

20 December 2018

Bills Committee on Waste Disposal (Charging for Municipal Solid Waste)
(Amendment) Bill 2018
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
Email: bc_102_17@legco.gov.hk

Dear Chairman and Committee Members,

**Submission to Bills Committee on Waste Disposal
(Charging for Municipal Solid Waste) (Amendment) Bill 2018
Views from Business Environment Council Limited
商界環保協會有限公司**

Over the last 25 years, Business Environment Council Limited 商界環保協會有限公司 (“BEC”) has played a leading role in advocating the business case for environmental excellence, given the importance of sustainable development to Hong Kong. Our members are committed to actively engage with the HKSAR Government (“the Government”) to help develop a supporting policy framework as well as impactful implementation in respect of environmental protection and sustainability.

Views expressed in this submission are those of BEC, in line with BEC’s Mission and Vision as well as policy position on relevant issues, but may not necessarily be the same as the views of each individual member. BEC is an independent charitable membership organisation comprising approximately 200 member companies, from Hong Kong’s major holding companies to small and medium-sized enterprises.

Background

Reducing waste is of paramount importance for many reasons: wasting less of Earth’s finite resources, cutting down energy demand and emissions arising from products’ lifecycles, and reducing the need for landfills which relates to land supply and land use issues. Reducing waste, increasing resource recovery, and ultimately achieving a circular economy, is essential for Hong Kong’s sustainable development. Over the past

few years, the Government has adopted a range of waste management measures. Many businesses have also voluntarily taken initiative to reduce waste and to practise recycling within their sphere of influence. However, both the total amount of waste generated, and the per capita amount of waste going to the landfill, have continued to increase in Hong Kong. On the other hand, the recovery rates of waste, including municipal solid waste (“MSW”), have continued to drop.¹

Given these unsustainable trends, it is clear that Hong Kong needs further policy measures to drive waste reduction and to incentivise recycling.

We note that there are successful experiences of MSW charging in the region, namely in Taipei City and South Korea. Furthermore, we note that when charging was imposed for the disposal of construction waste in Hong Kong, it significantly reduced the waste loads entering the landfill.²

MSW Charging

The Bill proposes to levy a quantity-based charge for MSW through two means: (a) charging by designated garbage bags (with bag size from 3 litres to 100 litres) or designated labels (for waste items too big for a designated garbage bag), applicable mostly to residential buildings, village houses, street-level shops, and institutional premises, and (b) charging by weight-based “gate-fee”, applicable to MSW generated from commercial and industrial premises and disposed of at the waste disposal facilities such as landfills or refuse transfer stations.

BEC strongly supports the MSW charging scheme, which premised on the “polluter-pays” principle, and we urge support from the honourable members of the Bills Committee and all members of society for the passage of the Bill and early implementation of the Scheme. BEC argues that MSW charging is an integral part of Hong Kong’s waste management strategy, a proven means to drive behavioural change and achieve waste reduction, an effective way to make recycling a financially viable option, and a critical step towards transition from a linear to circular economy in the longer term.

¹ <https://www.wastereduction.gov.hk/sites/default/files/msw2016.pdf>

² <https://www.enb.gov.hk/en/files/WastePlan-E.pdf>

Dedicated Fund for Dedicated Use

The Government explains that MSW charging is not introduced for revenue generation or cost recovery for the provision of waste collection and disposal services. Revenue from MSW charging will be ploughed back to enhance waste reduction and recycling. Additional recurrent resources have been promised to provide further support.

BEC welcomes the Government's plan to make MSW charging revenue-neutral, which would allay possible fears that it is simply an additional tax for revenue generation. With dedicated financial resources secured for waste reduction and recycling, BEC asks the Government to start planning and building a waste management system that includes a financially-viable collection and transportation system for recyclables, Hong Kong-based waste processing and pre-processing facilities, and joined-up waste stream plans for specific products such as construction waste, food waste and plastic waste, with measurable targets and holistic, multi-objective approach.

Conclusion

In summary, BEC fully supports MSW charging as proposed in the Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018. We view MSW charging to be a critical step towards effectively reducing waste and incentivising recycling. Ultimately, Hong Kong's businesses and citizens will benefit from a more efficient economy and a more sustainable environment.

For queries related to this submission, please contact our Chief Executive Officer, Mr Adam Koo at adamkoo@bec.org.hk.

Yours sincerely,



Richard Lancaster
Chairman
Business Environment Council Limited