

LEGISLATIVE COUNCIL BRIEF

Product Eco-responsibility Ordinance
(Chapter 603)

Waste Disposal Ordinance
(Chapter 354)

PROMOTION OF RECYCLING AND PROPER DISPOSAL (PRODUCT CONTAINER) (AMENDMENT) BILL 2015

INTRODUCTION

At the meeting of the Executive Council on 30 June 2015, the Council ADVISED and the Chief Executive ORDERED that the Promotion of Recycling and Proper Disposal (Product Container) (Amendment) Bill 2015 (“Amendment Bill”) at Annex A should be introduced into the Legislative Council (“LegCo”) on 8 July 2015 for the implementation of a mandatory producer responsibility scheme (“PRS”) on product containers which initially include glass beverage containers.

JUSTIFICATIONS

Need for a Mandatory PRS

2. Glass containers are widely used in our everyday life. Due to their low residual commercial value, at present, most of the waste glass containers generated in Hong Kong are disposed of at landfills rather than being reused or recycled. In 2013, they constituted about 2.7% of our daily municipal solid waste (“MSW”) disposal, including about 166 tonne per day (“tpd”) of glass beverage containers, about 85 tpd of glass food/sauce containers and about 7 tpd of other glass containers. However, waste glass containers are often recycled and reused elsewhere in the world. There are also applications which turn waste glass containers into building materials, concrete and paving applications, in place of river sand and other natural resources.

3. As the practical experience from the various voluntary glass recycling programmes could tell, high logistics cost is one of the key impediments to efficient collection of waste glass containers for proper

recycling. In 2013, the Environment and Conservation Fund (“ECF”) supported three different recycling programmes which conducted public education and collected about 1 160 tonnes of waste glass containers with a total funding of about \$4 million. Financed from within the trade, the Hong Kong Hotels Association practises bulk collection which can be more cost effective, but also spent some \$0.5 million for the collection of some 760 tonnes of waste glass containers in 2013.

4. We conducted a public consultation in 2013¹ and on the basis of the positive response, affirmed the direction of introducing a mandatory PRS that first targets glass beverage containers but can be extended in future to other types of product containers. A mandatory, territory-wide PRS will benefit from economy of scale but will still require substantial financial resources. A recycling levy is proposed to be imposed on beverages held in glass containers to recover the full costs of the PRS, as discussed in paragraphs 8 to 10 below. On balance, we consider that there are overall merits for promoting glass container recycling through a PRS because –

- (a) without a mandatory PRS, the collection of waste glass containers and treatment to turn them into resource cannot be done by relying on market forces. On the other hand, with a mandatory PRS, new opportunities will be created for the environmental industry which may in turn provide green jobs;
- (b) more recycling will result in reduction of waste glass containers disposed of at the landfills and thus saving the limited landfill space and the valuable land cost. As glass cullet may substitute river sand, glass container recycling will help reduce dredging work for river sand extraction which could disturb marine life and might cause damage to the river bed and the associated ecological system; and
- (c) the total costs for construction materials manufactured with recycled glass will most likely be higher than those made from conventional materials, given the additional costs for collection and treatment of waste glass containers. But a mandatory PRS would better ensure economy of scale and the said additional costs will be borne by a recycling levy. Besides, construction material manufacturers will no longer face a significant cost difference as they now do when we rely on entirely voluntary programmes. For public works projects that

¹ The subject for consultation was “Public Consultation on a New Producer Responsibility Scheme on Glass Beverage Bottles”.

use products manufactured with recycled glass, we envisage the cost impacts would be insignificant particularly in the context of the overall project costs. Suitable mechanism will be introduced to monitor such impacts and keep the additional costs if any within an appropriate extent.

Statutory Regulatory Framework for the PRS

5. Other than the proposed mandatory PRS, there is no alternative that may offer a territory-wide solution for the proper management of waste glass beverage containers. With the satisfactory progress in the preparatory works explained in paragraphs 15 to 19 below, we aim to introduce legislation to provide for the statutory regulatory framework for a mandatory PRS on product containers, which will first cover glass beverage bottles, jars or containers in other form (collectively known as “glass beverage containers”) and, in future, containers of other products. That will involve amendments to the Product Eco-responsibility Ordinance (Cap. 603) (“PERO”) and the Waste Disposal Ordinance (Cap. 354) (“WDO”) as outlined below –

Scope of Regulation

6. The PERO seeks to minimize the environmental impact of various types of products by introducing PRSs based on the “polluter pays” principle. At present, it contains provisions for discouraging the excessive use of plastic shopping bags through a mandatory charge at retail level. We have also introduced legislative amendments for the implementation of a mandatory PRS targeting certain regulated electrical equipment. We **propose** to further apply the PERO to a new group of regulated products (generally referred hereinafter as “regulated articles”) which are distributed or consumed in Hong Kong. “Regulated articles” include beverages that are held in glass containers.

7. We have not proposed to cover all products that are held in glass containers under the mandatory PRS. The reason is that during the 2013 public consultation, different stakeholders expressed concerns about contaminations of the waste glass containers causing nuisance and hence undermining public acceptability of the new PRS. At the treatment end, contaminations may also undermine product quality and hence the marketability of the recycled glass materials. Also, applying the mandatory PRS to glass food/sauce containers simultaneously, which may necessitate other recycling levies on such household items, may lead to a potential livelihood concern. That said, we are committed to encouraging the recycling of all other properly rinsed waste glass containers including those previously used to hold food or sauce. We will not reject the deposit of properly rinsed glass food/sauce containers and will continue to arrange their proper recycling under the mandatory PRS, though the current scope is limited

to glass beverage containers under the Amendment Bill. Subject to future review, the mandatory PRS may be expanded to cover other products including food or sauces held in glass containers. This phased approach is more prudent and will allow more time for public education on the “clean recycling” concept to gradually take root in the community.

Charging of Recycling Levies

8. Under the current PERO, a PRS may include “the imposition of a recycling fee to finance the proper waste management of certain products”. In the current context, the PRS costs are mainly incurred for hiring glass management contractors (“GMCs”) to collect the waste glass containers from waste producers after the regulated articles are consumed, and properly treat or arrange for proper reuse of such waste glass containers (see paragraph 13 below). No service is directly provided to the registered suppliers in relation to the regulated articles. Having regard to the nature of the monies to be collected, it is more appropriate to refer to the amount as a recycling levy rather than a fee.

9. We **propose** to collect the recycling levy from the registered suppliers of regulated articles. We have considered the alternative of collecting the recycling levy at the retail level, but this approach is far less cost effective given the vast number of catering or retail establishments. The mechanism for collecting the recycling levy is outlined as follows –

- (a) *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”. By “manufacturers”, we are targeting the persons who, in the course of manufacturing the regulated articles, undertake the process of sealing the containers which form part of the articles;
- (b) *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. The detailed reporting requirements will be prescribed by subsidiary legislation; and
- (c) *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.

We will only collect the recycling levy for regulated articles that are “distributed” or “consumed” in Hong Kong, thereby excluding (i) exports of locally manufactured regulated articles and (ii) re-exports of imported regulated articles. We will prescribe the level of the recycling levy by subsidiary legislation in due course after ascertaining the full PRS costs.

10. At present, it is premature to ascertain the full costs of the PRS before completion of the open tendering for the required services from the GMCs. We will prescribe the specific level for the recycling levy by way of subsidiary legislation to be introduced in the next stage. But during the 2013 public consultation, stakeholders and members of the public noted that overseas experience suggests an indicative figure of around \$1 per one litre-container volume.

