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

The Administration's Response to the Follow-up Actions Arising from the Meeting on 5 March 2009 (Part II)

The Administration's response to the submissions from deputations is set out at **Annex**.

Environmental Protection Department March 2009

Summary of Submissions from Deputations and Administration's Response

Annex

Organizations	Views	Administration's Response
Greeners Action [LC Paper No. CB(1)966/08-09(01)]	• Supported the introduction of the environmental levy scheme on plastic shopping bags.	The Administration is pleased to note the broad-based support to the environmental levy scheme.
Green Sense [LC Paper No. CB(1)966/08-09(03)]		
Green Council [LC Paper No. CB(1)966/08-09(04)]		
Green Manufacturing Alliance [LC Paper No. CB(1)966/08-09(05)]		
Hong Kong Plastic Bags Manufacturers' Association [LC Paper No.		

Organizations	Views	Administration's Response
CB(1)966/08-09(06)]		
Greenpeace [LC Paper No. CB(1)966/08-09(07)]		
Imperial Bird's Nest Co. Ltd		
Advisory Council on the Environment [LC Paper No. CB(1)966/08-09(08)]		
Democratic Alliance for Betterment and Progress of Hong Kong [LC Paper No. CB(1)966/08-09(09)]		
Coalition of Hong Kong Newspaper and Magazine Merchants [LC Paper No. CB(1)966/08-09(11)]		

Organizations	Views	Administration's Response
Retail Task Force, Business Facilitation Advisory Committee [LC Paper No. CB(1)966/08-09(15)]		
Consumer Council [LC Paper No. CB(1)966/08-09(16)]		
Greeners Action [LC Paper No. CB(1)966/08-09(01)]	 The first phase of environmental levy scheme on plastic shopping bags should be implemented in July 2009 as committed. The Administration should provide a 	Regulation by the Legislative Council, the Administration envisages that the environmental levy scheme could be implemented in mid-2009.
	proposal on the second phase of the scheme by end-2009 and a timetable for public consultation and implementation.	The Administration has undertaken to conduct a comprehensive review on the scheme one year after its implementation and consider whether
	• The Administration should review the scheme in parallel with the implementation of the first phase of the	retail sectors. This is necessary for a

Organizations	Views	Administration's Response
	scheme. The Administration should step up public education.	operation and impact of the environmental levy scheme. That said, we will kick start the preparation for the review in parallel with the launch of the environmental levy scheme. We will also consider the data obtained from the quarterly returns submitted by registered retailers, which would help assess the reduction of plastic shopping bags after the implementation of the scheme. • The Administration has a publicity programme for the environmental levy scheme in place, including (a) the production of new Announcements for Public Interests (API's) dedicated for the launch of the environmental levy scheme; (b) broadcasting of the new API's at TV, radio and mass transport; (c) special logo design pertaining to the levy scheme; (d) production and distribution of publicity materials such as posters and stickers for registered

Organizations	Views	Administration's Response
		retailers; and (e) publicity campaigns organized by green groups or other non-profit organization. The publicity programme would be intensified in the run-up to the launch of the environmental levy scheme. In parallel, the Administration also encourages green groups to launch plastic bag reduction initiatives at retail sectors that have yet to be covered by the environmental levy scheme. The Environment and Conservation Fund has also previously supported public education campaigns on plastic bag reduction at pharmacies, newspaper stands, bakeries and wet markets.
Green Recycling [LC Paper No. CB(1)966/08-09(02)]	 The Administration should abandon the environmental levy scheme and focus on waste charging in general. The Administration should enhance its efforts on waste recovery and recycling. 	• The objective of the environmental levy scheme is to reduce the indiscriminate use of plastic shopping bags through a direct economic disincentive. The scheme is in line with the principle of "polluter pays" and commands
		broad-based public support.

