立法會 Legislative Council

LC Paper No. CB(1)595/18-19 (These minutes have been seen by the Administration)

Ref: CB1/PL/EA

Panel on Environmental Affairs

Minutes of meeting held on Monday, 26 November 2018, at 2:30 pm in Conference Room 3 of the Legislative Council Complex

Members present: Dr Hon Junius HO Kwan-yiu, JP (Chairman)

Hon CHAN Hak-kan, BBS, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

Hon Steven HO Chun-yin, BBS

Hon Frankie YICK Chi-ming, SBS, JP

Hon WU Chi-wai, MH Hon CHAN Chi-chuen Hon Kenneth LEUNG Hon KWOK Wai-keung, JP Hon Dennis KWOK Wing-hang Dr Hon Elizabeth QUAT, BBS, JP

Hon Martin LIAO Cheung-kong, SBS, JP Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Hon CHUNG Kwok-pan

Hon CHU Hoi-dick Hon SHIU Ka-fai Hon YUNG Hoi-yan

Hon Kenneth LAU Ip-keung, BBS, MH, JP

Members attending: Hon Tommy CHEUNG Yu-yan, GBS, JP

Hon CHAN Han-pan, BBS, JP

Dr Hon Fernando CHEUNG Chiu-hung

Dr Hon CHENG Chung-tai

Members absent : Hon HUI Chi-fung (Deputy Chairman)

Hon Tanya CHAN

Hon Tony TSE Wai-chuen, BBS

Public Officers attending

: For item V

Mr WONG Kam-sing, GBS, JP Secretary for the Environment

Mr Vincent LIU, JP

Deputy Secretary for the Environment

Ms Queenie LEE

Principal Assistant Secretary for the Environment

(Electricity Reviews)

For item VI

Mr WONG Kam-sing, GBS, JP Secretary for the Environment

Mr Donald NG, JP

Deputy Director of Environmental Protection

(Special Duties)

Environmental Protection Department

Mrs Vicki KWOK, JP

Deputy Director of Environmental Protection (2)

Environmental Protection Department

Mr Kenneth CHAN

Assistant Director (Charging Preparation)

Environmental Protection Department

Mr FORK Ping-lam

Assistant Director (Operations)3

Food and Environmental Hygiene 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. Confirmation of minutes

(LC Paper No. CB(1)135/18-19 — Minutes of the meeting held on 11 October 2018)

The minutes of the meeting held on 11 October 2018 were confirmed.

II. Information papers issued since last meeting

2. <u>Members</u> noted that the following papers had been issued since the last meeting:

(FS01/18-19 and FS02/18-19

Fact sheets on "Management of plastic waste in selected places" and "Management of restored landfills in selected places" prepared by the Research Office of the Legislative Council Secretariat)

III. Items for discussion at the next meeting

(LC Paper No. CB(1)189/18-19(01) — List of follow-up actions

LC Paper No. CB(1)189/18-19(02) — List of outstanding items for discussion)

3. The <u>Chairman</u> advised that he had met with the Secretary for the Environment ("SEN") just before this regular meeting to discuss the work plan of the Panel for the 2018-2019 legislative session. The preliminary

work plan decided at the meeting would be reflected in the list of outstanding items for discussion to be issued to members later.

- 4. <u>Members</u> agreed to discuss the following items at the next regular meeting scheduled for Wednesday, 19 December 2018, at 10:45 am:
 - (a) improvement of roadside air quality; and
 - (b) Three Dimensional Air Pollution Monitoring System.
- 5. Mr Kenneth LEUNG pointed out that the "One-for-One Replacement" Scheme launched in 2018 had limited success in promoting the adoption of electric private cars, and the petrol private car fleet continued to expand at a rapid rate. In view of the above, he suggested that the Panel should discuss the item of "Promoting the use of electric vehicles ("EVs")" as early as possible and preferably before the announcement of the 2019-2020 Budget. Mr Martin LIAO also expressed concern about the slow progress in the development of ancillary facilities for EVs. He and Mr CHAN Hak-kan agreed with Mr LEUNG's suggestion.
- 6. <u>SEN</u> responded that the Environment Bureau ("ENB") had been conducting a review of EV-related policies and measures jointly with other relevant bureaux/departments ("B/Ds"). A key issue covered in the review was how to further promote the development of ancillary facilities for EVs. As it would take time to complete the review, there was difficulty in advancing the discussion on the said item to the Panel meeting on 19 December 2018. Nevertheless, the Administration would explore the feasibility of scheduling the discussion earlier than March 2019.
- 7. The <u>Chairman</u> queried if there was any prospect of achieving the target of 30% of the private cars in Hong Kong being electric or hybrid vehicles by 2020, which was stated in the Hong Kong Planning Standards and Guidelines ("HKPSG").
- 8. <u>SEN</u> clarified that the Government had not set any target for the proportions of such vehicles in the local vehicle fleet. A consultant was engaged in the past to study the progress of introducing EVs and other low-emission vehicles. With reference to the assumptions and recommendations of the consultancy study, the Government had subsequently amended HKPSG setting out the target that 30% of the private car parking spaces in new buildings would have EV charging facilities.

