

For information
on 29 March 2010

**THE LEGISLATIVE COUNCIL
PANEL ON ENVIRONMENTAL AFFAIRS**

**A New Producer Responsibility Scheme for
Waste Electrical and Electronic Equipment**

In following up the deliberations at the Panel meeting of 22 February 2010, this paper sets out for Members' information (i) supplementary information relating to the proposed producer responsibility scheme for waste electrical and electronic equipment ("WEEE") and (ii) the Government's response to the written submissions received for or after the meeting.

Supplementary Information on Overseas Experience

2. As explained in Part 1 of the Consultation Document, we are aware from our research that various jurisdictions have put in place specific measures for the management of WEEE. The mainstream approach has been to bring WEEE under mandatory control through producer responsibility schemes. As examples of this approach, we have summarized the key features of schemes in the Netherlands, the province of Alberta in Canada, Japan and Taiwan.

3. The summary table (cf. Annex B to the Consultation Document) is drawn up on the basis of information obtained from our Internet research. The purpose of the summary table, as explained in paragraph 2.3 of the Consultation Document, is to demonstrate that the features of the producer responsibility schemes implemented internationally vary from one jurisdiction to another and that they generally differ in three major aspects: (i) coverage, (ii) WEEE collection, and (iii) cost recovery mechanism.

4. One of the deputations raised queries on the accuracy of the information contained in the summary table. We have the following supplementary information –

(a) *Alberta, Canada*: As presented in the summary table, the

WEEE Scheme in Alberta does not cover refrigerators. However, local governments (including the City Council of Calgary as referred to in the submission) may legislate on collection fees for refrigerators.

- (b) *Japan*: As explained in the summary table, the statutory control in Japan is implemented through two separate producer responsibility schemes. This effectively means that two pieces of legislation are in place as elaborated in the submission, each accounting for part of the overall control. As regards the collection of WEEE, the summary table has shown that various collection channels are free of charge (from the consumers' perspectives). In actual practice, the disposal fee includes the collection, transportation and processing costs and would be charged (in full) when consumers return WEEE to retailers and licensed collectors¹. Retailers are obliged to offer take-back service on a "new for old" basis at no additional cost on top of the disposal fee. This would not preclude any arrangement for the service to be wholly or partly financed by the WEEE Scheme (from the collection agents' perspectives). The same applies to additional services (e.g. take-back outside the service provided on a "new for old" basis) which might incur a fee.
- (c) *Taiwan*: Same as in (b), the information on WEEE collection as contained in the summary table is correct. The information on cost recovery should also be construed in a similar manner.
- (d) *The Netherlands*: Same as in (b), the information on WEEE collection as contained in the summary table is correct.

Other relevant information is also indeed discussed at length in the main text of the Consultation Document. The above findings of our research should effectively underpin the summary table to serve the purpose of providing a simplified illustration.

Anticipated Fee Collected under the WEEE Scheme

¹ A reduced fee would be offered as an incentive for consumers to bring WEEE to designated collection points.

5. Making reference to the fees charged in some overseas jurisdictions, fees could be around \$100 for a small WEEE (such as a small television) and around \$200 to \$250 for a bulky one (such as a large television, refrigerator and washing machine). Fees for computer products would be expected to be lower. One deputation compared the indicative fee level under paragraph 7.5 of the Consultation Document with the average retail price of the regulated products. We have already explained in the Consultation Document that the exact level of the fee would be subject to the detailed design of the WEEE scheme in Hong Kong. We have also highlighted that the fee level is related more to the size and components of the WEEE rather than the retail price.

6. As explained in paragraph 7.5 of the Consultation Document, we would determine the level of the fee under the WEEE Scheme after the tendering process for the appointed WMC. The following guiding principles apply in the process -

- (a) adherence to “polluter pays”: the aggregate fees collected should in principle be able to cover the full costs of the WEEE Scheme;
- (b) differential rates would apply: products requiring more complicated treatment processes would be charged a higher fee; and
- (c) the charging system, including the fee collection mechanism, would be simple and easy to understand.

