provision of food waste. But the subsequent Phase 2, Phase 3 or even the fifth to sixth facilities as proposed boldly by ENB will encounter a lot of difficulties. I hope that ENB can provide a long-term analysis in this regard, explaining the existing difficulties in gathering food waste for Phase 1 and ways to overcome them, as well as the difficulties in gathering food waste for Phase 2 and Phase 3 and the corresponding estimation.

More importantly, there are existing private food waste treatment companies in Hong Kong. The Siu Ho Wan food waste facilities may raise doubts that the Government is simply using its powerful capital and special role to replace non-government operations. Therefore, I would like to be informed of the following:

- (i) the number of private food waste treatment companies or establishments in Hong Kong currently;
- (ii) the amount of food waste now treated by them respectively; and

(iii) the impact on the operation of the existing private food waste treatment companies or establishments after OWTF1 is completed and the amount of food waste to be treated by them as anticipated by the Bureau.

Response

We have estimated in the "Food Waste & Yard Waste Plan for Hong Kong 2014–2022" that Hong Kong needs to build around five to six ORRCs in the long term to process about 1 300 to 1 500 tonnes of recyclable food waste per day. ORRC Phase 1 situated at Siu Ho Wan of North Lantau is currently under construction and is scheduled for commissioning by the end of 2017. ORRC Phase 2 situated at Sha Ling of the North District is scheduled for commissioning in 2021. The Government has also earmarked a site in Shek Kong for the development of ORRC Phase 3. We will continue to work with relevant departments on the search for suitable sites for other ORRCs.

Since food waste from the C&I establishments can be more easily separated, OWTF1 and OWTF2 mainly handle food waste from the C&I sectors. Under the Food Waste Recycling Partnership Scheme launched in 2010, EPD has been promoting source separation, collection and recycling of food waste in the C&I sectors. We have also assisted in the training of managerial and front line staff of participating organisations to help them establish good food waste management practices and get prepared for collection and recycling of food waste at a larger scale in future.

Also, we have been liaising proactively with the major C&I stakeholders and potential food waste collectors to work out a viable protocol of rules and practices on separating, collecting and transporting food waste to ORRCs for onward recycling. We have received positive feedback from some major C&I stakeholders. They will arrange on their own the delivery of food waste from the C&I establishments, including shopping malls, hotels and wet markets, to ORRC Phase 1 upon its commissioning. We will continue to work with more C&I stakeholders on the collection and delivery of their source-separated food waste with a view to gradually achieving the maximum design capacity of ORRC Phase 1.

Currently, we are exploring ways with FEHD and the Housing Department to separate at source, collect and deliver to ORRC Phase 1 the food waste generated from those C&I establishments, including markets, cooked food centres and shopping malls under the management of FEHD and Housing Authority.

The Government commenced in March 2017 a feasibility study on organic waste collection and delivery to ORRCs to review the collection and delivery modes of organic waste generated from households, C&I establishments, educational institutions and government organisations. The feasibility study is expected to be completed in 2018.

It is understood that there are approximately a few private food waste companies or organisations in Hong Kong, including a fish feed factory in the EcoPark which is handling about 25 tonnes food waste per day.

In 2015, the average amount of food waste disposed of at landfills per day in Hong Kong was 3 382 tonnes. The total daily treatment capacity of ORRC Phase 1 (with a daily capacity of 200 tonnes), Phase 2 (with a daily capacity of 300 tonnes) and Phase 3 (with a daily capacity of 300 tonnes) built/planned to be built by the Government would not be sufficient to cope with the food waste generated in Hong Kong each day. Therefore, the Government's ORRCs and the private food waste organisations should complement each other. We also welcome private organisations to take part in the development of future ORRCs. We keep an open mind towards the private organisations' proposals and recommendations, including the development of ORRCs at sites selected by the Government or other locations suggested by private organisations.

Annex B

Location plan of ORRC Phase 3

