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Panel on Environmental Affairs

Meeting on 25 November 2013

**Updated background brief on
"Municipal solid waste charging in Hong Kong"
prepared by the Legislative Council Secretariat**

Purpose

This paper provides updated background information on the introduction of municipal solid waste ("MSW") charging in Hong Kong, and gives a brief account of the discussions by Members on the subject.

Background

2. MSW comprises solid waste from households, commercial and industrial ("C&I") sources. This excludes construction and demolition waste, chemical waste and other special waste. MSW is collected, transferred and disposed of at the three strategic landfills, namely, the Southeast New Territories Landfill in Tseung Kwan O, the Northeast New Territories Landfill at Ta Kwu Ling, and the West New Territories Landfill at Nim Wan. Each day, around 13 400 tonnes of waste is sent to the landfills, of which nearly 67% (or 9 000 tonnes) is MSW. The Government anticipates that the remaining capacities of the three landfills will be exhausted one by one by 2019 if waste levels continue to increase at the present rate.

Introduction of MSW charging in Hong Kong

3. The Administration published the Policy Framework for the Management of Municipal Solid Waste (2005-2014) ("the Policy Framework") in December 2005 to set out the strategy and measures to reduce the generation of waste and promote waste recovery, reuse and recycling. The main vein of the strategy was to implement the "polluter pays" principle through MSW charging and producer responsibility schemes ("PRs").

4. In January 2011, the Administration announced an action plan to tackle the imminent waste problem in Hong Kong. According to the Administration, MSW charging is a policy tool to encourage waste reduction at source and has been adopted in many international cities through different charging approaches. Experience from selected international cities, such as Taipei City and Seoul where quantity-based charging has been put in place, suggests that MSW charging could be an effective economic incentive to change people's waste-generating behaviour, particularly if there is a direct linkage between the waste charge and the quantity of waste being generated.

5. The Administration conducted a three-month trial scheme in 2007 to examine the logistical requirements for introducing a viable rate charge scheme under different domestic housing settings. A number of practical issues, including possible fly-tipping and enforcement problems and the need for complementary measures such as the provision of source separation facilities to encourage compliance and waste recovery, were identified. A territory-wide baseline study to collect key information on waste generation and management in different C&I establishments was also completed in 2010.

Public consultation in 2012

6. The Administration published a consultation document entitled "Strengthening Waste Reduction: Is Waste Charging an Option?" to consult the public on the introduction of MSW charging and alternative means of charging in January 2012. The Administration advised that on the whole, there was majority support within the community for the introduction of quantity-based MSW charging to promote waste reduction and recovery. Some respondents expressed support for charging all MSW producers while some preferred a phased approach in achieving ultimately a universal coverage. The Advisory Council on the Environment advised that consideration could be given to adopting a phased implementation of quantity-based MSW charging in specific sectors first and extending the charging to other sectors.

7. On the implementation details of MSW charging, some stakeholders expressed concerns about fly-tipping and other compliance issues. Some others were concerned about the inadequate support to the local recycling industries. There were calls for expedited actions on the mandatory PRS on glass beverage bottles and enhanced management of food waste. There was also active discussion about the specific level of the waste charge and the need for relief measures to help the needy to cope with potential financial impact. Some people argued that the Government had been charging domestic households for MSW collection through Government rates which should be correspondingly adjusted downwards with the introduction of a new MSW charge. As there was mixed feedback from the public consultation on the

implementation details of the charging mechanism, the Administration decided to conduct a second-stage public engagement through the Council for Sustainable Development ("CSD").

Public engagement process in 2013

8. On 25 September 2013, CSD launched a public engagement process entitled "Waste Reduction by Waste Charging · How to Implement?" to encourage stakeholders and the general public to participate in the development of feasible mechanisms to implement MSW charging. The Invitation for Response Document ("the IR Document") issued by CSD, which is hyperlinked in the **Appendix**, provided background information on waste in Hong Kong and formed the basis for discussion. The public engagement process will run for four months until 24 January 2014.

