# 立法會 Legislative Council

LC Paper No. CB(1) 1461/08-09 (These minutes have been seen by the Administration)

Ref: CB1/SS/4/08/1

### Subcommittee on Product Eco-responsibility (Plastic Shopping Bags) Regulation

## Minutes of second meeting held on Thursday, 5 March 2009, at 8:30 am in the Chamber of the Legislative Council Building

**Members present**: Hon Audrey EU Yuet-mee, SC, JP (Chairman)

Hon Albert CHAN Wai-yip

Hon Vincent FANG Kang, SBS, JP

Hon LEE Wing-tat

Hon WONG Ting-kwong, BBS

Hon KAM Nai-wai, MH Hon CHAN Hak-kan Hon Tanya CHAN

**Member absent**: Hon Andrew LEUNG Kwan-yuen, SBS, JP

Public officers attending

: For item II

**Environmental Protection Department** 

Mr Albert LAM, JP

Deputy Director of Environmental Protection

Mr Alfred LEE

Assistant Director (Waste Management Policy)

Mr Kenneth CHAN

Principal Environmental Protection Officer (Territorial

Control)

Mr TE Chi-wang

Senior Administrative Officer (Waste Management Policy

Division)

# Department of Justice

Miss Shandy LIU Senior Government Counsel Law Drafting Division

# Attendance by invitation

#### For item II

#### **Greeners Action**

Ms KWOK Ying-ying Project Officer

#### Green.Recycling

Mr WONG Chor-ming Chairman

#### Green Sense

Ms Gabrielle HO Project Manager

#### Green Council

Ms Linda HO Chief Executive Officer

#### **Green Manufacturing Alliance**

Mr Robert YAN Chairman

# Hong Kong Plastic Bags Manufacturers' Association

Mr Rickly WONG
Executive Vice-President

#### Greenpeace

Mr CHAN Yue-fai Campaign Manager

## Imperial Bird's Nest Co Ltd

Ms Kitty YU Assistant Operations Manager

#### Advisory Council on the Environment

Mr TSANG Kam-lam

Member

Democratic Alliance for Betterment and Progress of Hong

Kong

Mr Ricky WONG

Deputy Spokesman on Environmental Policies

Coalition of Hong Kong Newspaper and Magazine

<u>Merchants</u>

Mr LIU Sair-ching

Chairman

Hong Kong Retail Management Association

Ms Caroline MAK

Chairman

The Hong Kong & Kowloon General Merchandise

Merchants' Association

Ms TSANG Lai-ying

**Clerk in attendance** : Miss Becky YU

Chief Council Secretary (1)1

**Staff in attendance**: Miss Kitty CHENG

Assistant Legal Adviser 5

Mrs Mary TANG

Senior Council Secretary (1)2

Miss Mandy POON

Legislative Assistant (1)4

# I. Meeting with deputations and the Administration

Meeting with deputations

The Chairman invited views from the following deputations -

- (a) Greeners Action LC Paper No. CB(1) 966/08-09(01) (Chinese version only)
- (b) Green.Recycling LC Paper No. CB(1) 966/08-09(02) (Chinese version only)
- (c) Green Sense LC Paper No. CB(1) 966/08-09(03) (Chinese version only)
- (d) Green Council LC Paper No. CB(1) 966/08-09(04) (English version only)
- (f) Green Manufacturing Alliance LC Paper No. CB(1) 966/08-09(05) (Chinese version only)
- (g) Hong Kong Plastic Bags Manufacturers' Association LC Paper No. CB(1) 966/08-09(06) (Chinese version only)
- (h) Greenpeace LC Paper No. CB(1) 966/08-09(07) (Chinese version only)
- (i) Imperial Bird's Nest Co Ltd
- (j) Advisory Council on the Environment LC Paper No. CB(1) 966/08-09(08)
- (k) Democratic Alliance for Betterment and Progress of Hong Kong LC Paper No. CB(1) 966/08-09(09) (Chinese version only)
- (l) Coalition of Hong Kong Newspaper and Magazine Merchants LC Paper No. CB(1) 966/08-09(11) (Chinese version only)
- (m) Hong Kong Retail Management Association LC Paper No. CB(1) 966/08-09(14) (English version only)
- (n) The Hong Kong and Kowloon General Merchandise Merchants' Association

