

6 May 2013

Environmental Protection Department
Waste Management Policy Division
Room 4522, 45th Floor, Revenue Tower
5 Gloucester Road
Hong Kong

Dear Sir/Madam,

Submission for the Public Consultation on “A New Producer Responsibility Scheme on Glass Beverage Bottles”

Business Environment Council Limited (BEC) has long been a strong advocate for sustainable waste management. We appreciate the outreach from the Environmental Protection Department (EPD) with respect to proposing a producer responsibility scheme (PRS) for glass bottles in Hong Kong. We hereby take the opportunity to contribute our views.

BEC has carefully reviewed the invitation and response document prepared for this public engagement (*the Consultation document*), and has discussed this among our membership. The following views have emerged as our collective response to the discussion points put forth by the EPD. Views put forward in this paper represent the views of BEC as a whole, and may not necessarily correlate with the views of individual members.

Summary of Views

BEC members recognize the urgent need to reduce the disposal of glass bottles to landfills in Hong Kong, as part of a comprehensive approach to put in place integrated waste management facilities. Thus we support policy and regulatory approaches that encourage waste reduction, separation, and diversion. BEC supports the implementation of a producer responsibility scheme for glass beverage bottles in Hong Kong, but recommends – in accordance with the polluter pays principle – that all types of glass bottles be included in the PRS at this stage. Furthermore, crushing and recycling of glass may not always be the most energy efficient option for handling glass waste, whereby in some cases glass bottle reuse may be a better option. Recognizing this, we believe that sufficient technical and financial support must be available to ensure that adequate infrastructure is in place to facilitate the reuse and recycling of glass in Hong Kong.

BEC welcomes Government collaboration with business to build incentives and disincentives to promote best practices not only for recycling, but also for glass reuse and recognition of related successes. In addition, BEC agrees that retailers are a key part in educating the public about recycling, but the local restaurant, hotel and catering industry also has a supporting role to play in this regard.

As a key business organization in Hong Kong, BEC can provide valuable insight and industry experience on this important topic. As such, BEC welcomes further collaboration with EPD and other government department in order to continually improve and refine the approach to waste glass management in Hong Kong, and municipal waste management more generally. For this purpose BEC has recently formed the BEC Waste Management Advisory Group to act as a key organization of experts to inform government on waste policies in Hong Kong going forward.

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Our response to specific questions posed in the consultation follows.

Question 1: Do you agree that we should now proceed to pursue a mandatory PRS on glass beverage bottles as a priority among different types of glass bottles, because this removes the largest number of glass bottles?

For glass beverage bottles to be covered under the mandatory PRS now:
Strongly Agree

For glass food/sauce bottles to be covered under the mandatory PRS in a future phase:
Disagree

BEC strongly supports a mandatory PRS on glass beverage bottles now; however, we disagree that glass food/ sauce bottles be included only at a later stage – instead these bottles should be included in the PRS now.

BEC believes that used glass beverage bottles create a heavy burden on Hong Kong's waste management system. Unlike many other types of waste, glass is bulky and does not decompose, hence recycling and reuse is crucial to minimize the impact of glass on landfill capacity. The mandatory PRS for glass beverage bottles is just one of the ways to encourage local producers of glass bottles to adopt manufacturing processes and product designs in consideration of waste minimization. In line with the polluter pays principle, BEC suggests including food/sauce bottles under the proposed PRS now because only a small portion of the local community consumes glass beverage bottles regularly while the majority consume glass food/ sauce bottles on a more frequent basis. The public might also be given the impression that people who consume glass beverage bottles are being singled out and penalised over others.

Water conservation may not be a valid reason for excluding food/sauce glass bottles as part of the PRS at this stage. It is not necessary to thoroughly clean the glass bottles because they will be crushed at the recycling plant anyways. Thus, the amount of water used by consumers for rinsing the bottles would be of lower impact than sending the material to landfill. The government should consider allocating resources on educating the public that food and sauce bottles only need to be rinsed as a matter of good hygiene but do not need to be thoroughly washed before being placed into recycle bins.

