

COUNCIL FOR SUSTAINABLE DEVELOPMENT

**Digest of the 32nd Meeting
held at 3:00 p.m. on 24 November 2014
in Conference Room 1, G/F, Central Government Offices
Tamar, Hong Kong**

Present :

Hon Bernard Chan	<i>(Chairman)</i>
Mr Chan Siu-hung	
Dr Ian Chan	
Mr Benjamin Hung	
Mrs Stella Lau	
Mrs Miranda Leung	
Professor Leung Wing-mo	
Professor Bernard Lim	
Dr Ng Cho-nam	
Professor Poon Chi-sun	
Professor Nora Tam	
Ms Iris Tam	
Mr Wong Kam-sing	<i>Secretary for the Environment</i>
Ms Florence Hui	<i>Under Secretary for Home Affairs</i>
Mr Yau Shing-mu	<i>Under Secretary for Transport and Housing</i>
Mr Chan Chi-ming	<i>Deputy Secretary for Development (Works)²</i>
Ms Margaret Hsia	<i>Principal Assistant Secretary for the Environment (Sustainable Development) (Secretary)</i>

In attendance :

Environment Bureau

Ms Anissa Wong

*Permanent Secretary for the
Environment*

Mr Vincent Liu

*Deputy Secretary for the
Environment*

Mrs Philomena Leung

*Principal Assistant Secretary
(Sustainable Development)
(Designate)*

Ms Estrella Cheung

*Administrative Assistant to
Secretary for the Environment*

Ms Michelle Au

*Political Assistant to Secretary for
the Environment*

Miss Neve Leung

*Assistant Secretary (Sustainable
Development)1*

Mr Desmond Cheng

*Assistant Secretary (Sustainable
Development)2*

Mr Tom Tam

*Senior Environmental Protection
Officer (Sustainable Development)*

Miss Erica Wong

*Senior Town Planner (Sustainable
Development)*

Ms Claudia Cheung

*Senior Executive Officer
(Sustainable Development)1*

Environmental Protection Department

Mr Andrew Lai	<i>Deputy Director of Environmental Protection (3)</i>
Mr Samson Lai	<i>Assistant Director (Waste Management Policy)</i>
Dr Alain Lam	<i>Principal Environmental Protection Officer (Waste Management Policy)</i>
Mr Jason Leung	<i>Senior Environmental Protection Officer (Waste Management Policy)1</i>
Ms Carolina Leung	<i>Senior Environmental Protection Officer (Waste Management Policy)5</i>

Housing Department

Ms Connie Yeung	<i>Assistant Director (Estate Management)3</i>
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Hong Kong Productivity Council

Ir Kenny Wong	<i>Principal Consultant</i>
Dr Keith Choy	<i>Senior Consultant</i>
Ms Karie Chan	<i>Project Officer</i>

Social Sciences Research Centre,
The University of Hong Kong

Ms Linda Cho	<i>Centre Manager</i>
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*For Agenda Item 3
(SDC Paper 05/14)*

Absent with apologies :

Ms Betty Ho
Professor Ho Kin-chung
Ms Lilian Law
Mr Victor Li
Professor Joseph Sung
Miss Sherry Tsai

Agenda Item 1 – Matters arising from the minutes of the last meeting

There were no matters arising from the minutes of the last meeting held on 13 August 2013.

Agenda Item 2 – Report on the work of the Education and Publicity Sub-committee *(SDC Paper No. 04/14)*

Members were briefed on the work progress of the Education and Publicity Sub-committee (EPSC) as set out in SDC Paper No. 04/14. The following was highlighted:

- The EPSC had, at its meeting held on 24 September 2014, considered 70 applications in the 11th round of applications for the Sustainable Development Fund (SDF). Six projects were recommended for award of grants, involving a total amount of about \$8.23 million. The Council for Sustainable Development (the Council) had endorsed EPSC's recommendation by circulation (vide SDC Paper No. 03/14) in mid October 2014. Including this round of application, a cumulative total of 63 projects had been approved for grants from SDF, involving a total amount of some \$63.9 million.
- Recruitment for the 5th round of the Sustainable Development School Award Programme (2014-2016) had commenced. 55 schools had enrolled. The theme of the current round was 'Waste Reduction at Source', which aimed to sustain the momentum of the Council's public engagement (PE) process on Municipal Solid Waste (MSW) charging.
- The 13th round of the School Outreach Programme (2014-15) had commenced in September 2014. School talks, workshops and interactive drama would be held to disseminate the concepts of Sustainable Development (SD) to secondary school students.
- Since launch of the Sustainable Development Ambassador Programme last year, some 330 Ambassadors had been recruited who would help spread SD messages among their peers. They had been engaged in organising and implementing various activities to provide them "learning-by-doing" opportunities.

