

立法會
Legislative Council

LC Paper No. CB(1)683/16-17
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EA

Panel on Environmental Affairs

**Minutes of policy briefing cum meeting
held on Monday, 23 January 2017, at 2:00 pm
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon Tanya CHAN (Chairman)
Dr Hon Junius HO Kwan-yiu, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon LEUNG Kwok-hung
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Kenneth LEUNG
Hon KWOK Wai-keung
Hon Dennis KWOK Wing-hang
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Elizabeth QUAT, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Dr Hon CHIANG Lai-wan, JP

Action

Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon SHIU Ka-fai
Hon HUI Chi-fung
Dr Hon YIU Chung-yim

Members absent : Hon CHAN Han-pan, JP
Hon HO Kai-ming
Hon Kenneth LAU Ip-keung, MH, JP
Hon KWONG Chun-yu
Hon Nathan LAW Kwun-chung

Public Officers attending : **For item IV**

Mr WONG Kam-sing, GBS, JP
Secretary for the Environment

Ms Christine LOH, JP
Under Secretary for the Environment

Mr Donald TONG, JP
Permanent Secretary for the Environment/ Director of
Environmental Protection

Mr Vincent LIU, JP
Deputy Secretary for the Environment

Mr TSE Chin-wan, JP
Deputy Director of Environmental Protection (1)
Environmental Protection Department

Mrs Vicki KWOK
Deputy Director of Environmental Protection (2)
Environmental Protection Department

Mrs Alice CHEUNG, JP
Deputy Director of Environmental Protection (3)
Environmental Protection Department

Action

Mr Donald NG
Deputy Director of Environmental Protection (4)
Environmental Protection Department

For item V

Ms Christine LOH, JP
Under Secretary for the Environment

Mr Donald NG
Deputy Director of Environmental Protection(4)
Environmental Protection Department

Mr David WONG, JP
Assistant Director (Environmental Compliance)
Environmental Protection Department

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

Mr Gary TAM
Senior Environmental Protection Officer (Territorial
Control)4
Environmental Protection Department

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

Staff in attendance : Ms Doris LO
Senior Council Secretary (1)1

Mr Jason KONG
Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

Action

I. Confirmation of minutes

(LC Paper No. CB(1)369/16-17 — Minutes of the meeting held on 28 November 2016)

The minutes of the meeting held on 28 November 2016 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)460/16-17(01) — Letter dated 13 January 2017 from Dr Hon YIU Chung-yim on issues relating to conservation of Sha Lo Tung (Chinese version only)

LC Paper No. CB(1)470/16-17(01) — Administration's response to the letter from Dr Hon YIU Chung-yim on issues relating to conservation of Sha Lo Tung)

III. Items for discussion at the next meeting

(LC Paper No. CB(1)444/16-17(01) — List of follow-up actions

LC Paper No. CB(1)444/16-17(02) — List of outstanding items for discussion)

3. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 27 February 2017, at 2:30 pm:

- (a) upgrading of Kwun Tong Preliminary Treatment Works and Sewage Pumping Station; and
- (b) promotion of green vehicles.

(Post-meeting note: At the request of the Administration and with the concurrence of the Chairman, the agenda item at 3(b) above had been changed to "Promoting the use of electric vehicles".)

Action

IV. Briefing by the Secretary for the Environment on the Chief Executive's 2017 Policy Address

(LC Paper No. CB(1)451/16-17(01) — Administration's paper on "2017 Policy Address — Policy initiatives of Environment Bureau: Environmental protection")

Relevant papers

Address by the Chief Executive at the Legislative Council meeting on 18 January 2017 (*issued on 18 January 2017*)

The 2017 Policy Agenda booklet (*issued on 18 January 2017*)

4. With the aid of a power-point presentation, the Secretary for the Environment ("SEN") briefed members on the key environmental initiatives in the following areas featured in the Chief Executive ("CE")'s 2017 Policy Address:

- (a) air quality;
- (b) water quality and marine cleanliness;
- (c) waste management;
- (d) nature conservation; and
- (e) climate change and energy.

