

立法會
Legislative Council

LC Paper No. CB(1) 424/11-12(04)

Ref. : CB1/PL/EA

Panel on Environmental Affairs

Meeting on 28 November 2011

**Updated background brief on a new producer responsibility scheme for
waste electrical and electronic equipment
prepared by the Legislative Council Secretariat
(position as at 22 November 2011)**

Purpose

This paper sets out the progress of development of a new producer responsibility scheme (PRS) for waste electrical and electronic equipment (WEEE), and gives a brief account of the views expressed by Members.

Producer responsibility schemes

2. In December 2005, the Administration published “A Policy Framework for the Management of Municipal Solid Waste (2005-2014)” (Policy Framework) setting out its strategy to tackle the imminent waste problem. Enshrining the principle of “polluter pays” and the element of “eco-responsibility”, PRS is a key policy tool in the Policy Framework for waste reduction, recovery and recycling. Under PRS, manufacturers, importers, wholesalers, retailers and consumers are required to share the responsibility for the collection, recycling, treatment and disposal of end-of-life products with a view to avoiding and reducing the environmental impacts caused by such wastes. The Policy Framework recommends the introduction of PRS for the following six types of products –

- (a) Vehicle tyres;
- (b) Plastic shopping bags;
- (c) Electrical and electronic equipment;
- (d) Packaging materials;
- (e) Beverage containers; and
- (f) Rechargeable batteries.

These products are accorded priority because they could be a stable source of materials for developing local recycling industry and their diversion from landfills could help save landfill space.

3. The Product Eco-responsibility Ordinance (Cap. 603) (the Ordinance) was enacted in July 2008 to provide a legal framework for implementing mandatory PRS. It is an enabling legislation to provide for the shared core elements of all PRS and the fundamental regulatory requirements in respect of individual types of products, with operational details to be set out in subsidiary legislation when the opportunity is ripe. The environmental levy on plastic shopping bags (PSB) is the first PRS under the Ordinance to discourage the indiscriminate use of PSB. The levy scheme has come into operation in July 2009 following the passage of the Product Eco-responsibility (Plastic Shopping Bags) Regulation.

Waste electrical and electronic equipment

4. WEEE contains hazardous components that are harmful to the environment and human health if not properly treated or disposed of. At present, Hong Kong generates around 70 000 tonnes of WEEE each year and the volume has been increasing at an annual rate of 2% in recent years. About 80% of locally generated WEEE are recovered by second-hand dealers, and are usually exported to developing countries for re-use and recovery of useful materials. However, such an exporting strategy is not environmentally sound or sustainable.

5. In recent years, three voluntary programmes have been introduced to facilitate recycling of WEEE. Under these programmes, any equipment that can be refurbished is donated to the needy or put up for charitable sales. Anything beyond repair is properly dismantled to recover useful parts and materials. Plastics and metals are sent overseas for reuse as raw materials, while cathode ray tubes are dismantled at a recycling centre in Kowloon Bay. However, the volume of WEEE treated under these programmes accounts for only 1% of the WEEE generated locally. There is a need to develop an eco-solution to manage the WEEE problem as soon as practicable.

A new mandatory PRS on WEEE

6. Given that various jurisdictions have put in place specific measures for the management of WEEE, the mainstream approach of which is to bring WEEE under mandatory control through PRS, the Administration proposes to introduce a new mandatory PRS on WEEE.

7. The proposed WEEE Scheme will cover television sets, washing machines, refrigerators, air conditioners, and computer products (including desktops, laptops, printers, scanners and monitors), which account for about 86% of WEEE generated in Hong Kong. To ensure proper handling of the regulated WEEE, the Waste Disposal Ordinance (Cap. 354) will be amended to ban disposal of all regulated WEEE as ordinary trash. When purchasing new regulated products, consumers will need to contribute to the costs of collecting and treating the regulated WEEE. An appropriate level of fee under the proposed WEEE Scheme will be worked out in the context of design of the Scheme. Importers, distributors or retailers will need to ensure that regulated products to be sold are affixed with specified labels, representing the contributions to the costs of WEEE Scheme. When a new regulated product is purchased by a consumer, retailers will need to take back their equivalent old equipment (including equipment bought before the introduction of the Scheme) free of charge on a “new for old” basis. The retailer’s take-back obligation will deem to have discharged if consumers choose to keep the old equipment for continued use or dispose it through alternative means. The operational details of the labelling and charging system will be worked out in consultation with the trade. Permit controls will be applied to the import and export of used regulated products and regulated WEEE on environmental considerations. A licensing requirement for processing and storage of used regulated products and regulated WEEE will also be introduced to properly manage the potential environmental hazard arising from these activities.

