

立法會
Legislative Council

LC Paper No. CB(1)1428/17-18
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EA

Panel on Environmental Affairs

Minutes of meeting
held on Thursday, 19 July 2018, at 8:30 am
in Conference Room 1 of the Legislative Council Complex

- Members present** : Hon Tanya CHAN (Chairman)
Dr Hon Junius HO Kwan-yiu, JP (Deputy Chairman)
Hon LEUNG Yiu-chung
Hon WONG Ting-kwong, GBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon CHAN Chi-chuen
Hon Kenneth LEUNG
Hon KWOK Wai-keung, JP
Dr Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHU Hoi-dick
Hon SHIU Ka-fai
Hon HUI Chi-fung
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Hon Gary FAN Kwok-wai
Hon Tony TSE Wai-chuen, BBS
- Member attending** : Hon Tommy CHEUNG Yu-yan, GBS, JP

Members absent : Hon Steven HO Chun-yin, BBS
Hon CHAN Han-pan, BBS, JP
Hon Dennis KWOK Wing-hang
Hon CHUNG Kwok-pan

Public Officers attending : **For item II**

Mr TSE Chin-wan, BBS, JP
Under Secretary for the Environment

Miss Hinny LAM
Assistant Director (Waste Management Policy)
Environmental Protection Department

Mr Stephen SIU
Principal Environmental Protection Officer (Eco-Responsibility)
Environmental Protection Department

For item III

Mr TSE Chin-wan, BBS, JP
Under Secretary for the Environment

Mrs Vicki KWOK, JP
Deputy Director of Environmental Protection (2)
Environmental Protection Department

Dr Samuel CHUI
Assistant Director (Nature Conservation & Infrastructure Planning)
Environmental Protection Department

For item IV

Mr TSE Chin-wan, BBS, JP
Under Secretary for the Environment

Mrs Vicki KWOK, JP
Deputy Director of Environmental Protection (2)
Environmental Protection Department

Mr Simon CHAN
Assistant Director (Conservation)
Agriculture, Fisheries and Conservation Department

Mr Boris KWAN
Senior Endangered Species Protection Officer
Agriculture, Fisheries and Conservation Department

Clerk in attendance : Ms Angel SHEK
Chief Council Secretary (1)1

Staff in attendance : Mr Jason KONG
Senior Council Secretary (1)1

Miss Judy YEE
Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

Action

I. Information papers issued since last meeting

Members noted that no information paper had been issued since the last meeting.

II. Update on the progress of preparation for implementing the Producer Responsibility Scheme on glass beverage containers

(LC Paper No. CB(1)1249/17-18(01) — Administration's paper on "Progress Update on the Implementation of the Producer Responsibility Scheme on Glass Beverage Containers"

LC Paper No. CB(1)1249/17-18(02) — Updated background brief on "Producer Responsibility Scheme on glass beverage containers"

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prepared by the Legislative
Council Secretariat)

Briefing by the Administration

2. The Assistant Director (Waste Management Policy) ("AD(WMP)") briefed members on the progress of the preparatory work for the implementation of the producer responsibility scheme on glass beverage containers ("GPRS"), which included, among other things, the drafting of the Regulated Articles Regulation ("RAR") to provide for the operational details of GPRS, and the appointment of glass management contractors ("GMCs") for three separate catchment regions. Based on the values of the glass management contracts and the administrative expenses involved, the Administration estimated that the container recycling levy ("the levy"), which would be payable by registered suppliers (including importers and manufacturers) of regulated articles (i.e. beverages carried in glass containers as defined in the Promotion of Recycling and Proper Disposal (Product Container) (Amendment) Ordinance 2016)), would be around \$1 per litre-container volume. Registered suppliers which had in place recovery arrangements for the glass containers of their products might submit container waste reduction plans ("CWRPs") to the Environmental Protection Department ("EPD") and apply for exemption from paying the levy.

Discussion

Charging of container recycling levy and use of proceeds

3. Ir Dr Hon LO Wai-kwok said that as the Chairman of the Bills Committee on Promotion of Recycling and Proper Disposal (Product Container) (Amendment) Bill 2015, he recalled that Bills Committee members generally considered that the level of the indicative levy of \$1 per litre-container volume was appropriate.