(*Post-meeting note: A set of the power-point presentation material was circulated to members vide LC Paper No. CB(1)486/16-17(01) on 23 January 2017.*)

Discussion

Air quality

Tightening of emission control for newly registered vehicles

5. Mr YICK Chi-ming strongly requested the Administration to address the transport trades' grave concern whether there would be adequate supply of Euro

Action

VI heavy duty diesel vehicles before tightening the vehicle emission standards for newly registered vehicles to Euro VI, as currently only a few European models of such vehicles were available in the Hong Kong market. He urged the Administration to ensure that Japanese models of compliant vehicles, which were generally cheaper, would also be available locally before tightening the vehicle emission standards. Further, he expressed disappointment that vehicle manufacturers/dealers had not yet opened up the technical platforms/software related to the on-board diagnostic systems of Euro VI vehicles for access by independent vehicle repairers. He was worried that vehicle repair and maintenance ("R&M") would be monopolized by major vehicle manufacturers/dealers after tightening of the statutory emission standards to Euro VI.

6. The Under Secretary for the Environment ("USEN") advised that the latest proposal was supported by members of the Panel on Environmental Affairs ("the Panel") in general when the issue was discussed at the meeting on 19 December 2016. The Deputy Director of Environmental Protection (3) ("DDEP(3)") stressed that the Administration had since late 2015 consulted the relevant trades (including the transport and vehicle maintenance trades) and taken into account their views in finalizing the proposal and implementation schedule of tightening the emission standards of newly registered vehicles to Euro VI. As regards access to vehicle R&M information, DDEP(3) advised that it was a requirement of Euro VI emission standards for vehicle manufacturers concerned to make available such information to the public at a reasonable cost. Besides, the Administration had collaborated with the Vocational Training Council, vehicle manufacturers, vehicle repair associations representing vehicle repair workshops of small or medium size, and other bodies to organize seminars to help vehicle mechanics repair commercial vehicles equipped with advanced diesel engines. These efforts would continue as appropriate.

Green transport

7. Mr Charles Peter MOK suggested extending the waiver of first registration tax for electric vehicles ("EVs") upon its expiry on 31 March 2017, and urged the Administration to announce whether the waiver would be extended as soon as possible to facilitate decisions by car owners on the purchase of EVs or replacement of diesel cars with EVs. He said that according to some overseas experiences, reduction or cessation of related tax incentives would hinder growth in the number of EVs. In response, USEN said that the Administration had been reviewing the initiative and would make announcement in due course.

Action

Regional cooperation

8. Dr Fernando CHEUNG expressed concern about the poor air quality in Hong Kong after the last Christmas holidays in 2016, with readings of PM2.5 in Tung Chung reaching 141 micrograms per cubic metre (" $\mu\text{g}/\text{m}^3$ "), almost six times the World Health Organization's safety limit of $25 \mu\text{g}/\text{m}^3$ and well above Hong Kong's limit of $75 \mu\text{g}/\text{m}^3$, while the World Air Quality Index had recorded as high as $196 \mu\text{g}/\text{m}^3$ in the territory. He observed that local and overseas experts/scientists, and the Hong Kong Observatory held different views as to whether the poor local air quality was caused by the northeast monsoon bringing the smog from northeast Mainland China to Hong Kong. Dr CHEUNG urged the Environment Protection Department ("EPD") to closely monitor local air conditions and pollution sources from other areas, and issue air quality forecasts and advanced warnings to better safeguard public health.

9. DDEP(3) indicated that air pollution in HK was generally associated with local and regional pollution sources in the Pearl River Delta ("PRD") region, while the impact of pollution from the more remote northeast Mainland China was less significant. In an effort to improve regional air quality, the Administration collaborated with Guangdong authorities on various fronts, including air quality monitoring network, scientific air quality studies as well as improvement measures under the Regional Air Quality Management Plan which focused on power plants, vehicles, vessels and polluting industrial processes. USEN added that EPD had published health risk warnings and advice on poor air quality, and would continue its efforts in this regard.

10. Expressing concern over the rising concentration of ozone (" O_3 "), Mr Kenneth LEUNG queried why no emission target was specified for O_3 under the emission reduction targets for Hong Kong and the PRD region for 2020. He asked about the technical difficulties in controlling O_3 , and the measures for mitigating the O_3 concentration problem in Hong Kong.

11. DDEP(3) explained that O_3 was not a pollutant directly emitted from man-made sources. Under sunlight, nitrogen oxides (" NO_x ") reacted with volatile organic compounds ("VOCs") to form O_3 , which in turn helped the formation of fine particulates. The pollution was commonly called photochemical smog. To tackle the pollution, the Administration had been committed to reducing NO_x and VOC emissions both locally and regionally through collaboration with the Guangdong Provincial Government. Among others, the Administration had since 2007 started regulating the VOC contents of products of non-combustion sources under the Air Pollution Control (Volatile Organic Compounds) Regulation (Cap. 311w), and had recently proposed to extend the control to cover fountain solutions and printing machine cleansing agents.

