

LCQ13: Treatment of food waste

Following is a question by the Hon Chan Chun-ying and a written reply by the Secretary for Environment, Mr Wong Kam-sing, in the Legislative Council today (January 20):

Question:

The quantity of food waste discarded by Hong Kong people each day exceeds 3 600 tonnes, accounting for some 30 per cent of the total municipal solid waste volume. The Government has implemented the Pilot Scheme on Food Waste Collection (the Pilot Scheme) since July 2018, with a view to devising the arrangements for the collection of food waste from the establishments in the commercial and industrial (C&I) and the public sectors, as well as the delivery of such food waste to the Organic Resources Recovery Centre (ORRC) at Siu Ho Wan, so as to tie in with the commissioning of the first phase of ORRC in the same month. Although ORRC has a food waste treatment capacity of 200 tonnes each day, the quantity of food waste collected each day on average through the Pilot Scheme in 2019 only amounted to about 100 tonnes, representing just half of the design treatment capacity of ORRC. In this connection, will the Government inform this Council:

(1) whether it has conducted a review on the effectiveness of the Pilot Scheme in the collection of food waste; if so, of the details; if not, the reasons for that;

(2) whether the Environmental Protection Department (EPD) has assessed if the proportion of C&I establishments participating in the Pilot Scheme is on the low side; if the EPD has assessed and the outcome is in the affirmative, whether the EPD will introduce measures to raise the participation rate; if so, of the details; if not, the reasons for that; and

(3) given that the second phase of the Pilot Scheme was rolled out at the end of last year, under which domestic food waste will also be progressively collected in addition to the collection of food waste from establishments in the C&I and the public sectors, and the EPD will invite the participation of more stakeholders, including all private and public housing estates with experience in source separation of food waste, whether the EPD has provided incentives to encourage the participation of more private and public housing estates; if so, of the details; if not, the reasons for that?

Reply:

President,

My reply to the various parts of the question raised by the Hon Chan Chun-ying is as follows:

(1) and (2) The Chief Executive announced in the Policy Agenda in 2018 that a pilot scheme would be introduced to examine the feasibility of implementing

government-run food waste collection services in the long run.

The Environmental Protection Department (EPD) has launched the first phase of the Pilot Scheme on Food Waste Collection (the Pilot Scheme) since July 2018, focusing on food waste generated from the commercial and industrial (C&I) and public sectors with a view to drawing up the major operation and logistics arrangements for the collection and delivery of food waste to the first phase of the Organic Resources Recovery Centre (Oâ€\$PARK1) which commenced operation in the same month. To date, the Pilot Scheme covers over 70 public venues, including venues under the Hospital Authority, the Hong Kong Housing Authority, the Agriculture, Fisheries and Conservation Department and the Food and Environmental Hygiene Department (FEHD). Since April 2019, the EPD has also provided free food waste collection services for some primary and secondary schools through school lunch suppliers. In addition, about 120 establishments voluntarily collect, source-separate and deliver their food waste to the Oâ€\$PARK1 for recycling on a daily basis.

Local economic activities are significantly affected amid the COVID-19 pandemic, leading to a drop in the overall quantity of food waste generated in Hong Kong. However, under the Pilot Scheme, the Oâ€\$PARK1 still manages to receive around 90 to 100 tonnes of food waste each day, and the quantity rises to nearly 110 tonnes recently.

While taking forward the Pilot Scheme, we have been collecting the views of participants. Most of them give positive and active feedbacks and are willing to continue with their support. Some have suggested that food waste collection services of a larger scale will help encourage more establishments to practise food waste separation and recycling. Experience gained from the Pilot Scheme also indicates that side-loader tanker trucks are preferred to traditional tail-lift vehicles for food waste collection as more food waste can be collected with a higher efficiency in its collection and delivery. Moreover, time schedules on food waste collection services have to be adjusted to meet the operational needs of different C&I establishments.

(3) With tender invitation started at the end of last year, we are going to roll out the second phase of the Pilot Scheme on a larger scale progressively this year to cover more areas. We will also extend the scope of collection to domestic food waste gradually. Some 150 more venues have expressed interest in joining the second phase, including catering facilities of community service organisations, shopping centres and wet markets in public housing estates, canteens in government and tertiary institution premises, more public markets and cooked food venues managed by the FEHD and hospitals. Furthermore, we will invite all public and private housing estates with experience in source separation of food waste to participate in the second phase. To date, 21 housing estates have expressed interest in joining and we welcome more to join. We will also continue to solicit support from the C&I sector.

