

立法會

Legislative Council

LC Paper No. CB(1)79/15-16(05)

Ref. : CB1/BC/10/14

Bills Committee on Promotion of Recycling and Proper Disposal (Product Container) (Amendment) Bill 2015

Background brief

Purpose

This paper provides background information on the Promotion of Recycling and Proper Disposal (Product Container) (Amendment) Bill 2015 ("the Bill") which aims to provide for the statutory regulatory framework for a mandatory producer responsibility scheme ("PRS")¹ on product containers which initially include glass beverage containers. This paper also summarizes the views and concerns expressed by relevant committees of the Legislative Council ("LegCo") on the subject in the 2009-2010 to 2014-2015 legislative sessions.

Background

2. At present, most of the waste glass containers generated in Hong Kong are disposed of at landfills rather than being reused or recycled. The Administration takes the view that it is necessary to introduce a mandatory PRS that first targets glass beverage containers (including glass beverage bottles, jars or containers in other form) for the promotion of proper recycling and disposal of such containers.

3. The Administration conducted a "Public Consultation on a New Producer Responsibility Scheme on Glass Beverage Bottles" for three months from 7 February 2013² and reported the outcome of the public consultation to the Panel on Environmental Affairs ("EA Panel") on 25 November 2013³. While the community was supportive of introducing a mandatory PRS on product

¹ PRS is a key policy tool in the waste management strategy in Hong Kong. Enshrining the principle of "polluter pays" and the element of "eco-responsibility", the PRS concept requires manufacturers, importers, wholesalers, retailers and consumers 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 products at the post-consumer stage.

² The consultation paper is available at http://www.epd.gov.hk/epd/bottles_consult/en/document/.

³ See LC Paper No. [CB\(1\)314/13-14\(05\)](#).

containers that initially covered glass beverage containers, some members of the public expressed concerns regarding the details of implementation⁴. To address these concerns, the Administration has proposed certain measures⁵ to complement the operation of the proposed mandatory PRS in future, such as drawing up certain technical specifications which help determine the necessary treatment process to be deployed for crushing glass containers.

The Promotion of Recycling and Proper Disposal (Product Container) (Amendment) Bill 2015

4. The Bill was published in the Gazette on 3 July 2015 and introduced into LegCo on 8 July 2015. The Bill seeks to amend the Product Eco-responsibility Ordinance (Cap. 603) ("PERO")⁶ and the Waste Disposal Ordinance (Cap. 354) ("WDO") to provide for a statutory regulatory framework for the proposed mandatory PRS on product containers that first targets glass beverage containers. The main features of the proposed mandatory PRS are highlighted as follows —

Proposed regulatory framework under PERO

Scope of regulation (clauses 7 and 8)

- (a) PERO will be amended to include a new group of regulated products (referred to as "regulated articles" in the Bill) which are distributed or consumed in Hong Kong. Initially, "regulated articles" include beverages that are held in glass containers. Subject to future review, the proposed mandatory PRS on product containers may be expanded to cover other products including food or sauces held in glass containers.

⁴ Such as the collection network of glass beverage containers, proper treatment of waste glass containers and adequate reuse/recycling outlets for recycled glass materials.

⁵ Other measures include expanding the glass container collection network, hiring glass management contractors to serve certain catchment regions for the collection of waste glass containers and encouraging the private sector to adopt "green procurement" in their works projects. The Administration also agreed to keep the stakeholders closely engaged in working out the compliance system and other complementary measures for the proposed mandatory PRS.

⁶ PERO, which was enacted in July 2008, is a framework legislation which provides for the shared core elements of all PRSs and the fundamental regulatory requirements in respect of individual types of regulated products, while the operational details are set out or to be set out in subsidiary legislations made under PERO.