Submissions from deputations not attending the meeting

LC Paper No. CB(1) 966/08-09(12) — Submission from Momentum 107
LC Paper No. CB(1) 966/08-09(15) — Submission from Retail Task Force,
Business Facilitation Advisory
Committee

LC Paper No. CB(1) 966/08-09(16) — Submission from Consumer Council
LC Paper No. CB(1) 966/08-09(17) — Submission from Hong Kong
Institution of Engineers

LC Paper No. CB(1) 985/08-09(01) — Submission from Friends of the

Earth (HK)

#### Meeting with the Administration

(LC Paper No. CB(1) 966/08-09(18) — List of follow-up actions arising from the discussion at the meeting on 19 February 2009

LC Paper No. CB(1) 966/08-09(19) — Administration's response to CB(1) 966/08-09(18)

LC Paper No. CB(1) 966/08-09(20) — Assistant Legal Adviser's letter dated 25 February 2009 to the Administration

LC Paper No. CB(1) 966/08-09(21) — Assistant Legal Adviser's letter dated 27 February 2009 to the Administration)

- 2. The Subcommittee deliberated (Index of proceedings attached at **Annex**).
- 3. The Administration was requested to -
  - (a) advise the basis upon which the estimate that each person in Hong Kong use three plastic bags per day was arrived at. To also advise the statistics on the use of paper bags and garbage bags in Hong Kong; and
  - (b) explain in detail the declaration requirement in respect of third party operator in the draft application form for registration as registered retailer/retail outlet. To also provide a consolidated written response to the submissions from deputations.
- 4. <u>Members</u> agreed to hold the following additional meetings in March 2009 -
  - (a) Friday, 13 March 2009, at 8:30am; and
  - (b) Tuesday, 17 March 2009, at 4:30pm

#### II. Any other business

5. There being no other business, the meeting ended at 10:40 am.

Council Business Division 1
<u>Legislative Council Secretariat</u>
29 April 2009

### Subcommittee on Product Eco-responsibility (Plastic Shopping Bags) Regulation

# Proceedings of the meeting on Thursday, 5 March 2009, at 8:30 am in the Chamber of the Legislative Council Building

Time marker	Speaker	Subject(s)	Action required
000105 - 000119	Chairman	Opening remarks	
Agenda Item I - Me	eeting with deputations ar	nd the Administration	
000120 - 000511	Ms KWOK Ying-ying Greeners Action	Expression of views as set out in LC Paper No. CB(1) 966/08-09(01) -  (a) supported the implementation of the environmental levy scheme (the scheme) in July 2009;  (b) the scheme should be reviewed four months after implementation;  (c) implementation plans for the second phase of the scheme should be finalized by end of 2009; and  (d) publicity on the reduction in the use	
000512 - 000758	Mr WONG Chor-ming	of plastic shopping bags (PSBs) should be stepped up  Expression of views as set out in LC	
	Green.Recycling	Paper No. CB(1) 966/08-09(02) -  (a) did not support the use of legislative means to reduce PSBs;  (b) consumers should <i>not</i> be discouraged from using PSBs which were environment-friendly and re-usable;	
		<ul><li>(c) supported the introduction of waste tax to facilitate waste recycling and reduction; and</li><li>(d) there should be more education and publicity efforts on waste reduction and recycling</li></ul>	
000759 - 001109	Ms Gabrielle HO Green Sense	Expression of views as set out in LC Paper No. CB(1) 966/08-09(03) -	

