

For discussion on
16 December 2013

**LEGISLATIVE COUNCIL
PANEL ON ENVIRONMENTAL AFFAIRS**

Promotion of Recycling Industry

PURPOSE

This paper briefs Members on the Administration's measures to promote the recycling industry, and seeks Members' views on a proposal to strengthen the manpower support in the Environmental Protection Department (EPD) through creation of supernumerary posts, including an Assistant Director of Environmental Protection (ADEP) post, for three years from April 2014 for formulating and implementing enhanced measures to promote the sustainable development of the recycling industry.

BACKGROUND

2. The success of waste recycling operations depends on a number of factors, including the availability of uncontaminated and properly separated recyclable materials; the costs associated with collection, transportation, sorting and processing of these materials; the availability of land and facilities for recycling; as well as the availability of buyers and markets (i.e. outlets for recyclables) etc. The Administration's support measures seek to address the above needs on multiple fronts.

Infrastructural Support

Short-term tenancy sites and EcoPark

3. The operation of the recycling trade requires substantial space, and high land cost is a major inhibiting factor for its development. The Government has been providing short-term tenancy sites for exclusive use by recyclers, and has developed the EcoPark in Tuen Mun to promote higher value-added processing of recyclables by providing long-term land at affordable cost.

Public Cargo Working Areas

4. The local recycling trade relies heavily on the export of recyclables collected, and the provision of berths for waste exporters is a key factor for sustaining the recycling operations. To ensure a stable provision of export facilities, the Government is committed to allocating suitable berths in Public Cargo Working Areas (PCWAs) for exclusive bidding by the recycling industry. We plan to adopt the arrangement when the current PCWA leases expire in 2016.

Treatment facilities

5. Subject to funding approval by the Finance Committee (FC), the Government will develop a treatment plant for waste electrical and electronic equipment (WEEE) in the EcoPark and the first phase of an organic waste treatment facility (OWTF) for source-separated food waste treatment in North Lantau through “Design, Build and Operate” contracts. Both facilities are expected to commence operation in 2016. The second phase of the OWTF is in planning stage, and the search for suitable sites to develop further regional OWTFs is on-going. These projects will provide strong impetus to the recycling of WEEE and food waste using advanced treatment technologies.

Community Mobilisation and Education

Source separation of waste

6. A territory-wide Source Separation of Waste Programme is in place to encourage the public to separate waste at source so as to increase the amount of recyclables available for collection and processing by local recyclers. Funding and subsidies from the Environmental Campaign Committee (ECC) and the Environment and Conservation Fund (ECF) are available for the provision of waste separation bins. Over 80% of the Hong Kong population now have recycling bins close to where they live and work. Apart from recovering paper, metals and plastics, many housing estates and buildings also collect a broad range of recyclables including used clothes, glass bottles, compact fluorescent lamps, rechargeable batteries and WEEE.

7. To facilitate source separation of waste for material recovery at residential buildings, legislative amendments were made in 2008 to require the provision of a refuse storage and material recovery room on every floor in all new domestic buildings and the domestic part of new composite buildings.

Community Recycling Network and local promotions

8. To facilitate source separation at single-block buildings where recycling bins may not be conveniently accessible, a Community Recycling Network (CRN) was rolled out in 2011 with more recyclables collection points set up in local districts. Through waste-gift exchange and face-to-face promotion activities, the CRN aims at arousing public awareness about recycling, and encouraging public participation in waste recovery so as to instill changes in behaviour. At present, over 530 collection points are operating under the CRN and these include 15 recycling centres in 13 districts, 48 non-governmental organisations (NGOs) premises in 15 districts, 180 public rental housing estates and 290 schools. They provide platforms to disseminate information on waste reduction and recycling, and encourage public participation in waste reduction and source separation of waste.

9. Enhancing publicity and promotion at the district level is a crucial part of our efforts. A community participation programme on waste reduction and recycling was rolled out in 2012 by the District Councils, ECC, Home Affairs Department and EPD. The programme includes promotion activities in all 18 districts and waste recycling programmes in housing estates.

Community Green Stations

10. Pilot Community Green Stations (CGS) will be set up progressively in different parts of the territory. They will be operated by NGOs to be selected through tendering process. Leveraging on their local network, the NGO operators will be required to collaborate with local stakeholders such as property management agencies, schools and other community organisations etc. to reinforce environmental education particularly on “recycle clean” and “sustainable use of resources”. At the same time, the NGO operators will coordinate community recycling programmes and provide logistics support for the collection of recyclables of unattractive market value such as glass bottles, compact fluorescent lamps, rechargeable batteries and WEEE. With the CGSs in place, they would help gradually enhancing the quality and quantity of recyclables collected and provide another stream of recyclables for local processing. The first CGS, located in Shatin, is under construction and is scheduled to be commissioned in the third quarter of 2014.

Policy and Legislative Tools

Quantity-based waste charging

11. The Government has affirmed the direction of introducing quantity-based municipal solid waste (MSW) charging in Hong Kong so as to provide stronger economic incentives for the community at large to reduce avoidable waste and to separate recyclable waste at source. As a result, more recyclable materials will be segregated for handling by the recycling trade. The Council for Sustainable Development is conducting the second stage public engagement exercise to explore the implementation details with the community.