The meeting noted that the Ambassador Programme was launched so that a network of persons who had previously participated in the school programmes held by the EPSC could be formed. Such initiative could help sustain the momentum of the programmes and facilitate the sharing of experience among the Ambassadors within the network.

Agenda Item 3 – Public Engagement on Municipal Solid Waste Charging
(SDC Paper No. 05/14)

The meeting noted that after taking into account Members' comments at the meeting today, the report would be finalised and submitted to the Government in December 2014. The meeting also noted that there would be a media brief on SDC's major recommendations after the meeting.

Members were briefed on the progress of the PE process and the proposed recommendations based on the PE and deliberations of two working sessions. The following was highlighted:

- The four-month public involvement stage of the PE ended in January 2014. The Independent Analysis and Reporting Agency provided an analysis on the public views collected at the Strategy Sub-committee meeting on 27 June 2014. Two working sessions were held in August and September 2014 to consider the views received and discuss the recommendations to be made on the four key issues, namely charging mechanism, coverage of the charging scheme, charging level and recycling.
- The MSW charging was recommended to be premised on the following principles –
 - (i) it should be legally viable and could be effectively enforced by the relevant agencies without causing unreasonable annoyance to the public;
 - (ii) it should be directly related to the quantity of waste disposed of to promote waste reduction and to align with the “Waste Less, Pay Less” principle;
 - (iii) it should be broadly compatible with the prevailing effective waste collection/handling systems to ensure environmental hygiene; and
 - (iv) it should be implemented for both domestic wastes and commercial and industrial (C&I) wastes in one go so that all sectors could maximise waste reduction with shared responsibility.

- On the charging mechanism, the proposed major recommendations were as follows –
 - (i) For waste disposed through Food and Environmental Hygiene Department's refuse collection fleet (mainly residential buildings with property management companies (PMCs) handling refuse collection), while charging "by volume of waste disposed of by building" could be allowed as a transitional option to allow more time for relevant residential buildings to reach consensus on implementation details of charging "by household using pre-paid designated garbage bags", the transitional period should last for no more than three years with an interim review by the Government. The Government should also provide supporting measures and incentives to help residents migrate from charging "by building by volume" to charging "by household by bag" which is the ultimate goal;
 - (ii) For waste disposed at refuse collection points (RCPs), pre-paid designated garbage bags should be used. The Government should examine the need to retrofit relevant facilities and to strengthen manpower for deterring non-compliance. The Government should also explore the feasibility of allowing C&I organisations to use pre-paid designated garbage bags to dispose waste of a limited amount at RCPs; and
 - (iii) For waste disposal through private waste collectors (mainly for C&I organisations and a small number of residential estates), a "gate fee" should be charged based on the weight of waste disposed of at refuse transfer stations/landfills. Private waste collectors were expected to discuss with their clients of the mechanism to apportion the waste charges among individual waste producers.
- The Government should consider introducing a "preparatory phase" of 12 to 18 months before the legislation was to come into effect. This would allow sufficient time for the Government and all sectors concerned to make necessary preparations.
- In respect of charging level, the proposed major recommendations were as follows –
 - (i) it should follow the "quantity-based" and "polluter pays" principles, and should be effective in inducing waste reduction while the level should not be excessively high;

- (ii) the Government should consider a range of \$400 to \$499 per tonne for C&I waste. For domestic waste, the recommended level was \$30 to \$44 per household per month (based on a three-person household) as a starting point;
 - (iii) there should be parity between the charging levels of C&I waste and domestic waste to ensure fairness;
 - (iv) the Government should consider ways to assist people with financial hardship when formulating the implementation details;
 - (v) the establishment of a standard disposal threshold level was not recommended as it would be complex involving considerable administrative costs; and
 - (vi) the Government should clearly explain the differences between the underlying principles of the Rates and MSW charging.
- In respect of coverage, MSW charging should be implemented for all sectors in one go.
 - In respect of recycling, the Government should provide additional supporting measures to encourage “Use Less, Waste Less”, recycling and reuse.

Members had the following enquiries and comments:

On the charging mechanism

- Supported the proposed transitional period as an appropriate lead time should be allowed for public education and provision of ancillary facilities before full implementation of charging “by household by bag”.
- Opined that the duration of the transitional period should be reasonable and not more than three years. An interim review should be carried out after the first year with a view to evaluating the effectiveness and progress of the scheme as well as the need to fine-tune its operational details.
- Opined that to foster the smooth implementation of MSW charging, the Government should lay down a clear implementation schedule and timeframe for “by household by bag” charging, and with provision for review during the transitional period. Any changes to the duration of the transitional period should only be made with strong justifications.