	(a) supported the introduction of the scheme which should be reviewed	
	after four months of implementation;	
	(b) plans for the second phase of the scheme should be finalized by end of 2009;	
	(c) voluntary schemes introduced by retailers to reduce PSBs were not effective;	
	(d) there should be more education and publicity efforts on waste reduction and recycling; and	
	(e) supported the implementation of producer responsibility schemes (PRSs) on other products such as plastics and packaging materials	
Ms Linda HO Green Council	Expression of views as set out in LC Paper No. CB(1) 966/08-09(04) -	
	(a) supported the implementation of the levy scheme in principle;	
	(b) need to promote waste recycling and reuse and not only waste reduction; and	
	(c) the use of biodegradable plastic bags should be promoted as a desirable and green alternative to conventional non-biodegradable bags	
Mr Robert YAN Green Manufacturing	Expression of views as set out in LC Paper No. CB(1) 966/08-09(05) -	
Alliance	(a) the levy collected should not become a part of Government revenue but should be used to finance environmental initiatives and recycling industries; and	
	(b) green procurement should be promoted	
<u> </u>	Green Council  Mr Robert YAN Green Manufacturing	(b) plans for the second phase of the scheme should be finalized by end of 2009;  (c) voluntary schemes introduced by retailers to reduce PSBs were not effective;  (d) there should be more education and publicity efforts on waste reduction and recycling; and  (e) supported the implementation of producer responsibility schemes (PRSs) on other products such as plastics and packaging materials  As Linda HO  Green Council  Expression of views as set out in LC  Paper No. CB(1) 966/08-09(04) -  (a) supported the implementation of the levy scheme in principle;  (b) need to promote waste recycling and reuse and not only waste reduction; and  (c) the use of biodegradable plastic bags should be promoted as a desirable and green alternative to conventional non-biodegradable bags  Aft Robert YAN  Green Manufacturing  Miliance  (a) the levy collected should not become a part of Government revenue but should be used to finance environmental initiatives and recycling industries; and  (b) green procurement should be

Time marker	Speaker	Subject(s)	Action required
001647 - 002001	Mr Rickly WONG Hong Kong Plastic Bags Manufacturers' Association	Expression of views as set out in LC Paper No. CB(1) 966/08-09(06) -  (a) the levy collected should be used to develop environmental industries, in particular, the manufacture of more environment-friendly PSBs;  (b) green procurement should be promoted; and  (c) more environment-friendly packaging should be used	
002002 - 002144	Mr CHAN Yue-fai Greenpeace	Expression of views as set out in LC Paper No. CB(1) 966/08-09(07) -  (a) supported the early implementation of the levy scheme which was widely accepted and already implemented in the Mainland;  (b) there should be plans for the early implementation of the second phase of the scheme; and  (c) other PRSs on electrical and electronic equipment should be implemented as well	
002145 - 002454	Ms Kitty YU Imperial Bird's Nest Co Ltd	Expression of views -  (a) publicity on the scheme should be stepped up to alert customers, including tourists, of the levy. This would avoid unnecessary disputes over the collection of levy; and  (b) guidelines should be provided to frontline sales staff on the collection of levy, for example, whether the same levy would apply to different sizes of PSBs	
002455 - 002807	Mr TSANG Kam-lam Advisory Council on the Environment	Expression of views as set out in LC Paper No. CB(1) 966/08-09(08) -  (a) fully supported the early implementation of the environmental levy scheme under the Product Eco-responsibility	

Time marker	Speaker	Subject(s)	Action required
		(Plastic Shopping Bags) Regulation (the Regulation);	
		(b) the scope of PRSs should be extended to other products as soon as possible;	
		(c) the administrative requirements under the levy scheme should not impose undue burden on prescribed retailers;	
		(d) the scheme should not be used as a means to raise public revenue and opportunity should be taken to promote "eco-responsibility";	
		(e) the scheme should be reviewed after one year and consideration should be given to extending its scope to cover other retail outlets; and	
		(f) the Administration should continue to encourage voluntary reduction in the use of PSB reduction, especially at retail outlets not yet covered by the scheme	
002808 - 003100	Chairman Mr Ricky WONG	Expression of views as set out in LC Paper No. CB(1) 966/08-09(09) -	
	Democratic Alliance for Betterment and Progress of Hong Kong	(a) supported the early implementation of the levy scheme which had gained wide public acceptance;	
		(b) the levy collected should be injected into the Environment and Conservation Fund (ECF) to support environmental initiatives; and	
		(c) need to establish a recycling mechanism for PSBs and promote the use of biodegradable plastic bags	
003101 - 003222	Chairman Mr LIU Sair-ching Coalition of Hong	Expression of views as set out in LC Paper No. CB(1) 966/08-09(11) -	
	Kong Newspaper and Magazine Merchants	(a) fully supported the implementation of the levy scheme; and	