9. Since the results of the public consultation in 2012 revealed that people were in favour of implementing a quantity-based charging mechanism, the IR Document has identified the following four major areas for in-depth and focused discussion by the public –

- (a) ***Charging mechanism*** – to explore different mechanisms in implementing quantity-based waste charging in Hong Kong;
- (b) ***Coverage of charging scheme*** – to consider the implementation of charging scheme to all sectors in one go or to different sectors by phases;
- (c) ***Charging level*** – to determine a charging level which can be widely accepted by the public and induce behavioural changes in achieving waste reduction; and
- (d) ***Waste recycling*** – to seek views on how to support local waste recycling activities to meet the community demand.

Deliberations by the Panel on Environmental Affairs

10. The Panel on Environmental Affairs ("the Panel") discussed MSW charging and other relevant issues at its meetings on 24 January 2011, 19 January and 18 December 2012. A summary of the discussion is set out in the ensuing paragraphs.

11. While members in general supported the direction of introducing quantity-based MSW charging in Hong Kong, they expressed concern about

double levy since the charges for waste collection had already been included in government rates. They urged the Administration to consider offsetting MSW charging by a corresponding reduction in rates and clarify the relationship between waste charging and government rates. A member, however, held the view that as waste charging would incentivize the community to reduce and recycle waste, there was no need to offset waste charges by rates reduction. Otherwise, this would defeat the intended purpose of waste charging. Besides, considerable administrative costs would be incurred by the offsetting arrangements. Nevertheless, concessionary arrangement should be worked out to reduce the impact of MSW charging on low-income families.

12. On the implementation of MSW charging, some members pointed out that New York City, which shared similar city characteristics as those of Hong Kong in terms of population density and prevalence of multi-storey and multi-tenant buildings, had decided not to implement quantity-based MSW. As such, they queried how Hong Kong could implement MSW charging. They were also concerned that the reduced provision of refuse collection points and public litter bins after the implementation of MSW charging might cause environmental hygiene and public health problems, as well as inconvenience to tourists and visitors. Some other members supported that a progressive charging approach should be adopted such that waste collection could be free of charge at the initial stage. Given that waste from C&I establishments was increasing as a result of increased economic activities while waste from residential developments was decreasing because of increased public awareness on waste reduction and recovery, there might be a need to apply a phased approach and/or a separate MSW charging arrangement to cater for the two different scenarios.

13. In parallel with MSW charging, some members opined that incentive schemes should be put in place to promote waste reduction and recycling. The levy collected from waste charging should be ploughed back to assist the development of waste recycling industries. Supporting measures and infrastructure were required to improve the collection, segregation and recycling of MSW. The Administration should also conduct a holistic review on the waste management strategy and set a waste reduction target.

14. Some members expressed concern about aggravation of fly-tipping in old districts following the implementation of waste charging. They suggested that the Administration should consider incentivizing waste recycling through offering rebates for the return of recyclables before implementing waste charging. More efforts should also be made to educate the public about the need for waste reduction and ban unauthorized disposal of MSW.

15. The Panel at the meeting on 18 December 2012 passed three motions which respectively demanded that, if the Government was to introduce quantity-based waste charging, the rates be lowered concurrently to avoid double levy; a phased and progressive charging approach be adopted and a "free of charge" policy be adopted in the first phase; and on the basis of the "revenue-neutral" principle, the charges so collected be rebated to those users who had succeeded in reducing waste.

Council questions

16. Hon Vincent FANG and Dr Hon KWOK Ka-ki asked questions on MSW charging at the Council meetings on 21 March 2012 and 6 November 2013. Details of the Council questions are hyperlinked in the **Appendix** for ease of reference.

Latest development

17. The Administration will seek the Panel's views on the public engagement on MSW charging launched by CSD at the meeting scheduled for 25 November 2013.