Action

Combating climate change

Emission reduction

12. Ir Dr LO Wai-kwok and Mr CHU Hoi-dick enquired about the progress of and measures for achieving the carbon intensity reduction targets of 2020 and 2030. Mr CHU expressed concern that the adverse environmental impacts arising from various large-scale infrastructural developments and the blooming local aviation industry in the coming years would offset the effects of the ongoing measures for reducing carbon emissions.

13. USEN advised that the key strategies to achieve the carbon intensity reduction targets of 2020 and 2030 included (a) promulgation of new fuel mix for power generation to increase the proportion of cleaner fuels such as natural gas and renewable energy ("RE") for power generation; (b) promoting energy saving and energy efficiency in both public and private sectors, with relevant initiatives to be incorporated as appropriate into the new Scheme of Control Agreements ("SCAs") with the two power companies; and (c) reducing vehicle emissions by various means including measures to encourage people to walk more and rely less on motorized transport, as well as using more public transportation. SEN supplemented that as power generation accounted for a major part (about 70%) of local carbon emissions, and with the good progress of implementing the new fuel mix plan, the Administration was confident that the carbon intensity reduction target of 2020 could be met. He further said that as buildings accounted for about 90% of the total electricity consumption and over 60% of the greenhouse gas emissions in Hong Kong, the Administration had put in place measures to improve buildings' energy efficiency. Relevant bureaux would endeavour to enhance the planning and designs of infrastructural developments to facilitate adaptation to climate change. That said, people's lifestyle choices made up substantial externalized carbon footprints and it would require the concerted efforts of the community as a whole to reduce carbon emissions.

14. In response to Mr SHIU Ka-fai's concern about the tariff implications of using more natural gas for power generation under the new fuel mix plan, SEN said that the Administration was negotiating with the two power companies on the terms of the new SCAs, including possible reduction of the permitted rate of return to help alleviate the pressure on electricity tariffs arising from the costs of using cleaner fuels.

15. Mr WU Chi-wai opined that it was essential for various bureaux and departments ("B/Ds") to join efforts in taking forward initiatives to combat climate change. He asked if any carbon reduction targets/indexes had been set

Action

for individual government departments. SEN responded that all 13 bureaux were members of the Steering Committee on Climate Change chaired by Chief Secretary for Administration, and they all contributed to "Hong Kong's Climate Action Plan 2030+". B/Ds would also strengthen their carbon management and conduct regular carbon audits on major government buildings.

Renewable energy and green financing

16. The Chairman and Dr Elizabeth QUAT asked if the Administration would make reference to overseas experiences to promote installation of photovoltaic ("PV") systems for electricity generation at suitable sites/buildings. The Deputy Chairman suggested providing support to encourage installation of PV systems at rooftops of village houses. Referring to the solar roads in the Netherlands, Mr Kenneth LEUNG suggested launching a pilot scheme of paving glass-coated solar panels at suitable locations such as waterfront promenades. Mr CHAN Hak-kan opined that instead of relying on waste treatment initiatives to increase the use of RE for power generation as a secondary goal, the Administration should introduce initiatives dedicated specifically to generating RE locally, such as making use of restored landfills for developing solar plants. Mr CHAN and the Chairman asked if the Administration would consider introducing green financing initiatives, such as green bonds, to support public and private environmental projects including RE installations.

17. SEN stressed that the Administration had been closely keeping track of latest overseas practices and technological developments, with a view to introducing proven and suitable technologies into Hong Kong for power generation and energy saving. Among others, commissioning of Phase 1 of the Organic Waste Treatment Facilities ("OWTF1") in the second half of 2017 would take the waste-to-energy efforts further, which were widely pursued in many advanced countries to achieve the dual purposes of waste reduction and renewable power generation in one process. Another waste-to-energy initiative being implemented involved the use of landfill gases to generate electricity.

18. SEN said that as mentioned in CE's 2017 Policy Address, \$200 million would be earmarked for installation of RE facilities in government buildings, venues and community facilities. In addition to the pilot projects that had already been implemented, such as floating PV systems on Shek Pik Reservoir and Plover Cove Reservoir, and a solar farm at Siu Ho Wan Sewage Treatment Works, the Administration would at the next stage explore more potential locations, such as hillside slopes, for installation of solar panels. Green financing for taking forward RE projects could also be considered in consultation with the relevant B/Ds and interested organizations. To promote distributed RE, the power companies had been providing technical support to

Action

facilitate connection of RE power systems to the power grids.