4. The Deputy Chairman expressed support for the implementation of GPRS but queried the profitability of waste glass recycling businesses and whether the value of each glass management contract would be sufficient to cover the operating expenses of the GMC concerned. He also sought explanation on how the levy level would be determined.

5. Mr SHIU Ka-fai was concerned about the compliance burden on suppliers arising from GPRS. He asked whether the Administration would consider charging the levy on the basis of the number of regulated articles distributed or consumed regardless of the beverage container sizes; and whether the levy level would increase in future.

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6. The Under Secretary for the Environment ("USEN") and AD(WMP) explained that GMCs were appointed through open tender exercises and the values of the contracts were determined based on the successful tenders. In line with the "polluter pays" principle, the levy would be set at a level that would enable full cost recovery. In other words, the levy collected by the Government should more or less offset the expenses involved in implementing GPRS, including the sums to be paid to GMCs. The levy level would be reviewed from time to time taking into account the changes to the operating cost of GPRS. The Administration considered it appropriate to charge the levy on the basis of per litre-container volume, and would review the arrangement in future having regard to the experience of implementing GPRS.

7. Relaying the concern of the Hong Kong Wine Chamber of Commerce, Mr SHIU Ka-fai enquired how to avoid repeated charging of levy on the same regulated article transferred along the supply chain before it was sold to a consumer.

8. USEN advised that the amount of levy payable by a registered supplier would be calculated based on its returns submitted to EPD on the regulated articles distributed or consumed in Hong Kong by the supplier. As stipulated under the law, a supplier, in relation to a regulated article, was a person who imported the article into Hong Kong for distribution or who undertook in Hong Kong the process of sealing the container constituting part of the article, and the levy was payable only once in respect of a regulated article. The consequential sellers along the supply chain were not required to register as a registered supplier and hence were not required to pay the levy.

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9. Mr CHAN Hak-kan and Dr Elizabeth QUAT requested the Administration to consider earmarking part/all of the proceeds from the levy for supporting the development of the local recycling industry on the basis of "dedicated fund for dedicated use". The Chairman requested the Administration to provide a written response to this suggestion.

(Post-meeting note: The Administration's response was circulated to members on 27 September 2018 vide LC Paper No. CB(1)1421/17-18(02).)

10. Mr CHU Hoi-dick asked whether the Administration would continue to subsidize waste glass recycling through GPRS in the long run.

11. USEN advised that given the low economic value of waste glass, the Government's involvement and implementation of GPRS on a continued

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basis was necessary to promote a circular economy for glass container recycling.

Outlets of recycled materials and products

12. Mr CHU Hoi-dick and Mr WU Chi-wai requested the Administration to clarify the responsibilities of GMCs. Mr WU considered it not worthwhile for the Government to subsidize GMCs to recycle waste glass into glass cullet, if so intended, taking into account the high costs involved in such recycling operation.

13. Mr CHAN Hak-kan and Dr Elizabeth QUAT said that they supported the recycling of glass containers for gainful reuse in principle. However, they were concerned whether there would be sufficient outlets for the recycled glass materials and products. In particular, they questioned the feasibility of using the recycled materials as fill materials, given that the supply of other fill materials generated in Hong Kong had already exceeded local demand. Dr QUAT further asked about the incentives, if any, for GMCs to identify more outlets for the recycled materials and products.

14. USEN, AD(WMP) and the Principal Environmental Protection Officer (Eco-Responsibility) ("PEPO(ER)") responded that the major responsibilities of each GMC included establishing and maintaining a network of collection points for waste glass containers in its catchment region, and providing treatment services for the collected articles, i.e. turning the waste glass containers into glass cullet in accordance with the specifications set out in the glass management contract. A GMC would have fulfilled its contractual obligation after it had delivered the glass cullet to a government stockpiling site. At the same time, GMCs were encouraged to explore other outlets (such as using the glass cullet for production of eco-cement and decorative tiles) and they were allowed to retain the proceeds from sale of the recycled materials.