Organizations	Views	Administration's Response
		• The best solution to our waste problem is waste avoidance and reduction at source. The Administration also encourages waste recovery and recycling though a series of initiatives, including source separation of waste programme, three coloured waste separation bins, producer responsibility schemes, support to local environmental industry, etc.
Green Sense [LC Paper No. CB(1)966/08-09(03)]	 Strongly supported the early implementation of the environmental levy scheme on plastic shopping bags. Aside from plastic shopping bags, the Administration should enhance efforts on reducing packaging materials. 	• The Administration has implemented a number of initiatives to tackle the problem of packaging waste. A guideline on mooncake packaging has been promulgated for reference and adoption by the trade. In 2008, five major mooncake manufacturers entered into a voluntary agreement to further reduce packaging of their products. A glass bottle recycling programme has also been recently launched with the support of the hotel trade. The

Organizations	Views	Administration's Response
		Administration has also supported green groups to organize campaigns to promote simple packaging at festive seasons.
Green Council [LC Paper No. CB(1)966/08-09(04)]	• Supported the early implementation of the environmental levy scheme on plastic shopping bags.	• The Administration has committed to review the scheme one year after its implementation and consider whether and how to extend the scheme to other
	• The scheme should be expanded to cover other retail sector in subsequent phases so as to fully address the abuse of	•
	plastic shopping bags.	scheme is to reduce the use of plastic shopping bags through a direct
	• The environmental levy collected from the scheme should be deposited in a "green fund" for future environmental initiatives.	economic disincentive. The objective is not to raise revenue. In fact, the more successful the scheme is, the less revenue it generates. To underline the Administration's commitment in
	• The efforts on waste recovery and	environmental protection, \$1 billion has
	recycling should be further enhanced.	been injected into the Environment and Conservation Fund to support various
	• The development of more environmentally friendly bags, such as	environmental initiatives and education.

Organizations	Views	Administration's Response
	degradable plastic bags, should be encouraged.	is waste avoidance reduction at source. The Administration also encourages waste recovery and recycling though a series of initiatives, including source separation of waste programme, three coloured waste separation bins, producer responsibility schemes, support to local environmental industry, etc. • The use of degradable plastic bags is not without environmental impact. In particular, the degradation of such bags represents a loss of resources and could generate leachate and greenhouse gases. The best solution to our waste problem, particularly with respect to the abuse of plastic shopping bags, is reduction at source.
Green Manufacturing Alliance [LC Paper No. CB(1)966/08-09(05)]	• The Administration should use the levy collected to support the environmental industry, enhance the recovery of plastic bags and intensify environmental	scheme is to reduce the use of plastic shopping bags through a direct

Organizations	Views	Administration's Response
	education. The Administration should adopt green procurement, particularly with respect to the procurement of plastic bags.	is not to raise revenue. In fact, the more successful the scheme is, the less revenue it generates. To underline the Administration's commitment in environmental protection, \$1 billion has been injected into the Environment and Conservation Fund to support various environmental initiatives and education. For instance, the Environment and Conservation Fund has recently supported a green group to conduct a territory-wide plastic bags recovery campaign at major shopping malls with the participation of the relevant trade. • The Administration has long adopted a green procurement policy, and bureaux and departments are required to give consideration to purchase products with improved recyclability, higher recycled content, greater energy efficiency, of less toxic substance, etc. The Administration has also commissioned a
		study to establish mandatory "green"

Organizations	Views	Administration's Response
		specifications for, among others, plastic products.
Hong Kong Plastic Bags Manufacturers' Association (HKPBMA) [LC Paper No. CB(1)966/08-09(06)]	 The Administration should use the levy collected to support the environmental industry, enhance the recovery of plastic bags and intensify environmental education. The Administration should adopt green procurement, particularly with respect to the procurement of plastic bags. 	scheme is to reduce the use of plastic shopping bags through a direct economic disincentive. The objective is not to raise revenue. In fact, the more successful the scheme is, the less revenue it generates. To underline the

Organizations	Views	Administration's Response
		and departments are required to give consideration to purchase products with improved recyclability, higher recycled content, greater energy efficiency, of less toxic substance, etc. The Administration has also commissioned a study to establish mandatory "green" specifications for, among others, plastic products.
Greenpeace [LC Paper No. CB(1)966/08-09(07)]	• The environmental levy scheme on plastic shopping bags, as the first producer responsibility scheme (PRS) in Hong Kong, should be implemented as soon as possible.	• Subject to the approval of the Regulation by the Legislative Council, the Administration envisages that the environmental levy scheme could be implemented in mid-2009.
	• The Administration should provide a timetable for the public consultation and the implementation of the second phase of the environmental levy scheme.	conduct a comprehensive review on the scheme one year after its implementation and consider whether and how to extend the scheme to other
	• The scope of the PRS should be expanded to other products, such as waste electrical and electronic	retail sectors. This is necessary for a more in-depth assessment on the operation and impact of the