Green infrastructures

19. Dr Elizabeth QUAT asked about the implementation details of developing Hong Kong into a sponge city and a smart city under the "Hong Kong's Climate Action Plan 2030+". She also queried the absence of measures to tackle light pollution in CE's 2017 Policy Address. SEN responded that sponge city and smart city developments mainly involved the promotion of green infrastructures under the purview of the Development Bureau and relevant works departments.

Waste management

Municipal solid waste charging and food waste reduction

20. Mr Tommy CHEUNG reiterated the concern of the catering and hospitality industries about double levy arising from the implementation of municipal solid waste ("MSW") (including food waste) charging since the charges for waste collection had already been included in government rates. He urged the Administration to consider offsetting MSW charging by a corresponding reduction in rates, and providing incentives to encourage source separation of food waste by commercial and industrial ("C&I") food waste generating establishments.

21. SEN stated that the Administration had given high regard to the collaboration with the catering and hospitality industries in taking forward food waste reduction initiatives. EPD would continue to work with the stakeholders of C&I food waste generating establishments and consider providing appropriate incentives to them on the collection and delivery of their source-separated food waste to OWTFs.

22. Dr YIU Chung-yim referred to the Director of Audit's Report No. 65 published in October 2015 which revealed that the actual food waste treatment quantity of a pilot composting plant at Kowloon Bay was significantly lower than that reported by EPD, and a recent media report about a food waste recycler at the EcoPark dumping 80% of its collected food waste at landfills. He asked if the Administration would set up a mechanism to engage the public in monitoring the performance of food waste recycling operations.

23. SEN explained that the composting plant at Kowloon Bay was a pilot plant with limited handling capacity. As regards the case of the food waste recycling plant at the EcoPark, its operations involved recycling of food waste into high protein supplement for fish feed. It was inevitable that a certain

Action

percentage of food waste with high water content or low protein content could not be used after recycling. To raise public awareness and understanding of food waste recycling, a visitor centre would be set up at OWTF1. It was envisaged that the commissioning of OWTF1 would significantly increase the city's capacity in the treatment and recycling of food waste.

Electronic waste

24. Referring to earlier media reports on cases of illegal import of hazardous waste electronic and electrical equipment ("WEEE") involving recycling yards in the New Territories, Ir Dr LO Wai-kwok enquired about the joint actions undertaken by EPD and the Customs and Excise Department ("C&ED") on related control and enforcement.

25. The Deputy Director of Environmental Protection (4) ("DDEP(4)") emphasized the Administration's continuing efforts in enforcement against illegal import of hazardous WEEE under the existing legislation. He added that regulation over the operations of WEEE recycling yards would be further strengthened after the permit/licensing control on the import, export and disposal of abandoned regulated electrical equipment ("REE") under the Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance 2016 had taken effect.

Fly-tipping of construction and demolition waste

26. Mr SHIU Ka-fai expressed disappointment about the Administration's inability to eradicate fly-tipping of construction and demolition ("C&D") waste. For instance, Braemar Hill Road remained one of the black spots of fly-tipping of C&D waste. He urged the Administration to step up enforcement and consider imposing heavier penalties to increase deterrent effects.

27. The Deputy Director of Environmental Protection (1) ("DDEP(1)") responded that the Administration had introduced various measures to tackle the problem of fly-tipping of C&D waste. Among others, it had coordinated related government departments to draw up a list of black spots at which surveillance camera systems would be installed to facilitate detection of fly-tipping activities and collection of evidence for prosecutions.

Nature conservation

Phasing out local trade in elephant ivory

28. Mr SHIU Ka-fai asked if the Administration would consider the views of the local ivory trade, and review the plan for imposing a total ban on the trade

Action

to allow trading of ivory with longer age and offer longer grace period for the trade to dispose of the ivory in their possession. Ir Dr LO Wai-kwok considered it necessary to strike a balance between combating illegal smuggling of ivory and maintaining the livelihood of local ivory traders. He suggested receiving views from the trade on the Administration's proposal.

29. The Deputy Director of Environmental Protection (2) ("DDEP(2)") advised that the Administration had been consulting the local ivory trade, and had taken into account various factors before proposing the plan to phase out local trade in ivory. Under the current proposal, the trade of "antique ivory" would be exempted from the ban. The Administration would consult the Panel on the relevant legislative proposals in the first quarter of 2017.