Time marker	Speaker	Subject(s)	Action required
		(b) the scheme should be extended to cover newspaper and magazine vendors as soon as possible as the use of plastic bags for newspapers and magazines was not only environment-unfriendly but also resulted in a lot of wastage as these bags could not be reused for other purposes	
003223 - 003548	Chairman Ms Caroline MAK Hong Kong Retail Management	Expression of views as set out in LC Paper No. CB(1) 966/08-09(14) -  (a) effective reduction in the use of	
	Association	PSB could be achieved through voluntary initiatives;	
		(b) if levy was to be introduced, it should be applied across the board rather than on selected retailers;	
		(c) a task force should be set up to review the objectives and targets of the scheme, determine the methodology in assessing the amount of PSB used and reused, assess the administrative cost to be incurred by affected retailers, and formulate a comprehensive roadmap on extension of the scheme to all retail outlets in Hong Kong;	
		(d) payment of the levy through credit card/EPS/Octopus card might incur extra handling charges on the part of retailers, which should be reimbursed by the Government;	
		(e) as third party operators usually operated under their own business registrations with head office addresses, a certified true copy of the business registration certificate of the head office should suffice for the purpose of exemption applications; and	
		(f) publicity should be stepped up to educate the public on the implementation details of the levy scheme to avoid misunderstanding and disputes	

Time marker	Speaker	Subject(s)	Action required
003549 - 003655	Chairman Ms TSANG Lai-Ying The Hong Kong & Kowloon General Merchandise Merchants' Association Ltd	<ul> <li>(a) publicity on the implementation details of the levy scheme should be stepped up;</li> <li>(b) supported deferment of the levy scheme pending the recovery of the economy; and</li> <li>(c) administrative procedures of the levy scheme should be streamlined as far as possible</li> </ul>	
003656 - 004219	Chairman Administration	Administration's response -  (a) there had been general public support for the early implementation of the Regulation;  (b) would continue to maintain dialogue with affected trades on the implementation of the levy scheme;  (c) levy was not meant to raise revenue but to reduce the indiscriminate use of PSB;  (d) \$1 billion had been injected into ECF to finance environmental initiatives; and  (e) review of the levy scheme would be conducted after the quarterly returns from registered retailers were received about three to four months after the implementation of the levy scheme	
004220 - 005128	Chairman Mr KAM Nai-wai Administration	Mr KAM Nai-wai's enquiries -  (a) whether the use of garbage bags would increase as people could no longer reuse PSB as garbage bags;  (b) whether PSB were more environment-friendly than paper bags;  (c) how the public could distinguish which retailers were eligible for collection of the levy; and	

Time marker	Speaker	Subject(s)	Action required
		(d) whether the implementation details had been sorted out with the affected retailers; and	
		(e) the means through which the Administration could assess the effectiveness of the scheme	
		Administration's response -	
		(a) the levy scheme was meant to discourage the indiscriminate use of PSB, as statistics showed that each person in Hong Kong disposed of more than three plastic shopping bags per day;	
		(b) most retailers covered by the first phase of the environmental levy scheme provided PSB not paper bags;	
		(c) a hotline and a website would be set up to provide information on registered retailers. Signage would also be posted at registered retail outlets advising customers of the requirement of charging the levy on PSB; and	
		(d) consultation had been conducted with prescribed retailers on the implementation details	
005129 - 005758	Chairman Mr WONG Ting-kwong	Mr WONG Ting-kwong's concerns -	
	Administration	(a) problems relating to consignment and charges associated with payment using credit card; and	
		(b) customers requested for PSB larger than necessary after payment of the levy	
		Administration's response -	
		(a) signage providing information on levy collection would be posted in large registered outlets with third party operators;	

Time marker	Speaker	Subject(s)	Action required
		(b) publicity, including the setting of a hotline, would be stepped up to enhance understanding of the levy scheme; and	
		(c) administrative costs associated with the collection of levy by prescribed retailers had to be dealt with in the main Ordinance rather than the Regulation	
005759 - 010323	Chairman Mr Vincent FANG Administration	Mr Vincent FANG's concerns -  (a) there were practical difficulties in implementing the levy scheme, particularly for small and medium prescribed retailers who had few retail outlets;  (b) the basis upon which the estimate that each person in Hong Kong use three plastic bags per day was arrived at;  (c) how the number of PSB disposed of at landfills was arrived at  Administration's response -  (a) the amount of PSB disposed of at landfills was worked out based on a waste study conducted at waste facilities in 2005; and  (b) a study on the amount of PSB and garbage bags used before and after	The Administration to advise the basis upon which the estimate that each person in Hong Kong used three plastic bags per day was arrived at. To also advise the statistics on the use of paper bags and garbage bags in Hong Kong
010324 - 011013	Chairman	the implementation of the scheme would be conducted  Mr CHAN Hak-kan's concerns -	
	Mr CHAN Hak-kan Administration	(a) need to streamline the procedures for registration by prescribed retailers;	
		(b) the lead time for processing registration was too long; and	
		(c) whether each and every branch of the same registered retailer would need to apply for registration	