Organizations	Views	Administration's Response
	equipment (WEEE).	environmental levy scheme. That said, we will kick start the preparation for the review in parallel with the launch of the environmental levy scheme. We will also consider the data obtained from the quarterly returns submitted by registered retailers, which would help assess the reduction of plastic shopping bags after the implementation of the scheme. • The Product Eco-responsibility Ordinance (Cap. 603) has been enacted by the Legislative Council to provide a legal basis for implementing producer responsibility schemes in Hong Kong. Aside from the environmental levy scheme on plastic shopping bags, we are also studying the feasibility of introducing a producer responsibility scheme on WEEE in Hong Kong, and would consult the public and the trade in due course.

Organizations		View	S			Administration's Response
Imperial Bird's Nest Co. Ltd	pu	blicity should blicize the environ plastic shopping b	mental		to me	The Administration has a publicity programme for the environmental levy scheme in place, including (a) the production of new Announcements for Pubic Interests (API's) dedicated for the launch of the environmental levy scheme; (b) broadcasting of the new API's at TV, radio and mass transport; (c) special logo design pertaining to the levy scheme; (d) production and distribution of publicity materials such as posters and stickers for registered retailers; and (e) publicity campaigns organized by green groups or other non-profit organization. The publicity programme would be intensified in the run-up to the launch of the environmental levy scheme. The Administration would also explore with the Tourism Board to disseminate the information on the environmental levy scheme to tourists.
Advisory Council on the	• Th	e environmental	levy	scheme	on	The Product Eco-responsibility

Organizations	Views	Administration's Response
Environment [LC Paper No. CB(1)966/08-09(08)]	plastic shopping bags should be implemented as soon as possible.	Ordinance (Cap. 603) has been enacted by the Legislative Council to provide a legal basis for implementing producer
	The scope of PRS should be extended to other products.	responsibility schemes in Hong Kong. Aside from the environmental levy
	 The Administration should review the scheme in a year's time and to consider extending the scheme to other retail outlets so as to realize more environmental benefits. The Administration should also continue with the voluntary effort on plastic shopping bag reduction, especially at retailers not yet covered by the Scheme. 	scheme on plastic shopping bags, we are also studying the feasibility of introducing a producer responsibility scheme on WEEE in Hong Kong, and would consult the public and the trade in due course. On the voluntary front, we have recycling programmes in place for rechargeable batteries, computers, florescent lamps and glass bottles, with the support of the relevant trades. • The Administration has committed to review the scheme one year after its
		implementation and consider whether and how to extend the scheme to other retail sectors.
		The Administration very much encourages green groups to launch

Organizations	Views	Administration's Response
		plastic bag reduction initiatives at retail sectors that have yet to be covered by the environmental levy scheme. The Environment and Conservation Fund has also previously supported public education campaigns on plastic bag reduction at pharmacies, newspaper stands, bakeries and wet markets.
Democratic Alliance for Betterment and Progress of Hong Kong [LC Paper No. CB(1)966/08-09(09)]	 Supported the early implementation of the environmental levy scheme on plastic shopping bags. The environmental levy collected from the scheme should be deposited in the Environment and Conservation Fund to support environmental initiatives. The Administration should enhance the 	scheme is to reduce the use of plastic shopping bags through a direct economic disincentive. The objective is not to raise revenue. In fact, the more successful the scheme is, the less revenue it generates. To underline the Administration's commitment in environmental protection, \$1 billion has been injected into the Environment and
	efforts on the recovery and recycling of plastic shopping bags, and establish a standard of "degradability".	 Conservation Fund to support various environmental initiatives and education. The best solution to our waste problem, particularly with respect to the abuse of

