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Panel on Environmental Affairs

Meeting on 27 April 2015

**Updated background brief on
"Producer Responsibility Scheme on Glass Beverage Bottles"
prepared by the Legislative Council Secretariat**

Purpose

1. This paper provides updated background information on the development of the Producer Responsibility Scheme ("PRS") on Glass Beverage Bottles ("GBBs"), and gives a brief account of the views and concerns expressed by members of the Panel on Environmental Affairs ("the Panel") on the subject.

Background

2. Glass bottles are widely used in everyday life. Due to a low commercial value, waste GBBs are mostly landfilled in Hong Kong rather than collected for recycling. In 2011, glass bottles constituted about 3% of the daily municipal solid waste disposal in Hong Kong, which included about 150 tonnes per day ("tpd") of beverage bottles, 80 tpd of food/sauce bottles and 10 tpd of other bottles.

3. To enhance the management of waste GBBs, the Administration launched a three-month public consultation on 7 February 2013 to consult the public on whether and how to introduce a mandatory PRS on GBBs. The public consultation ended on 6 May 2013. The Administration advised that on the whole, the public was supportive of introducing a mandatory PRS on GBBs. Having considered the views received during the public consultation, the Administration decided to proceed with further preparation of the mandatory PRS on GBBs.

4. In November 2013, the Administration briefed the Panel on major proposals contained in the PRS on GBBs. The Administration proposed to first target at GBBs with the intended coverage detailed in **Appendix I**. In line with the "polluter pays" principle, the Administration proposed to introduce a recycling fee under the Product Eco-responsibility Ordinance (Cap. 603) on selected GBBs so as to recover in principle the full PRS costs. Under the Waste Disposal Ordinance (Cap. 354), there would also be licensing control for the quality control of the recycling processes employed under the mandatory PRS on GBBs, and import/export permit control to ensure the meeting of comparable environmental standards if the recycling processes were undertaken outside Hong Kong.

5. Apart from the above legislative measures, the Administration also proposed that multiple glass management contractors ("GMCs") be appointed by open tender under the mandatory PRS on GBBs to collect and treat waste glass bottles in Hong Kong. The Administration intended to divide the entire territory into three regions, each of which would be served by a dedicated GMC.

6. Details of the key features of the mandatory PRS on GBBs are set out in the Administration's paper LC Paper No. CB(1)314/13-14(05) for the Panel meeting on 25 November 2013.

Deliberations of the Panel

7. The proposed PRS on GBBs was first discussed by the Panel at its meeting on 25 February 2013. The Panel further held a meeting on 22 April 2013 to receive public views on the subject. The Panel was briefed on the outcome of the public consultation on introducing legislation to implement a mandatory PRS on GBBs at its meeting on 25 November 2013. Members generally supported the proposed PRS on GBBs, but were concerned about the details of implementation. The major views and concerns expressed by members are summarized in the ensuing paragraphs.

Coverage of the proposed PRS on GBBs

8. On the scope of the proposed PRS on GBBs, some members took the view that the scheme should cover other waste glass bottles. The Administration advised that the objectives of the proposed PRS on GBBs were to facilitate the collection of glass bottles and promote public awareness of turning waste into resources through recycling. Based on the feedback from the public consultation, the proposed mandatory PRS would focus on GBBs at the initial stage. The Administration would consider extending the coverage to other glass bottles under a phased approach.

9. Since the proposed PRS on GBBs did not cover other types of beverage containers, there was the concern that some beverage suppliers might switch to aluminium cans or plastic bottles for their beverages, resulting in an increase in the disposal of other types of beverage containers. Some members suggested that the Administration should provide adequate incentives to beverage suppliers to encourage them to recover their own GBBs for future reuse.

10. The Administration responded that most of the glass-bottled beverages were alcoholic drinks which would unlikely be sold in aluminium cans or plastic bottles. As such, the proposed PRS on GBBs would unlikely increase the use of other types of beverage bottles significantly. To encourage local glass-bottled beverage manufacturers to continue with their own corporate reuse/recycling schemes, the Administration proposed to introduce an exemption mechanism such that these manufacturers would not be subject to the recycling fee.

Impact of the recycling fee on the public

11. Noting that a recycling fee would be imposed on beverage suppliers who supplied glass-bottled beverages for local consumption in Hong Kong, members were concerned about the financial implications of the recycling fee on the public as beverage suppliers might recover the recycling fee wholly or partially from consumers. They also opined that the recycling fee collected should be ploughed back to acquire cleaning machines to clean food/sauce bottles so that the coverage of the proposed PRS could be extended to other waste glass bottles as well.