IV. Proposal for setting up a subcommittee under the Panel to study issues relating to promoting the development of electric vehicles

(LC Paper No. CB(1)211/18-19(01) — Joint letter dated 21 November 2018 from Hon CHAN Hak-kan and Hon Frankie YICK (Chinese version only)

- 9. At the invitation of the Chairman, <u>Mr CHAN Hak-kan</u> briefed the Panel on the proposal for setting up a subcommittee to study issues relating to the development of EVs ("the proposed subcommittee") that he and Mr Frankie YICK jointly put forward.
- 10. <u>Members</u> did not raise objection to the proposal. The <u>Chairman</u> ordered that the proposed subcommittee be formed, and invited the Clerk to brief members on the latest position of policy subcommittees awaiting activation.
- 11. The <u>Clerk</u> said that nine policy subcommittees were on the waiting list at present (excluding the proposed subcommittee under discussion). The House Committee had recently decided that the first two policy subcommittees on the waiting list be activated in early December 2018. It was also expected that a few other policy subcommittees would be activated in or before March 2019 when there were vacant slots. It would be for the House Committee to review the timeline for the activation of the remaining policy subcommittees on the waiting list having regard to factors such as the vacant slots available and the manpower situation of the Legislative Council ("LegCo") Secretariat.
- V. Proposed making permanent a supernumerary directorate post in the Environment Bureau to take forward tasks in relation to the promotion of renewable energy and long-term development of the electricity market

(LC Paper No. CB(1)189/18-19(03) — Administration's paper on "To Take Forward Tasks in relation to the Promotion of Renewable Energy and Long Term Development of the Electricity Market — Manpower Arrangement for the Environment Bureau"

LC Paper No. CB(1)189/18-19(04) — Updated background brief on "Promotion of renewable energy in Hong Kong" prepared by the Legislative Council Secretariat)

Briefing by the Administration

12. <u>SEN</u> briefed members on the proposal of converting a supernumerary post of Administrative Officer Staff Grade C, which was designated as Principal Assistant Secretary for the Environment (Electricity Reviews) ("PAS(ER)"), into a permanent post. The major duties of the post would be related to the promotion of the development of renewable energy ("RE"), revamp of the fuel mix for electricity generation, and the future development of the electricity market.

Discussion

Justifications for the establishment proposal

- 13. In view of the imminent threat of climate change and the unsustainable supply of fossil fuels, <u>Ir Dr LO Wai-kwok</u> agreed that more manpower resources should be allocated to the work on promoting the use of RE in Hong Kong.
- 14. <u>Mr WU Chi-wai</u> expressed the following views on the major duties of the proposed post, which were listed in the job description in Annex A to the Administration's paper (LC Paper No. CB(1)189/18-19(03)):
 - (a) To formulate strategies and measures to promote the development of RE and to monitor and review from time to time the implementation of these measures: there was no concrete implementation plan for related measures at this stage to justify the need for a new permanent directorate post. Moreover, it was expected that the implementation of RE projects on different government premises would be mostly taken forward by the government departments that managed or used those premises;
 - (b) To formulate the future fuel mix for electricity generation having regard to relevant considerations, including the energy policy objectives, public views, etc., and follow up with the power companies and relevant stakeholders on the relevant arrangement: these tasks should be carried out by a supernumerary post at this stage as the follow-up work was

time-limited;

- (c) To monitor the implementation of the post-2018 Scheme of Control Agreements ("SCAs") and to conduct the relevant interim reviews: these were routine tasks and should be handled using the existing resources under the established mechanism; and
- (d) To undertake tasks in relation to the development of the electricity market, including discussing with the power companies and undertaking the necessary preparatory work to pave the way for introducing competition (including conducting the studies on grid access and enhancing interconnection): there was a lack of consistency in the Government's policies on interconnection of power grids. As such, the tasks to be undertaken in this regard seemed to be ill-defined and time-limited.

Given the above, Mr WU considered that the post of PAS(ER) should be maintained on a supernumerary basis and hence he strongly objected to the current proposal. He requested the Administration to explain the justifications for the proposal, and the detailed work plan and target deliverables of the post in the coming three to five years.

- 15. <u>Mr CHAN Han-pan</u> considered that promoting the development of RE was a long-term task. He called on the Administration to formulate a comprehensive plan in this regard.
- 16. <u>SEN</u> and the <u>Deputy Secretary for the Environment</u> ("DSEN") responded that the major duties of PAS(ER) involved long-term tasks, and the proposal of making the post permanent demonstrated ENB's commitment to taking forward such tasks. On the development of RE, ENB would continue to encourage adoption of RE by different government departments as well as the private sector. Following the introduction of the Feed-in Tariff ("FiT") Scheme under the post-2018 SCAs, the Administration had been providing further facilitation to potential participants of the scheme, including suitably relaxing the restrictions in relation to the installation of photovoltaic ("PV") systems at building rooftops, and introducing legislative amendments to minimize administrative burden.
- 17. As regards the fuel mix for electricity generation, <u>DSEN</u> explained that increasing the proportion of gas generation to about 50% reflected the relevant work up to 2020 only. With the planned retirement of some coal-fired generation units in the coming years, there was a need to formulate

longer-term plans for 2030 and beyond, and to prepare for Hong Kong's transformation into a low-carbon economy. It would take a long time to formulate and implement future fuel mix plans. On the opening up of the electricity market, which might include grid access and/or enhanced interconnection between local grids, ENB was dedicated to undertaking the necessary preparatory work during the regulatory period under the post-2018 SCAs. A study would be commissioned in 2020 with the power companies to look into the detailed interconnection arrangements. It was envisaged that the implementation work of any project for enhanced interconnection could last for over a decade, given the complexity of the issues involved.

