

**Confirmed Minutes of the 267<sup>th</sup> Meeting  
of the Advisory Council on the Environment (ACE)  
on 10 March 2025 at 2:30 p.m.**

**Present:**

Prof John CHAI, BBS, JP (Chairman)  
Prof Kenneth LEUNG, JP (Deputy Chairman)  
Mr CHEUNG Chi-wah  
Ms Ada FUNG, BBS  
Mr Eric HO  
Ms Linda HO  
Ms Grace KWOK  
Dr Theresa KWONG  
Prof Alexis LAU, JP  
Prof Dennis LEUNG  
Mr Simon NG  
Prof QIU Jian-wen  
Mr Albert SU, MH, JP  
Prof WONG Kam-bo  
Dr Raymond YAU  
Dr William YU  
Mr Alan LO, JP (Secretary)

**Absent with Apologies:**

Mr Alex KWAN  
Mr Daryl NG, SBS, JP  
Mr Jonathan WU

**In Attendance:**

*Environment and Ecology Bureau (EEB)*

Mr Eddie CHEUNG, JP	Permanent Secretary for Environment and Ecology (Environment)
Miss Mavis HUI	Chief Information Officer
Ms Karen CHEK	Chief Executive Officer (CBD)
Ms Cynthia LAU	Executive Officer (CBD) 1
Miss Glory CHONG	Executive Officer (CBD) 2

*Environmental Protection Department (EPD)*

Mr Kenneth CHENG	Deputy Director of Environmental Protection (Waste Reduction)
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*Planning Department*

Ms Cheryl YEUNG

Technical Secretary/Technical Services

*Agriculture, Fisheries and Conservation Department*

Mr Simon CHAN

Assistant Director (Conservation)

**In Attendance for Item 3:**

*EPD*

Mr Steve WONG

Assistant Director of Environmental Protection (Waste Management)

Mr David LAI

Principal Environmental Protection Officer (Waste Management and Strategy)

Mr Walter POON

Senior Environmental Protection Officer (Waste Management and Strategy) 6

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Action

The Chairman welcomed all to the meeting and informed Members that apologies of absence had been received from Mr Alex Kwan, Mr Daryl Ng and Mr Jonathan Wu.

**Item 1 : Confirmation of the draft minutes of the 266<sup>th</sup> meeting held on 10 February 2025 (Closed-door session)**

2. The draft minutes of the last meeting were confirmed without any proposed amendments.

**Item 2 : Matters arising (Closed-door session)**

3. There were no matters arising from the minutes of the last meeting.

**Item 3 : Common Legislative Framework for Producer Responsibility Scheme and the Producer Responsibility Scheme on Plastic Beverage Containers and Beverage Cartons (PCPRS) (ACE Papers 3/2025 and 4/2025)**

4. The Chairman invited Members to refer to *ACE Paper 3/2025* which set out the proposal to amend the Product Eco-responsibility Ordinance (Cap. 603) (PERO) and the Waste Disposal Ordinance (Cap. 354) (WDO) by an Amendment Bill to establish a common legislative framework for Producer Responsibility Schemes (PRs), with a view to implementing PRs for regulated products more effectively, ensuring proper treatment of regulated product waste, and implementing import and export controls for certain regulated product waste. A background note on the subject (*ACE Paper 4/2025*) was circulated to Members before the meeting.

5. There was no declaration of interest by Members.

*(The presentation team joined the meeting at this juncture.)*

**Presentation cum Question-and-Answer Session (Open session)**

6. With the aid of a PowerPoint presentation, Mr Kenneth Cheng gave an opening remark while Mr Steve Wong briefed Members on the background and proposed amendments to the Ordinance, the preliminary proposal on the PRS on Plastic Beverage Containers and Beverage Cartons, as well as the legislative timeline.