15. USEN and AD(WMP) supplemented that there was growing demand for glass cullet in the local construction industry as an alternative material to river sand in certain applications. The glass cullet would be used as fill materials in reclamation or site formation works if the other outlets were unable to absorb all the glass cullet. In anticipation of the increase in the volume of waste glass containers recovered after the implementation of GPRS, the Administration, together with the GMCs, would continue to explore more outlets for the recycled glass materials.

Admin

16. The Chairman requested and the Administration agreed to provide a written response to Dr Elizabeth QUAT's question on whether and how

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government departments would give priority to using locally-recycled glass materials/products.

(Post-meeting note: The Administration's response was circulated to members on 27 September 2018 vide LC Paper No. CB(1)1421/17-18(02).)

17. Mr Tommy CHEUNG said that his company had participated in the tendering for two of the glass management contracts but was not awarded any of both. He opined that the Government should provide affordable land for private waste glass recycling operations to help reduce the operating costs of this business. He also expressed disappointment that the Housing Department had rejected the use of eco-pavers in its development projects.

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18. The Chairman requested the Administration to provide statistics from recent years on the quantity of eco-pavers produced locally from waste glass, and the percentages of such eco-pavers that were used (a) locally and (b) by government departments.

(Post-meeting note: The Administration's response was circulated to members on 27 September 2018 vide LC Paper No. CB(1)1421/17-18(02).)

19. Noting that a Waste Electrical and Electronic Equipment Treatment and Recycling Facility had been developed to underpin the producer responsibility scheme on waste electrical and electronic equipment, Ir Dr Hon LO Wai-kwok suggested that the Administration could consider developing a recycling facility for waste glass containers to boost the local recycling capacity and reduce reliance on export. The Administration took note of the suggestion.

Reuse of glass containers

20. Apart from imposing the levy to recover the cost of the collection and treatment of waste glass containers, Mr CHAN Hak-kan, Mr CHU Hoi-dick and Mr LEUNG Yiu-chung asked whether the Administration would implement other measures to more proactively encourage local beverage manufacturers and other suppliers to reuse the glass beverage containers through re-bottling.

21. Mr SHIU Ka-fai relayed the concerns of some trade associations (including the Hong Kong Food Drink & Grocery Association and the Beverage Manufacturers Association of Hong Kong) that for many suppliers, it would be very challenging to achieve a waste reduction rate of 80% for the

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glass beverage containers of the regulated articles it distributed or consumed in Hong Kong ("the threshold") to enjoy the exemption from paying the levy in full. He suggested the Administration lower the threshold to, say, 40% or 60%, with a view to encouraging smaller suppliers to participate in the recovery and reuse arrangements.

22. USEN pointed out that the recovery and reuse arrangements for glass beverage containers might only be suitable for beverage companies which had manufacturing plants in or near Hong Kong. According to the Administration's discussion with industry associations, the companies concerned generally considered that the threshold of 80% was achievable, and some of them had already expressed interest in applying for exemption from the levy payment. The Administration would continue to discuss with those companies to facilitate their work in formulating CWRPs. Suppliers which had not yet started recovering and reusing their glass containers might need time to build up their capacities gradually and to reach the waste reduction threshold eventually. The Administration would take that into account when examining the CWRPs submitted by such suppliers with a view to encouraging their participation in the recovery and reuse arrangements. USEN said that the threshold of 80% was considered reasonable and struck a balance between promoting the reuse of glass beverage containers and the fairness of the levy payment arrangement under GRPS.

Tendering of glass management contracts and performance of contractors

23. Mr HUI Chi-fung enquired about how the Administration evaluated the tenders for the glass management contracts, and whether a GMC would be penalized if it failed to meet certain targets. He stressed the importance of monitoring the performance of GMCs to ensure that the waste glass containers they collected would be properly recycled.

24. AD(WMP) advised that all tenders for the glass management contracts had been considered by the Administration based on a marking scheme approved by the Central Tender Board, in which the price aspect was assigned a weighting of 70% and the technical aspect 30%. There were provisos in the contracts that up to 10% of the contract sums might be deducted if GMCs failed to achieve at least 60% of the recycling targets and fulfil other requirements stated in the respective contracts.

