

Positions on Implementing Quantity-based Municipal Solid Waste Charging

(21 January 2014)

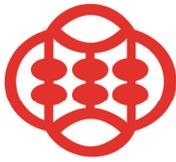
1. We support the Government in proposing schemes to reduce municipal solid waste (MSW). The guiding policy principles should be that the scheme: (a) can create effective incentive to reduce waste; (b) will maintain an effective waste collection system; (c) should be practicable, cost effective, enforceable and acceptable to the public; and (d) should be fair to all sectors involved.
2. We consider that a well designed and implemented MSW charging scheme can stimulate behavioral change by incentivizing people to reduce waste. In corollary, the scheme's focus should be on its effectiveness in waste reduction. Cost recovery should not be a consideration throughout policy formulation.
3. On the four key issues raised in the invitation to response document issued by the Council for Sustainable Development, we have the following views:

Charging mechanism

4. For a quantity charging system, we agree on its merit provided that it is implemented in a fair and impartial manner.
5. For commercial and industrial (C&I) waste, we support following the international practice of charging based on the weight of the waste. We believe this is the most cost-effective, precise and uncontroversial way to determine charge amount. Meanwhile, the Government should facilitate the C&I sector and their contracted private waste collectors to set up corresponding waste measurement and payment sharing arrangements.
6. For domestic waste, we take an open position on the various options proposed, with differentiations in charging by household or building, and by volume or weight.

Coverage and schedule

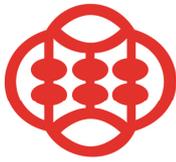
7. On implementation of the charging scheme, we consider "fairness in shared responsibility among stakeholders" is one of the key principles. Hence, we support an across-the-board implementation approach for all sectors which is non-discriminating, and will embrace various stakeholders to play their parts in the reduction of MSW together.
8. We oppose to the implementation of the scheme to different sectors by phases, such as targeting C&I sector first. This is similar to the unfair arrangement in rolling out the Environmental Levy Scheme in Plastic Shopping Bags in 2008, which we also disagreed to and had created discrimination to certain business operators.



9. Before any charging scheme is implemented, it is important that comprehensive and effective public education on waste reduction and recycling be launched to raise people's awareness on the proper waste management attitude and practices. If the public's awareness lags seriously behind their behavioral change, it is likely that certain industries, notably the catering industry, will bear substantial burden as a result of customers' non-environmental friendly behavior.
10. Once the charging scheme is implemented, there would be a higher tendency for people, both from the domestic and C&I sector, to dump their waste illegally on Government land or on private land. We call for the Government to step up the enforcement of existing laws on such activities and consider introducing penalties when legislating for the MSW charging scheme.

Charging level

11. As the scheme is not cost recovery in nature, we consider there is latitude in setting the charge level according to a number of factors, like the Government's overall waste reduction targets, effectiveness of other waste reduction measures, charge-response elasticity and affordability of the community.
12. Charge for C&I waste, as part of business operating costs, will either be passed on to consumers or, in case it is not feasible to do so, shouldered by business operators. In the former case the resulting increase in service or product prices will weaken the general public's ability and willingness to consume, and in the latter the additional cost will create burden and hardship for business operations. Any decision on charge levels should be sensitive to the impact on people's livelihood and the business environment.
13. We agree to the need for the Government to continue developing feasible incentives for the charging scheme, such as the mentioned threshold MSW disposal level or recognition award for implementing building-level charging.
14. Stakeholder groups, for instance the catering industry and some SMEs, were concerned that the charge will impose operational and financial burdens for their businesses and consumers. We urge the Government to heed their plights and explore feasibility of providing financial relief after they achieve certain waste reduction targets.
15. Currently, plastic shopping bags are charged under the Environmental Levy Scheme. If the MSW charge scheme is implemented, "double charging" of environmental levies will exist for acquiring and disposing plastic shopping bags. We consider there is a need for a comprehensive review on this issue.



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Recycling

16. We concur to strengthening the support in recycling before the implementation of the charging scheme to satisfy the heightened motivation to separate recyclables at source. The Government should provide concrete plans to match the expected rising needs for more community recycling facilities and a vibrant local recycling industry.

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About Hong Kong Retail Management Association

The Hong Kong Retail Management Association (HKRMA) was founded in 1983 by a group of visionary retailers with a long-term mission to promote Hong Kong's retail industry and to present a unified voice on issues that affect all retailers. Established for 30 years, the Association has been playing a vital role in representing the trade, and raising the status and professionalism of retailing through awards, education and training.

Today, HKRMA is the leading retail association in Hong Kong with membership covering more than 7,800 retail outlets and employing over half of the local retail workforce. HKRMA is one of the founding members of the Federation of Asia-Pacific Retailers Associations (FAPRA) and is the only representing organization from Hong Kong. FAPRA members cover 17 Asian Pacific countries and regions.