8. Details of the proposed WEEE Scheme have been set out in the Consultation Document released on 18 January 2010 for a three-month public consultation ending on 30 April 2010. The Consultation Document is hyperlinked below for ease of reference.

Deliberations by the Panel on Environmental Affairs

9. The proposed WEEE Scheme was discussed at the Panel meetings on 25 January, 22 February and 29 March 2010.

10. While supporting the need for proper handling of WEEE, Panel members were generally concerned about the lack of details in the Consultation Document, including the level of fee under the WEEE Scheme and the impacts on consumers, importers, distributors, retailers and second-hand dealers etc. In response to members, the Administration had set out in LC Paper No. CB(1) 1123/09-10(01) information on the anticipated number of regulated WEEE to be collected under the Scheme, the land and technological support to be provided by the Administration to ensure proper collection and treatment of regulated WEEE, the basis upon which the level of fee would be arrived at and

whether the fee collected would be sufficient to support the recycling of regulated WEEE, the employment opportunities to be created under the Scheme, as well as the measures to address possible district objections against the provision of WEEE treatment plant(s) etc.

11. To gauge public views on the Scheme, the Panel invited deputations to express their views at the meeting on 22 February 2010 before the public consultation ended on 30 April 2010. The Panel noted that there were divergent views on some of the proposed arrangements on the Scheme, notably the point of collection of the levy and the standard of treatment. At members' request, the Administration had set out its response to deputations' views together with supplementary information on overseas experience in selected jurisdictions (Annex B to the Consultation Document), the anticipated levy to be collected under the scheme, the feasibility of setting up a commercially viable WEEE treatment plant in Hong Kong and the role of the Government in this respect, as well as the need for a plan to encourage early replacement of old electrical and electronic equipment to enhance energy efficiency etc in LC Paper No. CB(1) 1443/09-10(06).

12. Upon receipt of the Administration's paper, the Panel held a meeting on 29 March 2010. The Panel generally held the view that the Administration should take a more proactive role in taking forward the Scheme. Some Panel members enquired about the means to be adopted by the Administration to address the trades' concern about the collection arrangements for the fees. These members considered that more studies on the cost implications of the Scheme should be conducted before arriving at the fee level to be charged. Some other members expressed concern about the impact of the proposed enhanced collection on the livelihood of existing WEEE recyclers and the viability of WEEE treatment plants. To facilitate future discussion, the Administration was requested to provide supplementary information on its role in the Scheme, an estimate on the distribution of and treatment cost incurred for small and large WEEE as well as the respective levy to be collected, and whether consideration would be given to refunding the levy to consumers who purchased electric and electronic equipment in Hong Kong for use overseas.

Council questions

13. Hon CHAN Hak-kan and Hon Frederick FUNG raised questions on the legislative timetable for the WEEE Scheme at the Council meetings on 5 January and 19 October 2011 respectively. The questions and the Administration's responses are hyperlinked below for ease of reference.

Latest development

14. The Panel will continue discussion on the proposed WEEE Scheme at its meeting on 28 November 2011.

Relevant papers

Information papers together with Consultation Document provided by Administration for the Environmental Affairs Panel meeting on 25 January 2010

<http://www.legco.gov.hk/yr09-10/english/panels/ea/papers/ea0125cb1-915-7-e.pdf>

Minutes of the Panel on Environmental Affairs meeting on 25 January 2010

<http://www.legco.gov.hk/yr09-10/english/panels/ea/minutes/ea20100125.pdf>

Information paper provided by the Administration for the Panel on Environmental Affairs meeting on 22 February 2010

<http://www.legco.gov.hk/yr09-10/english/panels/ea/papers/ea0222cb1-1123-1-e.pdf>

Minutes of the Panel on Environmental Affairs meeting on 22 February 2010

<http://www.legco.gov.hk/yr09-10/english/panels/ea/minutes/ea20100222.pdf>

Information paper provided by the Administration for the Panel on Environmental Affairs meeting on 29 March 2010

<http://www.legco.gov.hk/yr09-10/english/panels/ea/papers/ea0329cb1-1443-6-e.pdf>

Minutes of the Panel on Environmental Affairs meeting on 29 March 2010

<http://www.legco.gov.hk/yr09-10/english/panels/ea/minutes/ea20100329.pdf>

Questions raised by Hon CHAN Hak-kan at the Council meeting on 5 January 2011

<http://www.info.gov.hk/gia/general/201101/05/P201101050162.htm>

Questions raised by Hon Frederick FUNG at the Council meeting on 19 October 2011

<http://www.info.gov.hk/gia/general/201110/19/P201110190158.htm>

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22 November 2011