Similar to the case of the environmental levy scheme for plastic shopping bags, the WEEE Scheme does not carry the objective of raising government revenues. Yet for reason explained in (a) above, the fees would be determined at such a level that seeks to recover the costs for waste collection, recycling processes and other management and administrative matters under the WEEE Scheme.

Feasibility of a Commercially Viable Treatment Plant

7. Making reference to the experience of the European Union of 4 kg per person per year requiring processing, we expect some 30,000 tonnes of regulated WEEE to be collected for processing in Hong Kong each year, barring future increases. This would require a sizable expansion of the current scale of local operations. We envisage that

such expansion would make the operations commercially viable because -

- (a) flow management measures as proposed in Chapter 6 of the Consultation Document, including landfill disposal ban and import/export controls, could ensure among other things that an adequate volume of locally generated WEEE is collected for local treatment;
- (b) larger operation could enable automation which could facilitate drastic increase in throughput and available information also shows that mature technologies are available internationally; and
- (c) fee paid to operators from the WEEE scheme would provide steady financial support in addition to the revenues from recovered parts and materials.

The Government's Role

8. There are views that the Government should play a more significant role under the WEEE Scheme. We reiterate the point already made in the Consultation Document that the Government will take the lead in putting the WEEE Scheme in place, such as monitoring the operation of the WEEE Scheme and performing supervisory and enforcement functions. The Government would also promote public education and information sharing among all stakeholders. Specifically, the Government is playing an active role to facilitate the development of the necessary local treatment facilities to underpin the WEEE Scheme. We would also further consider the issue of government support taking into account the outcome of the consultation.

Replacement of Old Electrical and Electronic Equipment to Promote Energy Efficiency

9. The Government has been promoting energy efficiency through, inter alia, encouraging the use of energy-efficient equipment when the old appliances are due for replacement. We have implemented the Voluntary Energy Efficiency Labelling Scheme and the Mandatory Energy Efficiency Labelling Scheme to facilitate consumers to choose energy-efficient products.

10. To avoid creating undue waste problem, we do not encourage early retirement of serving electrical appliances solely for replacement by energy-efficient products. We also consider that energy-efficient electrical appliances should be covered by recycling scheme on a par with their less energy-efficient counterparts, so that all such products, regardless of their energy performance, could be properly disposed of.

Response to Written Submissions

11. Our general response to individual written submissions is set out at the Annex. At this stage during the public consultation, the Government has yet to make any decisions on how to take the WEEE Scheme forward. We would take into account views collected to develop the details of the scheme.

Environmental Protection Department
March 2010

Response to Written Submissions

	Organization	The Government's Response
1.	Friends of the Earth (HK)	<ul style="list-style-type: none"> <li data-bbox="424 405 1453 472">• We take note of the support on the shared responsibility under the mainstream proposals of the WEEE scheme, in particularly on a pre-paid system. <li data-bbox="424 506 1453 853">• We take note of the suggestion of establishing a dedicated fund for the purpose of managing the fees collected under the WEEE Scheme. Sharing of the costs of a producer responsibility scheme is to reflect the “polluter pays” principle and is not meant to raise revenue. To underline the Government’s commitment in environmental protection, \$1 billion has been injected into the Environment and Conservation Fund in January 2008 before the implementation of the first mandatory producer responsibility scheme (i.e. the environmental levy scheme for plastic shopping bags) to support various environmental and conservation initiatives as well as public education programmes organized by local non-profit making organizations. Irrespective of how the fee under the WEEE Scheme is managed, the relevant principles would continue to apply. <li data-bbox="424 887 1453 1144">• We take note of the suggestion of further enhancing the WEEE collection network by making available temporary sites and better engaging second-hand dealers. It is our intention that the collection network under the WEEE Scheme would be built on existing strengths. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We also believe that the appointed WEEE Management Contractors would explore appropriate measures (including those being suggested) to facilitate the collection of WEEE in a cost-effective manner. <li data-bbox="424 1178 1453 1267">• We take note of the preference for early implementation of the relevant legislation. We would consider the way forward after the public consultation and proceed with the legislative work accordingly.