25. Mr HUI Chi-fung suggested that the Administration should assign a higher weighting to the technical aspect in its future consideration of tenders for glass management contracts to better ensure the effectiveness and quality of the recycling operations.

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26. Mr CHAN Chi-chuen enquired about the number of companies that had bid for the glass management contracts, and whether submission of tenders for all three contracts by the same company was allowed. In addition, he pointed out that the GMC for the Kowloon catchment region, i.e. Hong Kong Glass Reborn Limited ("HKGR"), was established only less than two years ago; and one of its parent companies (China Water Industry Group Limited) lacked experience in waste glass recycling. He queried how the Administration assessed the competence of HKGR in fulfilling the requirements of the glass management contract.

27. USEN responded that each glass management contract had attracted about six to eight tenderers. The Administration had set out in the tender documents that a single tenderer would not be awarded all three glass management contracts. PEPO(ER) advised that tenderers were required to have an aggregate of at least two years' relevant experience in providing waste or recyclable collection services in the past five years, and have provided such services for at least six months in the past two years. As one of the shareholders of HKGR met the experience requirements above, HKGR was considered eligible for participating in the bidding and award of the contract.

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28. At the request of Mr CHAN Chi-chuen, USEN undertook to provide supplementary information to explain why the Administration considered that it was not in the public interest to award the glass management contract for the Kowloon catchment region in the initial open tender exercise and hence subsequently decided to re-tender that contract.

(Post-meeting note: The Administration's response was circulated to members on 27 September 2018 vide LC Paper No. CB(1)1421/17-18(02).)

Facilitating recovery of glass containers

29. Mr HUI Chi-fung raised concern about the red tape that GMCs might face when they attempted to set up collection points for waste glass containers on government premises. In response, AD(WMP) advised that EPD would help liaise with District Councils and relevant government departments to facilitate the setting up of collection points proposed by GMCs. USEN supplemented that the current progress of GMCs in setting up the collection networks was satisfactory. The Administration would closely monitor the situation and offer assistance to GMCs in this regard where necessary.

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30. Noting that the Administration set a target to recover 50 000 tonnes per year of waste glass containers three years after implementing GPRS, Ir Dr Hon LO Wai-kwok asked whether the Administration had plans to strengthen publicity and public education on waste glass recycling to help achieve the target. Mr LEUNG Yiu-chung opined that the Administration should provide the list of collection points for public information to facilitate recovery of waste glass containers.

31. USEN and AD(WMP) assured members that the Administration would strengthen publicity and public education on waste glass recycling to tie in with the implementation of GPRS, and would provide information on the collection points on a webpage.

Progress reports

32. To facilitate Members' assessment of the effectiveness of GPRS and the performance of GMCs, Ir Dr Hon LO Wai-kwok requested that each GMC submit a report, which should include relevant figures such as the quantity of waste glass containers recovered and the recycling rate, to the Panel after the first year of implementation of the scheme. The Deputy Chairman considered that the Administration should provide periodic progress reports on the implementation of GPRS to the Panel.

33. USEN responded that the Administration would report the progress of GPRS to the Panel after it had been launched for a year.

Conclusion

34. The Chairman advised that the Administration planned to introduce RAR into the Legislative Council ("LegCo") and commence the provisions on container waste disposal licence to start accepting licence applications within 2018. Subject to LegCo's scrutiny of RAR, the Administration aimed to fully implement GPRS from mid-2019, including the collection of the levy and the control over the import, export and disposal of container waste.

III. Implementation of Organic Resources Recovery Centre Phase 2

(LC Paper No. CB(1)1249/17-18(03) — Administration's paper on "5173DR — Organic Resources Recovery Centre Phase 2"

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LC Paper No. CB(1)1249/17-18(04) — Background brief on "Implementation of Organic Resources Recovery Centres" prepared by the Legislative Council Secretariat)

Briefing by the Administration

35. With the aid of a video and a power-point presentation, the Assistant Director (Nature Conservation & Infrastructure Planning) ("AD(CI)") briefed the Panel on the Administration's progress of establishing a network of Organic Resources Recovery Centres ("ORRCs") to tackle the food waste problem in Hong Kong. He advised that ORRC Phase 1 ("ORRC1"), which had a capacity to treat 200 tonnes of food waste per day, had been commissioned on 1 July 2018. The current proposal was to construct ORRC Phase 2 ("ORRC2") in Sha Ling of the North District. The daily treatment capacity of the facility would be 300 tonnes, and the estimated design and construction costs were about \$2.5 billion in money-of-the-day prices. USEN supplemented that, subject to the Panel's support, the Administration planned to submit the proposal to the Public Works Subcommittee ("PWSC") in the first half of the 2018-2019 legislative session.