Development of distributed renewable energy systems

- 18. <u>Ir Dr LO Wai-kwok</u> welcomed the implementation of facilitation measures to promote the development of distributed RE through the FiT Scheme, including relaxing the height restriction on the installation of PV systems on the rooftops of New Territories Exempted Houses ("NTEHs") from 1.5 m to 2.5 m.
- 19. Mr CHAN Han-pan said that he would support the establishment proposal in question provided that the Administration undertook to formulate policies to facilitate the installation of PV systems on the rooftops of buildings/structures other than NTEHs, such as factories, agricultural structures and buildings on brownfield sites, with a view to increasing the solar energy potential in Hong Kong. In this connection, he pointed out that it was impossible for the installation works of PV systems on some temporary structures (such as squatter huts) to fully comply with the relevant regulatory requirements. He asked whether ENB would offer assistance to the owners or tenants concerned to facilitate the installation of PV systems on those structures.
- 20. The <u>Chairman</u> opined that the holder of the PAS(ER) post should actively explore with other B/Ds how to cut red tape in respect of the installation of PV systems and participation in the FiT Scheme.
- 21. <u>SEN</u> advised that ENB was committed to facilitating the installation of distributed PV systems on different premises, and had been coordinating with other relevant B/Ds for this purpose. Despite such efforts, there might be constraints limiting the installation of PV systems and/or participation in the FiT Scheme in some cases, including non-compliance with statutory requirements of the proposed works, the lack of access to public electricity supply lines of premises at remote locations, etc.
- 22. <u>DSEN</u> supplemented that, as there were clear guidelines concerning

the construction of NTEHs, the work flow for the installation of PV systems on the rooftops of those buildings was relatively simple and such works, subject to fulfilment of relevant requirements, did not require the approval from the Buildings Department ("BD") (but a safety certificate signed by an Authorized Person should be submitted to the Lands Department for record if the PV system was higher than 1.5 m but not exceeding 2.5 m measured from the roof level). For the installation of PV systems on other buildings, the owners or tenants concerned should appoint an Authorized Person to submit building plans to BD for approval before commencing the installation works.

Renewable energy generation target

- 23. With the implementation of new measures to promote the development of RE, such as the FiT Scheme, <u>Ir Dr LO Wai-kwok</u> asked whether the Administration had reviewed or would review the long-term target for the contribution of RE to Hong Kong's overall electricity demand.
- 24. The <u>Chairman</u> suggested that a performance indicator related to the realization of Hong Kong's solar energy potential in the coming four years should be set for the post of PAS(ER).
- 25. SEN responded that, as explained in the Hong Kong's Climate Action Plan 2030+, it was estimated that the realizable potential contribution from solar energy, wind power and waste-to-energy generation to the local electricity demand was about 1% to 1.5% each by 2030. According to the Paris Agreement, the Government was to review its targets and efforts in relation to climate change every five years. The Government would study the feasibility of raising the estimate on the realizable RE potential, having regard to relevant factors such as the development of RE technologies. In the meantime, a multitude of existing and new measures were being carried out to promote the development of RE systems in both the public and private sectors. While the development progress of public RE projects was relatively more predictable, the pace of the private sector's adoption of RE technologies was less certain. Due to the above, there could be fluctuations in the annual growth rate of solar energy capacity in Hong Kong, making it difficult to set an objective target.

Conclusion

26. The <u>Chairman</u> invited members to indicate whether they supported the Administration's submission of the proposal to the Establishment Subcommittee ("ESC") for consideration. The <u>Chairman</u> and <u>Mr Martin LIAO</u> expressed support for the submission of the proposal to ESC. <u>Mr Tommy CHEUNG</u> said that the Liberal Party had reservations about the

proposal, and he personally did not see at this stage strong justifications for converting the post concerned into a permanent post. Mr WU Chi-wai reiterated his strong objection to the current proposal and suggested that the Administration should consider putting forward a revised proposal under which the post of PAS(ER) would be extended for three to five years on a supernumerary basis.

- 27. <u>SEN</u> said that ENB was committed to decarbonization and combating climate change, and considered it necessary to make the PAS(ER) post permanent in order to take forward relevant tasks, including the further promotion of RE. ENB would endeavour to enhance communication with Members on the duties of the post.
- 28. The <u>Chairman</u> put the question to vote and directed that the voting bell be rung for five minutes. Of the members present, seven voted in favour of and one voted against the question. The <u>Chairman</u> declared that the Panel supported the Administration's submission of the proposal to ESC.