Exemption

11. At present, a small number of local beverage manufacturers have their own recycling arrangements by which waste glass beverage containers of their brands are collected for reuse after proper cleansing and sterilisation. The reuse of waste glass beverage containers is beneficial to the environment because it can save energy used in the manufacturing of glass from raw materials. We encourage the continuation of these reuse arrangements which are underpinned by a robust and reliable monitoring and auditing system to ensure the glass beverage containers are recovered effectively². We therefore **propose** to establish an exemption mechanism such that a registered supplier may apply by submitting a plan setting out the operational details of how the glass beverage containers will be recovered, reused and ultimately recycled. Subject to meeting certain performance standards and other terms and conditions, beverages held in glass containers 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. We will further engage the trade and draw up the detailed requirements at the next stage.

Proper Treatment of Waste Glass Containers

12. Where glass containers have been abandoned as waste, we **propose** to apply the licensing control under section 16 of the WDO to its disposal (including storage, treatment, reprocessing and recycling). The proposed licensing requirement seeks to ensure that their

² Based on our understanding, glass beverage containers would normally be recovered and reused for five times or more under a typical reuse scheme. This has in effect reduced container waste by at least 80% or more as compared to the amount of container waste generated from the consumption of the same amount of beverage held in single-use containers.

operations are compatible with the PRS system which will put in place a circular economy for turning waste into reusable resource. As a matter of principle, the licence 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.

13. We plan to hire GMCs through open tender to provide the collection and recovery (including treatment or reuse) services under the mandatory PRS. This can be implemented administratively but the GMCs will have to be properly licensed under the WDO to undertake the treatment of waste glass containers as and if appropriate.

Movement Control of Waste Glass Containers

14. Further, we **propose** that importers and exporters of waste glass containers should be subject to permit control under sections 20A and 20B of the 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.

Complementary Measures for the Mandatory PRS

Proper Facilities and Practice for Separation at Source

15. Since the 2013 public consultation, we have considerably expanded the glass container collection network in the past two years. As at March 2015, there were a total of 1 200 collection points in residential estates, equivalent to an approximate population coverage of 69%³, and some 500 collection points in other premises and public places. Amongst others, all public rental housing estates⁴ under the Hong Kong Housing Authority have set up glass container collection points. We will continue to support the progressive expansion of the collection network within the limit of our existing resources. In parallel, we have stepped up publicity and public education so as to further mobilize participation and better facilitate members of the public to put the “clean recycling” concept into practice.

³ As at end 2012, before the 2013 public consultation, a total of 270 collection points have been set up across the territory; over 120 public/private housing estates have participated, covering some 880 000 people (i.e. around 12% of the total Hong Kong population).

⁴ A few public rental housing estates on outlying islands are covered by collection points set up in public places on the islands.

Efficient Collection Services for the Glass Container Collection Points

16. Through monitoring the collection services provided by contractors under different glass container recycling programmes, we have been accumulating practical experience with a view to improving the performance standards in terms of cost effectiveness, nuisance avoidance and other operational aspects in the long run. When the mandatory PRS is implemented, we plan to support glass container recycling on a territory-wide scale by hiring up to three contractors (i.e. GMCs), serving the catchment regions of Hong Kong Island, Kowloon and the New Territories respectively. Within its responsible catchment region, a GMC will be required by contract to –

- (a) coordinate with Community Green Stations (“CGSs”) to manage the glass container collection services provided to residential buildings/estates in the catchment region so that the glass containers gathered by CGSs will be efficiently delivered to the collection/recovery facilities of the GMC⁵;
- (b) maintain a sufficient network of collection points so that waste producers (mainly pubs and bars and other catering services) may conveniently participate in waste glass container recycling;
- (c) accept all properly rinsed waste glass containers (including food/sauce containers) with a view to meeting a recovery target which will ramp up over time to ultimately a territory-wide total of about 50 000 tonnes per year; and
- (d) arrange gainful reuse of the waste glass containers, or properly treat them in its own plant or through outsourcing until they become reusable materials.

Recovery Processes to Turn Waste Glass Containers into Resource

17. While it is beneficial to the environment to reuse or recycle used glass containers as new containers, it is not expected to be a common application as we do not have a strong presence of the relevant industries in Hong Kong. As a viable alternative, waste glass containers may be crushed into cullet for use as construction materials

⁵ We are developing CGS in each of the 18 districts. The objectives of setting up CGSs are to promote environmental education on one hand and to support recycling at the community level on the other. Apart from collection services, it is also a priority of the CGSs to promote the “clean recycling” concept in the community such that members of the public will not only separate recyclables (including waste glass containers) from waste but will also properly rinse such recyclables before depositing them into recycle bins.

such as eco-pavers and partition bricks. For instance, works departments have been using eco-pavers in public works. By now, about 6 000 tonnes of recovered glass materials are reused annually in the manufacturing of eco-pavers.

18. There are also other applications in certain public works (such as reclamation, earthworks including site formation and backfilling and road sub-base) that may absorb recycled glass materials as fill material. At this stage, technical specifications for some of these applications have been drawn up. The technical specifications will help determine the necessary treatment processes to be deployed for crushing the glass containers into cullet of the appropriate size. Since then, some selected public works projects have on a pilot basis been selected to absorb recycled glass materials. About 35 tonnes of glass cullet was so reclaimed for beneficial use in 2013 and about 500 tonnes in 2014. Separately, the construction trade is exploring the use of glass cullet as a substitute for river sand. In the past three years, an average of about 1.5 million tonnes of river sand was imported annually from outside Hong Kong, mainly for use in the local construction industry. Subject to positive findings, it will provide another useful outlet for waste glass containers collected locally.

Sustainable Outlets of Recycled Glass Materials

19. With the implementation of a mandatory PRS, the amount of glass containers recovered and recycled will increase over time. In terms of handling capacity, currently, there are several private recyclers who possess the technical know-how to produce recycled glass materials from waste glass containers for use in the manufacturing of eco-pavers. Apart from the production of eco-pavers and other construction materials, waste glass containers with suitable crushing could be used as fill materials in reclamation and other earthworks. We would also encourage the private sector to similarly adopt “green procurement” in their works projects. Some recyclers have also indicated that there are credible markets outside Hong Kong for reuse of containers.

OTHER OPTIONS

20. There is no alternative other than a mandatory PRS as proposed that may put in place a territory-wide local solution for the proper management of waste glass beverage containers. Funding support from the ECF for time-limited voluntary projects or other administrative means cannot achieve the intended coverage as now proposed under the mandatory PRS.

THE BILL

21. The main provisions are–

- (a) **Clauses 2 to 7** put in place necessary provisions in the PERO to implement the mandatory PRS on product containers, including the following–
 - (i) Part 4, Division 2 (i.e. sections 32 to 34), which provides for the registration of suppliers of regulated articles and related matters;
 - (ii) Part 4, Division 3 (i.e. sections 35 to 38), which provides for the obligations of registered suppliers;
 - (iii) Section 40, which provides for the exemptions for registered suppliers with container waste reduction plans;
 - (iv) Schedule 6, which specifies the regulated articles to which the PERO applies; and
- (b) **Clauses 8 to 13** amend the WDO to put in place the licensing control for the disposal of container waste and the import and export control of container waste.

The existing provisions being amended are at Annex B.

LEGISLATIVE TIMETABLE

22. The legislative timetable is as follows –

Publication in the Gazette	3 July 2015
First Reading and commencement of Second Reading debate	8 July 2015
Resumption of Second Reading debate, committee stage and Third Reading	to be notified

IMPLICATIONS OF THE PROPOSAL

23. The proposal has environmental, sustainability, economic, financial and civil service implications as set out at Annex C. It is in conformity with the Basic Law, including the provisions concerning

human rights. It has no family or gender implications. The Amendment Bill will not affect the current binding effects of the PERO, WDO and its subsidiary legislation.