Charging of recycling levy (clause 7)

- (b) A recycling levy will be collected from the registered suppliers of regulated articles under the following mechanism —
 - (i) *Registration of suppliers*: manufacturers and importers who carry on a business of distributing regulated articles in Hong Kong will have to be registered as "registered suppliers". "Manufacturers" refer to the persons who, in the course of manufacturing the regulated articles, undertake the process of sealing the containers which form part of the articles;
 - (ii) *Submission and auditing of periodic returns*: a registered supplier must submit to the Director of Environmental Protection ("DEP") periodic returns, setting out the information that is necessary for the computation of the recycling levy payable. The registered supplier will also have to engage an independent auditor to conduct annual audits on the periodic returns to ensure factual accuracy and to keep records to facilitate future inspection; and
 - (iii) *Payment of the recycling levy*: within a specified period of time after receiving a payment notice from DEP, a registered supplier will have to pay the recycling levy computed on the basis of the information contained in the periodic returns. The Administration will only collect the recycling levy for regulated articles that are "distributed" or "consumed" in Hong Kong, which will exclude exports of locally manufactured regulated articles and re-exports of imported regulated articles.

Exemption mechanism (clause 7)

- (c) A registered supplier may apply for exemption by submitting a plan setting out the operational details of how the regulated articles will be recovered, reused and ultimately recycled. Subject to meeting certain performance standards and other terms and conditions, regulated articles that are covered by an environmentally sound container reuse/recycling plan will not be subject to the recycling levy. The exemption will be subject to an application fee (to be set at full-cost recovery level) and renewal at appropriate intervals.

Amendments to WDO

Proper treatment of waste glass containers (clause 11)

- (d) WDO will be amended to apply the existing licensing control under section 16 of WDO to disposal (including storage, treatment, reprocessing and recycling) of regulated articles. The disposal licence for regulated articles will only be issued after a recycler has demonstrated the deployment of a recycling process that is sound from safety, health as well as environmental perspectives, and that the recycled glass materials produced from this process can satisfy the technical specifications for their reuse in subsequent manufacturing processes.

Movement control of waste glass containers (clauses 12 and 13)

- (e) Importers and exporters of waste glass containers will be subject to permit control under sections 20A and 20B of WDO. No waste glass containers can be exported unless it can be demonstrated that they will be properly reused or recycled through processes which are no less competent than those conducted at a licensed treatment facility in Hong Kong. Imports of waste glass containers into Hong Kong will also be subject to control to ensure that if there is such shipment, there will be a licensed local recycler undertaking proper treatment.

Members' views and concerns

5. The EA Panel was consulted on the proposed mandatory PRS at the meetings on 25 February and 25 November 2013, and 27 April 2015. The EA Panel also held a meeting on 22 April 2013 to receive public views on the subject. Related issues were raised by Members during examination of Estimates of Expenditure 2013-2014, 2014-2015 and 2015-2016. Members generally supported the proposal but were concerned about the details of implementation. The major views and concerns expressed by Members are summarized in the ensuing paragraphs.

Scope of regulated articles

6. Some Members held the view that the proposed mandatory PRS should cover not just glass beverage containers but other glass containers (e.g. glass food/sauce containers) as well. There was also a concern that if the proposed PRS did not cover beverage containers other than glass beverage containers, some

beverage suppliers might switch to aluminum cans or plastic bottles for their beverages, resulting in an increase in the disposal of these containers.

7. The Administration advised that based on the feedback from the public consultation, the proposed mandatory PRS would focus on glass beverage containers at the initial stage. The Administration would consider extending the coverage of the proposed mandatory PRS to other glass containers under a phased approach. As most of the glass-bottled beverages were alcoholic drinks which would unlikely be sold in aluminum cans or plastic bottles, the Administration envisaged that the proposed mandatory PRS would unlikely increase the use of non-glass beverage containers significantly.

Charging of recycling levy

8. Some Members expressed concern that beverage suppliers might recover the recycling levy wholly or partially from consumers while some other Members considered that imposing the recycling levy on registered suppliers might not create sufficient incentive to consumers to reduce their use of glass beverage containers.