VI. Complementary measures in relation to municipal solid waste charging

(Ref: EP CR/9/65/3 — Legislative Council Brief on Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018

LC Paper No. CB(1)189/18-19(05) — Background brief on "Complementary measures in relation to municipal solid waste charging" prepared by the Legislative Council Secretariat)

<u>Submissions from deputations/individuals</u>

LC Paper No. CB(1)194/18-19(01) — Submission from Clear The Air (English version only)

LC Paper No. CB(1)194/18-19(02) — Submission from Sabrina PANG (English version only)

LC Paper No. CB(1)194/18-19(03) — Submission from Yolanda CHOY (English version only)

- LC Paper No. CB(1)194/18-19(04) Submission from Duncan CHAU (English version only)
- LC Paper No. CB(1)194/18-19(05) Submission from Alice LAI (English version only)
- LC Paper No. CB(1)194/18-19(06) Submission from Jennifer CHEUNG (English version only)
- LC Paper No. CB(1)194/18-19(07) Submission from Carolyn YEH (English version only)
- LC Paper No. CB(1)194/18-19(08) Submission from Mabel KWAN (English version only)
- LC Paper No. CB(1)194/18-19(09) Submission from Bronwyn KING (English version only)
- LC Paper No. CB(1)194/18-19(10) Submission from Phoebe LAM (English version only)
- LC Paper No. CB(1)194/18-19(11) Submission from Claire Michele YATES (English version only)
- LC Paper No. CB(1)194/18-19(12) Submission from Terri POON (English version only)
- LC Paper No. CB(1)194/18-19(13) Submission from Ming CHEN (English version only)
- LC Paper No. CB(1)194/18-19(14) Submission from Eleanor WONG (English version only)
- LC Paper No. CB(1)194/18-19(15) Submission from Hamilton TANG (English version only)
- LC Paper No. CB(1)194/18-19(16) Submission from Val LAM (English version only)

- LC Paper No. CB(1)194/18-19(17) Submission from Yvonne LEUNG (English version only)
- LC Paper No. CB(1)194/18-19(18) Submission from Canute DALMASSE (English version only)
- LC Paper No. CB(1)194/18-19(19) Submission from Esther MA (English version only)
- LC Paper No. CB(1)194/18-19(20) Submission from George WOODMAN (English version only)
- LC Paper No. CB(1)194/18-19(21) Submission from Hun AW (English version only)
- LC Paper No. CB(1)194/18-19(22) Submission from Gaëlle LOISEAU (English version only)
- LC Paper No. CB(1)194/18-19(23) Submission from Sonalie GALARDI-ESTE (English version only)
- LC Paper No. CB(1)194/18-19(24) Submission from Sophie LAMACQ (English version only)
- LC Paper No. CB(1)194/18-19(25) Submission from Lingy CHAN (English version only)
- LC Paper No. CB(1)194/18-19(26) Submission from Vicky CHAN (English version only)
- LC Paper No. CB(1)194/18-19(27) Submission from Holger BORCHERT (English version only)
- LC Paper No. CB(1)194/18-19(28) Submission from Thea BRADFORD (English version only)

- LC Paper No. CB(1)194/18-19(29) Submission from Laura SOUTHWOOD (English version only)
- LC Paper No. CB(1)194/18-19(30) Submission from V Nee YEH (English version only)
- LC Paper No. CB(1)194/18-19(31) Submission from Jonathan LEUNG (English version only)
- LC Paper No. CB(1)194/18-19(32) Submission from Robert ALLENDER (English version only)
- LC Paper No. CB(1)194/18-19(33) Submission from Hollie ARNULPHY (English version only)
- LC Paper No. CB(1)194/18-19(34) Submission from Mark AGNEW (English version only)
- LC Paper No. CB(1)194/18-19(35) Submission from Dan BLAND (English version only)
- LC Paper No. CB(1)194/18-19(36) Submission from Andrew Philip YATES (English version only)
- LC Paper No. CB(1)194/18-19(37) Submission from Thomas RIVET (English version only)
- LC Paper No. CB(1)194/18-19(38) Submission from Saloni LODHA (English version only)
- LC Paper No. CB(1)194/18-19(39) Submission from Katie LEUNG (English version only)

LC Paper No. CB(1)194/18-19(40) — Submission from Audry Ai Yung-Ling (English version only) LC Paper No. CB(1)194/18-19(41) — Submission from Joanne **CHENG** (English version only) LC Paper No. CB(1)194/18-19(42) — Submission Anne from **WANG** (English version only) LC Paper No. CB(1)194/18-19(43) — Submission from Philippe **GRELON** (English version only) LC Paper No. CB(1)194/18-19(44) — Submission from Gemmarie HO (English version only) LC Paper No. CB(1)194/18-19(45) — Submission Brenda from BRAYKO (English version only) LC Paper No. CB(1)194/18-19(46) — Submission from Tansy LAU (English version only) LC Paper No. CB(1)194/18-19(47) — Submission Joanne from **BELAL** (English version only) LC Paper No. CB(1)194/18-19(48) — Submission from Shevaun **LEACH** (English version only) LC Paper No. CB(1)194/18-19(49) — Submission from Esther **ROLING** (English version only)

LC Paper No. CB(1)194/18-19(50) — Submission

Marion

version

from

WOTTON (English

only)

- LC Paper No. CB(1)194/18-19(51) Submission from 張素 馨 (Chinese version only)
- LC Paper No. CB(1)194/18-19(52) Submission from Tamas KING (English version only)
- LC Paper No. CB(1)194/18-19(53) Submission from Hayley Hope TANG (English version only)
- LC Paper No. CB(1)194/18-19(54) Submission from John BUTLER (English version only)
- LC Paper No. CB(1)194/18-19(55) Submission from Violaine COLON (English version only)
- LC Paper No. CB(1)194/18-19(56) Submission from Charlie LANDALE (English version only)
- LC Paper No. CB(1)194/18-19(57) Submission from Lucy MULLENS (English version only)
- LC Paper No. CB(1)194/18-19(58) Submission from Grace LAM (English version only)
- LC Paper No. CB(1)194/18-19(59) Submission from Petra SCHWEIGER (English version only)
- LC Paper No. CB(1)194/18-19(60) Joint submission from The Green Earth, Greeners Action, Green Power, The Conservancy Association, Greenpeace, Friends of the Earth (HK) and Green Sense (Chinese version only)