(Post-meeting note: A set of the power-point presentation materials was circulated to members on 19 July 2018 vide LC Paper No. CB(1)1292/17-18(01).)

Discussion

36. The Chairman reminded members that in accordance with Rule 83A of LegCo's Rules of Procedure ("RoP"), they should disclose the nature of any direct or indirect pecuniary interests relating to the funding proposal under discussion at the meeting before they spoke on the item. She also drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

Cost-effectiveness of Organic Resources Recovery Centres

37. Mr CHAN Hak-kan said that he supported the Administration's proposal in principle. Dr Elizabeth QUAT said that it was costly to construct ORRC2 at the estimated price of about \$2.5 billion but she did not object to the proposal since there was no better means of recycling food waste on a large scale.

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38. Given that ORRC2 was similar to ORRC1 in terms of the technologies used and implementation approach, Mr CHAN Chi-chuen opined that the Administration should evaluate the cost-effectiveness and performance of ORRC1 before submitting the funding proposal for ORRC2, with a view to ensuring prudent use of government resources.

39. Mr SHIU Ka-fai was also concerned about the cost-effectiveness of ORRCs. While it was still uncertain as to how much revenue could be yielded from exporting surplus energy generated by ORRC1 to the existing power grid, he doubted if the facility could achieve break-even.

40. USEN responded that in Hong Kong, an average of about 3 600 tonnes of food waste was generated each day, accounting for over 35% of all municipal solid waste ("MSW"). As the current practice of landfilling food waste was unsustainable, there was a pressing need to build up Hong Kong's recycling capacity for food waste. For this purpose, the Administration's plan was to establish a network of five to six ORRCs in the territory under a phased approach. To expedite the establishment of the first two ORRCs, the Administration adopted the anaerobic digestion and composting technologies in line with international practices. Starting with ORRC Phase 3, the Administration would explore the use of other technologies and other forms of public-private partnership, with a view to enhancing the cost-effectiveness of the projects in the latter phases. In this connection, the Administration would launch a trial scheme on food waste/sewage sludge anaerobic co-digestion at the Tai Po Sewage Treatment Works ("STW") and Shatin STW. If this technology was successfully established through the trial scheme, it could enable expansion of the Hong Kong's food waste recycling capacity with less land requirements and at lower costs compared to the use of anaerobic digestion and composting technologies.

41. Mr CHAN Hak-kan cautioned that the Administration should estimate the design and construction costs of ORRC2 carefully to prevent cost overrun. USEN advised that, to provide more accurate project estimates and expedite project delivery, the Administration had adopted the parallel tendering arrangement for the proposed works.

42. Mr Tommy CHEUNG said that the Liberal Party objected to the proposal in question. He considered that the construction costs of ORRC1 and ORRC2 were exorbitant, and the anaerobic digestion and composting technologies were uneconomical to be used in Hong Kong, particularly because the facilities required large areas of land and the compost produced would need to be dewatered if it was not used on site.

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Admin

43. At the request of Mr Tommy CHEUNG, USEN undertook to provide the following supplementary information before submitting the relevant funding proposal to PWSC: (a) the conditions of the contract for the design and construction of ORRC2 ("the ORRC2 contract") to be awarded after funding approval by the Finance Committee; (b) a breakdown of the estimated design and construction costs of ORRC2; and (c) a list of food waste treatment facilities using the anaerobic digestion and composting technologies in other major jurisdictions and their respective design and construction costs.

Admin

44. Mr CHAN Chi-chuen enquired whether the contractor of ORRC1 was allowed to bid for the ORRC2 contract. USEN replied in the affirmative. At the Chairman's request, USEN undertook to provide more details on the tendering arrangements, including the weightings assigned to different criteria (including technical and price aspects) under the marking scheme for the ORRC2 tender assessment, and whether the tender from the contractor of ORRC1 (if any) would be given additional scores.

