

**HKGCC Position Paper on Waste Management Policy
June 2003**

The background

1. Since the Waste Reduction Framework Plan was launched in 1998, the amount of municipal solid waste has been contained at 3.4 million tonnes each year. Instead of the historical 3.5% annual growth rate, the past three years has seen zero growth in waste generation. This is, however, no cause for celebration, as it could be attributable, at least in part, to the poor state of the economy rather than entirely to the efforts in waste reduction. Given Hong Kong's limited resources, the waste problem will become unsustainable even with zero growth. A more vigorous approach to waste reduction is needed.

2. In a previous statement on waste management (May 2002), the Chamber stated its support for the imposition of a landfill charge. The Chamber also stated that landfill charging:

...is but one element of the overall strategy to reduce wastes. It should not be implemented on its own but should be part of a comprehensive package of waste management measures, such as incentives for waste reduction at source, recycling, responsibility for packaging, building rehabilitation, alternatives to demolition, and incentives for life cycle costing, to name a few. These should be supported by a community education campaign to target waste reduction at source.

3. The outbreak of SARS (Severe Acute Respiratory Syndrome) has heightened the community's awareness of the importance of a clean environment and a sustainable way of life – a message reinforced in a recent Chamber submission to the government. (*"Re-invigorate, Re-launch and Re-build Hong Kong: A proposed three-phased plan from the Hong Kong General Chamber of Commerce"*.) A comprehensive and effective waste management policy must be an integral part of the effort to re-build Hong Kong. This paper sets out the Chamber's views on some of the elements that should be addressed in developing such a comprehensive waste management policy for Hong Kong.

Landfill charging

4. An important element of the overall waste management policy would be mandatory measures, of which landfill charging is an essential component. There has been considerable discussion and debate on the details of the charging scheme, the latest of which is outlined in the recent Legislative Council paper "Proposed Landfill Charging Scheme – Associated Arrangements". We urge the government and the Legislative Council to speed up implementation of the arrangement as soon as possible. In doing so, the Administration should seek to address the concerns of the waste hauliers on the operation of the charging scheme.

5. The present plan in landfill charging will be limited largely to construction and demolition wastes. This will facilitate the sorting of non-waste materials that can be gainfully re-used. It should be supplemented by a programme to encourage the construction industry to adopt sustainable construction practices so as to reduce C&D materials at source.
6. Besides construction and demolition wastes, we reiterate our view, expressed in the earlier paper, that ultimately the goal must be to implement landfill charging for commercial, industrial and municipal waste as well. To that end the government should commence a detailed study on charging for other wastes such as domestic wastes.

Reduction of domestic waste

7. Economic disincentives such as charging or fiscal penalty could be powerful tools for reduction of domestic wastes. They are sensitive policy issues, as evidenced by past debates over sewage charges; but they should not be precluded as options to be explored.
8. The key in reduction of domestic wastes lies in the cooperation and participation of the households. To help build waste management practice into everyday life, more innovative ideas should be encouraged, e.g. refillable bottles, redeemable containers, more convenient waste separation such as floor separation bins, etc.
9. With regard to recycling, in the absence of Government subsidy, the degree of municipal solid waste recycling in Hong Kong is in line with international norms. Arguably, the level of recycling currently achieved is close to the maximum economic threshold, and for a significant improvement there would have to be some form of subsidy or funding from the government. Taking into account the full costs of landfill disposal, currently paid for from general revenues, it may make sense to increase recycling by providing a subsidy. On the other hand, if the policy is to move towards polluter-pay and landfill charging, a subsidy on recycling may create a distortion. Thus the potential costs and benefits of government intervention into recycling must be studied carefully.

Regulatory measures for specific waste streams

10. Besides education and persuasion on waste reduction, regulatory measures will have to be imposed for some waste streams due to their specific nature. For instance, an elaborate regime already exists for chemical waste. On the other hand, food waste presents some complex issues which have yet to be adequately dealt with. Medical waste presents some unique problems and will no doubt receive more attention in light of the SARS outbreak.
11. A relatively high-profile stream is packaging waste. It is of interest to many business sectors because of potentially wide ranging implications if product responsibility schemes were to be introduced, of which there is limited local experience. An alternative to product responsibility would be to levy the

consumer at the point of sale – but this presupposes that the administrative infrastructure for charging consumers is in place (such as when sales tax becomes a reality), which is not the case. Self-regulation among retailers is another possible avenue. In the case of supermarket chains, for instance, market concentration would enable the major players – if they can be persuaded to come together – to exert great influence over suppliers to cut back on packaging. This could be a first step to explore before mandatory regulation is contemplated.

Bulk reduction and incinerators

12. However much we achieve in waste reduction, there will be massive volumes of residual waste which must be disposed of. Controversy and political sensitivity notwithstanding, incineration remains a reliable method of bulk reduction.
13. There is an ongoing debate about the merits or otherwise of incinerators. With the advance of modern technology, incinerators with minimal impacts to air quality and human health have become a distinct possibility. The Chamber believes that clean and efficient incinerators should be an option to be actively explored, and we urge the government to examine this option carefully and come to a conclusion without delay.

Public awareness and education

14. One major barrier in tackling the challenge of waste management is lack of awareness among the general public of the magnitude of the problem. The “polluter pay principle”, though recognised among some sectors of the business community, means little in practice for the general public. The message that waste costs money – not just in the financial sense but also in social and environmental sense – should be more forcefully put across.
15. There should be a renewed effort to raise the general public’s awareness on the waste problem and to educate them to reduce, reuse and recycle waste. A plethora of programs by community organisations and green groups have been undertaken, yet we still have not been successful in raising awareness to the point of significant and sustained reduction in the levels of domestic waste avoided or recovered. To pursue the education objective, partnership and collaborations between government, the private sector and the broader community is critical. On our part, the Chamber will, through our Environment Committee, continue to contribute our views on policies and programmes to raise community awareness on waste reduction, recycling, and resources management.

Conclusion: renewed effort needed

16. Though a complex problem cutting across institutional, economic and technical arenas, the pertinent issues in waste management have already been identified in the Waste Reduction Framework Plan; the main question now lies in implementation. While much progress has been made, there has been little development in other areas – green procurement by the government, use of modern

green technologies and services, life cycle costing, eco-labelling, composting, offshore disposal, to name a few. To achieve the targets of the Waste Reduction Framework Plan would require a renewed effort. Implementing landfill charging quickly will be one major step, but this effort will pay off meaningfully only if it is, as advocated by the Chamber, part of a comprehensive package of solutions. In seeking such a comprehensive solution, the need for cooperation and partnership among different sectors must be emphasised.