- LC Paper No. CB(1)206/18-19(01) Submission from Vera SOARES (English version only)
- LC Paper No. CB(1)206/18-19(02) Submission from Sarah SUTHERLAND (English version only)
- LC Paper No. CB(1)206/18-19(03) Submission from Mawgan BATT (English version only)
- LC Paper No. CB(1)206/18-19(04) Submission from Maggie SUTTIE (English version only)
- LC Paper No. CB(1)206/18-19(05) Submission from Jaiden POON (English version only)
- LC Paper No. CB(1)206/18-19(06) Submission from Gemma MACFARLANE (English version only)
- LC Paper No. CB(1)206/18-19(07) Submission from Elena COLLINS (English version only)
- LC Paper No. CB(1)206/18-19(08) Submission from Wendy LEE (Chinese version only)
- LC Paper No. CB(1)206/18-19(09) Submission from CHAN Chiho (English version only)
- LC Paper No. CB(1)206/18-19(10) Submission from Nicholas CONLON (English version only)
- LC Paper No. CB(1)206/18-19(11) Submission from Jane CHAN (English version only)
- LC Paper No. CB(1)206/18-19(12) Submission from Ethan CHUNG (English version only)

- LC Paper No. CB(1)206/18-19(13) Submission from Tyler Tom (English version only)
- LC Paper No. CB(1)206/18-19(14) Submission from Bruno BONNET (English version only)
- LC Paper No. CB(1)206/18-19(15) Submission from Ben KESWICK (English version only)
- LC Paper No. CB(1)206/18-19(16) Submission from Clarie NASTRI (English version only)
- LC Paper No. CB(1)206/18-19(17) Submission from Julia ANDREW (English version only)
- LC Paper No. CB(1)206/18-19(18) Submission from Fideron TSANG (English version only)
- LC Paper No. CB(1)206/18-19(19) Submission from Cheney MORIARTY (English version only)
- LC Paper No. CB(1)206/18-19(20) Submission from Cheril LEE (English version only)
- LC Paper No. CB(1)206/18-19(21) Submission from Victoria LO (English version only)
- LC Paper No. CB(1)206/18-19(22) Submission from Simon GOUMAZ (English version only)
- LC Paper No. CB(1)206/18-19(23) Submission from Sabina WONG SUTCH (English version only)
- LC Paper No. CB(1)206/18-19(24) Submission from Angela CHENG (English version only)

LC Paper No. CB(1)206/18-19(25) — Submission from The Green Earth (Chinese version only)

LC Paper No. CB(1)206/18-19(26) — Submission from Rita CHAN (English version only)

LC Paper No. CB(1)206/18-19(27) — Submission from Anna CHEUNG (English version only)

LC Paper No. CB(1)206/18-19(28) — Submission from Ananya MADDURI (English version only)

LC Paper No. CB(1)206/18-19(29) — Submission from Sherry FUNG WONG (English version only)

LC Paper No. CB(1)206/18-19(30) — Submission from Paige FITZMAURICE (English version only)

LC Paper No. CB(1)206/18-19(31) — Joint submission from Tristan FUNG, Zander FUNG and Alex FUNG (English version only)

(*Post-meeting note*: The Panel subsequently received 50 more submissions on the subject. Those submissions were circulated to members on 27 November and 6 December 2018 vide LC Paper Nos. CB(1)229/18-19(01) to (49) and CB(1)280/18-19(01).)

Briefing by the Administration

29. <u>SEN</u> advised that, as announced in the Chief Executive's 2018 Policy Address, the Government would provide additional recurrent resources to strengthen waste reduction and recycling work to complement the implementation of municipal solid waste ("MSW") charging. Such additional resources would amount to around \$300 million to \$400 million in the financial year 2019-2020, and would be further increased to no less than \$800 million to \$1 billion from the financial year when MSW charging was to be implemented. The major initiatives to be supported by the additional resources included:

- (a) setting up outreaching teams to enhance on-site support for recycling;
- (b) providing free collection service for waste plastics from non-commercial and non-industrial ("non-C&I") sources at the Eastern, Kwun Tong and Shatin districts under a pilot scheme. The contractor(s) to be appointed by the Environmental Protection Department ("EPD") would be required to collect waste plastics from target premises and turn them into raw materials or recycled products;
- (c) providing free collection service for food waste from commercial and industrial ("C&I") premises under a two-year pilot scheme, with a view to exploring the feasibility of expanding the service to all sectors in the long run; and
- (d) implementing a pilot scheme to assess the effectiveness of applying reverse vending machines ("RVMs") in promoting the recycling of waste plastic beverage containers. Based on the outcomes of the first phase of consultancy study on a producer responsibility scheme ("PRS") on plastic product containers, the Administration affirmed that it was feasible to implement a PRS on plastic beverage containers.