Outlets of recycled materials and renewable energy produced

45. Mr CHAN Hak-kan and Dr Elizabeth QUAT questioned whether the 16 500 tonnes of compost produced by ORRC1 and ORRC2 annually could be fully absorbed by local uses. They urged the Administration to diversify the outlets for recycled food waste, such as turning it into fish feed. Mr CHAN also relayed the concern of some local farmers that the compost produced by ORRCs might not be suitable for their agricultural practices.

46. USEN advised that the estimated demand of compost in Hong Kong was about 20 000 tonnes per year, which was more than the amount that could be produced by ORRC1 and ORRC2. As ORRC1 had just been commissioned, it was premature at this stage to draw any conclusion on the quality of the compost generated by the facility. Nevertheless, based on the experience gained from operating the Kowloon Bay Pilot Composting Plant, the Administration was confident about the quality of the compost generated by ORRCs. The Administration would work with the ORRC1 operator closely on quality control to ensure that the compost could meet local needs.

Admin

47. The Administration was requested to provide supplementary information on the possible uses of the compost and renewable energy produced by ORRC1, including whether and how government departments would give priority to using the compost.

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Traffic impact of the proposed works

48. Mr CHAN Hak-kan opined that the construction works of ORRC2 should commence after the completion of the construction works of the Liangtang/Heung Yuen Wai Boundary Control Point lest the traffic congestion in the North District might be exacerbated. While he commended the Administration's initiative to reduce some 200 vehicle trips for waste delivery along Sha Tau Kok Road each day to help relieve the heavy traffic pressure there, he appealed for more efforts in this regard to further mitigate the traffic impact arising from the Waste Diversion Plan for the Southeast New Territories Landfill on the North District.

49. USEN took note of Mr CHAN's views and advised that the Administration would explore the feasibility of implementing further traffic improvement measures in the North District.

Source separation and collection of food waste

50. In response to Mr CHAN Chi-chuen and Mr SHIU Ka-fai's questions, AD(CI) explained that it was the responsibility of the relevant commercial and industrial ("C&I") establishments to deliver their food waste to ORRC1. Mr Tommy CHEUNG expressed dissatisfaction that the cost of delivering food waste to ORRC1 had to be borne by the C&I sectors instead of the ORRC1 operator, even though the operation of the facility was publicly funded. Mr CHAN, Mr SHIU and the Chairman further enquired how the Administration would ensure that the total recycling capacity of 500 tonnes per day of ORRC1 and ORRC2 would be fully utilized.

51. The Deputy Director of Environmental Protection (2) ("DDEP(2)") responded that in the past few years, the Administration had been encouraging C&I establishments to practice source separation of food waste and participate in the recycling efforts. The feedback from the industry was generally positive, and a number of establishments had already pledged to deliver around 100 tonnes of food waste in total each day to ORRC1 after it became fully operational. It was expected that the implementation of MSW charging would provide further incentive to the C&I sectors to separate and recycle food waste. Meanwhile, the Advisory Committee on Recycling Fund ("RFAC") planned to implement a new scheme under the Fund in the second half of 2018 to help reduce the costs borne by food waste recyclers and improve their operational efficiency in food waste collection and recycling. The Administration would monitor the situation closely and discuss with RFAC further measures to support recyclers.

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52. Given that the first two ORRCs would only recycle food waste from the C&I sectors, Dr Elizabeth QUAT enquired when the Administration would start collecting and recycling domestic food waste on a large scale.

53. USEN responded that the collection of domestic food waste was more complicated than that of C&I food waste. In conjunction with the launch of the trial scheme on food waste/sewage sludge anaerobic co-digestion at Shatin STW, the Administration would experiment the collection of food waste from households in the surrounding areas for treatment. If the pilot scheme was successful, the Administration would be in a better position to consider implementing domestic food waste recycling on a larger scale.