	Organization	The Government's Response
2.	HK WEEE Alliance	<ul style="list-style-type: none"> • We confirm that it is our proposal that the WEEE Scheme would not cover products designed specifically for commercial or industrial uses. • We take note of the preference for an end-of-life fee to be collected at the point of disposal. We would appreciate further views on how we might properly address the problem of fly-tipping that might emerge as a result. • We take note of the observation relating to the proposed take-back requirement for the retailers. In general, it is a common requirement under similar schemes implemented internationally. We would work out the operational details in consultation with the trade, giving regard to the situations in Hong Kong. • We take note of the concern about possible cross-subsidization under a pre-paid system. Since the overwhelming majority of households in Hong Kong own at least some regulated products, any cross-subsidization would be nominal in nature. • We take note of the suggestion for the Government to finance and operate the WEEE treatment facilities. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We would further consider the issue of government support taking into account the outcome of the consultation and other relevant factors. • Regarding the experience in Japan and the Netherlands, please refer to paragraphs 2 to 4 of the information note.
3.	The Hong Kong Electronic Industries Association	<ul style="list-style-type: none"> • While its operation might not have attained the technological level required for the WEEE Scheme in future, the Kowloon Bay Waste Recycling Centre is operated in strict compliance with the relevant legislation. Apart from statutory inspections by relevant government departments, comprehensive measures are also in place to ensure the occupational safety and health in the facility. • We take note of the suggestion of enhancing cross-border collaboration for the proper management of WEEE. While we have maintained a dialogue with the Mainland authorities on appropriate collaborative opportunities, it is also important for Hong Kong to develop a local solution for the reasons explained in Part 1 of the Consultation Document. • We take note of the concern about the performance of the WEEE Management Contractors. The Government would monitor their operation and perform other functions relevant for the proper implementation of the WEEE Scheme.
4.	Lion Rock Institute	<ul style="list-style-type: none"> • We take note of the observations about the role of second-hand dealers in the proper management of WEEE. It is our intention that the collection network under the WEEE Scheme would be built on existing strengths. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We also believe that the appointed WEEE Management Contractors would explore appropriate measures to facilitate the collection of WEEE in a cost-effective manner. • We take note of the observation about the energy efficiency of old appliances. Please refer to paragraphs 9 and 10 of the information note.
5.	Radio Association of Hong Kong	<ul style="list-style-type: none"> • We have examined the relevant overseas experience. Please refer to paragraphs 2 to 4 of the information note.

	Organization	The Government's Response
6.	Hong Kong & Kowloon Electrical Appliances Merchants Association Ltd	<ul style="list-style-type: none"> <li data-bbox="424 232 1458 338">• We take note of the support on the shared responsibility amongst stakeholders for the proper management of WEEE, in particular the licensing system for the proper management of WEEE and the disposal ban of WEEE at landfills. <li data-bbox="424 360 1458 524">• We take note of the suggestion for the Government to finance and operate the WEEE treatment facilities. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We would further consider the issue of government support taking into account the outcome of the consultation and other relevant factors. <li data-bbox="424 546 1458 710">• We take note of the suggestion of a more restrictive coverage in the initial phase. In general, overseas experience shows that most schemes implemented internationally cover initially (a) television sets; (b) washing machines; (c) refrigerators; (d) air conditioners; and (e) computer products. It should be noted that a more restrictive scheme would consequentially yield curtailed environmental impact. <li data-bbox="424 732 1458 994">• We take note of the observations on the possible drawback of collecting the fee under the WEEE Scheme at the point of import and at the point of sale respectively. We also take note of the preference for an end-of-life fee to be collected at the point of disposal. We would appreciate further views on how we might properly address the problem of fly-tipping that might emerge as a result. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. <li data-bbox="424 1016 1458 1122">• We take note of the concern about possible cross-subsidization under a pre-paid system. Since the overwhelming majority of households in Hong Kong own at least some regulated products, any cross-subsidization would be nominal in nature. <li data-bbox="424 1144 1458 1285">• We take note of the observation relating to the proposed take-back requirement for the retailers. In general, it is a common requirement under similar schemes implemented internationally. We would work out the operational details in consultation with the trade, giving regard to the situations in Hong Kong. <li data-bbox="424 1308 1458 1509">• We take note of the observation relating to the use of the fee collected under the WEEE Scheme. In general, as explained in Chapter 7 of the Consultation Document, the fee would be determined under the “polluter pays” principle for the purpose of defraying the costs of the appointed WEEE Management Contractors which would be responsible for the collection and treatment of WEEE under the WEEE Scheme.

