



21 December 2018

Bills Committee on Waste Disposal (Charging for Municipal Solid Waste)
(Amendment) Bill 2018
Legislative Council Complex
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Central, Hong Kong
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Dear Chairman and Committee Members,

**Submission to Bills Committee on Waste Disposal
(Charging for Municipal Solid Waste) (Amendment) Bill 2018
Views from Swire Properties Limited**

For over 40 years, Swire Properties has consistently advocated and adopted a philosophy of sustainable development (“SD”). Our SD 2030 Strategy is aimed at ensuring that sustainability is integrated into every facet of our business and that everyone at Swire Properties feels empowered to contribute positively to building vibrant communities.

To prepare for future MSW charges, in 2017, we completed a trial of volume-based and weight-based charging approaches, involving 131 tenants at Cityplaza and Swire Hotels’ EAST, Hong Kong. The trial achieved an 18% reduction in total waste and a 15% increase in the rate of recycling by participants, including a 30% increase in food waste recycling.

We are in support of the Government’s plan to establish a quantity-based charging scheme to encourage waste reduction at source and relieve the burden on landfills. The proposed scheme will provide financial incentive and legislative imperative to explore deeper waste reduction and recycling strategies within our daily operations and in collaboration with stakeholders.

Enhancing Hong Kong’s Waste Management System

The Government has proposed to use MSW charging revenue to fund waste reduction and recycling initiatives. Swire Properties welcomes plans to use these additional resources to enhance the waste management system in Hong Kong, such as providing more collection points for recyclables and educating citizens to recycle properly.

We ask that the Government should proactively identify secured outlets to sort, reuse or recycle more types of waste, such as polyfoam, non-regulated electrical equipment (non-REE), textiles, used furniture and fallen trees. Community-based networks, such as Community Green Stations (CGSs) and Community Recycling Centres (CRCs), could be better utilised to facilitate recyclables collection.

From now until the implementation of MSW charging, we also welcome efforts to intensify public education in order to encourage waste reduction and separation at source as well as to minimise poor behaviour such as fly-tipping and the mixing of non-recyclables into recyclable waste. In addition, the Government may launch community engagement projects, conduct trial schemes and provide targeted briefings to frontline cleaners, recyclers and property management companies (PMCs).

Collection Service for Food Waste and Waste Plastics

Food waste and waste plastics account for 35% and 21% of MSW disposed of at landfills in 2016. Both types of waste have the potential to be recycled and converted into valuable resources. The waste reduction impact of MSW charging will be closely tied to further measures to promote and support food and plastic waste collection and recycling.

For Swire Properties, our food waste recycling journey began in 2005 when we installed our first food decomposer in one of our shopping malls. In 2015, we began to work with food waste recyclers to convert food waste collected from tenants into fish feed. More recently, we began to send collected food waste to the Government's new Organic Resources Recovery Centre (ORRC) Phase 1. We believe that the Government's plan to develop a series of ORRCs and to waive collection costs for food waste will help promote food waste recycling in Hong Kong.

Food waste separation has to be done at source, i.e. where food is prepared or served. Therefore, in addition to enhancing treatment capacity, we would also recommend more support be given to the F&B industry to adapt their operations to food waste separation and collection. This may include the sharing of best practices as well as incentives for F&B outlets to allocate manpower, time and space for waste separation in their daily operations.

With waste plastics now becoming a global crisis, the Government's proposed initiatives to address the high costs of waste plastics collection, separation, storage and transportation are timely.

Growing the capacity of the local recycling industry should go hand-in-hand with efforts to boost the collection of waste plastics. The Government should support local recyclers to operate and sustain state-of-the art recycling facilities and gradually expand the types of waste plastics that can be collected and processed locally.

The Role of Property Management Companies (PMCs)

As a PMC, our waste management efforts rely on broad-based collaboration and engagement. In addition to handling daily MSW disposal, we facilitate the recycling of more than 20 types of waste produced by our office and retail tenants, hotel guests and occupants of our residences. Our recycling programmes not only help achieve Swire Properties' waste diversion targets, but also offer convenience to our tenants and the wider community.

We believe that with MSW charging enforced, we will be able to collect more recyclables and help divert more waste from landfills. We propose that the Government should consider incentives to allocate more space for recycling in both existing and new buildings. District-wide collection services and shared collection areas for bulky recyclables may also be considered to assist PMCs.

Based on successful experiences of MSW charging in the region, namely in Taipei City and South Korea, MSW charging is a proven means to drive behavioural change and achieve waste reduction. We expect that it may take time to cultivate the necessary behavioural change. Poor compliance, such as fly-tipping in public areas and the mixing of MSW into recyclables, may cause a burden to PMCs and local recyclers initially. Proactive support from the Government will help PMCs, cleaning contractors and recyclers to prepare the surveillance capacity, manpower and knowledge required to effectively contribute to the implementation of MSW charging.

Conclusion

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

Please contact us by email at sustainabledevelopment@swireproperties.com for any queries related to this submission.

Yours faithfully,
Swire Properties Limited