Protection of incense trees

30. Pointing out that offenders suspected of involving in illegal felling of incense trees were mainly prosecuted for criminal offences under the Theft Ordinance (Cap. 210) but the penalty was lacking deterrent effects, Mr HUI Chi-fung asked about the measures to enhance protection of incense trees, and whether the Administration would consider increasing the penalties.

31. DDEP(2) advised that the Administration had been implementing a host of enhanced measures to strengthen protection of incense trees, including strengthening enforcement through collaborative efforts among the Agriculture, Fisheries and Conservation Department ("AFCD"), C&ED and the Police, stepping up patrol, enhancing intelligence collection and exchange, monitoring illegal tree felling at black spots, as well as mobilizing community involvement in protecting incense trees.

Biodiversity Strategy and Action Plan

32. Dr YIU Chung-yim expressed concern over the issues arising from the conflicts between land development and nature conservation. Quoting as example that part of the Chi Fu Valley had been set aside for residential development despite the extremely high historical and ecological value of the area, Dr YIU criticized the Administration for neglecting the views of conservationists against the development. He also relayed the disappointment of some members of the advisory committees formed to take forward Hong Kong's Biodiversity Strategy and Action Plan ("BSAP") that the Administration had not heeded their views and suggestions.

33. SEN responded that issues arising from conflicts between land development and nature conservation were not unique in Hong Kong but had drawn attention in societies around the world. He stressed that various policy

Action

bureaux had included the principle of sustainable development in policy formulation. The first city-level BSAP for Hong Kong outlined the strategy and actions to be taken in the next five years for conserving biodiversity and supporting sustainable development. The Administration would update the plan after five years in the light of changing conditions and experiences.

Conservation of rural areas

34. Mr HUI Chi-fung noted from CE's 2017 Policy Address that the Administration would consider allocating a small proportion of land on the periphery of country parks for purposes such as public housing, which in his view appeared to conflict with nature conservation. He asked about the long-term strategy for conservation of rural areas and country parks, and mitigation of the said conflicts.

35. SEN responded that the policy initiative in question would confine to land on the periphery of country parks with relatively low ecological and public enjoyment value. He stressed that the Administration endeavoured to incorporate more land with high ecological value into country parks, and would work on increasing the total area of ecological conservation sites and country parks. Among others, the Administration was actively considering long-term conservation of Sha Lo Tung through a non-in-situ land exchange for the private land of high ecological value thereat.

36. On Mr CHU Hoi-dick's enquiry, DDEP(2) clarified that the Environment Bureau's policy initiative towards conservation of rural areas focused on the revitalization of the rural areas, covering nature conservation and education, revitalization of old villages, village life experience enhancement, and promotion of ecological and cultural tourism. In addition to the conservation of Lai Chi Wo, a few rural conservation pilot projects would be implemented in selected areas in Lantau. Similar elements would also be incorporated in the development of the Long Valley Nature Park. On the other hand, the Food and Health Bureau's policy initiative towards revitalizing agricultural land would continue to focus on supporting local agricultural development.

Marine pollution

37. Mr WU Chi-wai expressed concern about the problem of marine waste including refuse originated from neighbouring waters. DDEP(1) responded that EPD had joined efforts with the Food and Environmental Hygiene Department, Marine Department, Leisure and Cultural Services Department and AFCD in controlling marine pollution, including enhancing refuse removal and conducting special operations at marine littering black spots. The

Action

Administration had also collaborated with the relevant authorities of Guangdong to introduce a notification and alert system on marine refuse entering Hong Kong waters during heavy rain and floods in the Pearl River basin.

Publicity, education and public engagement

38. Dr Elizabeth QUAT and Dr CHIANG Lai-wan considered that publicity, education and public engagement should form an integral part in all environmental and conservation strategies. Mr HUI Chi-fung enquired about the Administration's work in enhancing public education on conservation of endangered species, such as discouraging consumption of shark's fin.

39. SEN stressed that the Administration had all along attached importance to raising public awareness of environmental and conservation issues. It had organized inter-school competitions in collaboration with the Education Bureau, launched various community-wide campaigns such as the Food Wise Hong Kong Campaign, and had been supporting the Council for Sustainable Development in taking forward public education programmes, including a newly launched public engagement programme on "Consume wisely to conserve our biological resources".