Producer Responsibility Schemes

12. The Government has been progressively implementing Producer Responsibility Schemes (PRS) which aim to engage relevant stakeholders to share out the responsibilities for proper waste management of various products. The Environmental Levy Scheme on Plastic Shopping Bags was implemented in 2009 as the first mandatory PRS in Hong Kong. The Legislative Council is scrutinising the legislative proposals on the extension of this PRS to cover all retailers. Implementation details for the new mandatory schemes for WEEE and glass beverage bottles are being devised.

13. One key feature of the new PRSs for WEEE and glass beverage bottles is that they target at recyclables for which proper recycling may not be viable without government intervention. When the PRSs are in place, a circular economy will be created so that the relevant recyclables can be segregated from the waste stream for proper treatment and become reusable materials. In line with the “polluter pays” principle, a recycling fee will be imposed to recover in principle the full PRS costs.

Green procurement

14. The Government is also taking the lead to adopt a green procurement policy to boost the demand for green and recycled products which is conducive to the development of the recycling trade. For example, the promotion of green procurement in public works projects has increased the demand for eco-concrete pavers that contain recycled glass and this is benefiting local recyclers who are engaged in waste glass collection and manufacturing of eco-concrete pavers or other suitable materials.

Funding support

15. At present, the recycling trade may seek funding support from the Innovation and Technology Fund and various funds for small and medium enterprises. A main source of funding for waste recycling projects initiated by local non-profit-making organisations is the ECF, which gives funding priority to projects that are related to waste reduction and recovery including waste-related education and environmental research projects. ECF has also supported the operation of two NGOs in Ecopark for recycling waste plastics and WEEE respectively. In the last five years, a total of \$230 million has been allocated by ECF to waste reduction and recycling programmes, involving some 200 projects initiated by non-profit organisations, green groups, voluntary association etc. In 2013-14, \$100 million has been reserved under ECF for waste management applications.

JUSTIFICATIONS

16. The “Hong Kong Blueprint for Sustainable Use of Resources 2013-2022” has set out our targets of reducing the per capita MSW disposal rate by 40% by 2022. Achieving this target requires collaborated efforts on multiple fronts. Among other things, promotion of the recycling industry is an essential element in our overall strategy for local recyclables to be processed more effectively.

The Steering Committee

17. The Steering Committee to Promote the Sustainable Development of the Recycling Industry (the Steering Committee), which is led by the Chief Secretary for Administration, was set up in August 2013 to step up concerted efforts in reducing waste at source and promoting the development of the recycling industry. The terms of reference and membership list of the Steering Committee are at [Annex A](#). Its work includes reviewing the current situation of local recyclables’ collection and disposal, and relevant policies and support measures; studying viable measures to support the recycling industry, which covers exploring the feasibility of setting up a “Recycling Fund” and its possible mode of operation; and enhancing the community recycling network. In addition, the Steering Committee will explore means to foster community support in recycling through public education and community involvement projects, and to promote research on relevant technologies as well as training and development of the workforce.

18. The Steering Committee organised two engagement sessions in October and November this year respectively to listen to views from the recycling trade, green groups, NGOs, community groups, academics, and representatives from various councils and committees on ways to promote the sustainable development of Hong Kong's recycling industry and support recycling operations. EPD has also commissioned a consultancy study on the detailed operation and situation of different types of recyclables and explore suitable means and points of intervention by the Government to support the sustainable development of the recycling industry.

Manpower Requirement

19. To support the work of the Steering Committee, to liaise with the recycling trade and other stakeholders, as well as to coordinate inter-departmental efforts in examining and implementing new initiatives and measures to support the recycling industry, a new division led by an ADEP (D2) is proposed to be set up in EPD through redeployment of existing manpower and creation of supernumerary posts for three years from 2014-15 to 2016-17. The opportunity will also be taken to internally re-distribute responsibilities among divisions in EPD for overseeing and implementing policies and programmes relating to waste reduction/recycling for better coordination. The long-term manpower requirement after 2016-17 will be reviewed at a later stage taking into account the progress of work in implementing the necessary initiatives and measures formulated by the Steering Committee. The schedule of duties for the proposed supernumerary ADEP post, designated as ADEP (Waste Reduction & Recycling), are at Annex B.

ALTERNATIVES CONSIDERED

20. Under the current establishment of EPD, the Waste Management Division (WMD) led by ADEP (Waste Management Policy) is responsible for policies on waste management including waste reduction and recycling, while the Environmental Infrastructure Division (EID) led by ADEP (Environmental Infrastructure) is responsible for the development and management of waste facilities as well as the implementation of programmes to reduce, recover and recycle waste. The Nature Conservation and Infrastructure Planning Division (CID) led by ADEP (Nature Conservation & Infrastructure Planning) is, in addition to nature conservation work, in charge of programmes on food waste, OWTFs and integrated waste management facilities (IWMF).