PUBLIC CONSULTATION

24. We conducted a public consultation in 2013. On the whole, the community was supportive of introducing a mandatory PRS on glass beverage containers. Some expressed concerns regarding the collection network of glass beverage containers, proper treatment of waste glass containers locally generated and adequate reuse/recycling outlets for the recycled glass materials. The progress in implementing the necessary complementary measures as outlined in paragraphs 15 to 19 has largely addressed these concerns. In addition, our current proposals are drawn up after further engaging with the trade and relevant stakeholders. They are consistent with the outcome of the 2013 public consultation and the proposed way forward was presented to the LegCo Panel on Environmental Affairs (“EAP”) on 25 November 2013. When we updated the EAP on the progress about the PRS on 27 April 2015, Members generally supported the introduction of the PRS as soon as practicable and offered certain constructive suggestions on our preparatory works. Since the relevant trades remain concerned about the compliance cost, we will continue to keep the stakeholders closely engaged as we further work out the compliance system and other complementary measures for the PRS.

PUBLICITY

25. On an on-going basis, we have arranged publicity to publicise (i) the progressive expansion of the glass container recycling network, (ii) the proper cleansing procedures for glass container recycling, and (iii) the Government’s green procurement efforts in reusing the recycled glass materials in works projects and to encourage the private sector to adopt similar measures where practicable. A press release will be issued. A spokesperson will be available to answer media and public enquiries. We will conduct extensive publicity and public education prior the implementation to enhance the public awareness, including reinforcing the concept of “clean recycling”.

ENQUIRIES

26. For enquiries on this brief, please contact Miss Bonnie MAN, Administrative Officer (Waste Management Policy Division) at 3509 7648 or email to bonnieman@epd.gov.hk.

Environment Bureau / Environmental Protection Department
July 2015

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

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

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A BILL

To

Amend the Product Eco-responsibility Ordinance to provide for the collection of a recycling levy on the containers of certain products; to amend the Waste Disposal Ordinance to regulate the disposal of such containers; and to provide for related matters.

Enacted by the Legislative Council.

Part 1

Preliminary

1. Short title and commencement

- (1) This Ordinance may be cited as the Promotion of Recycling and Proper Disposal (Product Container) (Amendment) Ordinance 2015.
- (2) This Ordinance comes into operation on a day to be appointed by the Secretary for the Environment by notice published in the Gazette.

Part 2

Amendments to Product Eco-responsibility Ordinance

2. **Product Eco-responsibility Ordinance amended**

The Product Eco-responsibility Ordinance (Cap. 603) is amended as set out in sections 3 to 8.

3. **Section 2 amended (purposes of this Ordinance)**

Section 2(2)(c), after “fee”—

Add

“or levy”.

4. **Section 3 amended (interpretation)**

Section 3(1)—

Add in alphabetical order

“*regulated article* (受規管物品) means an article constituted by—

- (a) a product specified in column 2 of Part 2 of Schedule 6; and
- (b) a container that is—
 - (i) specified in column 3 of that Part opposite to the product and containing that product; and
 - (ii) airtight and sealed by machine or with the aid of a tool;”.

5. **Section 4 amended (prescribed products to which Part 2 applies)**

Section 4, after “bags”—

Add

“and regulated articles”.

6. **Section 5 amended (general provisions as to regulations made under this Ordinance)**

Section 5(1), after “29”—

Add

“or 39”.

7. **Part 4 added**

After Part 3—

Add

“Part 4

Regulated Articles

Division 1—Interpretation

31. **Interpretation of Part 4**

In this Part—

consume (耗用), in relation to a regulated article, means—

- (a) use the product constituting part of the article; or
- (b) abandon the article;

container recycling levy (容器循環再造徵費) means the levy prescribed for this Part by the Regulated Articles Regulation;

distribute (分發), in relation to a regulated article, means—

- (a) sell the article;

(b) exchange or dispose of the article for consideration; or

(c) give the article to another person as a prize or gift;

registered supplier (登記供應商) means a supplier who is registered under section 33;

Regulated Articles Regulation (《受規管物品規例》) means regulations made under section 39;

return (申報) means a return submitted under section 36;

supplier (供應商), in relation to a regulated article, means—

(a) a person who, in the course of the person's business of manufacturing the article, undertakes in Hong Kong the process of sealing the container constituting part of the article; or

(b) a person who, in the course of the person's business, causes the article to be imported into Hong Kong for distribution, but does not include a person who—

(i) does not own the article; and

(ii) only provides a service for transporting the article into Hong Kong for another person.

Division 2—Registration of Suppliers

32. Prohibition of carrying on business of distributing regulated articles without registration

(1) A supplier commits an offence if, not being registered under section 33, the supplier carries on a business of distributing regulated articles in Hong Kong.

(2) If a supplier imports a regulated article into Hong Kong solely for export, the supplier is not to be regarded as distributing the article in Hong Kong.

(3) A person who is convicted of an offence under subsection (1) is liable to a fine at level 6.

33. Registration of suppliers

The Director must register a person as a registered supplier if—

(a) the person applies to be registered as a registered supplier in accordance with the Regulated Articles Regulation; and

(b) the Director is satisfied that the application complies with this Ordinance.

34. Cancellation of registration

If the Director is satisfied that a registered supplier no longer carries on a business mentioned in section 32(1), the Director must cancel the registration of the supplier.

Division 3—Obligations of Registered Suppliers

35. Registered supplier must pay container recycling levy

(1) Subject to subsection (2), a registered supplier must pay a container recycling levy to the Director for a regulated article if the supplier—

(a) distributes the article in Hong Kong; or

(b) consumes the article in Hong Kong.

(2) The container recycling levy is payable only once in respect of a regulated article.

- (3) An outstanding amount of container recycling levy payable under this section is recoverable as a civil debt due to the Government.

36. Registered supplier must submit returns

- (1) A registered supplier must, in accordance with the Regulated Articles Regulation, periodically submit returns to the Director.
- (2) On receiving a return, the Director must—
- (a) determine the amount of container recycling levy payable under section 35 by the registered supplier; and
- (b) serve a payment notice on the supplier.
- (3) A registered supplier must, within the prescribed period after the date the payment notice is served, pay to the Director in the prescribed manner the container recycling levy payable under section 35 stated in the payment notice.
- (4) A registered supplier who submits a return in respect of a period in a calendar year must keep the prescribed records and documents relating to the return during the 5 years after that year.
- (5) A person who contravenes subsection (1) commits an offence and is liable—
- (a) on the first conviction, to a fine at level 6; and
- (b) on a subsequent conviction, to a fine of \$200,000.
- (6) A person who contravenes subsection (3) commits an offence and is liable—
- (a) on the first conviction, to a fine at level 6; and

- (b) on a subsequent conviction, to a fine of \$200,000.

- (7) A person who contravenes subsection (4) commits an offence and is liable to a fine at level 5.
- (8) A payment notice under subsection (2)(b) is regarded as duly served on a registered supplier when it is sent by post to the last address provided by the supplier to the Director.
- (9) In subsections (3) and (4)—
- prescribed* (訂明) means prescribed by the Regulated Articles Regulation.

37. Registered supplier must submit annual audit report

- (1) A registered supplier must, in accordance with the Regulated Articles Regulation, submit an audit report to the Director every year in respect of the returns submitted by the supplier.
- (2) The audit report must be prepared by a certified public accountant (practising) as defined by section 2(1) of the Professional Accountants Ordinance (Cap. 50), who must not be an employee of the registered supplier.
- (3) A person who contravenes subsection (1) commits an offence and is liable to a fine at level 5.