Learning from the experience of the first phase, we will use side-loader tanker trucks as far as practicable and choose the appropriate time for collecting food waste in a more flexible manner to cope with the specific constraints of individual venues. To enhance collection efficiency, we will

also closely liaise with parties such as food waste generators and property management companies (PMCs) to devise food waste collection arrangements that best suit service users' and residents' needs.

To invite participation from more public and private housing estates, the Recycling Fund (the Fund) of the EPD has launched solicitation theme for projects related to food waste to encourage the recycling sector to initiate business on food waste collection and delivery to food waste treatment facilities, as well as to adopt new technologies and equipment to enhance the efficiency in collecting and treating food waste. It also subsidises projects in using smart recycling bins for collecting food waste at housing estates, with a view to further enhancing the effectiveness of food waste recycling. In 2020, two major private housing estates in the Tai Po District and Eastern District and two villages in the Tai Po District were subsidised by the Fund to purchase a number of green facilities, including smart recycling bins to assist in the source separation of food waste and other recyclables.

The EPD will assist the PMCs of housing estates in publicising the free Pilot Scheme to their residents and recruiting participants, providing guidelines to educate their residents on the proper separation of domestic food waste and sending them relevant information, and identifying suitable food waste collection methods as well as planning the collection procedures and arrangements.

Statement by DoJ on instruction of fiat counsel

In response to media enquiries, the Department of Justice (DoJ) issued the following statement today (January 20):

The DoJ had instructed Mr David Perry, QC, to prosecute a trial involving offences of organising and knowingly taking part in an unauthorised assembly under the Public Order Ordinance. Mr Perry, QC, accepted the instruction and his ad hoc admission to the Hong Kong Bar was granted by the Chief Judge of the High Court on January 12, 2021.

Since then, there have been growing pressure and criticism from the UK community directed at Mr Perry, QC, for his involvement in this case. Some of the ill-informed criticism conflated the matter with the National Security Law.

Mr Perry, QC, expressed concerns about such pressures and the exemption of quarantine, and indicated that the trial should proceed without him.

In light of the public interest involved and the imminent trial date, the DoJ has instructed another counsel to prosecute the trial as scheduled.

As legal proceedings are still ongoing, it is inappropriate for anyone to comment on the case as it is a matter of sub judice. No one should embark upon baseless speculations. Any unfair and unfounded allegation made with a view to undermining and discrediting our independent criminal justice system will be vehemently refuted.

Buildings Department extends special work arrangements to January 27

In light of the Government's announcement on January 19 to extend the special work arrangements for government employees until January 27, the Buildings Department (BD) announced today (January 20) that it will continue to provide emergency and essential public services during this period. The services will be mainly handling public reports on building safety and unauthorised building works in progress, processing critical statutory submissions for new developments and applications for registration of building professionals and contractors, providing advisory services for licensing authorities, and implementing Operation Building Bright 2.0, an inspection scheme for external drainage systems of private residential and composite buildings and a special operation on the fire safety of old residential and composite buildings.

The arrangement for submission of applications and documents in person remains the same as that announced on January 6, which is as follows:

- (1) A drop-in box located at G/F, BD Headquarters, North Tower, West Kowloon Government Offices, 11 Hoi Ting Road, Yau Ma Tei, Kowloon, for receiving documents from members of the public from 10am to 4pm from Monday to Friday. The BD will issue receipts/acknowledgements of submissions in due course;
- (2) A tender/quotation box located at G/F, BD Headquarters, for receiving tender/quotation documents from 8.30am to 5.30pm from Monday to Friday; and
- (3) The receipt and dispatch counter at the office of the BD's New Buildings Division on 7/F, 14 Taikoo Wan Road, Taikoo Shing, Hong Kong, for collection of statutory applications and related documents and forms for new building works from 9.30am to 3.30pm from Monday to Friday. Applicants will collect the processed plans and related documents from the receipt and dispatch counter by appointment.

Under the special work arrangements, the handling time of the BD's services may be longer than usual. There will be continued communication between BD officers and members of the public/the sector regarding their cases and applications through email and telephone contact.

The Building Information Centre at 2/F, BD Headquarters (a hotline on 3842 5375 has been set up to handle enquiries on requests for inspection and viewing of building records), the receipt counter and general enquiry counter at G/F, BD Headquarters, and all meeting rooms of the BD will not be open to the public until further notice. All appointments, meetings (except meetings essential to meet statutory requirements such as Minor Works Contractors Registration Committee meetings) and inspections scheduled for the period will be rescheduled to later dates and the individuals concerned will be notified in due course.