Organizations	Views	Administration's Response
		plastic shopping bags, is reduction at source. The Administration also encourages the recovery and recycling of plastic shopping bags as a secondary objective. We consider that the best way to recover and recycle plastic shopping bags is through the source separation of domestic waste programme where households could separately dispose of used plastic shopping bags in the brown recycling bins at their housing estates. Members of the public could also make use of the three coloured waste separation bins to dispose of used plastic shopping bags. The Environment and Conservation Fund has also recently supported a green group to conduct a territory-wide plastic bags recovery campaign at major shopping malls as a complementary measure.
		• The use of degradable plastic bags is not without environmental impact. In

Organizations	Views	Administration's Response
		particular, the degradation of such bags represents a loss of resources and could generate leachate and greenhouse gases.
Coalition of Hong Kong Newspaper and Magazine Merchants [LC Paper No. CB(1)966/08-09(11)]	The Administration should ban the distribution of plastic bags for carrying newspapers.	 The Administration has adopted a phased approach for the implementation of the environmental levy scheme on plastic shopping bags. The first phase of the scheme would cover "prescribed retailers" as defined in Schedule 4 of the Product Eco-responsibility Ordinance (Cap. 603), which are mostly chain or large supermarkets, convenience stores and personal health and beauty stores. "Prescribed retailers" would no longer be allowed to distribute plastic shopping bags for free from their qualified retail outlets. With the implementation of the environmental levy scheme, the Administration very much encourages the newspaper paper trade to stop the practice of plastic bag distribution,

Organizations	Views	Administration's Response
		particularly noting the fact that chain and large supermarkets and convenience stores would no longer be allowed to freely distribute plastic shopping bags for carrying newspapers. The Administration also encourages green groups to work with the newspaper trade to launch campaigns to further reduce the use of plastic shopping bags for carrying newspapers.
Momentum 107 [LC Paper No. CB(1)966/08-09(12)]	The Administration should stop the introduction of new taxes, including the environmental levy, and encourage the public to reduce the use of plastic shopping bags voluntarily.	• The objective of the environmental levy scheme is to reduce the use of plastic shopping bags through a direct economic disincentive. The levy is not a tax to raise public revenue. In fact, the more successful the scheme is, the less revenue it generates. The public can easily avoid the levy by bringing their own bags at all time.
Hong Kong Retail Management Association (HKRMA)	• The best way to reduce the use of plastic shopping bags is through voluntary means. If a levy scheme is to be	• The Administration has been promoting the practice of "bringing your own bags" or "BYOB" since the early 1990's.

Organizations	Views	Administration's Response
(LC Paper No. CB(1) 966/08-09(14))	 introduced, the scheme should be applied universally. A taskforce should be set up to establish an ongoing review mechanism to determine and measure the effectiveness of the environmental levy scheme. A roadmap to cover all retail outlets should also be established. 	Notwithstanding voluntary efforts of more than a decade, the abuse of plastic shopping bags remains a prominent environmental problem in Hong Kong. There is a broad-based public consensus that more forceful actions should be taken to address the problem, hence the introduction of the environmental levy scheme on plastic shopping bags.
	• The environmental levy scheme involves administrative costs borne by retailers, particular the fees charged by credit cards, EPS and Octopus cards. Such costs should be reimbursed.	• The Administration notes that while chain and large supermarkets, convenience stores and personal health and beauty stores make up less than 4% of all retail outlets in Hong Kong, they contribute some 20% of plastic shopping
	 Publicity should be further enhanced and a hotline should be provided. 	bags disposed of at landfills. Hence, there are merits to apply the environmental levy scheme in these
	• With respect to third party operations in a retail outlet, a certified true copy of the business registration of the third party operators should suffice to establish the fact the third party operations are not	retail outlets in the first phase of the scheme. Such a phased approach is generally supported by the Legislative Council and the public at large.

Organizations	Views	Administration's Response
	 carried on by a registered retailer. The use of plastic bags might not be reduced even with the environmental levy scheme, as the public may obtain plastic shopping bags from outlets not covered by the scheme or may have to buy garbage bags instead. The public may also switch to plastic bags of larger size or paper bags. 	• The Administration has committed to review on the scheme one year after its implementation and consider whether and how to extend the scheme to other retail sectors. The Working Group on the Implementation of the Environmental Levy Scheme on Plastic Shopping Bags formed with the trade would serve as a platform to exchange views with the trade on the review mechanism.
	 The affected retailers only distribute some 800 million plastic shopping bags each year, which is substantially lower than the disposal figure obtained by the Administration. In effect, the first phase of the environmental levy scheme only covers 4% of plastic shopping bags used. Plastic shopping bags only represent a miniscule amount of waste disposed of at landfills. 	consider the issue of reimbursement as part of the review on the environmental levy scheme. The retail trade should estimate the additional administrative costs involved vis-à-vis cost-savings arising from, among other things, the reduction in plastic shopping bag usage.