38. Recovering container recycling levy by assessment notice

- (1) This section applies if the supplier of a regulated article (*relevant supplier*)—
- (a) distributes the article in contravention of section 32(1); or
- (b) distributes or consumes the article as a registered supplier, without having paid to the Director the

- container recycling levy payable under section 35 for the article (or any part of the levy).
- (2) For the purposes of subsection (1), entering into an agreement to distribute does not constitute distribution.
- (3) The Director may assess—
- (a) for the regulated article mentioned in subsection (1)(a), the amount of container recycling levy that would have been payable under section 35 for the article if the article had been distributed in compliance with section 32(1); or
- (b) for the regulated article mentioned in subsection (1)(b), the amount of container recycling levy payable under section 35.
- (4) The Director may serve an assessment notice (*assessment notice*) on the relevant supplier demanding payment of—
- (a) the assessed amount; or
- (b) if the relevant supplier has already paid part of that amount under section 35, the outstanding part of that amount.
- (5) The Director may replace an assessment notice with another assessment notice served for that purpose.
- (6) The Director may at any time withdraw an assessment notice by serving a withdrawal notice to that effect.
- (7) An assessment notice served in respect of the container recycling levy payable under section 35 for a period must be served within 5 years after the end of that period.
- (8) An assessment notice must state—

- (a) the reasons for serving the notice;
- (b) how the amount of container recycling levy assessed by the Director is calculated;
- (c) when and how the relevant supplier must pay; and
- (d) the right of the relevant supplier to appeal against the notice.
- (9) The relevant supplier must pay the amount demanded under the assessment notice within the period prescribed by the Regulated Articles Regulation.
- (10) A person who contravenes subsection (9) commits an offence and is liable—
- (a) on the first conviction, to a fine at level 6; and
- (b) on a subsequent conviction, to a fine of \$200,000.
- (11) A person who is convicted of an offence under subsection (10) is also liable to pay—
- (a) a surcharge of 5% of the amount of container recycling levy that is outstanding at the expiry of the period mentioned in subsection (9); and
- (b) an additional surcharge of 10% of the total amount of container recycling levy and the surcharge mentioned in paragraph (a) that are outstanding at the expiry of 6 months after the period mentioned in subsection (9).
- (12) An outstanding amount of container recycling levy or surcharges payable under this section is recoverable as a civil debt due to the Government.
- (13) If an appeal is made under Division 5 of Part 2 against an assessment notice, any amount of container recycling levy or surcharges that is outstanding remains payable

under this section pending the determination of the appeal unless the Director decides otherwise.

- (14) A notice under this section is regarded as duly served on a relevant supplier when it is sent by post—
- (a) if the relevant supplier is a registered supplier, to the last address provided by the supplier to the Director; or
 - (b) in any other case, to the last known address of the supplier.

Division 4—Regulations

39. Secretary may make regulations for Part 4

- (1) The Secretary may, after consulting the Advisory Council on the Environment, make regulations in respect of one or more of the following matters—
- (a) an application for registration under section 33 and the determination in relation to the application;
 - (b) the cancellation of registration under section 34;
 - (c) the container recycling levy for each type of regulated article;
 - (d) the payment of container recycling levy by registered suppliers;
 - (e) the submission of returns by registered suppliers;
 - (f) the information to be contained in the returns;
 - (g) the records and documents to be kept by registered suppliers;
 - (h) the submission of audit reports by registered suppliers;

(i) an exemption under section 40.

- (2) A regulation made under subsection (1) is subject to the approval of the Legislative Council.

Division 5—Supplementary Provisions

40. Exemptions for registered supplier with container waste reduction plan

- (1) A registered supplier may, in accordance with the Regulated Articles Regulation, apply to the Director for exemption from section 35, 36 or 37 in relation to any type of regulated article.
- (2) The application must be accompanied by—
- (a) an application fee prescribed by the Regulated Articles Regulation; and
 - (b) a container waste reduction plan specifying, in relation to the type of regulated article for which the exemption is sought, the arrangement for the recovery and reuse or recycling of the containers concerned.
- (3) The Director must refuse the application if the Director considers that the container waste reduction plan—
- (a) is impracticable; or
 - (b) cannot ensure the recovery and reuse or recycling of the containers concerned in an environmentally sound manner.
- (4) A registered supplier who is aggrieved by the Director's refusal of the application may lodge an appeal in accordance with section 13.

- (5) The Director may grant the exemption subject to any terms and conditions relating to—
- (a) its duration;
 - (b) the implementation of the container waste reduction plan;
 - (c) auditing, reporting and record keeping; and
 - (d) any other matter the Director considers appropriate.

41. Secretary may amend Schedule 6

- (1) The Secretary may, after consulting the Advisory Council on the Environment, by notice published in the Gazette, amend Schedule 6.
- (2) A notice made under subsection (1) is subject to the approval of the Legislative Council.”.

8. Schedule 6 added
After Schedule 5—
Add

“Schedule 6 [ss. 3 & 41]

**Regulated Articles to which this Ordinance
Applies**

Part 1

Interpretation

1. Interpretation

In this Schedule—

beverage (飲料)—

- (a) means every type of drink; and
- (b) includes water.

Part 2

Regulated Articles

Column 1	Column 2	Column 3
Item	Product	Container
1.	Beverage	Glass container, whether in the form of a bottle, jar or otherwise”.

Part 3

Amendments to Waste Disposal Ordinance

9. **Waste Disposal Ordinance amended**

The Waste Disposal Ordinance (Cap. 354) is amended as set out in sections 10 to 14.

10. **Section 2 amended (interpretation)**

(1) Section 2(1)—

Repeal the definition of *disposal*

Substitute

“*disposal* (處置)—

- (a) in relation to chemical waste and clinical waste, includes treatment, reprocessing and recycling; and
- (b) in relation to container waste, includes storage, treatment, reprocessing and recycling, but does not include reuse;”.

(2) Section 2(1), definition of *waste*, after “construction waste,”—

Add

“container waste.”.

(3) Section 2(1)—

Add in alphabetical order

“*container waste* (容器廢物) means a container (whether damaged or not) that—

(a) judging by its appearance, is a container specified in column 3 of Part 2 of Schedule 6 to the Product Eco-responsibility Ordinance (Cap. 603); and

(b) has been abandoned;”.

11. **Section 16 amended (prohibition of unauthorized disposal of waste)**

(1) After section 16(2)(e)—

Add

- “(ea) the treatment, reprocessing or recycling of container waste on land or premises with a waste disposal facility that is capable of treating, reprocessing or recycling not more than one tonne of container waste per day;
- (eb) the storage of container waste the total volume of which does not exceed 50 m³ (measured by the maximum width by the maximum height by the maximum length);
- (ec) the storage of container waste on premises located inside a multi-storey building;”.

(2) After section 16(2)—

Add

- “(2A) Despite subsection (2)(ea), (eb) and (ec), a person may apply to the Director for a licence to use any land or premises for the disposal of container waste.
- (2B) The Secretary may, after consulting the Advisory Council on the Environment and subject to the approval of the Legislative Council, by notice published in the Gazette, amend—
 - (a) subsection (2)(ea) by varying the weight mentioned in that subsection; or

(b) subsection (2)(eb) by varying the total volume mentioned in that subsection.”.

12. Section 20A amended (permit required for the import of waste into Hong Kong)

(1) Section 20A(1)(a)—

Repeal

“; or”

Substitute a semicolon.

(2) Section 20A(1)(b)—

Repeal

“Sixth Schedule,”

Substitute

“Sixth Schedule; or”.

(3) After section 20A(1)(b)—

Add

“(c) any container waste that does not fall within the description of paragraph (a) or (b),”.