	Organization	The Government's Response
7.	Hong Kong Retail Management Association	<ul style="list-style-type: none"> • We take note of the observation relating to the proposed take-back requirement for the retailers. In general, it is a common requirement under similar schemes implemented internationally. We would work out the operational details in consultation with the trade, giving regard to the situations in Hong Kong. • We take note of the observation relating to the use of the fee collected under the WEEE Scheme. In general, as explained in Chapter 7 of the Consultation Document, the fee would be determined under the “polluter pays” principle for the purpose of defraying the costs of the appointed WEEE Management Contractors which would be responsible for the collection and treatment of WEEE under the WEEE Scheme. • We take note of the observation relating to the proper treatment of WEEE under the WEEE Scheme. In general, as explained in Chapter 5 of the Consultation Document, the appointed WEEE Management Contractors would be responsible for among other things the proper treatment of WEEE. Other private operators would also be allowed to operate in parallel subject to the relevant licencing requirements.
8.	Green Council	<ul style="list-style-type: none"> • We take note of the support on the mainstream proposals generally. We would also take into account the general comments when taking the WEEE Scheme forward. • We take note of the preference for a wider coverage. Internationally, the general practice has been to first focus on waste generated from specific products. We would keep the WEEE Scheme under review from time to time after implementation taking into account actual operational experience. • We take note of the suggestion of charging consumers on products not given to retailers through mandatory take-back. In general, consumers should have a choice to keep their old equipment for continued use or dispose of it through alternative means. It is then the responsibility of the consumer to arrange for proper disposal of the old equipment (possibly at a cost). Nevertheless, it is our intention that free treatment would be offered under the WEEE Scheme. • We take note of the preferences for collecting the fee under the WEEE Scheme at the point of sale and for the fee to take a visible form. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. • We take note of the suggestion for the Government to implement facilitating measures for kickstarting the development of competent local WEEE processing capacity. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We would further consider the issue of government support taking into account the outcome of the consultation and other relevant factors.

	Organization	The Government's Response
9.	Mr Martin OEI	<ul style="list-style-type: none"> • We take note of the comments on the proposals from an energy efficiency perspective. Please refer to paragraphs 9 and 10 of the information note. • We note of the suggestion for the WEEE Scheme to cover also lighting equipment. We would keep the WEEE Scheme under review from time to time after implementation taking into account actual operational experience. Specifically for fluorescent lamps, a dedicated recycling programme has been in place. • We take note of the comments on enhanced regulations under RoHS. In the context of Hong Kong, manufacturers of electrical and electronic equipment operate outside our jurisdiction. They produce for the world market in which Hong Kong constitutes a relatively small part only. Since RoHS legislation is becoming prevalent internationally, we believe that the overwhelming majority of regulated products available in Hong Kong are already RoHS-compliant.
10.	Environmental Contractors Management Association	<ul style="list-style-type: none"> • We take note of the support on the mainstream proposals generally. • We take note of the suggestion of reviewing the coverage of the WEEE Scheme. Internationally, the general practice has been to first focus on waste generated from specific products. We would keep the WEEE Scheme under review from time to time after implementation taking into account actual operational experience. • We take note of the concern about possible compliance problems for small-scale operators under the enhanced licencing controls. To facilitate the affected parties to become prepared for compliance, there would be grace periods for individual statutory controls.