Discussion

Proposed introduction of municipal solid waste charging

- 30. <u>Dr Fernando CHEUNG</u> said that he supported the policy direction of implementing MSW charging to reduce waste and relieve pressure on landfills. He considered that more assistance should be given to people with special needs (such as the elderly and people suffering from chronic illnesses) who generated larger amounts of unavoidable waste compared to the general population, so as to alleviate the financial impact of MSW charging on those people.
- 31. <u>Mr CHAN Chi-chuen</u> questioned the effectiveness of MSW charging in reducing waste and indicated that he would maintain his reservation about the proposed MSW charging scheme unless a timetable was put in place for the implementation of mandatory source separation of waste.
- 32. Drawing on his observations during the Panel's duty visit to the Republic of Korea in 2013, Mr KWOK Wai-keung expected that it would take some time for Hong Kong to catch up with the development of other

cities that had already implemented MSW charging, as the success of waste reduction and recycling measures could not be achieved in a blink.

- 33. Mr Steven HO and Dr Elizabeth QUAT commented that some members of the public distrusted the Administration's capability in enforcing the regulatory requirements of MSW charging and preventing aggravation of fly-tipping. A case in point was the ineffectiveness of the enforcement actions against illegal disposal of construction waste. They said that the Democratic Alliance for the Betterment and Progress of Hong Kong had all along been advocating for the adoption of a "free-of-charge" arrangement in the initial phase of MSW charging, and the provision of rewards to better drive behavioural changes in reducing waste. As certain waste was unavoidable, Mr HO suggested that a basic amount of free designated garbage bags be provided to each household monthly.
- 34. Mr CHU Hoi-dick relayed the concerns of several organizations, which had established a Facebook page called "Against ENB's Charge on Municipal Waste Disposal", that the following punitive measures against waste generation or fly-tipping had failed to achieve the relevant policy objectives:
 - (a) Environmental Levy Scheme on Plastic Shopping Bags ("PSB Levy Scheme"): the amount of t-shirt type plastic bags imported into Hong Kong reached an eight-year high in 2016;
 - (b) Construction Waste Disposal Charging Scheme: illegal disposal of construction waste remained prevalent after implementation of the scheme;
 - (c) Sewage Charges: there had been no improvement in the per-capita water consumption since the introduction of the charges; and
 - (d) *Fixed penalty notices to fly-tipping offenders*: there had been an upward trend in the number of fixed penalty notices issued, indicating the ineffectiveness of the fixed penalty in deterring fly-tipping.

In view of the above, Mr CHU requested the Administration to explain how it could convince the public that the proposed MSW charging scheme would be able to achieve its targeted policy objectives. In addition, he suggested that the MSW charges could be abolished after certain targets had been reached, such as an observable behavioural change regarding waste reduction and disposal in the community.

- 35. <u>SEN</u> advised that after the launch of the first phase of PSB Levy Scheme, the amount of plastic shopping bags ("PSBs") distributed by registered retailers had reduced by around 80% to 90%. A further reduction of some 20% to 30% in the amount of PSBs distributed was achieved after PSB Levy Scheme had been extended to all retail sales. While other types of plastic bags were not covered by PSB Levy Scheme, they would be subject to the proposed MSW charges. The amount of construction waste disposed of had reduced by half since the implementation of the Construction Waste Disposal Charging Scheme, indicating that the scheme was effective. Unlike the Sewage Charges which were indirectly levied, the amount of MSW charge payable by a waste producer would be directly related to the amount of waste he/she would dispose of.
- 36. <u>Dr CHENG Chung-tai</u> said that he objected to the introduction of MSW charging in principle, because there was no justification for the Government to add a new source of revenue given its fiscal reserves. <u>SEN</u> explained that the purpose of MSW charging was not to raise the Government's revenue, and the amount of additional recurrent resources to be allocated to support waste reduction and recycling measures would be commensurate with the estimated gross revenue to be generated from MSW charging, so as to achieve the effect of "dedicated fund for dedicated use".

Waste reduction and recycling measures

- 37. <u>Mr Steven HO</u> considered that the implementation of MSW charging alone would not be sufficient for reducing waste substantially, and hence it was imperative for the Administration to introduce complementary measures as well to promote waste reduction and recycling.
- 38. Mr KWOK Wai-keung said that there was a lack of public understanding on how the Administration would enhance support for recycling to tie in with the launch of MSW charging. He suggested that the Administration should expedite the implementation of new measures to promote waste reduction and separation at source.
- 39. Mr Tommy CHEUNG urged the Administration to formulate comprehensive policies to facilitate waste reduction in the C&I sectors, and to foster the sustainable development of local recycling industries, with a view to providing more outlets for the recovered materials, especially waste glass, waste plastics and food waste.