13. Section 20B amended (permit required for the export of waste from Hong Kong)

(1) Section 20B(1)(a)—

Repeal

“; or”

Substitute a semicolon.

(2) Section 20B(1)(b)—

Repeal

“Sixth Schedule,”

Substitute

“Sixth Schedule; or”.

(3) After section 20B(1)(b)—

Add

“(c) any container waste that does not fall within the description of paragraph (a) or (b),”.

14. Section 21A substituted

Section 21A—

Repeal the section

Substitute

“21A. Circumstances under which waste disposal licence for chemical waste, clinical waste or container waste is to be granted

Without limiting section 21(4), if a person applies for a waste disposal licence in respect of any land or premises, the licensing authority must not grant the licence in respect of chemical waste, clinical waste or container waste under that section unless the licensing authority is satisfied that the land or premises have a waste disposal facility that—

(a) has the capacity to dispose of such minimum quantity of chemical waste, clinical waste or container waste (as the case requires) and within such period as may be prescribed; or

(b) is capable of disposing of chemical waste, clinical waste or container waste (as the case requires) in such other manner as may be prescribed.”.

Explanatory Memorandum

This Bill seeks to introduce a recycling levy on the suppliers of certain articles and to regulate the disposal of container waste. The Bill contains 3 Parts.

Part 1—Preliminary

2. Clause 1 sets out the short title and provides for commencement.

Part 2—Amendments to Product Eco-responsibility Ordinance (Cap. 603) (Cap. 603)

3. Clause 4 introduces the definition of *regulated article*.
4. Clauses 3, 5 and 6 contain related amendments to Cap. 603.
5. Clause 7 adds a new Part 4 to Cap. 603 for implementing the recycling levy. That Part consists of 5 Divisions.
6. Division 1 adds definitions for the new Part 4.
7. Division 2 provides for the registration of suppliers of regulated articles. Under the new section 32, a person who, without registration, carries on a business of distributing regulated articles in Hong Kong commits an offence.
8. Division 3 provides for the obligations of registered suppliers. The new sections 35, 36 and 37 mainly require a registered supplier distributing regulated articles to pay container recycling levies for the articles and submit returns and an annual audit report to the Director of Environmental Protection (*Director*).
9. Division 4 empowers the Secretary for the Environment to make regulations for the new Part 4.
10. Division 5 contains supplementary provisions—

- (a) The new section 40 allows a registered supplier to be exempted from paying the container recycling levy and other obligations on application to the Director.
- (b) Clause 8 adds Schedule 6 to Cap. 603 to further define the regulated articles to which Cap. 603 applies.

Part 3—Amendments to Waste Disposal Ordinance (Cap. 354) (Cap. 354)

11. Clause 10 gives the definitions of *container waste* and *disposal* to Cap. 354.
12. Clause 11 amends section 16 of Cap. 354 to control the unauthorized disposal of container waste.
13. Clauses 12 and 13 introduce requirements for a permit for importing container waste into, and exporting container waste out of, Hong Kong.
14. Clause 14 substitutes section 21A of Cap. 354 to provide for the circumstances under which a waste disposal licence for container waste is to be granted.

Chapter:	603	PRODUCT ECO-RESPONSIBILITY ORDINANCE	Gazette Number	Version Date
Section:	2	Purposes of this Ordinance	4 of 2014	01/04/2015

- (1) The purposes of this Ordinance are—
- to minimize the environmental impact of various types of products, which may include plastic shopping bags, vehicle tyres, electrical and electronic equipment, packaging materials, beverage containers and rechargeable batteries; and
 - to that end, to introduce producer responsibility schemes, schemes based on the “polluter pays” principle, or other measures, which may require manufacturers, importers, wholesalers, retailers, consumers or any other parties to share the responsibility for the reduction in the use, or the recovery, recycling or proper disposal, of those products.
- (2) Such schemes or measures may include (but are not limited to) the following—
- a product take-back scheme under which a manufacturer, importer, wholesaler or retailer is required to collect certain products for proper waste management;
 - a deposit-refund scheme under which a consumer is required to pay a deposit to be refunded on the return of certain products to a specified collection point;
 - the imposition of a recycling fee to finance the proper waste management of certain products;
 - the imposition of an environmental levy or a charge to discourage the use of certain products; and (Amended 4 of 2014 s. 3)
 - the restriction on the disposal of certain products at any designated waste disposal facility as defined in section 2 of the Waste Disposal (Designated Waste Disposal Facility) Regulation (Cap 354 sub. leg. L).

Chapter:	603	PRODUCT ECO-RESPONSIBILITY ORDINANCE	Gazette Number	Version Date
Section:	3	Interpretation	4 of 2014	01/04/2015

- (1) In this Ordinance, unless the context otherwise requires—
- “authorized officer” (獲授權人員) means a public officer authorized under section 6;
- body corporate* (法人團體) means—
- a company as defined by section 2(1) of the Companies Ordinance (Cap 622); or
 - a company incorporated outside Hong Kong; (Added 4 of 2014 s. 4)
- “Director” (署長) means the Director of Environmental Protection;
- “plastic shopping bag” (塑膠購物袋) means a plastic shopping bag to which this Ordinance applies according to section 18;
- “prescribed product” (訂明產品) means any product mentioned in section 4;
- “product” (產品) includes any article, material and substance;
- “Secretary” (局長) means the Secretary for the Environment.
- (2) In this Ordinance, unless the context otherwise requires—
- a reference to any product includes a reference to any part of the product;
 - a reference to a function includes a reference to a power and a duty; and
 - a reference to the performance of a function includes a reference to the exercise of a power and the discharge of a duty.

Chapter:	603	PRODUCT ECO-RESPONSIBILITY ORDINANCE	Gazette Number	Version Date
Section:	4	Prescribed products to which Part 2 applies	L.N. 86 of 2009	30/04/2009

This Part applies in relation to plastic shopping bags.

Chapter:	603	PRODUCT ECO-RESPONSIBILITY ORDINANCE	Gazette Number	Version Date
Section:	5	General provisions as to regulations made under this Ordinance	L.N. 86 of 2009	30/04/2009

- (1) In this section, "regulation" (規例) means any regulation made under section 29.
- (2) A regulation may do all or any of the following—
 - (a) apply generally or be limited in its application by reference to specified exceptions or factors;
 - (b) make different provisions for different circumstances and provide for a particular case or class of cases;
 - (c) empower the Secretary or Director to grant exemptions from any requirement, either generally or in a particular case;
 - (d) provide for the performance by the Director or an authorized officer of any function under the regulation;
 - (e) authorize any matter or thing to be determined, applied or administered by a specified person or group of persons;
 - (f) prescribe any matter that by this Ordinance is required or permitted to be prescribed by a regulation;
 - (g) provide for such incidental, consequential, evidential, transitional, savings and supplemental provisions as are necessary or expedient for giving full effect to the provisions of this Ordinance;
 - (h) generally provide for the better carrying out of the provisions and purposes of this Ordinance.
- (3) A regulation may make it an offence for a person to do or omit to do any specified act and may authorize—
 - (a) the imposition of a fine, not exceeding \$500000, for such an offence;
 - (b) if the offence is a continuing one, the imposition of a further fine of \$10000 for each day or part of a day during which the offence has continued; and
 - (c) the imposition of a sentence of imprisonment for a period of not more than 12 months.

Chapter:	354	WASTE DISPOSAL ORDINANCE	Gazette Number	Version Date
Section:	2	Interpretation	E.R. 1 of 2015	29/01/2015

Remarks:

For the saving and transitional provisions relating to the amendments made by the Resolution of the Legislative Council (L.N. 130 of 2007), see paragraph (12) of that Resolution.