9. The Administration advised that it had considered the alternative of collecting the recycling levy from consumers for glass beverage containers at the points of sale but this approach was far less cost-effective given the vast number of catering and retail establishments. As regards the potential impact on consumers arising from the collection of recycling levy from registered suppliers, the Administration advised that during the public consultation, the Administration had put forward an indicative level of the recycling levy at around \$1 per litre of the beverage content, which was considered generally acceptable by the community.

Impact on registered suppliers and the exemption mechanism

10. Noting that registered suppliers of glass beverage containers would be required under the mandatory PRS to submit to the Government periodic returns setting out information on the computation of the recycling levy payable and engage an independent auditor to conduct annual audits on the periodic returns, some Members raised concern about the potential compliance and financial burden on the registered suppliers. The Administration advised that it would take into account the operation of beverage and wine suppliers in working out the detailed reporting requirements.

11. Members enquired whether registered suppliers exempted from the recycling levy would be required to achieve a specific target recovery rate of waste glass containers. The Administration stressed that the exemptions would

only be granted to registered suppliers subject to their meeting the relevant performance standards and other terms and conditions. It was expected that registered suppliers with a satisfactory reuse/recycling plan could achieve a recovery rate of 80% to 90% of their glass beverage containers.

Appointment of glass management contractors and collection of waste glass containers

12. Members noted that the Administration would appoint glass management contractors ("GMCs") to collect and treat waste glass containers from the catchment regions of Hong Kong Island, Kowloon and the New Territories respectively. Members stressed the need to ensure a level playing field for the GMCs and other waste glass recyclers in the market. The Administration was also urged to take into account the local characteristics of different regions when working out the GMCs' contracts so as to ensure a fair distribution of business among the GMCs and to maintain cost-competitiveness of the contracts. The Administration had taken note of the suggestions.

13. Members supported that waste glass containers should be separated at source by consumers to facilitate recycling and more collection points should be provided at districts with prevalence of restaurants, bars and clubs, such as Wan Chai and Tsim Sha Tsui. In view of the high transportation costs for the collection of waste glass containers, Members enquired about how waste glass containers would be collected cost-effectively.

14. The Administration advised that GMCs would be required by contract to maintain a sufficient network of collection points such that waste producers could conveniently participate in the recycling chain. The GMCs would also be encouraged to collaborate with non-government organizations to collect waste glass containers at the district level. As the proposed mandatory PRS would be implemented on a territory-wide scale, the logistics costs should be reduced by economy of scale.

Sustainable outlets of waste glass containers

15. Some Members expressed concern about the applications and outlets of waste glass containers. There was a suggestion that the Administration should consider identifying outlets on the Mainland for recycled glass materials from Hong Kong.

16. The Administration advised that waste glass containers collected could be crushed into cullet for use as construction materials (such as eco-pavers and partition bricks) or fill materials in reclamation and other earthworks. The Administration had been promoting the use of eco-pavers in public works

projects through the green procurement policy. It would also consider developing an export market on the Mainland for recycled glass materials from Hong Kong.

Council questions

17. At the Council meetings of 21 October 2009, 3 February and 27 October 2010, 2 March and 7 December 2011, Hon CHAN Kin-por, Hon KAM Nai-wai, Hon Andrew LEUNG and Hon Paul TSE raised questions respectively in relation to the recycling of waste glass containers. Issues covered in the questions included policies and measures to encourage the recovery of discarded glass products; the development of waste glass recycling industries in Hong Kong; and achievements of the pilot programme on source separation of glass bottles. The questions and the Administration's replies are hyperlinked in the **Appendix**.