	Organization	The Government's Response
11.	Hong Kong WEEE Recycling Association	<ul style="list-style-type: none"> <li data-bbox="424 232 1458 331">• We take note of the support on the shared responsibility amongst stakeholders for the proper management of WEEE, in particular the “polluter pays” principle, as well as the mainstream proposals relating to flow management of WEEE. <li data-bbox="424 362 1458 461">• We take note of the suggestion of applying differential fees to computer products and other electrical appliances under the WEEE Scheme. We also take note of the comments that the fee level should be determined by the relevant trades. <li data-bbox="424 492 1458 846">• We take note of the suggestion of establishing a dedicated fund for the purpose of managing the fees collected under the WEEE Scheme. Sharing of the costs of a producer responsibility scheme is to reflect the “polluter pays” principle and is not meant to raise revenue. To underline the Government’s commitment in environmental protection, \$1 billion has been injected into the Environment and Conservation Fund in January 2008 before the implementation of the first mandatory producer responsibility scheme (i.e. the environmental levy scheme for plastic shopping bags) to support various environmental and conservation initiatives as well as public education programmes organized by local non-profit making organizations. Irrespective of how the fee under the WEEE Scheme is managed, the relevant principles would continue to apply. <li data-bbox="424 878 1458 945">• We confirm that it is our proposal that the WEEE Scheme would not cover products designed specifically for commercial or industrial uses. <li data-bbox="424 976 1458 1258">• We take note of the suggestion of further enhancing the WEEE collection network by making available temporary sites. It is our intention that the collection network under the WEEE Scheme would be built on existing strengths. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We also believe that the appointed WEEE Management Contractors would explore appropriate measures (including those being suggested) to facilitate the collection of WEEE in a cost-effective manner. The Government would also continue with necessary publicity and public education.

	Organization	The Government's Response
12.	The Federation of Hong Kong Industries	<ul style="list-style-type: none"> • We confirm that it is our proposal that the WEEE Scheme would not cover products designed specifically for commercial or industrial uses. • We take note of the support on the mainstream proposals relating to flow management of WEEE. • We take note of the suggestion of establishing a dedicated fund for the purpose of managing the fees collected under the WEEE Scheme. Sharing of the costs of a producer responsibility scheme is to reflect the “polluter pays” principle and is not meant to raise revenue. To underline the Government’s commitment in environmental protection, \$1 billion has been injected into the Environment and Conservation Fund in January 2008 before the implementation of the first mandatory producer responsibility scheme (i.e. the environmental levy scheme for plastic shopping bags) to support various environmental and conservation initiatives as well as public education programmes organized by local non-profit making organizations. Irrespective of how the fee under the WEEE Scheme is managed, the relevant principles would continue to apply. • We take note of the preferences for collecting the fee under the WEEE Scheme at the point of sale and for the fee to take a visible form. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. • We take note of the suggestion for the Government to implement facilitating measures for kickstarting the development of competent local WEEE processing capacity. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We would further consider the issue of government support taking into account the outcome of the consultation and other relevant factors. • We take note of the comments on enhanced regulations under RoHS. In the context of Hong Kong, manufacturers of electrical and electronic equipment operate outside our jurisdiction. They produce for the world market in which Hong Kong constitutes a relatively small part only. Since RoHS legislation is becoming prevalent internationally, we believe that the overwhelming majority of regulated products available in Hong Kong are already RoHS-compliant.
13.	E.Tech Management (HK) Ltd	<ul style="list-style-type: none"> • We take note of the suggestion for the Government to implement facilitating measures for kickstarting the development of competent local WEEE processing capacity. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We would further consider the issue of government support taking into account the outcome of the consultation and other relevant factors. • We take note of the suggestion of arranging separate sessions for focused discussions of various topical issues. We would continue to engage the relevant stakeholders during the consultation period and we would favourably consider the suggestion.