- (1) In this Ordinance, unless the context otherwise requires-

analyst (化驗師) means the Government Chemist or any person appointed by the Governor under section 23E(5); (Added 58 of 1987 s. 2)

animal waste (動物廢物) means-

 - (a) the manure or urine of any animal; or
 - (b) any dead animal or any part of any dead animal not fit for, or not intended for, human consumption; or
 - (c) any bedding, straw or other waste contaminated by the manure or urine of any animal, (Replaced 58 of 1987 s. 2)
 but does not include clinical waste; (Amended 6 of 2006 s. 2)

authorized officer (獲授權人員) means a public officer authorized under section 23A; (Added 58 of 1987 s. 2)

chemical waste (化學廢物) means any substance, matter or thing defined as chemical waste by regulations made under section 33; (Added 86 of 1991 s. 3)

clinical waste (醫療廢物) means waste consisting of any substance, matter or thing belonging to any of the groups specified in Schedule 8 that is generated in connection with-

 - (a) a dental, medical, nursing or veterinary practice;
 - (b) any other practice, or establishment (howsoever described), that provides medical care and services for the sick, injured, infirm or those who require medical treatment;
 - (c) dental, medical, nursing, veterinary, pathological or pharmaceutical research; or
 - (d) a-

- (i) dental;
- (ii) medical;
- (iii) veterinary; or
- (iv) pathological,
laboratory practice,

but does not include chemical waste or radioactive waste; (Added 6 of 2006 s. 2)

Code of Practice (工作守則) means any Code of Practice prepared or revised by the Secretary under section 35; (Added 58 of 1987 s. 2. Amended L.N. 244 of 1989; 78 of 1999 s. 7)

collection authority (廢物收集當局) means-

- (a) in relation to chemical waste and clinical waste, the Director; (Amended 6 of 2006 s. 2)
- (b) in relation to any other waste, means the Director of Food and Environmental Hygiene and the Director; (Replaced 78 of 1999 s. 7. Amended L.N. 183 of 2000)

construction waste (建築廢物) means any substance, matter or thing defined as construction waste by regulations made under section 33, but does not include chemical waste; (Added 17 of 2004 s. 2)

designated waste disposal facility (指定廢物處置設施) has the same meaning as in section 2 of the Waste Disposal (Designated Waste Disposal Facility) Regulation (Cap 354 sub. leg. L); (Added 17 of 2004 s. 2)

Director (署長) means the Director of Environmental Protection; (Added L.N. 74 of 1986)

disposal (處置) in relation to chemical waste and clinical waste includes treatment, reprocessing or recycling; (Added 86 of 1991 s. 3. Amended 6 of 2006 s. 2)

enlarged area (放大區) means those parts of-

- (a) a livestock waste prohibition area;
- (b) a livestock waste control area; or (Amended 28 of 1994 s. 2)
- (c) a livestock waste restriction area, (Added 28 of 1994 s. 2)

specified in the third column of the Third Schedule by reference to maps identified therein and signed by the Director, an officer of the Environmental Protection Department not below the rank of Environmental Protection Officer or a Chief Environmental Protection Inspector and deposited with the Land Registry, which abut or share a common boundary with one or more livestock waste control areas or one or more livestock waste restriction areas; (Added 58 of 1987 s. 2. Amended 28 of 1994 s. 2)

exempt person (獲豁免的人) means any person or any classes of person specified in the Fourth Schedule; (Added 58 of 1987 s. 2)

household waste (住戶廢物) means waste produced by a household, and of a kind that is ordinarily produced by a dwelling when occupied as such;

keep (飼養) includes breed, house, tend, look after or control and "kept" and "keeping" shall be construed accordingly; (Added 58 of 1987 s. 2)

lairage (圍欄) means that part of a slaughterhouse or abattoir used for the admission or confinement of animals; (Added 58 of 1987 s. 2)

livestock (禽畜) means pigs or poultry; (Added 58 of 1987 s. 2)

livestock keeper (禽畜飼養人) means-

- (a) an owner of livestock; or
- (b) an owner, lessee or occupier or person responsible for the management of livestock premises; or
- (c) any person keeping livestock or having the custody or possession of livestock; or
- (d) any former livestock keeper,

but does not comprise exclusively any exempt person; (Added 58 of 1987 s. 2)

livestock premises (禽畜飼養場) means-

- (a) any premises, buildings, land or land covered by water owned, leased or occupied by a livestock keeper, his dependants or employees for the purpose of keeping livestock and any dwelling-place and ancillary buildings or structures connected therewith;
- (b) any other premises in or on which livestock are kept other than any premises comprising any abattoir, slaughter-house, market, fresh provision shop, lairage or hatchery in which poultry of not more than 12 days old are kept; and
- (c) any former livestock premises; (Added 58 of 1987 s. 2)

livestock waste (禽畜廢物) means, subject to section 2A, animal waste produced by, or connected with, livestock; (Added 58 of 1987 s. 2. Amended 28 of 1994 s. 2)

livestock waste control area (禽畜廢物管制區) means a livestock waste control area specified in the second column of the Second Schedule by reference to maps identified therein and signed by the Director, an officer of the Environmental Protection Department not below the rank of Environmental Protection Officer or a Chief Environmental Protection Inspector and deposited with the Land Registry; (Added 58 of 1987 s. 2. Amended 28 of 1994 s. 2)

livestock waste prohibition area (禽畜廢物禁制區) means a livestock waste prohibition area specified in the second column of the First Schedule by reference to maps identified therein and signed by the Director, an officer of the Environmental Protection Department not below the rank of Environmental Protection Officer or a Chief Environmental Protection Inspector and deposited with the Land Registry; (Added 58 of 1987 s. 2. Amended 28 of 1994 s. 2)

livestock waste restriction area (禽畜廢物限制區) means a livestock waste restriction area specified in column 2 of the Fifth Schedule by reference to maps identified therein and signed by the Director, an officer of the Environmental Protection Department not below the rank of Environmental Protection Officer or a Chief Environmental Protection Inspector and deposited with the Land Registry; (Added 28 of 1994 s. 2)

livestock waste treatment plant (禽畜廢物處理裝置) means a waste treatment plant at which livestock waste is treated by biological, chemical, physical or other means or any combination thereof in accordance with regulations made under section 33; (Added 58 of 1987 s. 2)

poultry (家禽) means chickens, ducks, geese, pigeons and quail; (Added 58 of 1987 s. 2)

private lot (私人地段) means a piece or parcel of ground held under a Government lease and identified by a lot number as defined by regulation 2 of the Land Registration Regulations (Cap 128 sub. leg. A); (Added 19 of 2013 s. 3)

relevant date (有關日期) means-

- (a) in the case of a livestock waste prohibition area, the date shown in the third column of the First Schedule in respect of that area; or
- (b) in the case of a livestock waste control area, the date shown in the third column of the Second Schedule in respect of that area; (Added 58 of 1987 s. 2)

Secretary (局長) means the Secretary for the Environment; (Added 78 of 1999 s. 7. Amended L.N. 106 of 2002; L.N. 130 of 2007)

slaughterhouse (屠房) and **abattoir** (屠場) has the meaning assigned to it in the Public Health and Municipal Services Ordinance (Cap 132); (Added 58 of 1987 s. 2)

street waste (街道廢物) means dust, dirt, rubbish, mud, road scapings or filth, but does not include human excretal matter;

trade waste (行業廢物) means waste from any trade, manufacture or business, but does not include animal waste, chemical waste, clinical waste or construction waste; (Replaced 17 of 2004 s. 2. Amended 6 of 2006 s. 2)

waste (廢物) means any substance or article which is abandoned and includes animal waste, chemical waste, clinical waste, construction waste, household waste, livestock waste, street waste and trade waste; (Amended 86 of 1991 s. 3; 17 of 2004 s. 2; 6 of 2006 s. 2)

waste collection licence (廢物收集牌照) means a licence under section 10;

waste disposal authority (廢物處置當局), in respect of all classes of waste, means the Director; (Replaced L.N. 74 of 1986)

waste disposal licence (廢物處置牌照) means a licence under section 16;

waste treatment plant (廢物處理裝置) means a plant at which waste is treated for the purpose of removing therefrom (wholly or in part) pollutants contained therein. (Added 58 of 1987 s. 2)

(Amended 78 of 1999 s. 7)

- (2) For the purposes of this Ordinance any substance or article which is discarded or otherwise dealt with as waste shall be presumed to be waste until the contrary is proved.

