

LCQ13: Municipal solid waste charging

Following is a question by Dr the Hon Tik Chi-yuen and a written reply by the Acting Secretary for Environment and Ecology, Miss Diane Wong, in the Legislative Council today (November 13):

Question:

The Government announced on May 27 this year that the implementation of municipal solid waste charging (MSW charging) would be deferred. In the reply to a question raised by a Member of this Council on the Estimates of Expenditure 2024-2025, the Secretary for Environment and Ecology has advised that the Government's expenditure for implementing MSW charging from the 2021-2022 financial year to the 2023-2024 financial year amounts to about \$176 million, and the relevant estimated expenditure for the 2024-2025 financial year is approximately \$581 million. Moreover, it has been reported that the stock of the designated bags produced for MSW charging reaches about 170 million. In this connection, will the Government inform this Council:

(1) how the unused designated bags will be disposed of; whether it will consider distributing them for use as regular garbage bags;

(2) whether it will revise the estimated expenditure for implementing MSW charging in the 2024-2025 financial year, and how the manpower originally responsible for MSW charging will be deployed;

(3) given that for implementing MSW charging, the Government has awarded contracts with a total value of about \$1.248 billion, including nine contracts for the supply of designated bags to the Environmental Protection Department, two contracts for the supply of designated labels and one contract for the provision of warehouse and logistics co-ordination services, how the nine contracts for the supply of designated bags were entered into; whether the Government has terminated all the aforesaid contracts with the contractors concerned; if so, of the amount of liquidated damages payable by the Government; if not, whether these contractors are still required to fulfil the terms and conditions of the contracts and receive the contract fees, as well as the amount of the contract fees concerned;

(4) as in the reply to a question raised by a Member of this Council on the Estimates of Expenditure 2024-2025, the Government has indicated that the annual expenditure incurred by the Green Outreach is about \$100 million, whether the expenditure and manpower of the Green Outreach have been reduced; if so, of the respective percentage reductions in expenditure and manpower; if not, the reasons for that; and

(5) of the respective expenditures on the Smart Inventory Management System established for the implementation of MSW charging and the Government's signing of authorisation agreements with 16 major retail chains; whether the Government has terminated the relevant agreements; if so, of the amount of

the termination fees payable; if not, the amount of the contract fees payable?

Reply:

President,

Although the Government earlier announced the suspension of the implementation of municipal solid waste (MSW) charging, our determination to reduce MSW has never wavered. Seizing the opportunity of an increasing public participation in waste reduction and recycling, the Government is proactively expanding the recycling network and strengthening public education to promote a green waste reduction and recycling culture. Our reply to the question raised by Dr the Hon Tik Chi-yuen is as follows:

(1) To encourage the public to practise waste reduction and recycling, starting from June 2024, the Environmental Protection Department (EPD) has distributed 20 Designated Bags (DBs) per month free of charge to households of all public housing estates for a period of six months. The number of DBs per month for each household is five fewer than the number of garbage bags it usually collects, which is equivalent to a 20 per cent reduction in distribution. This initiative aims to encourage residents to make use of recycling facilities and foster a habit of waste reduction at source so that they may use fewer DBs to dispose of all waste and at the same time quantify the amount of waste reduced through recycling more easily. Furthermore, since August 2024, the EPD is gradually providing DBs for free to households of private residential premises successfully joining the Waste Reduction and Recycling Charter (the Charter) by November 30, 2024, for promotional and educational purposes. For better utilisation of public resources, the EPD has liaised with some government departments and public organisations to gradually supply them with DBs that are unsuitable for general household use based on their needs.

(2) In light of the suspension of the implementation of MSW charging, the EPD has suitably adjusted its relevant estimates of expenditure and manpower. The EPD have re-allocated part of the expenditure previously reserved for the implementation of MSW charging to strengthen recycling facilities and enhance publicity and education on waste reduction and recycling, and re-deployed some of the manpower previously engaged in the implementation of MSW charging to push forward a series of work to promote waste reduction and recycling, including encouraging private residential premises to participate in the Charter, expanding and enhancing the community recycling network GREEN@COMMUNITY and the food waste recycling network, stepping up public education and promotion and studying proposals to enhance the MSW Charging Scheme. The EPD's revised estimate for 2024-25 financial year will be released in the 2025-26 Budget for scrutiny by the Finance Committee of the Legislative Council.

(3) The contracts signed between the EPD and the suppliers of DB and Designated Label (DL) do not mandate the production and storage quantities, hence the suppliers will only be remunerated for the actual quantities of DBs

and DLs produced. These contracts are still in effect at present and the EPD will continue to maintain communication with the suppliers and properly handle all issues in accordance with the contract provisions.

(4) The Government is continuously strengthening publicity and education on waste reduction and recycling in the community. Apart from continually supporting the promotion of the community recycling network GREEN@COMMUNITY and food waste collection services, the Green Outreach of the EPD has also organised promotional activities during the distribution of DBs at public housing estates to educate and encourage members of the public to practise waste reduction at source and clean recycling. To support the Charter, which was launched in June this year, the Green Outreach has conducted visits and provided advice and technical support to residential premises applying for the Charter and in need of assistance. In addition, the Green Outreach is actively implementing the "We-recycle@School" Activity (the Activity) launched in March 2024, to encourage students to practise resources separation and recycling together with their family members in their everyday lives. So far, over 400 primary and secondary schools have participated in the Activity. The Green Outreach is also strengthening collaboration with non-profit organisations to implement the Green Outreach Volunteer Programme with a view to reaching out to community groups such as women, foreign domestic helpers and new arrivals, to educate and encourage citizens from different backgrounds to practise waste separation at source and clean recycling together.

The estimated expenditure for the Green Outreach in 2024-25 financial year is about \$100 million. The EPD will adjust the promotion strategy of the Green Outreach and the deployment of resources as needed with reference to the latest waste reduction and recycling efforts to ensure effective implementation of the policies as well as publicity and public education, and to encourage members of the public to integrate waste reduction and recycling in their daily lives.

(5) The Government awarded a contract in 2022 to develop the Smart Inventory Management System and has paid \$6.17 million for its development to date. The system has been providing comprehensive services to relevant users (including the EPD, suppliers, logistics contractor, retailers and bulk purchasers) since the first quarter of 2024. Following the suspension of the implementation of MSW charging, the EPD is also using the system to co-ordinate and support the daily operations related to the distribution of DBs.

Regarding the retail network for DBs and DLs, the Authorisation Agreements (the Agreements) signed earlier between the EPD and major retail chains and wholesalers will end in 2027. Upon the suspension of the implementation of MSW charging, the EPD has collected the unsold DBs and DLs from all retailers and wholesalers. The EPD is now verifying the sales figures and will pay the retailers and wholesalers the relevant service fees in accordance with the terms of the Agreements.