*Legal Framework*

7. Noting that the Secretary for Environment and Ecology (SEE) would be empowered to add or revise the regulated products by amending the proposed new schedule of the PERO after the proposed amendments, a Member enquired whether SEE could amend future legislation without going through the same vetting procedures and whether the ACE would be consulted on the regulation of the disposal and recycling facilities for other waste materials including electric vehicle batteries, vehicle tyres and lead-acid batteries in the future. Mr Steve Wong explained that the proposed establishment of a common legislative framework in the main ordinance was meant to provide a base structure to support the introduction of new PRSs in the future. While the proposal would shorten the legislative process, the subsidiary legislation for new PRSs would still need to go through the same procedures including consulting the ACE and the Panel on Environmental Affairs before submission to the Legislative Council (LegCo) for vetting. Mr Kenneth Cheng supplemented that the existing three PRSs for plastic shopping bags, waste electrical and electronic equipment and glass beverage containers went through lengthy legislative processes as each of them involved amendment of the main ordinance of the PERO. With the proposed framework, new PRSs could be introduced in the form of subsidiary legislations which would take shorter time.

8. In response to the Member's further question on the control concerning import and export, Mr Steve Wong explained that the import and export of beverage carton waste was not regulated under the WDO and the proposed amendment would bring such materials under control, aligning with plastic waste for the future implementation of the PCPRS.

*Scope and Operation of the PCPRS*

9. A Member sought to have more information about the proposed PRS, including the operational details after the recovery of the regulated containers, the relationship between the registered scheme operators (SOs) and the beverage suppliers, whether the suppliers were free to set with the SOs the fee level for the recovery services etc. Mr Steve Wong explained that beverage suppliers would be

required to meet the statutory recovery targets either by self-recovery or by engaging an SO under the PCPRS for plastic beverage container and beverage carton products with volume ranging from 100 millilitres (mL) to 2 litres (L). The recovery rate would be determined by weight, irrespective of the brand of the containers collected. Mr Wong shared that the proposed arrangement was preferred by the trade as it could facilitate implementation of the scheme and minimise administrative costs. As the PRS would be implemented based on a “market-led approach”, he said that suppliers and SOs could come up with their own contractual terms and agreements including the service fees and the form of rebate such as cash, points of equivalent value etc.

10. To address two Members’ questions on the way to identify the registered beverage products, including the newly rolled out items and when the sleeves or labels carrying the logo were removed during the recycling process, Mr Steve Wong explained that a simple and easy-to-recognise logo would be introduced to help both the retailers and consumers in identifying those registered products. A barcode would also be required to verify a registered product when a consumer returned it for a rebate, and suppliers would be required to register their products to EPD once their products were rolled out to the market. EPD would keep updating the inventory of registered products submitted by the suppliers. Only those registered beverage products with the relevant logos and barcodes would be entitled to subsequent rebates. He said that the Government would liaise closely with the trade to adapt to the new requirement for a smooth transition under the PRS.

11. Two Members enquired about the arrangements for the unregistered beverage products such as those brought in by tourists. Three Members further asked how would such containers be handled if they were returned to the designated return points. Mr Steve Wong explained that except those solely for self-consumption, all imported beverage products distributed in the course of business of volume ranging from 100 mL to 2 L that were contained in plastic containers or cartons would be under the control of the proposed PRS. The reverse vending machines (RVMs) or designated return points would identify and provide rebates only for those registered containers by verifying the relevant barcodes. For other beverage containers which were not eligible for a rebate, they could still be placed in recycling bins or returned to GREEN@COMMUNITY stores for recycling.

12. Two Members opined that there should be clear definition of those small-sized suppliers which would be exempted from producer responsibility plans and annual audit reports. A Member above added that non-profit organisations (NGOs) would be particularly concerned as the new PRS might put pressure on their already narrow profit margin. Considering that there were quite a lot of small suppliers in Hong Kong which might be exempted under the PRS, another Member raised questions on their monitoring. Apart from giving a clear definition for small-sized suppliers, a Member proposed that there should be clear statements about the locations of the required return points as small suppliers with floor area limitations might also contribute if the return points could be set up in their nearby areas.