Chapter:	354	WASTE DISPOSAL ORDINANCE	Gazette Number	Version Date
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Section:	16	Prohibition of unauthorized disposal of waste	E.R. 1 of 2015	29/01/2015
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- (1) Subject to subsection (2), a person shall not use, or permit to be used, any land or premises for the disposal of waste unless he has a licence from the Director to use the land or premises for that purpose. (Amended L.N. 76 of 1982; L.N. 74 of 1986; 86 of 1991 s. 6)
- (2) Subsection (1) shall not apply to the use of land or premises for- (Amended 6 of 2006 s. 6)
 - (a) the disposal of household waste from a private dwelling if the disposal takes place within the curtilage of that dwelling;
 - (b) the disposal of waste if the land is used for tipping by the Civil Engineering and Development Department or such use is authorized by the Director; (Amended L.N. 76 of 1982; L.N. 127 of 1986; L.N. 364 of 1991; L.N. 104 of 2004)
 - (c) the deposit of any inert matter used as landfill (other than any matter to which the Dangerous Goods Ordinance (Cap 295) applies or that is toxic);
 - (d) the deposit of any substance (other than chemical waste or clinical waste) which is being used in the course of agricultural or horticultural operations; (Amended 86 of 1991 s. 6; 6 of 2006 s. 6)
 - (e) the disposal of chemical waste or clinical waste by a person who is authorized, pursuant to any regulation made under section 33(1)(da), to use the land or premises for that purpose; (Replaced 6 of 2006 s. 6)
 - (f) the disposal of such wastes or classes of wastes in such circumstances as may be prescribed. (Added 6 of 2006 s. 6)
- (3) Any person who contravenes subsection (1) commits an offence.
- (4) Where waste other than chemical waste or clinical waste is disposed of on unleased land, as defined in the Land (Miscellaneous Provisions) Ordinance (Cap 28), pursuant to a licence issued under section 5 of that Ordinance, no licence under subsection (1) shall be required. (Amended 86 of 1991 s. 6; 29 of 1998 s. 68; 6 of 2006 s. 6)

Chapter:	354	WASTE DISPOSAL ORDINANCE	Gazette Number	Version Date
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Section:	20A	Permit required for the import of waste into Hong Kong	6 of 2006	07/04/2006
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- (1) The import into Hong Kong of-
 - (a) any waste of a kind specified in the Sixth Schedule, unless the waste is uncontaminated and is imported for the purpose of a reprocessing, recycling or recovery operation or the reuse of the waste; or
 - (b) any waste of a kind specified in the Seventh Schedule, or not specified in the Sixth Schedule,
 requires a permit issued by the waste disposal authority under this section.
- (2) An application for a permit under this section-
 - (a) shall be in the form that the waste disposal authority directs specifying-
 - (i) the reason for the proposed waste import;
 - (ii) the name and address of the importer of the waste;
 - (iii) the name and address of the waste producer;
 - (iv) the name and address of the disposer of the waste;
 - (v) the address of the waste disposal or reuse facility to be used;
 - (vi) the name and address of every intended carrier of the waste or his agent;
 - (vii) the names of the states of export and transit and their competent authorities;
 - (viii) whether the permit is for a single shipment or multiple shipments;
 - (ix) the projected date of each shipment and the period of time over which waste is to be imported;
 - (x) the mode of transportation envisaged;
 - (xi) a physical description of the waste and its composition and information on any special handling requirements;
 - (xii) the type of packaging envisaged;
 - (xiii) the estimated quantity by weight or volume of waste to be imported;
 - (xiv) details of the process by which and place at which the waste was or is being generated;

- (xv) a description of the method of disposal or reuse; and (xvi) such other information as the waste disposal authority may reasonably require to determine whether or not to issue a permit; and

(b) shall be accompanied by-

- (i) documents confirming the contractual arrangements, if any, for the disposal or reuse of the waste;
- (ii) a contingency plan showing the procedures to be followed in case of accident;
- (iii) documents confirming the existence of the liability insurance and bond or other financial guarantee mentioned in subsection (4)(b); and
- (iv) the prescribed fee.

(3) The waste disposal authority may either issue, with or without conditions, or refuse to issue a permit for the import of the waste, and shall notify the applicant of his decision and, in the case of refusal, the reasons for such refusal.

(4) The waste disposal authority shall not issue a permit under this section for the import of any waste unless he is satisfied-

- (a) that the waste will be managed in Hong Kong in accordance with the laws of Hong Kong and in an environmentally sound manner;
- (b) that there is in force, or there will be in force at the time of the import of the waste-
 - (i) liability insurance to cover claims arising out of damage to human health, property and the environment which may result from the import operation; and
 - (ii) a bond, or other financial guarantee acceptable to the waste disposal authority, providing for payment to the waste disposal authority of the cost of any seizure or disposal of the waste under section 20F that may occur; (Amended 6 of 2006 s. 8)
- (c) in the case of waste to be imported other than for the purpose of reuse or a reprocessing, recycling or recovery operation, that-
 - (i) the state of export does not have the facilities, capacity or disposal sites that would allow disposal of the waste in an environmentally sound manner; or
 - (ii) the import of the waste is for a purpose which the waste disposal authority considers necessary or desirable in the interests of the environmentally sound and efficient management of the waste disposal system in Hong Kong; (Amended 6 of 2006 s. 8)
- (d) in the case of waste to be imported for reuse or for a reprocessing, recycling or recovery operation, that the waste is required as a raw material for such reuse or operation in Hong Kong; and (Amended 6 of 2006 s. 8)
- (e) in the case of waste of a kind specified in the Seventh Schedule, that the waste is not exported from a state or party that is referred to in Schedule 9. (Added 6 of 2006 s. 8)

(Added 14 of 1995 s. 3)

Chapter:	354	WASTE DISPOSAL ORDINANCE	Gazette Number	Version Date
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Section:	20B	Permit required for the export of waste from Hong Kong	6 of 2006	07/04/2006
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- (1) The export from Hong Kong of-
 - (a) any waste of a kind specified in the Sixth Schedule, unless the waste is uncontaminated and is exported for the purpose of a reprocessing, recycling or recovery operation or the reuse of the waste; or
 - (b) any waste of a kind specified in the Seventh Schedule, or not specified in the Sixth Schedule,
 requires a permit issued by the waste disposal authority under this section.