Recycling of yard waste

54. Dr Elizabeth QUAT enquired if yard waste could also be recycled at ORRCs, in addition to food waste. USEN responded that ORRC1 and ORRC2 were designed for recycling food waste only. The problem of yard waste would be tackled through other measures. DDEP(2) supplemented that the Administration was in the process of finding viable solutions to turn yard waste generated from public works into wood pellets. The Chairman requested the Administration to provide supplementary information on its latest plan for improving the management and recycling of yard waste.

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Conclusion

55. The Chairman concluded that with the exception of Members belonging to the Liberal Party which objected to the proposal, Panel members were supportive of the Administration's submission of the relevant funding proposal to PWSC. She also remarked that Members belonging to the Civic Party supported the proposal.

IV. Protection of endangered shark species

(LC Paper No. CB(1)1249/17-18(05) — Administration's paper on "Latest Progress of the Protection of Endangered Shark Species in Hong Kong"

LC Paper No. CB(1)1249/17-18(06) — Background brief on "Protection of endangered shark species in Hong Kong" prepared by the

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Legislative
Secretariat

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LC Paper No. CB(1)1288/17-18(01) — Submission from WildAid Hong Kong (English version only)

LC Paper No. CB(1)1288/17-18(02) — Further submission from WildAid Hong Kong (English version only)

Briefing by the Administration

56. With the aid of a power-point presentation, the Assistant Director (Conservation) of Agriculture, Fisheries and Conservation Department ("AD(C)/AFCD") advised that the trade of shark species listed in Appendix II to the Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES") was subject to the control under the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586) ("the Ordinance"). As four more shark species had been recently added to CITES Appendix II, the Environment Bureau had made subsidiary legislation in June 2018 to put those species under the Ordinance, which would take effect in November 2018. The Administration had issued circulars to trade practitioners and would organize seminars on the new regulatory measures. The Agriculture, Fisheries and Conservation Department ("AFCD") had been organizing courses to train frontline enforcement officers to identify the four shark species.

(Post-meeting note: A set of the power-point presentation materials was circulated to members on 19 July 2018 vide LC Paper No. CB(1)1292/17-18(02).)

(To allow sufficient time for discussion, the Chairman extended the meeting for 15 minutes beyond the appointed ending time.)

Discussion

General

57. Dr Elizabeth QUAT commented that as Hong Kong was a major entrepot and consumer market for shark fins, it played an important role in the protection of endangered shark species. Mr SHIU Ka-fai concurred that there was community consensus that endangered shark species should be conserved.

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58. Mr HUI Chi-fung requested the Administration to clarify its position in respect of the consumption of shark fins, including whether it would consider phasing out local consumption of such. Mr CHAN Chi-chuen said that he supported efforts to raise awareness of reducing consumption of shark fins.

59. USEN responded that the Administration encouraged members of the public to bring "green living" into their habits, including consumption of food from sustainable sources. The Administration had taken a leading role in this regard by adopting sustainability-conscious food consumption during official entertainment functions, which included no consumption of shark fins.

Expanding the scope of scheduled shark species

60. As the coverage of endangered shark species in CITES was limited, Dr Elizabeth QUAT asked whether the Administration would consider putting more shark species under the regulation of the Ordinance with reference to other internationally-recognized inventories of species conservation status (such as the International Union for Conservation of Nature Red List of Threatened Species).

61. USEN responded that in line with international practices, it was appropriate for Hong Kong to implement CITES through the Ordinance for the protection of endangered species. The Parties to CITES reviewed the conservation needs of different species and updated the Convention's Appendices from time to time. The Chairman requested the Administration to elaborate on its position in writing after the meeting.

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(Post-meeting note: The Administration's response was circulated to members on 3 October 2018 vide LC Paper No. CB(1)1426/17-18(02).)

Enforcement and prosecution against illicit trade in shark fins

62. Mr SHIU Ka-fai and Mr CHAN Chi-chuen sought details on the enforcement situation regarding the regulation of scheduled shark species, including the amount of goods confiscated and number of persons prosecuted in the past few years.