21. The WMD is fully engaged in the implementation of various mandatory PRSs and introducing a quantity-based MSW charging system in Hong Kong. In support of these two key initiatives, the WMD is also taking forward the development of pilot Community Green Stations as a matter of priority. The EID is fully loaded with the management of environmental infrastructure including landfills, refuse transfer stations, chemical waste treatment facilities etc., aftercare and after-use schemes of restored landfills, planning and development of new waste management facilities including Sludge Treatment Facilities, extended landfills and refuse transfer stations, and implementation of waste reduction and education programmes. The CID is also over-stretched with the entire nature conservation policy and programme and country park enclave matters, the planning and development of IWMF and various phases of OWTFs as well as the Food Wise Hong Kong Campaign and the food waste management programme. It is operationally not possible for the existing staff to take forward stepped up measures to promote recycling without adversely affecting the discharge of their duties.

22. The new Waste Reduction and Recycling Division will require leadership at ADEP level given the complexity of issues involved, as recycling operations depend on the input of different sectors of the community, and their success or failure have bearings on a social good not readily reflected in the market. To enhance coordination of efforts in promoting recycling, we shall re-organise the duties of ADEPs involved in recycling-related work following the creation of the time-limited ADEP (Waste Reduction & Recycling) post. The duties of the ADEPs after re-organisation are shown in Annex C.

FINANCIAL IMPLICATIONS

23. It is proposed that the ADEP (Waste Reduction & Recycling) post be underpinned by a team of 55 non-directorate posts. Thirty-three of these posts will be redeployed from the other divisions in EPD, and the other 22 posts will be created on a time-limited basis for three years from 2014-15.

24. The proposed creation of the supernumerary ADEP post will bring about an additional notional annual salary cost at mid-point of \$1,739,000. The additional full annual average staff cost, including salaries and staff on-cost, is \$2,584,000. For the 22 time-limited non-directorate civil service posts mentioned in paragraph 23 above, the notional annual salary cost at mid-point is \$11,227,000 and the full annual average staff cost, including salaries and staff on-cost, is \$19,561,000. Subject to FC's

approval of the above directorate post, we will include sufficient provision in the draft Estimates of the relevant financial years to meet the cost of the proposal.

ADVICE SOUGHT

25. Members are invited to offer views on the content of this paper. Subject to Members' views, we will seek the recommendation of the Establishment Subcommittee in January 2014 and approval from FC in February 2014 for the creation of the supernumerary ADEP post.

**Environmental Protection Department
December 2013**

**The Steering Committee to Promote
the Sustainable Development of the Recycling Industry**

I. Terms of Reference

To promote the sustainable development of the local recycling industry so as to increase waste reduction and recovery and reduce the waste disposal burden thereby optimising the overall environmental, economic and social benefits to Hong Kong, the Steering Committee will:

- (1) review the current local situation of collection and disposal of recyclables and examine their potentials for recycling having regard to economic viability and impact on the environment;
- (2) review existing policies and support measures, identify new approaches to facilitate development of the recycling industry having regard to (1) above and the achievement of our waste management policy, which include exploring the setting up of a Recycling Fund and its mode of operation; improving the network of community collection points; enhancing the provision of land of sufficient tenure for recycling and adopting green procurement in the Government where practicable and appropriate, etc.;
- (3) coordinate and monitor the implementation of relevant policies and support measures across bureaux and departments to demonstrate the Government's commitment and taking the lead to facilitate recycling in the community;
- (4) engage stakeholders and foster community support in recycling through public education and community involvement projects; and
- (5) encourage technological research and promote training and development of the workforce for effective, safe and environmentally responsible recycling processes, and promote employment in the industry.

II. Membership

Chairman

Chief Secretary for Administration

Members

Secretary for Commerce and Economic Development or his representative

Secretary for Education or his representative

Secretary for the Environment or his representative

Secretary for Development or his representative

Secretary for Financial Services and the Treasury or his representative

Secretary for Food and Health or his representative

Secretary for Labour and Welfare or his representative

Secretary for Transport and Housing or his representative

Director of Home Affairs or her representative

Director of Information Services or his representative

Secretary

Assistant Director of Environmental Protection

**Job Description of
Assistant Director of Environmental Protection (Waste Reduction & Recycling)**

Rank : Assistant Director of Environmental Protection (D2)

Responsible to : Deputy Director of Environmental Protection (2)

Main Duties and Responsibilities :

1. To head the proposed new division responsible for recycling policy;
2. To serve as Secretary to the Steering Committee to Promote the Sustainable Development of the Recycling Industry;
3. To liaise with and coordinate government bureaux and departments and other organisations in formulating and implementing measures and initiatives to reduce waste and promote recycling;
4. To coordinate research and conduct policy analyses in promoting the sustainable development of the recycling industry;
5. To engage and liaise with the recycling trade and stakeholders, and to conduct public education and publicity programmes to promote the development of the recycling industry; and
6. To oversee the development and implementation of policies regarding source separation of waste, green procurement and the provision of land and support for recycling operations, including land in the EcoPark, short-term tenancy sites and tendering arrangements for Public Cargo Working Areas.

Proposed Distribution of Duties on Waste Management in the Environmental Protection Department

(With effect from 1 April 2014)

Deputy Director of Environmental Protection (2)