Organizations	Views	Administration's Response
		production of new Announcements for Pubic Interests (API's) dedicated for the launch of the environmental levy scheme; (b) broadcasting of the new API's at TV, radio and mass transport; (c) special logo design pertaining to the levy scheme; (d) production and distribution of publicity materials such as posters and stickers for registered retailers; and (e) publicity campaigns organized by green groups or other non-profit organization. The publicity programme would be intensified in the run-up to the launch of the environmental levy scheme. The Administration has been encouraging the retail trade to launch complementary publicity campaigns. In this regard, we are pleased to note that the Hong Kong Retail Management Association has recently launched an "Every Day No
		Plastic Bag" campaign to encourage members of the public to bring their
		own bags. We also understand that the

Organizations	Views	Administration's Response
		Association is considering seeking the funding support of the Environment and Conservation Fund to organize activities to further promote the reduction in the use of plastic shopping bags.
		• The Administration has agreed to provide a dedicated hotline to handle public enquiries. The dedicated hotline would operate seven days a week for extended hours in the first three month upon the launch of the environmental levy scheme.
		• Based on the requirements of sections 19(3) and 23(1) of the Product Eco-responsibility Ordinance (Cap. 603), the Administration takes the view that a third party may provide free plastic shopping bags from an area located within a qualified retail outlet only if the area occupied by the third party operation is clearly not part of that retail outlet. In order to demonstrate

Organizations	Views	Administration's Response
		clearly that such an area does not form part of the retail outlet and to minimize public confusion as far as practicable, we consider it prudent and necessary for a prescribed retailer to demonstrate that (i) the third party operates under a separate business or branch registration at the location in question; (ii) the operation occupies a clearly defined area (e.g. a physical sales counter); (iii) the brand name of that third party is conspicuously displayed within that area; (iv) the operation is staffed by an employee of that third party; and (v) that third party operator provides its own plastic shopping bags that bear its own brand name or logo. A certified true copy of the business registration of the headquarter of a third party operator does not help establish the fact that the third party operation at a retail outlet is indeed a business operation separate from the outlet of the host retailer.

Organizations	Views	Administration's Response
		• The Administration is aware of the potential risk of switching to paper bags. It is one of the reasons why a phased approach is adopted. Given the local shopping practice and the nature of products offered by "prescribed retailers", we do not envisage massive switching to paper bags at these retailers. We also have not heard major prescribed retailers planning to do so.
		• The Administration is also aware of the potential risk of increase use of garbage bags. Given the serious abuse of plastic shopping bags, we envisage that there is ample room to reduce the use of plastic shopping bags without necessitating the purchase of garbage bags. The experience of Ireland also suggests that even taking into account the slight increase of use in garbage bags, the overall use of plastic bags decreased after the implementation of the environmental levy scheme.

Organizations	Views	Administration's Response
		• In view of the increasing public concerns on the abuse of plastic shopping bags, a dedicated survey on plastic shopping bags was conducted in 2005 as part of the annual waste survey to estimate the number and identify the sources of plastic shopping bags disposed of at landfills. Waste samples from domestic, commercial and industrial sources were randomly selected at refuse transfer stations and landfills, and plastic shopping bags therein were manually sorted, counted and sources tabulated. The dedicated survey indicates that more than eight billion plastic shopping bags are disposed of every year, and some 1.8 billion of them come from chain or large supermarkets, convenience stores and personal health and beauty stores.
		• The objective of the environmental levy scheme is to reduce the indiscriminate