As stipulated in the consultation document, it is expected that 70% all glass beverage bottles could be collected annually in Hong Kong upon implementation of the proposed PRS initiative. The community (i.e. the consumer) must be provided with multiple incentives to achieve such a high glass recycling rate, for example via convenient collection points at domestic and retail locations, a deposit-and-return system and reverse vending machines.

Given the long-term underinvestment in Hong Kong's recycling infrastructure, additional avenues to support the local industry should also be implemented in order to develop sufficient capacity for operators to absorb the increased quantity of waste glass.

Question 2: At present, a person who carries out a food importation or distribution business must be registered under the Food Safety Ordinance (Cap 612).

Do you agree that the recycling fee for the PRS should be collected from those registered food importers and distributors who import or distribute glass-bottled beverages for local consumption? Who else would also be in the position to serve as the anchor point for the fee?

***Agree** – The recycling fee for the PRS should be collected from the registered food importers and distributors and we suggest that sauce /food glass bottle producers and importers should also be charged for the recycling fee under the proposed PRS.*

BEC agrees that collecting the recycling fee from the suppliers including the registered food importers and distributors is feasible from a control perspective. As the reasons abovementioned, we consider that the sauce/ food glass bottles producers and importers should also be charged for the recycling fee under the proposed PRS.

BEC suggests a more concrete framework for the glass bottle recycling policy to be implemented with the levy system. For example, the fee collected by the HKSAR Government should be used to set up more waste glass bottles collection facilities and support the local glass recycling industry. In addition, clarity should be provided to stipulate at which level (i.e. volume or weight) the levy should be charged to importers or distributors to ensure an optimal level of efficiency in the system and to minimize administrative paperwork.

Notwithstanding the above, depending on the significance of the recycling fee to be charged, the Government should evaluate possible side effects of the PRS such as smuggling of bottles (similar to the tobacco smuggling in Hong Kong). Sufficient resources would need to be deployed to tackle any smuggling activities, where additional government expenses to address this potential problem should be covered by revenues from the PRS itself. Furthermore, it is not yet clear whether Hong Kong importers/ distributors would be required to pay the PRS levy if their goods are not sold into the Hong Kong market. If so, this may impose risk to the beverage trading businesses in Hong Kong.

More importantly, BEC believes that reusing should be prioritised over recycling. In terms of energy conservation, although the use of recycled glass can readily reduce the energy needed to extract and process raw materials, reusing glass bottles can lower the cost of energy even more because it does not require crushing, melting or reforming. A life cycle analysis conducted by The Glass Packaging Institute (GPI) in 2010¹ revealed that during the manufacturing of glass containers, the melting of glass in the furnace had the largest environment impacts among all the processes.

A deposit-and-return mechanism should also be in place to effectively encourage the reuse of glass bottles in Hong Kong. According to GPI's statistics, jurisdictions in the US with container deposit legislation have a 39% higher glass container recycling rate when compared to those without the legislation².

An additional barrier for glass bottle reuse is due to the vastly diverse configurations of bottles among different products and manufacturers. Certain standardizations of beverage bottle configurations are useful to facilitate the reuse of glass containers, and the government may like to consider taking the initiative to foster collaboration among glass bottle manufactures and/or

¹ <http://www.container-recycling.org/assets/pdfs/glass/LCA-GPI2010.pdf>

² <http://www.gpi.org/recycling/glass-recycling-facts>

importers for the standardization process. Standardization of select beverage containers has been successfully implemented in various jurisdictions in Europe, North America and Japan. For instance in Japan the food and beverage industry came together on a voluntary basis to agree on bottle standards, without receiving any financial or administrative support from government. This industry collaboration made sense from a business and resource efficiency perspective, and may have some merit for the (limited) food and beverage industry producing in Hong Kong.