V. Update on the progress of preparation for implementing Producer Responsibility Scheme on Waste Electrical and Electronic Equipment

(LC Paper No. CB(1)444/16-17(03) — Administration's paper on "Implementation of the Producer Responsibility Scheme on Waste Electrical and Electronic Equipment"

LC Paper No. CB(1)478/16-17(01) — Administration's paper on "Update on enforcement against illegal import of hazardous waste electrical and electronic equipment"

LC Paper No. CB(1)444/16-17(04) — Background brief on "Producer Responsibility Scheme on Waste Electrical and Electronic Equipment" prepared by the Legislative Council Secretariat

Action

- LC Paper No. CB(1)444/16-17(05) — Submission from 盤先生 (Chinese version only)
- LC Paper No. CB(1)444/16-17(06) — Submission from E5 Campus (Chinese version only)
- LC Paper No. CB(1)451/16-17(02) — Submission from Hong Kong Recycling Chamber of Commerce (Chinese version only)
- LC Paper No. CB(1)475/16-17(01) — Submission from Professor Winco K C YUNG, The Hong Kong Polytechnic University (English version only)
- LC Paper No. CB(1)478/16-17(02) — Submission from Hong Kong Waste Management Association (English version only)
- LC Paper No. CB(1)478/16-17(03) — Further submission from 盤先生 (Chinese version only)
- LC Paper No. CB(1)478/16-17(04) — Submission from Hong Kong Green Strategy Alliance (English version only)
- LC Paper No. CB(1)478/16-17(05) — Submission from St. James' Settlement (Chinese version only)
- LC Paper No. CB(1)478/16-17(06) — Submission from The Green Earth (Chinese version only)
- LC Paper No. CB(1)478/16-17(07) — Submission from The Chamber of Hong Kong Computer Industry (Chinese version only)

Briefing by the Administration

40. USEN remarked that the Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance 2016 was approved by the Legislative Council ("LegCo") in March 2016 to provide for the statutory regulatory framework for the producer responsibility

Action

scheme ("PRS") on WEEE or in short "WPRS". The Administration was currently preparing the REE Regulation to prescribe the operational details of WPRS, and would introduce the Regulation into LegCo for scrutiny as soon as practicable.

41. DDEP(4) briefed members on the objectives, regulatory scope and key features of WPRS, as set out in paragraphs 3 and 4 of the Administration's paper (LC Paper No. CB(1)444/16-17(03)).

Discussion

Compliance burden on suppliers and sellers of regulated electrical equipment

42. Mr Charles Peter MOK observed that suppliers and sellers of computer products (being REE under WPRS) in general supported the implementation of WPRS. However, these trades also held concerns about the potential impact of WPRS on their businesses, including the compliance costs or operational difficulties concerning the requirements to provide recycling labels to customers upon distribution of the products in Hong Kong, and to submit annual audit reports to EPD. There were concerns as to whether a transitional period would be provided for the trades to adjust their internal systems. Mr MOK suggested that the Administration should further discuss the operational details with the trades before submission of the REE Regulation into LegCo. In particular, he noted that some multinational companies which supplied computer products to Hong Kong but whose core operations were based abroad would like to seek clarifications about certain operational details under WPRS. Mr SHIU Ka-fai said that the wholesale and retail sectors in general did not object to the implementation of WPRS. He opined that the Administration should consider how to help small retailers cope with the administrative burden/costs arising from compliance with WPRS. Mr CHAN Hak-kan suggested that the Panel or the subcommittee likely to be formed to scrutinize the REE Regulation should receive views from the relevant trades on the Regulation.

43. DDEP(4) said that the relevant trades had been consulted and generally agreed to the need for and benefits of ensuring proper recycling of abandoned REE (hereinafter referred to as "regulated e-waste"). The Administration had been maintaining close communications with the trades on the operational details of WPRS and would continue to do so before finalizing the draft REE Regulation. The trades' feedback would be taken into account as appropriate. For instance, as suppliers/sellers had expressed operational difficulty in affixing a recycling label on each piece of REE, the Regulation would allow flexibility on how recycling labels could be provided by REE sellers to customers.

Action

Removal services by sellers of regulated electrical equipment

44. Ir Dr LO Wai-kwok pointed out that small and medium-sized REE sellers were particularly worried about the compliance burden to provide removal services to consumers (i.e. for every piece of REE distributed to a consumer, one piece of old REE (or the equivalent type) could be removed from the premises designated by the consumer for proper disposal at no charge to the consumer). Ir Dr LO sought clarification on whether REE sellers could engage the operator of the WEEE treatment and recycling facility ("WEEETRF"), which was being developed with government funding to provide the requisite treatment capacity for regulated e-waste, to provide the removal services. Mr CHAN Hak-kan enquired if consumers could pass old REE to recyclers other than WEEETRF for disposal/treatment.