13. Mr Steve Wong said that the Government would draw reference from the exemption arrangement of the existing PRS for glass beverage containers and further consult the trade before setting the exemption criteria. While exempted for some prescribed requirements, small-sized suppliers were still required to fulfil the recovery responsibility for the regulated products they sold and the exemption arrangement was meant to minimise the additional operating costs arising from the implementation of the PCPRS. He said that retailers with a retail store reaching a certain floor area would be required to set up a designated return point for the recovery of the regulated products. Mr Wong remarked that the Government would discuss further with the retailers and explore the possibility of setting up return points in their nearby areas. For NGOs who were also beverage suppliers, Mr Wong indicated that the Government was ready to discuss with them what kind of adaptations or adjustments could be made to facilitate their business.

14. Two Members suggested that a broader coverage of other types and volumes of containers could be considered for the scheme. A Member above opined that a wider volume coverage could minimise the chance of easy bypass. Given that the additional sorting and different locations involved for waste disposal might discourage public participation in the PRS, another Member above opined and a Member echoed that those non-regulated plastic bottles or cartons should also be accepted by the return points in case they were returned there, otherwise people might prefer to continue to go to the GREEN@COMMUNITY stores where different waste materials could be handled in one go.

15. Mr Steve Wong highlighted that the current PRS was targeted for plastic beverage containers and beverage cartons. The proposed volumes to be covered by the scheme were worked out in consultation with the trade and would cover over 95% of the beverage products in the local market. Mr Wong indicated that the Government would continue to consult suppliers and recyclers and identify suitable venues for setting up more return points to facilitate recycling of the regulated beverage containers. At the same time, the public could continue to return other items to the GREEN@COMMUNITY stores or recycling bins. On a Member's question on the non-inclusion of aluminium cans in the scheme, Mr Wong shared that the current recovery rate of aluminium cans in the market was about 90%. Given the high recovery rate, the Government had no plan to intervene the existing market-led operation.

16. A Member proposed that the Government could consider covering also take-away and made-to-order plastic beverage containers in collaboration with different retail restaurants in particular those chained beverage stores. Mr Steve Wong shared that following the implementation of the regulation on disposal plastic tableware in 2024, some restaurants had already used alternative products to replace plastic tableware. He said that the Government would keep the matter in view and consider the need to include other types of beverage containers in consultation with the trade.

17. Two Members held the view that the designated return points should be set up at convenient locations. Another Member furthered that return points should be available in every district and different areas to avoid additional logistical overheads and carbon footprint for recycling. The Member pointed out that the Government should consider the matter in a holistic manner including the distribution of return points in different districts, the operation of the overall recycling network and the downstream outlets etc. In response to a Member above's questions on the requirements of the designated return points and whether the provision of RVMs and recycling bins would be considered as fulfilling the requirements, Mr Steve Wong said that large retail stores would be required to set up designated return points to facilitate the recovery of the regulated products, but it was not necessary in the form of RVMs. Mr Wong said other means or facilities such as recycling bins could also be used as long as the required rebate was provided upon the return of the regulated containers. He supplemented that the Government would collaborate with various parties, including suppliers, recyclers, SOs, public housing estates, government departments, recreational venues and facilities as well as the GREEN@COMMUNITY stores and explore different possibilities for setting up more return points at different places to facilitate convenient and easy recycling.

18. In addition to the provision of return points, three Members suggested that appropriate supporting facilities including RVMs with speedy recognition function and ability to process the largest bottles under the scheme, and cleaning facilities nearby the machines should be put in place to facilitate clean recycling. Mr Steve Wong explained that the existing RVMs were capable of processing beverage containers with volume ranging from 100 mL to 2 L and were equipped with ultra-violet rays and ozone disinfection functions. Noting Members' concerns, Mr Wong said that the Government would continue to explore further improvements in the operation of the RVMs.