40. <u>SEN</u> responded that:

- (a) community involvement projects related to MSW charging had been carried out in various types of premises such as shopping malls, housing estates and rural villages. The generally positive outcomes of these projects boded well for the effectiveness of MSW charging in reducing waste and promoting recycling;
- (b) the Administration would continue to develop complementary measures progressively to further promote clean recycling, especially during the preparatory period before the actual implementation of MSW charging; and
- (c) currently, all waste glass containers collected in the territory by the glass management contractors were recycled or reused locally. There had been ongoing efforts to build up Hong Kong's capacity for turning food waste into energy. The Administration was exploring the feasibility of turning recovered waste plastics into raw materials for further processing in Hong Kong or export to other markets. Moreover, the Administration had proposed to provide free collection service for waste plastics from non-C&I sources, and would install RVMs for the recovery of plastic beverage containers under a pilot scheme to be implemented in the first half of 2019.
- 41. Mr KWOK Wai-keung suggested that the pilot schemes on free collection of waste plastics and installation of RVMs should be conducted in public rental housing estates first through collaboration with the Hong Kong Housing Authority. SEN responded that the Administration would consider Mr KWOK's suggestion.
- 42. In view of the common practice to reuse PSBs for collecting domestic waste, Mr CHU Hoi-dick suggested that the Administration should collaborate with retail outlets to enable the PSBs they distributed to be reused as designated garbage bags, with a view to avoiding an increase in the amount of plastic bags landfilled after the implementation of MSW charging. SEN responded that the Administration planned to invite supermarkets and convenience stores to sell designated garbage bags in lieu of PSBs as a means to further promote reuse and waste reduction.
- 43. <u>Dr Fernando CHEUNG</u> considered that the Administration should comprehensively enhance the provision of resource recovery facilities in the community to make it more convenient for members of the public to practise

waste separation. Without this initiative, it would be difficult for ordinary households to reduce the amount of waste they disposed of and the MSW charge to be paid. In addition, he opined that the Administration should implement new PRSs on various product categories in tandem with the introduction MSW charging, so that product manufacturers or suppliers would be required to shoulder more responsibility for reducing waste.

44. <u>SEN</u> responded that all sectors in the community shared the responsibility for reducing waste. According to the experiences of other places, MSW charging could enhance consumers' awareness in choosing environment-friendly products and packaging, thereby driving manufacturers/suppliers to reduce waste in the manufacturing, packaging and retailing processes of products.

Enforcement and public education

- 45. <u>Dr CHENG Chung-tai</u> expressed concerns on the following issues:
 - (a) the potential conflicts between members of the public and frontline staff of the Food and Environmental Hygiene Department ("FEHD") as a result of the implementation of the proposed MSW charging scheme, as the frontline staff of FEHD would be tasked to reject non-compliant waste (i.e. MSW that neither was wrapped in a designated garbage bag nor had a designated label attached to it) at waste reception points;
 - (b) privacy problems arising from the use of closed-circuit television, internet-protocol cameras and surveillance cameras with smart technology at fly-tipping black spots, and whether face recognition technologies would be used in those surveillance systems; and
 - (c) as the Administration would encourage members of the public to report non-compliant cases, neighbourhood relations might be damaged as a result, in particular if the reports involved false complaints.
- 46. <u>Mr CHAN Chi-chuen</u> also expressed concerns about the possible difficulties in taking enforcement actions against non-compliances, and that conflicts might arise between waste producers and frontline enforcement officers or property management companies.
- 47. Mr KWOK Wai-keung pointed out that there were over 10 000 public reports on fly-tipping of construction waste but less than 100 prosecution

cases in 2017. He queried how the Administration would step up enforcement actions to prevent aggravation of fly-tipping as a result of the implementation of MSW charging. In addition, he relayed the concern of frontline cleaning staff about the potential surge in their workload.

- 48. <u>Mr Steven HO</u> and <u>Dr Elizabeth QUAT</u> sought elaboration on how the Administration would take enforcement actions against non-compliances, in particular in "three-nil buildings" (i.e. buildings without owners' corporations, residents' organizations or property management companies). <u>Dr QUAT</u> expressed concern about the possible environmental hygiene problems caused by fly-tipping of food waste.
- 49. The <u>Deputy Director of Environmental Protection (Special Duties)</u> ("DDEP(SD)") advised that:
 - (a) the Administration planned to put in place a six-month phasing-in period after the commencement of MSW charging. During this period, the Administration would mainly issue warnings to non-compliant cases, but would also conduct enforcement actions in case the nature and magnitude of the offence called for enforcement. During and after the phasing-in period, frontline staff of FEHD would conduct visual screening at waste reception points and reject non-compliant waste;
 - (b) outcomes of a pilot scheme conducted by FEHD confirmed that installation of internet-protocol camera at black spots was effective in curbing illegal waste disposal. EPD and FEHD now planned to expand the installation of internet-protocol cameras to cover at least 170 locations in 2019. The Administration would strike a balance between monitoring compliance and protecting privacy; and
 - (c) it was not the Administration's intention to conduct inspection whenever it received a complaint related to MSW charging, as this would be against the principle of efficient use of resources. Instead, inspection and enforcement actions would be conducted at fly-tipping black spots, a list of which would be drawn up based on intelligence and complaints received, etc.