	Organization	The Government's Response
14.	EcoSage Ltd	<ul style="list-style-type: none"> • We take note of the suggestions for manufacturers to undertake a stronger role under the WEEE Scheme. In general, our goal is to develop a safe and sustainable scheme so that everyone who generates WEEE shares the responsibility for its collection, treatment and disposal. As to whether to introduce enhanced regulations under RoHS, manufacturers of electrical and electronic equipment operate outside our jurisdiction. They produce for the world market in which Hong Kong constitutes a relatively small part only. Since RoHS legislation is becoming prevalent internationally, we believe that the overwhelming majority of regulated products available in Hong Kong are already RoHS-compliant. • We take note of the comments on how to ensure effective flow management of WEEE. In general, as explained in Chapter 6 of the Consultation Document, the appointed WEEE Management Contractors would be responsible for among other things the collection of WEEE. Other private operators would also be allowed to operate in parallel subject to the relevant licencing requirements. • We take note of the preferences about the Government's role. Please refer to paragraph 8 of the information note.
15.	The Chamber of Hong Kong Computer Industry	<ul style="list-style-type: none"> • We take note of the support on the mainstream proposals relating to flow management of WEEE. • We take note of the suggestion of determining the fee under the WEEE Scheme on the basis of the market share in the trade. In general, the charging system, including the fee collection mechanism, should be simple and easy to understand. Successful implementation of such a system would require accurate trade data which might not necessarily be easily available. • We take note of the preference for a trade-based producer responsibility organization. The feasibility of this option is however subject to various factors including the fact that Hong Kong lacks a strong industrial base. We were given to understand that operators in Hong Kong might not prefer to devote substantial efforts in directly participating in waste management. In any event, we would maintain an open mind at this stage and welcome different views from the trade. • We take note of the suggestion of further enhancing the WEEE collection network. It is our intention that the collection network under the WEEE Scheme would be built on existing strengths. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We also believe that the appointed WEEE Management Contractors would explore appropriate measures (including those being suggested) to facilitate the collection of WEEE in a more cost-effective manner.
16.	Caritas Hong Kong	<ul style="list-style-type: none"> • We take note of the support on the mainstream proposals generally. • We take note of the concerns about the various options for cost sharing. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. • We take note of the preference for a wider coverage. Internationally, the general practice has been to first focus on waste generated from specific products. We would keep the WEEE Scheme under review from time to time after implementation taking into account actual operational experience.

	Organization	The Government's Response
17.	Consumer Council	<ul style="list-style-type: none"> • We take note of the suggestion of reviewing the coverage of the WEEE Scheme. Internationally, the general practice has been to first focus on waste generated from specific products. We would keep the WEEE Scheme under review from time to time after implementation taking into account actual operational experience. • We take note of the suggestion of imposing appropriate contractual terms to safeguard against anti-competitive conduct. In general, we have the option of appointing one or multiple WEEE Management Contractors to undertake the relevant WMC duties depending on cost-effectiveness and other relevant considerations. The Government would strive to ensure that there is a level-playing field under the WEEE Scheme. • We take note of the concerns about the various options for cost sharing and the principles underpinning the fee charging mechanism. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. • We take note of the support on the mainstream proposals relating to flow management of WEEE.
18.	Greeners Action	<ul style="list-style-type: none"> • We take note of the suggestion of reviewing the coverage of the WEEE Scheme. Internationally, the general practice has been to first focus on waste generated from specific products. We would keep the WEEE Scheme under review from time to time after implementation taking into account actual operational experience. • We take note of the concerns about the various options for cost sharing. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. • We take note of the preferences for collecting the fee under the WEEE Scheme at the point of import. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. • We take note of the suggestion of establishing a dedicated fund for the purpose of managing the fees collected under the WEEE Scheme. Sharing of the costs of a producer responsibility scheme is to reflect the “polluter pays” principle and is not meant to raise revenue. To underline the Government’s commitment in environmental protection, \$1 billion has been injected into the Environment and Conservation Fund in January 2008 before the implementation of the first mandatory producer responsibility scheme (i.e. the environmental levy scheme for plastic shopping bags) to support various environmental and conservation initiatives as well as public education programmes organized by local non-profit making organizations. Irrespective of how the fee under the WEEE Scheme is managed, the relevant principles would continue to apply.