63. AD(C)/AFCD advised that import of scheduled shark species must be accompanied by a permit issued by the exporting place. The Administration conducted import inspection to monitor the compliance situation. To strengthen detection of illicit import of scheduled shark fins, AFCD and the

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Customs and Excise Department ("C&ED") conducted joint operations and examined high-risk cargoes. AFCD had also conducted a number of training sessions for frontline enforcement officers as more shark species would be put under control. In early 2017, around 1 280 kg of suspected illicit shark fins had been seized in the joint operations. No prosecution had been instituted from 2013 to 2017 in respect of the illicit import of scheduled shark species. The main reason was that the information collected was not sufficient to prove that the consignees had knowingly imported or arranged the import of scheduled shark specimens. In many cases, the fins of shark species that were not subject to control were mixed with a small amount of fins of scheduled shark species. Having said that, the smuggled shark fins were confiscated according to the Ordinance and this helped combating smuggling activities.

64. Mr CHAN Chi-chuen expressed concern that there might be loopholes in the regulatory regime such that unscrupulous traders could evade prosecution by claiming that they did not know they had committed illegal acts. He enquired how the Administration would tackle the problem.

65. AD(C)/AFCD responded that the Administration would conduct investigation in each case of illegal import of scheduled species, and institute prosecution should there be sufficient evidence. AFCD would continue to strengthen cooperation and intelligence exchange with C&ED as well as enforcement agencies in other jurisdictions. Frontline officers' knowledge in identification of shark species would also be strengthened to further enhance their ability in evidence collection.

66. Mr HUI Chi-fung referred to the written submission from WildAid Hong Kong (LC Paper No. CB(1)1288/17-18(01)) which raised concerns that some CITES-listed shark species looked very similar to non-CITES-listed shark species, thus creating difficulties for frontline officers to distinguish between them. He asked about the Administration's measures to prevent the passing off of regulated specimens as unregulated ones.

67. AD(C)/AFCD advised that frontline officers could normally identify shark fins of scheduled species through physical inspection of the specimens' external features. If necessary, the Administration would conduct DNA testing to assist in the identification process.

Admin

68. At the request of Mr HUI Chi-fung, AD(C)/AFCD undertook to provide supplementary information on the number of DNA tests carried out in each of the past three years for the enforcement of the import and export/re-export control of scheduled shark specimens.

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(*Post-meeting note:* The Administration's response was circulated to members on 3 October 2018 vide LC Paper No. CB(1)1426/17-18(02).)

Penalties for wildlife crimes

69. Dr Elizabeth QUAT pointed out that, although the penalties under the Ordinance had increased since May 2018, recent penalties handed down by the court for wildlife crimes were still too mild. She was concerned about how the Administration would ensure that heavier penalties would be imposed on offenders to achieve the desired deterrent effect against illicit trade in endangered shark species.

70. USEN responded that the Administration would endeavour to provide more information on the impacts of wildlife crimes in the court documents so that the court might consider handing down heavier penalties to offenders. AD(C)/AFCD supplemented that following the increase of the penalties under the Ordinance, the Administration had applied for reviews of sentences for several cases, and much heavier penalty was subsequently imposed on the offender in a case after review. Subject to the seriousness of the cases involving smuggling of endangered species, the Administration would consider whether to apply to have the cases transferred to the District Court so that heavier penalties might be handed down.

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71. The Chairman requested and the Administration agreed to provide supplementary information on the above issue.

(*Post-meeting note:* The Administration's response was circulated to members on 3 October 2018 vide LC Paper No. CB(1)1426/17-18(02).)

Labelling scheme for shark fins

72. Dr Elizabeth QUAT suggested that, to protect consumers' interests and enhance their awareness of the importance of protecting endangered shark species, the Administration should encourage retailers and food establishments to provide species information on the shark fins they sold. For this purpose, a voluntary labelling scheme might be implemented as a start. Mr HUI Chi-fung raised a similar suggestion.

73. USEN and AD(C)/AFCD advised that there were over 500 shark species in the world and only 12 of them were listed in the Appendix II to CITES. Introduction of an effective labelling system for shark fins was complicated as it would not be easy to identify shark fins. It would warrant

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further consideration whether it was feasible to implement the suggested labelling scheme for shark fins in Hong Kong.

V. Any other business

74. There being no other business, the meeting ended at 10:44 am.

Council Business Division 1
Legislative Council Secretariat
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