50. SEN supplemented that:

(a) other cities that had MSW charging in place (such as Seoul and Taipei City) faced similar challenges in the early stage of implementation. With reference to the experiences of those

- cities, the Administration would take a step-by-step approach in implementing MSW charging, starting with intensive public education and publicity;
- (b) some of the outreaching teams to be set up would be deployed to target groups that required more assistance (e.g. residents in single-block buildings and rural villages) to help them put MSW charging into practice and adjust/establish resource recovery arrangements; and
- (c) the Bill, if passed, would empower EPD to take enforcement actions against depositing of non-compliant waste in a common area of any premises (including private premises) that was used for depositing waste. This might help tackle the existing hygiene problems on certain private premises.
- 51. Mr Steven HO and Dr Elizabeth QUAT commented that it was unclear as to how non-complaint waste rejected by frontline staff of FEHD at waste reception points would be handled. Dr QUAT opined that the Administration should explain its standard procedure for handling complaints received by the dedicated hotline to be set up for MSW charging.
- 52. <u>Dr Fernando CHEUNG</u> expressed concerns that it might be more difficult for disadvantaged groups and elderly persons living alone or with another elderly person to change their waste disposal habits; conflicts might arise between those people and frontline enforcement officers due to misunderstanding of the requirements under the proposed MSW charging scheme; and operators of residential care homes for the elderly might reduce the frequency of replacing used medical and personal care products in order to pay less MSW charge. He therefore suggested that the Administration should enhance its support for the work of non-governmental organizations ("NGOs") in public education on MSW charging as well as waste reduction and recycling in general. <u>SEN</u> responded that the Administration would seek to collaborate with NGOs on public education.

Manpower resources and financial implications

53. Mr Tommy CHEUNG enquired about the additional manpower resources in relevant B/Ds that would be required for the implementation of MSW charging and related complementary measures, and the financial implications of the additional manpower resources. Dr Elizabeth QUAT raised a similar question regarding the manpower resources required for enforcement.

54. DDEP(SD) responded that the introduction of MSW charging was estimated to necessitate the creation of around 60 civil service posts for non-enforcement tasks, such as the administration of the contracts for the manufacture, inventory and distribution arrangements of designated garbage bags/labels as well as the registration and billing systems related to the collection of gate fee (i.e. a fee to be charged based on the weight of MSW collected by private waste collectors ("PWCs") using waste collection vehicles without compactors and disposed of at the waste disposal facilities). In addition, around 30 to 35 new outreaching teams, each comprising five to The actual manpower resources six staff members, would be created. required for enforcement would depend on a number of factors such as At the request of Mr Tommy CHEUNG, the compliance situation. Administration agreed to provide a written response on this issue.

Admin

(*Post-meeting note*: The Administration's response was circulated to members on 13 February 2019 vide LC Paper No. CB(1)571/18-19(02).)

- 55. Mr CHAN Chi-chuen sought elaboration on the financial implications of implementing the proposed MSW charging scheme, including whether it would be revenue neutral in the sense that all charges collected would be ploughed back to waste reduction and recycling work. He also asked why there would not be a reduction in government rates to offset MSW charges, even though the charges for waste collection had already been included in the government rates.
- 56. <u>DDEP(SD)</u> responded that the purpose of MSW charging was neither to raise the Government's revenue nor to recover the cost of providing waste collection and disposal services. As explained to the Panel in the past, rates formed part of the Government's general revenue without any specific linkage to the expenditures on waste collection and disposal. The financial implications of MSW charging were explained in paragraph 8 of Annex E to the LegCo Brief on the Bill (Ref: EP CR/9/65/3). In short, it was estimated that revenue arising from MSW charging was expected to range from about \$812 million to \$1.2 billion, depending on the compliance rates and other factors, and additional recurrent resources that would be commensurate with the revenue would be provided to strengthen support for waste reduction and recycling.

Payment arrangements for gate fee

57. Mr Frankie YICK opined that the hybrid registration system proposed by the Administration was inadequate in addressing the concerns of small PWCs who had less bargaining power than their clients and might be forced

to pay the gate fee upfront for the clients, which could result in potential cash flow and bad debt problems. He suggested that all waste producers serviced by PWCs using refuse collection vehicles without compactors should be required to register as account holders for paying the gate fee. He said that the Liberal Party would not support the Bill if the gate-fee issue was not resolved.

- 58. The <u>Chairman</u> also expressed concern that waste producers serviced by those PWCs might evade the payment of gate fee.
- 59. <u>DDEP(SD)</u> advised that it had considered the option suggested by Mr Frankie YICK, but representatives from the relevant trades generally preferred a hybrid registration system to allow greater flexibility in respect of the payment of gate fee. The proposed hybrid registration system would be similar to the existing payment arrangements under the Construction Waste Disposal Charging Scheme. The Administration would continue to engage the trades in drawing up the detailed payment arrangements.

Designated labels

- 60. Mr Steven HO considered that the Administration should clarify whether a designated label would be required to be attached to each dismantled part (if any) of the same piece of abandoned furniture under the proposed MSW charging scheme.
- 61. Mr Frankie YICK suggested that a design should be adopted for designated labels such that a designated label already attached to a waste item would become void if it was subsequently peeled off with a view to preventing reuse of the label, while the waste item concerned would still be deemed to have been attached with a designated label. DDEP(SD) advised that security features would be incorporated into the design of designated labels to prevent the reuse of peeled-off ones.

(At 4:23 pm, the Chairman directed that the meeting be extended for 15 minutes beyond the appointed ending time.)

Closing remark

62. The <u>Chairman</u> said that the Bills Committee on Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018 had been formed to scrutinize the Bill. According to the LegCo Brief on the Bill, the Administration estimated that MSW charging could be implemented by the end of 2020 at the earliest.

VII. Any other business

63. There being no other business, the meeting ended at 4:36 pm.

Council Business Division 1 <u>Legislative Council Secretariat</u> 19 February 2019