45. DDEP(4) advised that an REE seller would be required to arrange free removal services in accordance with the seller's removal service plan to be submitted and endorsed by EPD. Under the plan, the seller had to specify the collector and licensed recycler to provide the relevant collection, treatment, reprocessing or recycling services amongst other applicable requirements. REE sellers would be free to choose suitable collectors and licensed recyclers available in the market provided that the collectors and licensed recyclers had met the relevant requirements and the removal service plan was practicable. The specified collector and licensed recycler could be the WEEETRF operator, who was obliged to provide collection and treatment services to a seller free of charge as required under the WEEETRF operator's contract with the Government.

Impact on the recycling trade

46. Mr CHAN Hak-kan, Mr CHU Hoi-dick and the Deputy Chairman asked about the potential impact of WPRS on the viability of existing recyclers, in particular the small and medium-sized operators. Mr CHAN and Mr CHU were concerned that WEEETRF would monopolize the collection and treatment of regulated e-waste, thus driving other recyclers out of business. They enquired if the Administration would establish networks outside WPRS to facilitate private recyclers to collect regulated e-waste and other WEEE. Mr CHAN opined that the WEEETRF operator had an advantage over other recyclers in that the former did not have to pay for the land and capital costs of the facility but could obtain regulated e-waste through WPRS channels. It would be unfair to other recyclers if WEEETRF could take this edge further by importing WEEE recyclables for treatment to generate extra revenues and avoid an operating deficit, in the event that it could not collect sufficient regulated e-waste locally.

Action

47. DDEP(4) advised that at present, about 70 000 tonnes of WEEE were generated in Hong Kong every year, most of which were exported for reuse or recovery of valuable materials. Regulated e-waste accounted for 85% of all WEEE, and the existing treatment capacity in Hong Kong without WEEETRF would not be sufficient to support the territory-wide WPRS. It was therefore considered necessary for the Government to develop WEEETRF to provide the requisite treatment capacity to underpin WPRS. Upon commencement of WPRS, most of the regulated e-waste currently being exported would be treated locally instead, and it was expected that WEEETRF would only be handling part of them. DDEP(4) stressed that it was an obligation of the WEEETRF operator to ensure efficient collection and proper treatment of regulated e-waste as specified in the contract. The Administration would not subsidize operating loss, if any, that might be incurred by the WEEETRF operator; nor would the operator be allowed to import WEEE including regulated e-waste for treatment.

48. USEN added that the Bills Committee on Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Bill 2015 had thoroughly discussed issues relating to the viability of private recyclers vis-à-vis the WEEETRF operator in the context of WPRS. She pointed out that with a design capacity of about 30 000 tonnes per annum which was well below the annual total amount of regulated e-waste generated in Hong Kong, there should be room for development of other private recyclers' businesses. USEN emphasized that one of the purposes of WPRS was to upgrade the standard of the recycling operations for WEEE. To remain competitive in the market, private recyclers of WEEE should invest in upgrading their recycling capabilities and identify ways to expand their collection network.

Licensing control on disposal of regulated electrical equipment

49. Mr SHIU Ka-fai referred to the submission from the Hong Kong Recycling Chamber of Commerce (LC Paper No. CB(1)451/16-17(02)) which expressed concern about the potential difficulty for existing WEEE recyclers to meet the relevant land requirements in order to obtain a waste disposal licence for the storage, treatment, reprocessing or recycling of regulated e-waste. Mr SHIU suggested that after commencement of the licensing control, a grace period be given for existing WEEE recyclers to upgrade their operations and meet the licensing requirements.

50. DDEP(4) replied that under the licensing control to be introduced in connection with WPRS, a waste disposal licence for regulated e-waste would only be issued if the applicant could demonstrate that its dismantling, detoxification and recovery operations would be conducted in an

Action

environmentally sound manner, and would not create hazards to public health. In processing the applications, EPD would work with relevant government departments to consider how to take into account the proposed operation's compliance with the land use requirements.

Control on import and export of regulated e-waste

51. Ir Dr LO Wai-kwok urged the Administration to step up enforcement of the existing import control on hazardous WEEE to ensure effective implementation of WPRS in future. He sought information on the current efforts of EPD and C&ED in combating illegal import of hazardous WEEE.