Relevant papers

18. A list of relevant papers is in the **Appendix**.

Municipal Solid Waste Charging in Hong Kong

List of relevant papers

Council/ Committee	Date of meeting	Paper
Panel on Environmental Affairs	24 January 2011	<p>Legislative Council Brief on "Update on the progress of the key initiatives in the 'Policy Framework for the Management of Municipal Solid Waste (2005-2014)'" issued by the Environment Bureau/Environmental Protection Department on 4 January 2011 (EP 86/03/175A) http://www.legco.gov.hk/yr10-11/english/panels/ea/papers/ea-ep8603175a-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)1509/10-11) http://www.legco.gov.hk/yr10-11/english/panels/ea/minutes/ea20110124.pdf</p>
Panel on Environmental Affairs	19 January 2012	<p>Consultation Document on "Strengthening Waste Reduction: Is Waste Charging an Option?" provided by the Administration (LC Paper No. CB(1)819/11-12(01)) http://www.legco.gov.hk/yr11-12/english/panels/ea/papers/ea0119cb1-819-1-e.pdf</p> <p>Administration's paper on "Public Consultation on Municipal Solid Waste Charging" (LC Paper No. CB(1)855/11-12(05)) http://www.legco.gov.hk/yr11-12/english/panels/ea/papers/ea0119cb1-855-5-e.pdf</p> <p>Updated background brief on "Management of municipal solid waste in Hong Kong" prepared by the Legislative Council Secretariat (LC Paper No. CB(1)855/11-12(06)) http://www.legco.gov.hk/yr11-12/english/panels/ea/papers/ea0119cb1-855-6-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)1219/11-12) http://www.legco.gov.hk/yr11-12/english/panels/ea/minutes/ea20120119.pdf</p>

Council/ Committee	Date of meeting	Paper
<p>Panel on Environmental Affairs</p>	<p>26 March 2012</p>	<p>Administration's paper on "Reduce, Recycle and Proper Waste Management" (LC Paper No. CB(1)1369/11-12(01)) http://www.legco.gov.hk/yr11-12/english/panels/ea/papers/ea0326cb1-1369-1-e.pdf</p> <p>Updated background brief on "Management of municipal solid waste in Hong Kong" prepared by the Legislative Council Secretariat (LC Paper No. CB(1)1369/11-12(02)) http://www.legco.gov.hk/yr11-12/english/panels/ea/papers/ea0326cb1-1369-2-e.pdf</p> <p>Minutes of special meeting at 10:45 am (LC Paper No. CB(1)2555/11-12) http://www.legco.gov.hk/yr11-12/english/panels/ea/minutes/ea20120326a.pdf</p> <p>Minutes of meeting at 2:30 pm (LC Paper No. CB(1)2604/11-12) http://www.legco.gov.hk/yr11-12/english/panels/ea/minutes/ea20120326.pdf</p>
<p>Panel on Environmental Affairs</p>	<p>20 April 2012</p>	<p>Administration's paper on "Reduce, Recycle and Proper Waste Management" (LC Paper No. CB(1)1628/11-12(01)) http://www.legco.gov.hk/yr11-12/english/panels/ea/papers/ea0420cb1-1628-1-e.pdf</p> <p>Minutes of special meeting (LC Paper No. CB(1)2140/11-12) http://www.legco.gov.hk/yr11-12/english/panels/ea/minutes/ea20120420.pdf</p>

Council/ Committee	Date of meeting	Paper
Panel on Environmental Affairs	18 December 2012	<p>Administration's paper on "Waste reduction through municipal solid waste charging: way forward" (LC Paper No. CB(1)276/12-13(01)) http://www.legco.gov.hk/yr12-13/english/panels/ea/papers/ea1218cb1-276-1-e.pdf</p> <p>Background brief on "Municipal solid waste charging in Hong Kong" prepared by the Legislative Council Secretariat (LC Paper No. CB(1)301/12-13(01)) http://www.legco.gov.hk/yr12-13/english/panels/ea/papers/ea1218cb1-301-2-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)568/12-13) http://www.legco.gov.hk/yr12-13/english/panels/ea/minutes/ea20121218.pdf</p>
Panel on Environmental Affairs	Tabled in the Legislative Council on 17 July 2013	<p>Report of the Panel on Environmental Affairs for submission to the Legislative Council (LC Paper No. CB(1)1476/12-13) http://www.legco.gov.hk/yr12-13/english/panels/ea/reports/ea0717cb1-1476-e.pdf</p>

Hyperlinks to relevant Council Questions:

Date	Council Question
21 March 2012	<p>Council question raised by Hon Vincent FANG http://www.info.gov.hk/gia/general/201203/21/P201203210219.htm</p>
6 November 2013	<p>Council question raised by Dr Hon KWOK Ka-ki http://www.info.gov.hk/gia/general/201311/06/P201311060489.htm</p>

Hyperlink to relevant document:

Organization	Document
Council for Sustainable Development	<p>Invitation for Response Document entitled " Waste Reduction by Waste Charging · How to Implement?" http://www.susdev.org.hk/share/pdf/MSW_IR_ENG.pdf</p>