#### *Rebate*

19. Three Members suggested that the Government should consider raising the amount of rebate as \$0.1 per bottle might not be sufficient to induce positive recycling behaviours. Another Member also enquired about the basis for setting the amount at \$0.1. Mr Steve Wong replied that having considered a bundle of factors including comments from the trade, the recycling situation, the market value of waste plastic, the price level of beverage products in Hong Kong, experience of other places and data collected through the RVM Pilot Scheme, the level of rebate was proposed to be set at not less than \$0.1 per bottle which should be a suitable starting point to attract recycling of the regulated beverage containers under the PRS. Mr Wong stressed that \$0.1 was only the minimum level of rebate and beverage suppliers or SOs had the flexibility to increase the amount to a higher level. Mr Wong also clarified that beverage suppliers could engage an SO to handle the relevant recovery and rebate arrangements.

*Recovery Targets and Audits*

20. Three Members enquired about the consequences if beverage suppliers or SOs failed to meet the statutory recovery targets. A Member above further asked whether self-recovery suppliers had to meet the same requirements and whether there were monitoring measures. Two Members opined that the penalty should be higher than the recycling costs to ensure that the SOs would strive to meet the recovery targets. With reference to the experience of other places, the space limitation in Hong Kong, the wide variety of beverage products in the local market, the business environment etc., Mr Steve Wong indicated that the current proposal had adopted a pragmatic initial recovery target. Mr Wong explained that a fine would be imposed on the SOs, or the suppliers in case of self-recovery, if they were unable to meet the statutory recovery targets. While agreeing that the penalty should be higher than the cost of recycling, Mr Wong said the Government would determine the appropriate level of penalty after considering the views of the trade. Two Members reminded that the Government should consider carefully the threshold for rebate and penalty.

21. Considering that quite some waste plastic beverage bottles and cartons might enter into different recycling channels such as recycling bins and GREEN@COMMUNITY stores, a Member enquired whether such recovered materials would be counted towards the statutory recovery rate and whether there would be competition between the GREEN@COMMUNITY stores and the SOs in the recovery of beverage containers. Mr Steve Wong explained that competition between SOs and GREEN@COMMUNITY was unlikely as the rewards at the latter were only equivalent to about one-sixth of \$0.1. Rather, SOs could collaborate with GREEN@COMMUNITY stores in collecting the regulated beverage containers to help achieve the recovery targets. In any case, Mr Wong said that the containers collected by SOs, GREEN@COMMUNITY stores and recycling bins would all be passed to the downstream recyclers. In response to two Members' questions concerning the audit arrangements, Mr Wong replied that SOs were required to submit half-year reports and an annual audited report on the recovery quantity of plastic beverage containers and beverage cartons to EPD. EPD would conduct surprise checks and random checks to ensure that the records were in order.

22. On a Member's question on the reason for adopting the weight rather than quantity of the bottles for calculating the recovery rate, Mr Steve Wong responded that the proposed arrangement had taken into consideration the possible difference in size, amount of materials involved in beverage containers of different brands and views of the trade. Such arrangement would keep the recycling operation simple for the SOs and downstream recyclers as their relevant transactions were also based on weight. This would not cause significant impact to the suppliers as they would only be required to provide the weight of each product upon product registration.

*Implementation Timetable*

23. Three Members suggested that the Government should lay out a clear timeframe for the different phases so that the trade and the public could get better prepared for the recycling arrangements. In particular, a Member above asked about the expected duration required for achieving the first recovery target of 30%. Mr Steve Wong indicated that it would take about six to eight years to reach the ultimate recovery targets of 75% for plastic beverage containers and 50% for beverage cartons. Subject to the readiness of the trade in clearing their old stocks and preparing the new logo and barcode for their products, Mr Wong expected that each phase would take about one to two years for completion. He added that the Government would adopt a pragmatic yet dynamic approach in monitoring the implementation of the new PRS. Through close liaisons with the trade, the Government would keep in view the recovery situation and introduce timely and appropriate enhancement measures to ensure that the recovery targets could be reached as early as practicable. Mr Wong supplemented that the Government planned to introduce the Amendment Bill into LegCo in the first half of 2025 to establish the common legislative framework for PRSs. After passing the Amendment Bill, the Government would continue to consult the trade before finalising the operational details and the subsidiary legislation for the subsequent implementation.