The BD appeals to the public to minimise visiting the department's offices in person unless they genuinely require its public services urgently. The public may call 1823 to make emergency reports. For general enquiries and reports, members of the public may call 1823 or inform the department by email (enquiry@bd.gov.hk), online reporting (eform.one.gov.hk/form/bd0001/en/), fax (2537 4992) or post (North Tower, West Kowloon Government Offices, 11 Hoi Ting Road, Yau Ma Tei, Kowloon). In addition, electronic information can be submitted to the BD via receipt@bd.gov.hk.

Latest arrangements for Marine Department services

In light of the announcement of the Government that the special work arrangements for government employees will be extended until January 27, a spokesman for the Marine Department (MD) announced today (January 20) that the licensing and port formalities services at the Yau Ma Tei Marine Office, the Tuen Mun Marine Office, the Sai Kung Marine Office, the Tai Po Marine Office, the Aberdeen Marine Office, the Cheung Chau Marine Office and the Shau Kei Wan Marine Office; the seafarers' examination and certification services; mercantile marine services; and local vessel surveying and enquiry services will continue to be suspended until January 27. Those who have made an appointment for services or examinations will be separately informed of alternative arrangements.

The licensing and port formalities services at the Central Marine Office and other services provided by the MD will remain unaffected.

Speech by FS at HKVCA Asia Private Equity Forum 2021 (English only)

Following is the video speech by the Financial Secretary, Mr Paul Chan, at the Hong Kong Venture Capital and Private Equity Association (HKVCA) Asia Private Equity Forum 2021 held online this morning (January 20):

Eric (Co-Chair of Asia Private Equity Forum, Mr Eric Mason), Jie (Co-Chair of Asia Private Equity Forum, Ms Jie Gong), Chin (Chairman of HKVCA, Mr Chin Chou), distinguished guests, ladies and gentlemen,

Good morning.

I'm pleased to be speaking to you today at the Asia Private Equity Forum. My thanks to the Hong Kong Venture Capital and Private Equity Association for making this happen. For putting together an ambitious, day-long virtual conference. For some of you, a night-long virtual conference.

Indeed, the programme features nearly 60 high-profile speakers from all over the world-speaking from all over the world. And I'm told that about 800 investment and financial professionals, together with those of you from related sectors and interests, are watching and listening, remotely. Intent on gathering a world of intelligence and insight, just as many of you did these past two days, at the 2021 Asian Financial Forum.

All part of the Hong Kong SAR Government's annual financial week. A week dedicated to the promise, the possibilities and the daunting challenges this new year brings us.

The immediate challenges are clear. COVID-19 has brought the world to a standstill, battering business, trade and industry, overwhelming our communities, our institutions, our families and our lives.

Hong Kong is no exception. COVID-19 has swept over our economy, and our community, like one of the mid-summer typhoons that sometimes strikes Hong Kong and the region, shaking everything in its path for a few destructive days. Only that Typhoon COVID-19 has been a disrupting, and deadly, presence now for nearly a year.

Let me give you a quick account of the damage it has caused to our economy. Our GDP has dropped by 9 per cent in the first half of 2020. The free fall slowed in the third quarter, down 3.5 per cent, year on year. Add it up, and we're looking at a full-year contraction of about 6.1 per cent for 2020. A record contraction, let me add.

But that was then. The new year is full of hope and possibilities. They include the injection of guarded optimism in renewed globalism following the change of administration in the United States.

That aside, the rollout of COVID-19 vaccines should give the global

economy a much-needed shot in the arm and elsewhere.

I'm not promising a global economic reset by the Chinese New Year in mid-February. But there should be real momentum for recovery in the second half of this year, globally and locally.

Until then, we will continue to see the Hong Kong economy and our community through this crisis. Indeed, over the past year, the Hong Kong SAR Government has rolled out supporting measures totalling more than US\$38 billion through the Budget and the Anti-epidemic Fund.

To create more jobs in the financial services sector, we launched the Financial Industry Recruitment Scheme for Tomorrow in September through the Financial Services Development Council.

In less than two months, the US\$23 million programme had created 1 500 new jobs full-time positions employing Hong Kong professionals for 12 months, I'm pleased to say. The jobs both expand the sector and boost employment and human capital at a critical time.

Speaking of capital, the wealth management sector's funding in Hong Kong, at the end of 2019, totalled US\$3.7 trillion. That, ladies and gentlemen, exceeded the previous year by 20 per cent.

No less cheering, 64 per cent of it was sourced from non-local investors, showcasing Hong Kong's status as a leading asset and wealth management hub.

For that, I am grateful. No doubt, your clients are as well. And let me reassure you, here and now, that our bonds are built on mutual trust, effort and co-operation. They are, in short, as solid as ever and will continue to be so, whatever the crisis.

This Government is intent on boosting your impressive efforts through a three-step strategy.