	Organization	The Government's Response
19.	Li Tong Group	<ul style="list-style-type: none"> We take note of the preferences for collecting the fee under the WEEE Scheme at the point of sale. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. We take note of the preference for a wider coverage. Internationally, the general practice has been to first focus on waste generated from specific products. We would keep the WEEE Scheme under review from time to time after implementation taking into account actual operational experience.
20.	St. James' Settlement	<ul style="list-style-type: none"> We take note of the support on the mainstream proposals generally. We take note of the suggestion of incorporating a charity element in the WEEE Scheme. We would consider favourably during the tendering process.
21.	Hong Kong Association of Property Management Companies	<ul style="list-style-type: none"> We take note of the support on the mainstream proposals generally. We take note of the suggestion of sharing the fee under the WEEE Scheme among different stakeholders. This would entail a pre-paid system. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. We take note of the suggestion of further enhancing the WEEE collection network by making available collection points. It is our intention that the collection network under the WEEE Scheme would be built on existing strengths. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We also believe that the appointed WEEE Management Contractors would explore appropriate measures (including those being suggested) to facilitate the collection of WEEE in a cost-effective manner.
22.	Hong Kong Environmental Protection Policy Council	<ul style="list-style-type: none"> We take note of the general objection to levying a fee for WEEE from the public under the WEEE Scheme but believe that eco-responsibility for WEEE should be shared by relevant stakeholders. We take note of the preference for a wider coverage. Internationally, the general practice has been to first focus on waste generated from specific products. We would keep the WEEE Scheme under review from time to time after implementation taking into account actual operational experience. We take note of the concern about possible cross-subsidization under a pre-paid system. Since the overwhelming majority of households in Hong Kong own at least some regulated products, any cross-subsidization would be nominal in nature. We take note of the suggestion of organizing a public forum for different stakeholders to exchange views on the proposed WEEE Scheme. We would continue to engage the relevant stakeholders during the consultation period and we would favourably consider the suggestion.

	Organization	The Government's Response
23.	Dr Yang Mo	<ul style="list-style-type: none"> • We take note of the support on the proposal to apply permit controls to the import and export of used regulated products and regulated WEEE. • We take note of the preferences for collecting the fee under the WEEE Scheme at the point of sale and for the fee to take an invisible form. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. • We take note of the suggestion for the Government to implement facilitating measures for kickstarting the development of competent local WEEE processing capacity. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We would further consider the issue of government support taking into account the outcome of the consultation and other relevant factors.
24.	The Hong Kong Institution of Engineers	<ul style="list-style-type: none"> • We take note of the observations relating to the possible enforcement issues in the competing options for the fee under the WEEE Scheme to be collected at the point of import and the point of sale respectively. We would engage the relevant trades in more detailed discussions before identifying the preferred option and would work out operational details in conjunction with them following the public consultation. • We take note of the preference for an end-of-life fee to be collected at the point of disposal. We would appreciate further views on how we might properly address the problem of fly-tipping that might emerge as a result. • We take note of the suggestion for the Government to cover all costs for the collection and treatment of WEEE. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We would further consider the issue of government support taking into account the outcome of the consultation and other relevant factors.
25.	Veolia Environmental Services Hong Kong Ltd	<ul style="list-style-type: none"> • We take note of the support on the mainstream proposals generally. • We take note of the concerns about the enforcement of the proposed landfill ban. In general, to ensure that the various control measures are effective, suitable sanctions in the form of penalties or economic incentives would apply. • We take note of the observation relating to the proposed take-back requirement for the retailers. In general, it is a common requirement under similar schemes implemented internationally. We would work out the operational details in consultation with the trade, giving regard to the situations in Hong Kong. • We take note of the preferences for collecting the fee under the WEEE Scheme at the point of sale and for the fee to take a visible form. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. • We take note of the suggestion for the Government to provide funding support for proper treatment of WEEE. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We would further consider the issue of government support taking into account the outcome of the consultation and other relevant factors.