- Noted that Taipei's MSW charging scheme had been implemented for over a decade, but multi-storey buildings were still charged on a building basis. Such example illustrated that it could be highly challenging to implement "by household by bag" charging in the short term for multi-storey buildings. It was believed that the proposed transitional period had already struck a reasonable balance.
- Opined that under the "by building by volume" charging mode, the financial burden would be shared among all residents of a building. Unless a mechanism was devised to apportion the charges among households of that building on the basis of quantity, such arrangement would go against the principle of fairness.
- Concerned about the mechanism in enforcing "by household by bag" charging given that the legislation would unlikely have binding effect on individual households.
- Believed that while the legislation might not have binding effect on individual households, this should not hinder effective implementation of the charging scheme given concerted efforts of PMCs. It was also believed that households who complied with the relevant requirements would create pressure for their neighbours to follow suit.
- Considered that PMCs had a key role in working out with individual households on the charging mechanism. During the transitional period, some buildings might adopt "by household by bag" charging while some would adopt "by building by volume" charging. In this regard, the Government should consider issuing clear administrative guidelines to ensure smooth implementation.
- Commented that for those residential buildings which opted to adopt "by building by volume" charging during the transitional period, the Government should consider devising an effective means to encourage and drive them to migrate to "by household by bag" charging.
- Enquired about the projected Government revenue arising from MSW charging as well as the proposed use of the revenue, in particular whether it would be managed as a designated fund for specific purposes.

On the charging level

- Suggested that financial incentives, such as a progressive charging rate for “by building by volume” should be introduced to encourage households to adopt charging “by household by bag”. The differences in terms of amount charged should also be progressively widened annually.
- Considered that since the charging scheme aimed to incentivise the public to reduce waste rather than to penalise, a differential charging rate would serve as a catalyst to achieve “by household by bag” charging.
- Enquired how the proposed “gate fee” charging level would compare with the fee of using pre-paid designated garbage bags. There was concern that if the former would cost less, residents might shift to hire private waste collectors for domestic waste disposal instead of using pre-paid designated garbage bags.
- Observed that the charging level for construction wastes was much lower than the proposed charges for MSW and was wary that some might camouflage MSW as construction wastes by mixing them together to save costs.
- Enquired about the charging level in overseas countries. Commented that given the proposed low charging level, it was uncertain if behavioural change could be induced and suggested that the charging level should be reviewed after the first year of implementation.
- Opined that the charging level was not the sole factor to induce behavioural change.

On recycling

- Suggested that the Government should provide sufficient supporting facilities to encourage waste recycling.
- Recommended the Government to explore means to reduce waste at source, such as encouraging the use of refill packs for consumables.
- Opined that supporting facilities should be enhanced to provide more incentives for the public to recycle and reduce waste at source. For example, the Community Green Stations (CGSs) should be set up in convenient and accessible locations.

- Considered that MSW charging could provide an impetus for the development of organic waste treatment facilities.
- Enquired about glass bottle recycling.

On supporting measures and roadside litter bins

- Suggested that the Government should carry out planning and provision of ancillary facilities during the preparatory phase.
- Suggested that the Government should provide the public with free designated garbage bags at the beginning of implementation so as to help them accustom to the new waste disposal mode. However, the free offer should only last for a short period.
- Considered that while “hardware”, such as provision of ancillary facilities, and “software” like public education were equally important, the latter would be more challenging and suggested that the Government should step up efforts in public education.
- Noted that fly-tipping currently took place in some areas and was hence concerned about the situation after implementing the charging scheme. In this regard, it was suggested that the Government should enhance public education in collaboration with green groups and non-governmental organisations against fly-tipping. It was also suggested that the Government should consider re-designing the bins to prevent the public from using them to dispose of MSW.
- Said that the number of roadside litter bins had to be reduced in the long run and the implementation details could be worked out at a later stage.
- Suggested that the Government should examine the feasibility of reducing roadside litter bins at the early stage of implementing MSW charging on a district-by-district basis having regard to the special circumstances of individual districts, instead of replacing all existing litter bins with the re-designed litter bins.
- Opined that fly-tipping problems would still exist regardless of the design of the litter bins. The most effective solution to the problem was to step up law enforcement.

- Considered that waste reduction at source should be achieved through enhancing public education and awareness, instead of reducing the number of roadside litter bins which might cause inconvenience to the public. There was also concern that reducing the number of roadside litter bins would cause inconvenience to tourists, in particular in areas with tourist attractions.
- Considered that the potential problem of dumping domestic waste in roadside litter bins might not be serious as the charging level was not high.