52. Referring to media reports that certain imported WEEE was found disposed on brownfield sites in Hong Kong, Dr YIU Chung-yim considered that the existing control enforcement was ineffective. He was worried that illegal import of WEEE would become more prevalent after the permit control on import and export of hazardous WEEE was extended to all regulated e-waste regardless of whether they were classified as chemical/hazardous waste. He suggested that the Administration should, apart from stepping up enforcement, devise other measures to discourage illegal import of hazardous WEEE (and regulated e-waste in future), such as imposing heavier penalties on related offences.

53. DDEP(4) explained that the import/export of hazardous WEEE (which was classified as chemical waste) was regulated by the existing Waste Disposal Ordinance (Cap. 354) ("WDO"). Non-compliance with the import permit requirement would be subject to a fine penalty of \$200,000 and to imprisonment for six months on first conviction, and more severe penalty on subsequent convictions. EPD had been stepping up inspections and enforcement actions against illegal import of hazardous WEEE and there were successful cases of prosecutions.

54. DDEP(4) elaborated that from 2014 to 2016, EPD inspected some 2 000 container shipments at the port and intercepted 131 illegal waste shipments, with 68 prosecutions completed to date. The total fine meted out by the Court for the completed prosecutions amounted to \$1.4 million. EPD also conducted some 630 inspections on WEEE recycling yards in the same period, and conducted five joint blitz operations with relevant government departments in 2016 to combat illegal activities at WEEE recycling yards concerning hazardous WEEE, fire safety, land use and planning. So far, EPD had completed 33 prosecutions against violation of the Waste Disposal (Chemical Waste) (General) Regulation (Cap. 354C), with a total fine of around \$300,000. EPD would continue to enforce the import/export control rigorously and maintain close cooperation with other relevant government departments such as

Action

C&ED. The Chairman remarked that members might peruse the Administration's paper (LC Paper No. CB(1)478/16-17(01)) for more details on the Administration's efforts in combating illegal import of hazardous WEEE.

55. DDEP(4) further advised that after implementation of WPRS, the permit controls under WDO would be extended to the import/export of all regulated e-waste. Importers would be required to state in their permits the designated disposal facilities for the regulated e-waste they imported. The existing penalty levels stipulated in WDO for contravention of the permit requirements were considered appropriate, and the Administration did not intend to raise the levels at this stage. In response to the Chairman's question, the Assistant Director (Environmental Compliance) explained that the penalties for an offence against import control under WDO could be imposed on a body corporate or a natural person. In the case of a body corporate, the penalty might be imposed on the natural person responsible for the management of the body corporate.

56. USEN supplemented that the new control measures governing the import/export and disposal of regulated e-waste would enable the Administration to have more comprehensive information on the operations of licensed recyclers in future, which would in turn facilitate enforcement against illegal import of regulated e-waste.

Recycling levy

57. Ir Dr LO Wai-kwok considered that the proposed levels of recycling levy (ranging from \$15 to \$165 per item as set out in paragraph 8 of the Administration's paper) to be paid by registered suppliers for REE distributed in Hong Kong in the course of their doing business, which did not exceed the indicative range of levy stated in the public consultation paper, were broadly within stakeholders' expectations. Mr SHIU Ka-fai envisaged that REE suppliers might recover the recycling levy from consumers and other parties in the supply chain. Mr HUI Chi-fung was concerned that a person might evade recycling levy and proper disposal of regulated e-waste by purchasing REE from overseas websites instead of registered suppliers.

58. DDEP(4) advised that an individual would not be required to pay recycling levy if the person purchased a piece of REE from outside Hong Kong for personal use in Hong Kong. The Assistant Director (Waste Management Policy) added that as consumers usually required warranty and other ancillary services provided by REE suppliers/sellers, it was unlikely that online sale/purchase of REE from outside Hong Kong would proliferate after implementation of WPRS to evade levy payment or save costs. In addition, the removal services provided by REE sellers would apply to all old REE regardless of whether a recycling levy had been paid in respect of the REE.

Action

Conclusion

59. The Chairman informed members that according to the Administration's paper, the Administration aimed to introduce the REE Regulation into LegCo by the second quarter of 2017, and bring into operation the statutory removal services and levy charging mechanism in phases starting from the third quarter of 2017. Subject to further consultation with the trades, the Administration also planned to commence the enhanced control over the import, export and disposal of regulated e-waste by end 2017. Members noted and raised no objection to the legislative timetable.

VI. Any other business

60. There being no other business, the meeting ended at 4:40 pm.

Council Business Division 1
Legislative Council Secretariat
16 March 2017