Organizations	Views	Administration's Response
		use of plastic shopping bags. The scheme is one of the key initiatives in the "Policy Framework for the Management of Municipal Solid Waste (2005-2014)", where a comprehensive strategy to manage our waste in a sustainable manner is set out.
Retail Task Force, Business Facilitation Advisory Committee [LC Paper No. CB(1)966/08-09(15)]	 No objection in principle to the implementation of the environmental levy scheme. The administrative burden of the environmental levy scheme should be minimized as far as possible. 	• It is the objective of the Administration to devise an environmental levy scheme that is workable and easy to comply with, while not compromising the integrity of the regulatory regime. The Regulation has taken into account the views of the retail trade as far as practicable. For instance, we have minimized the information required for
	• The exemption of third party operations should be reviewed and clarified.	registration, and as a performance pledge, we aim to process applications for registration of new outlets under a
	• The implementation date should take into account the time needed for the preparatory work by the retail trade.	registered retailer within ten working days, instead of 21 working days as originally proposed. We have also adopted an exemption mechanism that

Organizations	Views	Administration's Response
	The Administration should establish key performance indicators to assess the effectiveness of the environmental levy scheme.	-
		review the scheme one year after its implementation and consider whether

Organizations	Views	Administration's Response
		and how to extend the scheme to other retail sectors. Key performance indicators would be established in such context.
Consumer Council [LC Paper No. CB(1)966/08-09(16)]	 Registered retailers be required to identify their status to the consumers by display of a logo or other means of identification in a conspicuous manner at prominent places in registered retail outlets to alert consumers that levy will be collected for shopping bags provided. Territory-wide publicity campaigns on using fewer plastic bags and not taking more plastic bags than required from non-registered outlets such as wet markets are required to maintain the 	Eco-responsibility Ordinance (Cap. 603), a registered retailer shall ensure that the certificate of registration is displayed in a prominent position at each of its registered retail outlets. In addition, a special logo pertaining to the environmental levy scheme would be produced and publicized to enable the public to identify registered retail outlets easily.
	momentum for waste reduction.	encourages green groups to launch plastic bag reduction initiatives at retail sectors that have yet to be covered by the environmental levy scheme. The Environment and Conservation Fund has also previously supported public

Organizations	Views	Administration's Response
		education campaigns on plastic bag reduction at pharmacies, newspaper stands, bakeries and wet markets.
The Hong Kong Institution of Engineers (HKIE) [LC Paper No. CB(1)966/08-09(17)]	Given the limited scope of the scheme, the Administration should revisit the worthiness of the Regulation in its limited scope and be prepared to give due consideration on a more embracing control on plastic products as a whole.	• The environmental levy scheme aims to reduce the indiscriminate use of plastic shopping bags through a direct economic disincentive, and is in line with the principle of "polluter pays". In the light of the broad-based public support, the Administration is working closely with the Legislative Council to put in place the scheme in mid-2009.
Friends of the Earth	• Supported the early implementation of the environmental levy scheme on plastic shopping bags.	• The scope of the first phase of the environmental levy scheme on plastic shopping bags is defined in Schedule 4 of the Product Eco-responsibility
	 Voluntary participation of non-prescribed retailers should be allowed. 	Ordinance. Those falling within the definition of "prescribed retailers" would have to register with the Director of Environmental Protection if they wish
	A levy scheme logo should be developed to enhance public recognition, and the	to distribute plastic shopping bags, and charge the customers at least 50 cents

Organizations	Views	Administration's Response
	list of registered retail outlets should be regularly updated on the EPD's website for public information. A hotline should also be set up. The data on the usage of plastic shopping bags and the levy collected should be published.	for each plastic shopping bag distributed. While non-prescribed retailers are not able to register under the Ordinance, they are very much encouraged to launch plastic shopping bag reduction initiatives on their own. In fact, The Environment and Conservation Fund has also previously supported public education campaigns on plastic bag reduction at pharmacies, newspaper stands, bakeries and wet markets.
		• A special logo pertained to the environmental levy scheme would be produced and publicized to enable the public to identify registered retail outlet easily. Pursuant to section 20 of the Product Eco-responsibility Ordinance (Cap. 603), the Director of Environmental Protection has an obligation to maintain a public register that will contain the information of registered retailers and their registered

Organizations	Views	Administration's Response
		retail outlet. Similar information would be provided on the website of the EPD. The Administration has also agreed to provide a hotline to handle public enquiries.
		• The amount of levy collected and the amount of plastic shopping bags distributed would be made available in aggregate form.

Environmental Protection Department March 2009