The meeting was informed that:

- Taipei also had measures which provided the public with free designated garbage bags at the beginning of implementation so as to help them accustom to the new waste disposal mode.
- The proposed charging level was worked out such that the amount payable on the basis of “gate fee” and that payable on the basis of pre-paid designated garbage bags would be about the same. Furthermore, as hiring of private waste collectors would incur additional costs, it was believed that there should be little incentive for residents to change to such mode if they were now using the waste collection service of the Food and Environmental Hygiene Department.
- From the experiences of the “Environmental Levy Scheme on Plastic Shopping Bags”, a seemingly low charge could still be effective in changing behaviour.

The Administration’s responses were as follows:

- The purpose of the MSW charging was to encourage waste reduction at source by providing an economic incentive to induce behavioural change. It was important that the charging mechanism could effectively incentivise waste reduction while at the same time upholding environmental hygiene in the community. In this regard, the “by household by bag” charging mechanism would provide a more direct incentive to reduce waste and was in line with the principle of “Waste Less, Pay Less”.
- In devising MSW charging, the “polluter pays” principle should be adhered to. The Government would carefully consider the detailed

arrangements having regard to the Council's recommendations, including the feasibility of imposing a progressive higher charging scale for "by building by volume" charging, thereby providing stronger financial incentive for households to migrate to "by household by bag" charging.

- As revealed in the public engagement and the pilot scheme on MSW charging, tenants in public housing estates were generally supportive of MSW charging, in particular the "by household by bag" charging mode as they considered it to be fairer.
- Agreed that a preparatory phase was required for all concerned to make the necessary preparations.
- Upon launching of the charging scheme, it was expected that some housing estates would be ready to adopt the "by household by bag" mechanism while some others might require a transitional period.
- The Government would keep in view closely public reaction and review the duration of the transitional period as appropriate.
- Agreed that since PMCs had a key role, the Government should provide them with guidance and assistance as necessary.
- The proposed charging level was similar to that of Taipei. This level was also considered to be reasonable and acceptable during the public engagement.
- MSW charging aimed to encourage waste reduction at source rather than to achieve cost recovery or to increase government revenue. The Government had formulated a comprehensive waste management strategy and had been putting a lot of resources in implementing the strategy, such as the establishment of CGSs and construction of organic waste treatment facilities. The resources allocated to these initiatives were not premised on the establishment of a dedicated fund.
- The Government would enhance recycling facilities, including the provision of CGSs in 18 districts and recycling bins in housing estates. The Government had secured the support from District Councils to set up CGSs and confirmed the siting of 11 projects. Construction had already started for the projects in Shatin District and Eastern District.

- The Government would consider reviewing the construction waste disposal charging scheme separately.
- The Government conducted a public consultation on a new Producer Responsibility Scheme (PRS) for glass beverage bottles in 2013. The consultation revealed strong community aspiration to implement comprehensive glass bottle recycling in Hong Kong. The Government planned to introduce a mandatory PRS on glass beverage bottles. The Government was also proactively expanding the glass bottle collection network. There were now a total of 1 000 residential glass bottle collection points in various housing estates, representing a coverage of half of the population in Hong Kong. The Government would also progressively engage non-profit-making organisations through open tender to operate CGSs in 18 districts in order to strengthen environmental education and recycling support at the community level.
- Implementing MSW charging in public housing estates could be a challenging task. Housing Department would work closely with relevant bureaux and departments on the details of implementation and explore feasible ways to resolve potential problems.

The Administration also made the following remarks:

- Expressed sincere appreciation to the Council for conducting the PE process and providing the comprehensive recommendations on such a complex issue. The Government would thoroughly consider the Council's recommendations in formulating the implementation details.
- Overseas experiences showed that MSW charging was an effective measure to reduce waste at source. The Government was committed to taking forward the charging scheme. The Government had been carrying out various initiatives on recycling, including setting up CGSs in all 18 districts, provision of recycling vehicles and introduction of a smartphone application showing the locations of all recycling points in Hong Kong. Moreover, PRSs were being put in place progressively, including the extension of the Environmental Levy Scheme on Plastic Shopping Bags in April 2015, as well as the introduction of mandatory PRS for waste electrical and electronic equipment and for glass beverage bottles. All these initiatives reflected the Government's determination to tackle waste management and facilitate the sustainable use of resources.

- Hong Kong had a high population density which posed great challenges for implementing MSW charging. That said, they were confident that Hong Kong would be able to take forward MSW charging and the experiences gained could be shared with other cities in the region.

The draft report would be revised taking into account Members' views, and thereafter submitted to the Government.

[Post-meeting note: The report was submitted to the Secretary for the Environment on 16 December 2014.]

Agenda Item 4 – Any other business

There was no other business raised.

Agenda Item 5 – Date of the next meeting

The Secretary would confirm the date of the next meeting nearer the time.

Secretariat
Council for Sustainable Development