Time marker	Speaker	Subject(s)	Action required
		Administration's response -  (a) a prescribed retailer could register all its branches in one application by providing the names and addresses of these branches;  (b) the lead time for registration might be shortened after the commencement of the levy scheme when more operational experience was acquired; and  (c) information on third party operators	
		would need to be provided if they alleged that the areas they occupied within qualified retail outlets did not form part of those outlets	
011014 - 011509	Chairman Mr LEE Wing-tat Administration Ms Caroline MAK/Hong Kong Retail Management Association	Mr LEE Wing-tat's enquiries/concerns -  (a) the "everyday no plastic bag day" campaign launched by the trades were not effective as retailers would still provide PSB upon request by customers; and  (b) schedule for introduction of other PRSs	
		Ms Caroline MAK's explanation that the "everyday no plastic bag day" campaign launched on 3 March 2009 was meant to reduce the use of PSB  Administration's response that consultation on other PRSs, such as electrical and electronic equipment, would be held within this year	
011510 - 012016	Chairman Miss Tanya CHAN Administration	Miss Tanya CHAN's requests -  (a) a definite timeframe for the review of the levy scheme;  (b) need to facilitate registration by prescribed retailers; and  (c) need to encourage the general public to bring their own shopping bags	

Time marker	Speaker	Subject(s)	Action required
		Administration's response-  (a) review would be conducted when statistics on the levy scheme were available three to four months after its implementation;  (b) measures to facilitate implementation of the scheme, including the registration process, had been worked out in consultation with the affected retailers; and  (c) publicity would be stepped up to encourage the general public to bring their own shopping bags	
012017 - 012642	Chairman Mr Albert CHAN Administration	Mr Albert CHAN's views -  (a) need to stop the indiscriminate use of garbage bags by the Government and its contractors;  (b) a breakdown on the amount of garbage bags used by departments and contractors should be provided; and  (c) Members belonging to the League of Social Democrats would object to the levy scheme if the Government failed to reduce the use of garbage bags by its departments and contractors  Administration's response -  (a) all government departments, including the Food and Environmental Hygiene Department, had been advised to reduce the use of garbage bags; and  (b) efforts would be made to identify other environment-friendly alternative materials for garbage bags	
012643 - 013234	Chairman	Chairman's enquiries -	
	Mr LIU Sair-ching/Coalition	(a) whether retailers had any difficulties in complying with the	

Time marker	Speaker	Subject(s)	Action required
	of Hong Kong Newspaper and Magazine Merchants	registration requirements under the levy scheme; and	
	Ms Caroline MAK/Hong Kong Retail Management	(b) whether newspaper vendors could jointly cease providing plastic bags to customers	
	Association	Ms Caroline MAK's response -	
		(a) the draft specified form for registration were only made available to retailers about 10 days ago;	
		(b) there might not be sufficient time for some 2 000 prescribed retailers to apply for registration before July 2009; and	
		(c) certified true copies of business registration certificates should be sufficient for the purpose of applying exemption for third party operators	
		Mr LIU Sair-ching's response -	
		(a) newspaper vendors had participated in the "no plastic bag" day;	
		(b) some customers would prefer to have plastic bags for their newspapers despite that these bags could not be reused; and	
		(c) it was hoped that the Government could take the initiative to encourage the public not to ask for plastic bags when buying newspapers	
		Administration's response -	
		(a) the area occupied by a third party operator within a qualified retail outlet would only be considered not forming part of that outlet for the purposes of the levy scheme if the third party operator could prove that he was operating independently from that outlet; and	