24. With the common legislative framework in place, two Members held the view that it would be more efficient to introduce new PRSs and the Government should explore the possibilities of expediting further the implementation process to achieve the recovery targets in less than six to eight years. Mr Steve Wong explained that before the implementation of the new PRS, there would be a preparatory period for the trade and stakeholders to do the relevant registrations, including suppliers, beverage products etc., and an adaptation period for stakeholders to kick start recovery and the public to adapt to the scheme. He said that the Government would implement the scheme as soon as it was ready. In response to a Member above's question, Mr Wong remarked that EPD had made reference to different places in the European Union, America and Oceania and noted that the timeframes for achieving their targets varied. Mr Wong assured that the Government would keep the matter in view and make corresponding adjustments subject to the implementation progress of each phase. He believed that with the participation and support of different stakeholders, Hong Kong would be able to achieve the set target recovery rate within the target timeframe.

*Publicity and Public Education*

25. Four Members opined that proper public education and promotion were important for the successful implementation of the scheme. A Member above suggested that the Government could consider setting up designated return points at schools to serve educational purposes. As the PRS would entail a more refined recycling process requiring further sorting of the waste materials, another Member



opined that public education on the concept of proper sorting and clean recycling should be enhanced. Another Member above echoed and highlighted that clear explanation should be provided to help the public differentiate between the types of beverage containers that could be returned for a rebate from those which should go to the recycling bins or GREEN@COMMUNITY stores. A Member held the view that apart from the rebate in the PRS, municipal solid waste (MSW) charging should also be depicted in Hong Kong's overall recycling picture as it could be a factor to induce substantial changes in recycling and waste reduction in society. The Member considered that public education and publicity should go hand in hand to encourage wider participation in the scheme.

26. Mr Steve Wong thanked Members for their comments and assured that more publicity including promotional activities for different stakeholders such as the trade and schools, advertisements on TV and websites, public education and enquiry hotlines etc. would be introduced when the subsidiary legislation was passed. He explained that the PRS was only one of the measures in the overall waste reduction strategies which could bring an additional recycling possibility in society.

### *Conclusion*

27. The Chairman thanked EPD for their presentation and explanations. He noted that Members were in general supportive of the proposed legislative amendments, but were concerned about the effectiveness of the proposed level of rebate. With reference to the information shared by EPD on the 90% recovery of metal cans at the market value of about \$0.1 for one to two cans in the absence of any PRS, the Chairman said that the proposed level of rebate at not less than \$0.1 for each plastic beverage container and beverage carton did not seem unreasonable. While noting Members' comments, he opined that some flexibility should be allowed for the scheme, considering that this was the first PRS adopting a "market-led approach". He furthered that circular economy would be driven when there were sufficient financial incentives for the relevant stakeholders in the market and a healthy market should be able to accommodate competition among different players. If the regulation was too rigid or the threshold was set at too high a level, it would not be a level playing field for all participants as the less competitive ones would be removed early in the game.