Latest development

18. At the House Committee meeting on 9 October 2015, Members agreed to form a Bills Committee to study the Bill.

Relevant papers

19. A list of relevant papers is set out in the **Appendix**.

**Bills Committee on Promotion of Recycling and Proper Disposal
(Product Container) (Amendment) Bill 2015**

List of relevant papers

Date of meeting	Event	Papers
7 February 2013 to 6 May 2013	Public consultation conducted by the Environment Bureau on a new producer responsibility scheme for glass beverage bottles	Press release Consultation paper
25 February 2013	Meeting of the Panel on Environmental Affairs	Administration's paper on "Public Consultation on a Producer Responsibility Scheme on glass beverage bottles" (LC Paper No. CB(1)569/12-13(04)) Background brief on "Introduction of a new producer responsibility scheme for glass beverage bottles" prepared by the Legislative Council Secretariat (LC Paper No. CB(1)569/12-13(05)) Minutes of meeting (LC Paper No. CB(1)1066/12-13)
9 April 2013	Special meeting of Finance Committee for examination of Estimates of Expenditure 2013-2014	Written questions raised by Members and Administration's replies (Reply serial number: ENB076, 084, 085, 129, 146, 157, 158, 197, 219 and 258) Supplementary written questions raised by Members and Administration's replies (Reply serial number: S-ENB06)

Date of meeting	Event	Papers
22 April 2013	Meeting of the Panel on Environmental Affairs	<p>Administration's paper on "Public Consultation on a Producer Responsibility Scheme on glass beverage bottles" (LC Paper No. CB(1)569/12-13(04))</p> <p>Background brief on "Introduction of a new producer responsibility scheme for glass beverage bottles" prepared by the Legislative Council Secretariat (LC Paper No. CB(1)569/12-13(05))</p> <p>Minutes of meeting (LC Paper No. CB(1)1863/12-13)</p>
25 November 2013	Meeting of the Panel on Environmental Affairs	<p>Administration's paper on "Public Consultation on a Producer Responsibility Scheme on glass beverage bottles" (LC Paper No. CB(1)314/13-14(05))</p> <p>Updated background brief on "Producer responsibility scheme on glass beverage bottles" prepared by the Legislative Council Secretariat (LC Paper No. CB(1)314/13-14(06))</p> <p>Minutes of meeting (LC Paper No. CB(1)772/13-14)</p>
1 April 2014	Special meeting of Finance Committee for examination of Estimates of Expenditure 2014-2015	<p>Written questions raised by Members and Administration's replies (Reply serial number: ENB100, 114, 115, 144, 178, 201, 235 and 267)</p>
30 March 2015	Special meeting of Finance Committee for examination of Estimates of Expenditure 2015-2016	<p>Written questions raised by Members and Administration's replies (Reply serial number: ENB100, 319 and 334)</p>

Date of meeting	Event	Papers
27 April 2015	Meeting of the Panel on Environmental Affairs	<p>Administration's paper on "Producer Responsibility Scheme on Glass Beverage Bottles" (LC Paper No. CB(1)763/14-15(05))</p> <p>Updated background brief on "Producer responsibility scheme on glass beverage bottles" prepared by the Legislative Council Secretariat (LC Paper No. CB(1)763/14-15(06))</p> <p>Minutes of meeting (LC Paper No. CB(1)979/14-15)</p>
8 July 2015	Introduction of the Promotion of Recycling and Proper Disposal (Product Container) (Amendment) Bill 2015 into the Legislative Council	<p>The Bill</p> <p>Legislative Council Brief (File Ref: EP CR 9/150/35 Pt.4)</p> <p>Legal Service Division report (LC Paper No. LS86/14-15)</p>

Hyperlinks to relevant Council Questions:

Date	Council Question
21 October 2009	Press release on Council question (written) raised by Hon CHAN kin-por http://www.info.gov.hk/gia/general/200910/21/P200910210264.htm
3 February 2010	Press release on Council question (written) raised by Hon KAM Nai-wai http://www.info.gov.hk/gia/general/201002/03/P201002030176.htm
27 October 2010	Press release on Council question (written) raised by Hon KAM Nai-wai http://www.info.gov.hk/gia/general/201010/27/P201010270175_print.htm
2 March 2011	Press release on Council question (written) raised by Hon Andrew LEUNG http://www.info.gov.hk/gia/general/201103/02/P201103020202.htm
7 December 2011	Press release on Council question (written) raised by Hon Paul TSE http://www.info.gov.hk/gia/general/201112/07/P201112070205.htm