Time marker	Speaker	Subject(s)	Action required
		(b) the types of proof to substantiate such a claim by the third party operator had yet to be agreed upon	
013235 - 014359	Chairman Mr WONG Ting-kwong	Mr WONG Ting-kwong's views -	
	Administration ALA5	(a) there were a lot of grey areas regarding the implementation of the levy scheme which needed to be resolved; and	
		(b) whether PSB provided at exhibitions would also be subject to the environmental levy	
		Administration's response -	
		(a) the implementation framework of the levy scheme had already been set out in the main Ordinance;	
		(b) retail outlets would be regarded as qualified retail outlets if the goods offered for sale included all of the following -	
		(i) any food or drink;	
		(ii) any medicine or first-aid item; and	
		(iii) any personal hygiene or beauty product	
		(c) retail outlets not selling all the abovementioned goods at exhibitions would not be regarded as qualified retail outlets and hence not subject to the levy scheme	
014400 - 014807	Chairman Mr Vincent FANG	Mr Vincent FANG's concerns -	
	Ms Caroline MAK/Hong Kong Retail Management	which retailers were eligible for	
	Association Administration	(b) a hotline should be set up to provide readily available information on registered retailers;	
		(c) sufficient time should be allowed for prescribed retailers to set up separate computer systems for the	

Time marker	Speaker	Subject(s)	Action required
		collection of levy; and  (d) there were cost implications in the setting up of computer systems for the collection of levy, particularly on small and medium enterprises  Ms Caroline MAK's concerns that prescribed retailers would be exposed to much pressure if they had to complete registration and adjust their computer and operational systems in time for the scheme to be implemented by 1 July 2009, failing which would result in non-compliance with the Regulation  Administration's response -  (a) information on registered retailers could be obtained from the hotline and website; and	
		(b) signage about the collection of levy would be posted within registered retail outlets	
014808 - 015017	Mr Vincent FANG Administration	Mr Vincent FANG's query whether registration of over 2 000 prescribed retailers could be completed by July 2009  Administration's response that with the timely approval of the Regulation and finalization of the specified forms, it was optimistic that registration of	
		prescribed retailers could commence in April 2009 for implementation of the levy scheme in July 2009	
015018 - 015715	Chairman Administration	Discussion on declaration requirement in respect of third party operators  Chairman's enquiry on the need for separate business registration in order for a third party operator to operate at a registered retail outlet  Administration's explanation -	The Administration to explain in detail the declaration requirement in respect of third party operator in the draft application form for registration as
		(a) third party operation could be in various forms depending on the	registered retailer /retail outlet.

Time marker	Speaker	Subject(s)	Action required
		business arrangements between the third party operator and the registered retailers; and	
		(b) a declaration that the third party operated under a separate business registration at the address of the host retail outlet would be required in the host retailer's application for registration if the third party proposed to continue to provide free PSB from the area he occupied within the host retail outlet	
015716 - 015823	Chairman Ms Caroline MAK/Hong Kong Retail Management Association	Ms Caroline MAK's reiteration of the trades' request that a certified true copy of business registration certificate of the third party's main office would suffice for third party operation within a registered retail outlet	
015824 - 020153	Chairman Mr WONG Ting-kwong Administration	Mr WONG Ting-kwong's request for a review of the levy scheme as soon as possible to ensure that it could discourage the indiscriminate use of PSB without causing undue inconvenience to the trades and the public	
		Administration's response -  (a) there was wide public acceptance for implementation of the levy scheme by phases; and  (b) the review of the levy scheme	
		would begin soon after statistics for the first three months of operation of the scheme were available	
020154 - 020707	Chairman Mr Vincent FANG Administration	Mr Vincent FANG's concerns that the Administration was not prepared to implement the levy scheme on plastic bags at newspaper stands when the trades were ready and willing to do so, while insisting in pushing forward the scheme at retail outlets which were not ready to do so	
		Administration's response that ECF had supported some voluntary schemes on the reduction of PSB in certain trades	

Time marker	Speaker	Subject(s)	Action required
020708 - 021030	Chairman	Members agreed to hold the following additional meetings in March 2009 -  (a) Friday, 13 March 2009, at 8:30am; and  (b) Tuesday, 17 March 2009, at 4:30pm	
		(6) 131323, 17 11211011 2000, 41 11200111	

Council Business Division 1 <u>Legislative Council Secretariat</u> 29 April 2009