28. The Chairman suggested that the Government should consider carefully the mechanism for imposing penalty and to clearly define whether the suppliers or the SOs would be fined if the recovery target was not met. Mr Steve Wong explained that as the SOs were engaged and paid to fulfil recovery obligations on behalf of the suppliers, the SOs would be penalised for any unmet recovery target. In self-recovery cases, the penalty would be imposed on the suppliers as they were taking responsibility for the target. Mr Wong added that suppliers might engage more than one SO for the recovery services. To address the Chairman's query on why the SOs instead of beverage suppliers were to be fined as they were already subject to the business contracts with the suppliers, Mr Wong explained that it would not be fair to

penalise the suppliers if the SOs had taken the recovery responsibility from the suppliers through a business contract but failed to do so. As for how the SOs would subsume the risk of penalty into the contract price, it would be up to the operation of the market. Given that the SOs might charge higher recycling fees if the level of penalty was too high, the Government would therefore need to further discuss with the trade and balance both the incentive and disincentive considerations of the proposed measures.

### **Internal Discussion Session (Closed-door)**

29. A Member highlighted that a lot of the larger beverage suppliers had already their own environmental, social and governance (ESG) commitments before the implementation of the PRS. Such suppliers would endeavour to minimise the reputational risks even in the absence of the proposed penalty.

30. The Chairman said that the efforts of some suppliers or SOs to meet or even exceed the recovery target would mean that some less competitive SOs might face difficulties to reach theirs. Apart from the financial aspects, he suggested that the Government should also take into account the ESG angle in deciding the penalty mechanism and consider clearly the ownership of the responsibility of different stakeholders along the chain of the product life cycle.

31. A Member opined that it was not fair to fine the SOs as it implied that the suppliers could transfer the reputational risk to others. He added that there were ways for the suppliers to protect their rights through the contract terms, such as by deducting the service fee or requiring compensation in case the SOs failed to meet the agreed recovery target. The Member suggested that the Government should reconsider the rationale for imposing the penalty having regard to the financial risk, reputational risk and ownership of the relevant responsibility between the suppliers and SOs. He shared that different recovery channels would involve different costs for recovering the regulated beverage bottles. While the smaller operators might survive, the future development of the market ecology was yet to be observed. Another Member suggested to charge a deposit instead of providing a rebate for the beverage bottles as it could provide higher incentives for the consumers to recycle the containers.

32. Mr Kenneth Cheng indicated that the Government had carefully deliberated on the matter with the trade. He shared that if the suppliers had to pay both the fee for the recovery service and the fine in case the SOs failed to meet the target, the suppliers especially the smaller ones, would be under tremendous financial pressure. He added that it was a universal practice in different places for the SOs to bear the financial consequences if they failed to meet the recovery target. Mr Cheng said imposing such financial consequences on the SOs would not spare the suppliers from the relevant financial responsibility as the SOs would reflect the relevant risk in their service charge.

33. As far as reputational risk was concerned, Mr Kenneth Cheng shared that the Government would actively consider the disclosure of the list of SOs engaged by different beverage suppliers so that the suppliers would be obliged to protect their reputation by engaging SOs with good performance. On the suggestion to charge a deposit instead of providing a rebate, Mr Cheng explained that the deposit arrangement, especially if the deposit level is relatively high, would significantly change the ecosystem of the market as bulk collection channels via frontline cleaners could be greatly impacted, and a much wider container returning network would need to be established, not to mention that the price of the beverage products might increase substantially upfront.

34. The Chairman remarked that the postponement of the MSW charging implementation seemed to relate to certain stakeholders being uncertain about the extent of their responsibility in MSW handling and hence the risk of implicated penalties. As such, the Government should be more prudent in the implementation of the PRS and should ensure that the relevant stakeholders were aware of their responsibility and the associated penalty in case they failed to achieve the recycling targets. He said that the proposed arrangement could be a possible option as long as the penalty mechanism was considered fair and was accepted by the relevant stakeholders. As a whole, he was supportive of the PRS.

**Item 4 : Any other business (Closed-door session)**

35. There was no other business for discussion at the meeting.

**Item 5 : Date of next meeting (Closed-door session)**

36. The next ACE meeting was scheduled for 7 April 2025. Members would be advised on the agenda in due course.

37. There being no other business, the meeting ended at 4:30 pm.

**ACE Secretariat  
April 2025**