Response to Other Delegations

	Organization	The Government's Response
1.	Hong Kong Green Manufacturing Alliance	<ul style="list-style-type: none"> • We take note of the preference for a wider coverage. Internationally, the general practice has been to first focus on waste generated from specific products. We would keep the WEEE Scheme under review from time to time after implementation taking into account actual operational experience. • We take note of the comments on enhanced regulations under RoHS. In the context of Hong Kong, manufacturers of electrical and electronic equipment operate outside our jurisdiction. They produce for the world market in which Hong Kong constitutes a relatively small part only. Since RoHS legislation is becoming prevalent internationally, we believe that the overwhelming majority of regulated products available in Hong Kong are already RoHS-compliant.
2.	Hong Kong Suppliers Association Ltd	<ul style="list-style-type: none"> • We take note of the suggestion for the Government to implement facilitating measures for kickstarting the development of competent local WEEE processing capacity. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We would further consider the issue of government support taking into account the outcome of the consultation and other relevant factors. • We take note of the comments on the proposals from an energy efficiency perspective. Please refer to paragraphs 9 and 10 of the information note.
3.	Dr Poon Chi-sun	<ul style="list-style-type: none"> • We take note of the support on the mainstream proposals relating to enhanced licencing control. • We take note of the preferences for collecting the fee under the WEEE Scheme at the point of sale. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. • We take note of the observation relating to the use of the fee collected under the WEEE Scheme. In general, as explained in Chapter 7 of the Consultation Document, the fee would be determined under the "polluter pays" principle for the purpose of defraying the costs of the appointed WEEE Management Contractors which would be responsible for the collection and treatment of WEEE under the WEEE Scheme.
4.	Hong Kong General Association of Recycling Business	<ul style="list-style-type: none"> • We take note of the suggestion for the Government to finance and operate the WEEE treatment facilities. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We would further consider the issue of government support taking into account the outcome of the consultation and other relevant factors.

	Organization	The Government's Response
5.	Tai Po Environment Association **	<ul style="list-style-type: none"> • We take note of the comments about the coverage at the level of parts. Internationally, the general practice has been to first focus on waste generated from specific products. We would keep the WEEE Scheme under review from time to time after implementation taking into account actual operational experience. • We take note of the observation relating to the proposed take-back requirement for the retailers. In general, it is a common requirement under similar schemes implemented internationally. We would work out the operational details in consultation with the trade, giving regard to the situations in Hong Kong. • We take note of the concerns about the various options for cost sharing. We would engage importers, distributors and retailers in more detailed discussions before identifying the preferred option, taking into account their current modes of operation, administrative convenience and other operational issues. • We take note of the suggestion of further enhancing the WEEE collection network by appropriate incentive programmes. It is our proposal that the collection network under the WEEE Scheme would be built on existing strengths. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We also believe that the appointed WEEE Management Contractors would explore appropriate measures to facilitate the collection of WEEE in a cost-effective manner. • We take note of the support on the mainstream proposals relating to enhanced licencing control for WEEE storage.
6.	On Kee (HK) Environmental Recycling Ltd	<ul style="list-style-type: none"> • We take note of the suggestion of further enhancing the WEEE collection network by better engaging second-hand dealers. It is our proposal that the collection network under the WEEE Scheme would be built on existing strengths. Please refer to paragraph 6 of the information note on the guiding principles proposed in determining the level of fee under the WEEE Scheme. We also believe that the appointed WEEE Management Contractors would explore appropriate measures to facilitate the collection of WEEE in a cost-effective manner.

** The written submission from Tai Po Environment Association reaches the Government only after the information note was finalized. Their submission has been taken into account in drawing up this supplementary annex.