Question 3: For ordinary consumers, do you find it helpful if a beverage retailer could advise you on how to participate in glass bottle recycling? For beverage retailers, are there any practical difficulties that would prevent you from providing recycling-related information to consumers?

Helpful – *Glass bottle retailers should advise on how to participate in glass bottle recycling.*

BEC agrees it would be helpful if retailers provide relevant recycling information to consumers because of their role as the connecting point between producers and consumers. Nevertheless, the HKSAR Government should take additional steps to promote glass bottle recycling, e.g. promotion in housing estates and mandatory recycling information on glass bottles, instead of solely relying on retailers to educate consumers about recycling.

Restaurants, hotels and caterers could also play a key role in providing recycling-related information to customers or even help with the collection of used beverage bottles itself. These businesses typically use large quantities of glass beverage bottles for their day to day business; hence they could be constructively involved in the collection process beyond merely providing an educational role. The Government may like to consider providing financial incentives to retailers, restaurants, hotels and caterers to increase the collection of used glass bottles.

Question 4: As a matter of principle, we should ensure that any end-of-life products under a PRS are efficiently collected for environmentally sound recycling processes to produce reusable materials. Do you agree that new licensing control for the processing of waste glass beverage bottles could contribute to the accomplishment of the said objective of the PRS?

Strongly Agree – *New licensing control for the processing of waste glass beverage bottles is necessary to support the objectives of the PRS.*

The estimated 38,000 tonnes of glass (that is to be recycled annually upon successful implementation of the proposed PRS) represents about a 25-fold increase in the amount of waste glass that has been recovered in 2011. Since many of the local recyclers are small in scale and lack systematic recycling procedures, BEC agrees that a licensing system for glass bottle recyclers will facilitate quality control and monitoring by the HKSAR Government for the collection and recycling processes. Apart from the licensing control, the Government may like to consider providing suitable technical support and financial incentives for local waste glass recyclers.

Question 5: Do you agree that beverage suppliers with a satisfactory corporate reuse / recycling plan could be exempted from the payment of a recycling fee?

Are you aware of any other stakeholders who should also be entitled to similar exemption?

Agree – *Glass bottle suppliers with a satisfactory corporate reuse / recycling plan could be exempted from the payment of a recycling fee.*

BEC is not aware of any other stakeholders who should also be entitled to similar exemption.

Some beverage suppliers implement the deposit-and-return system for glass beverage bottles to encourage consumers to return the bottles to them after use. BEC believes that a low fee deposit-and-return system is effective for suppliers to increase the reuse of glass bottles. While BEC generally supports that beverage/ food/ sauce suppliers with a satisfactory corporate reuse / recycling plan be exempted under the proposed PRS, a “satisfactory corporate reuse / recycling plan” would need to be very clearly defined. In addition, consumer satisfaction and recycling effectiveness should be linked to the exemption of the PRS.

To provide incentives for suppliers to reuse glass bottles, we suggest that these suppliers should have the obligation to disclose the percentage of reuse of their glass bottles periodically in order to receive/retain the exemption, i.e. the exemption for the beverage suppliers should be linked with adequate performance for glass bottle reuse or recycling. If corporate reuse / recycling plans are entitled to be exempted under the proposed PRS, the performance of such a plan should be verified by independent auditors on a regular basis.

Question 6: Do you agree that a landfill ban on glass beverage bottles should be introduced? If yes, how it should be refined for better implementation?

Strongly Agree – *We agree that a landfill ban on glass beverage bottles should be introduced. In fact, BEC suggests all glass bottles (both beverage and food) be banned from landfill disposal.*

BEC believes that a landfill ban on glass bottles is necessary to reduce the disposal of glass at landfills. However, the complexity of implementation of landfill bans on glass bottles is high and care has to be taken to ensure that the ban will not simply increase illegal dumping of glass bottles. Therefore, the ban should be implemented with a comprehensive policy framework to facilitate the collection, reuse and recycling of glass bottles.

Yours sincerely,

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