The first step was the introduction of the limited partnership fund regime at the end of August 2020. This enhancement initiative has been very well received, with over 70 funds registered in just over four months' time.

The regime rewards private equity managers looking for opportunity in the Greater Bay Area, while enhancing Hong Kong's strengths as a private equity centre. It will also bridge capital markets and the real economy, fueling innovation and technology start-ups.

Then there are the tax concession plans for carried interest payable by private equity funds domiciled in Hong Kong. Realising this goal is essential if we are to ensure Hong Kong's status as a regional private equity hub.

On this, we have received valuable feedback from both the industry and the Legislative Council.

We are now pressing ahead with the introduction of a bill into the

Legislative Council. The sooner the better.

Our third step is to seize the opportunities presented by the trend to on-shoring driven by the OECD. We are encouraging foreign funds to migrate to Hong Kong, leveraging on our open-ended fund company or limited partnership fund regimes.

We will soon table a legislative proposal on this. The end result, of course, is to encourage you to operate from Hong Kong.

Hong Kong is second only to New York as the world's billionaire city. In 2019, our billionaire population recorded the largest net increase compared with any other city in the world.

The Asian region, overall, is a magnet for big money. It's also attracting single-family offices. Indeed, 1 300 of the world's 7 300 single-family offices can be found here in the Asia-Pacific. And we're working to get more of them to call Hong Kong home.

Last year, Invest Hong Kong and the Hong Kong Monetary Authority set up a one-stop shop for potential family office clients. It offers prompt and personalised assistance to family offices, wherever in the world they may be, to help them find their way to Asia's world city.

The Securities and Futures Commission, along with the Hong Kong Monetary Authority, are also helping. They have clarified exemptions from a number of requirements for family offices.

Hong Kong's central role in the Greater Bay Area can only help make the move to Hong Kong easier. And more rewarding.

The emerging cluster-city development embraces some 72 million prosperous consumers across Hong Kong, Macao and nine cities in Guangdong. Last year, the region's GDP, per capita, exceeded US\$23,000. And it's just getting started.

The Greater Bay Area presents boundless promise for the asset and wealth management sector. For every one of you.

That's particularly so given the announcement, last June, of the Greater Bay Area's Wealth Management Connect scheme. Alongside the Stock Connect and Bond Connect offerings, it will encourage mutual access to financial markets between Hong Kong and the Mainland. Creating a wealth of new opportunities in asset and wealth management.

Given the growing concentration of high-net-worth individuals across the region, the new connect scheme will expand your customer base, encouraging more global financial institutions to turn to Hong Kong for their investment and business needs. It will also boost Hong Kong's role as the critical gateway for capital flowing in and out of the Mainland.

Moreover, it will promote the use of the Renminbi, reinforcing Hong Kong's standing as the world's offshore Renminbi business hub.

There's more financial promise in Hong Kong's fast-rising innovation and technology sector.

Hong Kong is now home to more than 600 fintech companies and start-ups. Among them eight are unicorns.

In the first seven months of 2020, more than 20 Hong Kong-based start-ups raised nearly US\$500 million in venture funding. That was accomplished, by your sector, despite the daunting limitations imposed by the pandemic.

To date, eight virtual banks and four virtual insurers have been authorised to operate here in Hong Kong.

Let me reiterate the Hong Kong SAR Government's commitment to supporting fintech development. In recent years, we have launched a great many fintech offerings. They include the Faster Payment System, the eTradeConnect blockchain platform and a virtual asset-trading company. These, and other innovations, have been widely embraced by business and consumers alike.

And we are working closely with our financial regulators to ensure that convenience does not compromise privacy or security.

Hong Kong's financial future will also be green and sustainable.

We have, I'm pleased to say, come a good, green way in a short time. The Green Bond Grant Scheme of 2018 was followed by the Government's inaugural green bond issuance last year. Over the next five years, we plan to issue green bonds totalling US\$8.5 billion.

And, under the Mainland's Belt and Road Initiative, we will promote Hong Kong as a centre for Chinese companies looking to raise funds for green projects.

Last month, a group co-chaired by the Hong Kong Monetary Authority and the Securities and Futures Commission issued a strategic plan to help us fast-track Hong Kong's progress to becoming the region's leading green finance hub.

By the middle of this year, the Government plans to release a carbon neutrality plan for Hong Kong. It will lay the foundation for the Government, our financial regulators and the industry to realise that green financial future. And I'm confident our private equity funds will profitably support us in this ambitious undertaking.

When it comes to sustainable financing, your sector and your businesses are showing the way. The brighter way for Hong Kong.

I wish you all a fruitful Forum, the best of health and business and a wealth of everything that is dear to you, and yours, in the new year.

Thank you.