(2) An application for a permit under this section-

- (a) shall be in the form that the waste disposal authority directs specifying-
 - (i) the reason for the proposed waste export;
 - (ii) the name and address of the exporter of the waste;
 - (iii) the name and address of the waste producer;
 - (iv) the name and address of the disposer of the waste;
 - (v) the address of the waste disposal or reuse facility to be used;
 - (vi) the name and address of every intended carrier of the waste or his agent;

- (vii) the names of the states of import and transit and their competent authorities;
 - (viii) whether the permit is for a single shipment or multiple shipments;
 - (ix) the projected date of each shipment and the period of time over which waste is to be exported;
 - (x) the mode of transportation envisaged;
 - (xi) a physical description of the waste and its composition and information on any special handling requirements;
 - (xii) the type of packaging envisaged;
 - (xiii) the estimated quantity by weight or volume of waste to be exported;
 - (xiv) details of the process by which and place at which the waste was or is being generated;
 - (xv) a description of the method of disposal or reuse; and (xvi) such other information as the waste disposal authority may reasonably require to determine whether or not to issue a permit; and
- (b) shall be accompanied by-
- (i) documents confirming the contractual arrangements, if any, for the disposal or reuse of the waste;
 - (ii) documents confirming the existence of the liability insurance and the bond or other financial guarantee mentioned in subsection (4)(b); and
 - (iii) the prescribed fee.

(3) The waste disposal authority may either issue, with or without conditions, or refuse to issue a permit for the export of the waste, and shall notify the applicant of his decision and, in the case of refusal, the reasons for such refusal.

(4) The waste disposal authority shall not issue a permit under this section for the export of any waste unless he is satisfied-

- (a) that the competent authority of the state of import and of each state of transit has consented to the import or transit, as the case may be, of the waste;
- (b) that the competent authority of the state of import and of each state of transit has confirmed that its laws, if any, as regards the existence of-
 - (i) liability insurance to cover claims arising out of damage to human health, property and the environment which may result from the export operation; and
 - (ii) a bond, or other financial guarantee, providing for payment to the competent authority of the state of import and each state of transit of the cost of any seizure or disposal of the waste by such competent authority,
 have been complied with in respect of the proposed export;
- (c) that the waste will be managed or disposed of in an environmentally sound manner;
- (d) that the waste will not be disposed of within the area south of the parallel of 60 degrees south; (Amended 6 of 2006 s. 9)
- (e) in the case of waste to be exported other than for the purpose of a reprocessing, recycling or recovery operation or the reuse of the waste, that-
 - (i) Hong Kong does not have the facilities, capacity or disposal sites that would allow disposal of the waste in an environmentally sound manner; or
 - (ii) the export of the waste is for a purpose which the waste disposal authority considers necessary or desirable in the interests of the environmentally sound and efficient management of the waste disposal system in Hong Kong; and (Amended 6 of 2006 s. 9)
- (f) in the case of waste to be exported for the purpose of a reprocessing, recycling or recovery operation or for reuse, that the waste is required as a raw material for such operation or reuse in the state of import.

(Added 14 of 1995 s. 3)

Chapter:	354	WASTE DISPOSAL ORDINANCE	Gazette Number	Version Date
Section:	21A	Circumstances under which waste disposal licence for chemical waste is to be granted	L.N. 87 of 2010	19/11/2010

Without prejudice to the generality of section 21(4), the licensing authority shall not grant a waste disposal licence in respect of chemical waste or clinical waste (as the case may be) under that section unless he is satisfied that the land or premises in respect of which the licence is sought has a waste disposal facility which- (Amended 6 of

2006 s. 14)

- (a) has the capacity to dispose of such minimum quantity of chemical waste or clinical waste (as the case may be) and within such period; or
- (b) is capable of disposing of chemical waste or clinical waste (as the case may be) in such other manner, as may be prescribed.

(Added 86 of 1991 s. 9. Amended 6 of 2006 s. 14)

Implications of the Proposal

Environmental Implications

Hong Kong generated about 104 000 tonnes of waste glass containers in 2013. The proposed PRS, if implemented, will facilitate the recovery of waste glass bottles, jars and containers in other form from the waste stream as recyclable aggregates. This is consistent with our 3R principle (i.e. Reduce, Reuse, Recycle) in waste management. It could help bring about positive environmental implications in terms of reduced MSW disposal at the landfills. In selected applications, the reuse of glass could help reduce the import of river sand which involves not only additional carbon emission on the transportation but also dredging works that could cause disturbance to the marine ecosystems.

2. We will ensure that the reuse or processing of waste glass containers is environmentally sound, with any possible environmental impact properly mitigated. In any case, the operation of the GMCs shall comply with the statutory requirements under relevant environmental legislation, including the proposed new licensing control for treatment of waste glass containers under the WDO.

Sustainability Implications

3. The proposed mandatory PRS is developed along the “polluter pays” principle and is consistent with the guiding principle for sustainability in respect of environmental quality. It can also help Hong Kong to proactively avoid environmental problems for present and future generations and minimise the unwanted side effects of development.

Economic Implications

4. The proposal will help internalise the environmental costs in the life-cycle of glass beverage containers, and help alleviate the pressure of the existing landfills by turning waste glass containers into useful materials. Depending on the actual number of glass containers recovered and the amount of recycled materials eventually used, the induced greater demand for recycling services, in particular in collection and treatment of waste glass containers, should be conducive to the development of the local environmental industry in terms of business volume and job opportunities.

5. As for the cost of the proposal, the proposed recycling levy to be collected from the suppliers and various compliance costs (such as registration and submission of periodic returns to the Government by registered suppliers) will likely be shared among the consumers and different parties along the supply chain. The exact amount borne by individual parties will hinge on the actual level of the recycling levy and the relative elasticity of supply and demand. The proposed compliance system is developed with reference to the results of a Business Impact Assessment study and engagement with the affected trades. On the whole, the cost impact on businesses would be more heavily felt by those selling lower-priced products and those operating with lower profit margins. In particular, the small and medium-sized enterprises with less resource would be more affected by the increase in cost and additional administrative burden.

6. The adverse impact on consumers should be relatively mild should the actual level of recycling levy turns out to be similar to the indicative level of \$1 per one-litre container volume, given the small share of glass-bottled beverage in the consumption basket. However, should the proposal be eventually extended to all glass containers for foodstuffs or sauces, the effect on consumers would understandably be larger, particularly for the lower-income households as they spend proportionately more on foodstuffs.

Financial and Civil Service Implications

7. The Government has now absorbed some costs associated with the collection, transfer and disposal of waste glass containers in operating the existing municipal waste services and facilities in general. The mandatory PRS, if implemented, will facilitate the segregation of waste glass containers from the waste stream and could save some costs in the operation of those municipal services facilities. Reduced waste transfer at refuse transfer stations and landfill disposal could result in cost savings, though the actual expenditures might not necessarily reduce on a pro-rata basis.

8. The detailed financial and civil service implications can only be assessed at a later stage when specific operational details of the mandatory PRS are confirmed. It is roughly estimated that the total full-year financial implications for hiring three GMCs through open tender would be in the order of \$120 million. There will also be additional manpower requirements for administering the recycling levy collection system, management of the GMC contracts and enforcement of the new legislative requirements, etc. The Environment Bureau/Environmental Protection Department will justify and seek any additional resources required in accordance with the established mechanism. But on the whole, the PRS cost should be fully recovered through the proposed recycling levy. We will determine the level of the recycling levy for scrutiny and approval by the LegCo after completing

the open tender for the GMC contracts.

9. Since the GMCs will not reject other waste glass containers that have been properly cleansed, some glass food/sauce containers or other glass containers will be recovered through the GMCs. As a matter of principle, these non-beverage waste glass containers fall outside the mandatory PRS and their recycling (if arranged through the GMCs) will not be financed through the recycling levy. We will review the experience of the mandatory PRS and consider extending the scope of regulation (including coverage of recycling levy) to other non-regulated glass containers. For the proposals relating to licensing or permit requirements under the PRS, fees set at full-cost recovery levels would be imposed.

10. For public works projects that use products manufactured with recycled glass, we envisage the cost impacts would be insignificant particularly in the context of the overall project costs. Suitable mechanism will be introduced to monitor such impacts and keep the additional costs, if any, within an appropriate extent.