12. The Administration advised that it had proposed to collect the recycling fee at the supplier level through importers and distributors. During the public consultation, the Administration had put forward an indicative level of the recycling fee at around \$1 per litre of the beverage content and it was considered generally acceptable by the community. The Administration would determine the level of the recycling fee after completing the open tender for the GMC contracts taking into account the "polluter pays" principle and other relevant factors. Exemption from paying the recycling fee would be granted to local glass-bottled beverage manufacturers subject to an application fee (on full-cost recovery) and certain terms and conditions.

Appointment of GMCs

13. Members were concerned that the appointment of GMCs to collect and treat waste glass bottles might deprive existing waste recyclers of their business and employment opportunities. To prevent monopolization of services, the Administration should ensure that there would be a level playing field for 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 GMC contracts so as to ensure a fair distribution of business among the GMCs and to maintain cost competitiveness of the contracts.

14. The Administration responded that in the light of the views received during the public consultation, it had revised the original proposal and would appoint more than one GMC by way of open tender so that more service providers could participate in the collection of GBBs.

Collection and recycling of waste GBBs

15. Members supported that the targeted bottles under the proposed PRS should be separated at source by consumers to facilitate recycling. In addition, more collection points should be provided at districts with prevalence of restaurants, bars and clubs, such as Wan Chai and Tsim Sha Tsui.

16. The Administration advised that the GMCs to be appointed would be required by contract to maintain a sufficient network of collection points such that waste producers could conveniently participate in waste glass bottle recycling. The GMCs would also be encouraged to collaborate with non-government organizations to collect waste glass bottles at the district level.

Publicity and public education on "clean recycling"

17. There was the concern that it might be difficult for some members of the public to have their recyclables properly cleansed before bringing them to the collection points. Members asked whether the Administration would consider separating cleansed recyclable waste materials from those not yet properly cleansed in the collection points.

18. The Administration advised that as Hong Kong was of high development density and had a complicated mix of building use, recyclable waste materials which had not been properly cleansed might cause environmental nuisance in the local communities. As such, the Administration considered it more desirable for individual waste producers to rinse their recyclables before depositing them into recycle bins. Cleanliness of the recyclables would also affect the after-use potential and recycling cost. The Administration would step up public education on "clean recycling".

Identification of outlets for waste glass materials

19. Members saw the need to broaden the demand for recycled glass. They suggested that if not all the waste glass bottles collected under the proposed PRS could be consumed in Hong Kong, the Administration should consider identifying outlets on the Mainland for recycled glass materials. Consideration

could also be given to collaborating with glass manufacturing plants on the Mainland to use waste glass bottles to produce glassware products.

20. The Administration responded that all the waste glass bottles recovered under the proposed PRS would be reused in public works projects. It would consider the suggestion of developing an export market on the Mainland for recycled glass materials as and when appropriate in future, and broaden the demand for waste glass materials through promoting "green procurement".

Latest development

21. The Administration will report on the latest progress in implementing the proposed mandatory PRS on GBBs at the Panel meeting on 27 April 2015.

Relevant papers

22. A list of relevant papers is set out in **Appendix II**.

Council Business Division 1
Legislative Council Secretariat
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Definition of "Beverage"

1. A food product is a beverage for the purpose of the mandatory Producer Responsibility Scheme on glass bottles if it –
 - (a) is principally in liquid form;
 - (b) is contained in a glass bottle;
 - (c) is suitable or intended for human consumption, either without or after dilution; and
 - (d) falls under the food categories in paragraph 2 below.

2. The food categories relevant to paragraph 1(d) above include –
 - (a) water;
 - (b) alcoholic beverage including beer and ale;
 - (c) milk and milk beverage;
 - (d) tea and tea beverage;
 - (e) soft drink and other carbonated drink;
 - (f) fruit and vegetable juice drink;
 - (g) other non-alcoholic beverage including coffee, decaffeinated coffee, soybean milk, chocolate drink, coconut drink, vinegar drink, energy drink, isotonic sports drink.

Source: See Annex B of LC paper No. [CB\(1\)314/13-14\(05\)](#)

Producer Responsibility Scheme on Glass Beverage Bottles

List of relevant papers

Council/ Committee	Date of meeting	Paper
Panel on Environmental Affairs	25 February 2013	<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)1066/12-13)</p>
Panel on Environmental Affairs	22 April 2013	<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>
Panel on Environmental Affairs	25 November 2013	<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>