

“Neighbourhood Bottle Reward Scheme” - Guidance Notes (Recycling Shop and Truck)

A. Disbursement Process and Mechanism

1. Payment Period

The payment period is on a monthly basis. The phase number and period are stated as below, the cut-off date for each phase is the 22nd of each month, except for phase 12. The cut-off date for phase 12 is 31st Oct 2021.

Phase number	Phase Period
1 st	1/11/2020 – 22/11/2020
2 nd	23/11/2020 – 22/12/2020
3 rd	23/12/2020 – 22/1/2021
4 th	23/1/2021 – 22/2/2021
...	...
12 th	23/9/2021 – 31/10/2021

The disbursement would be issued within ten working days after each cut-off day. If that day is a public holiday, the disbursement day would be postponed to the next working day.

2. Acceptable Materials

Only type 1 PET, type 2 HDPE, and type 5 PP plastic beverage bottles are eligible for receiving subsidy under the Scheme.

3. Subsidy Amount

The current subsidy amount to participating recycling shops and (or) trucks are HKD 0.085 per plastic beverage bottle (HKD 3.4 per kg of plastic beverage bottles). Recycling shops and (or) trucks should purchase from informal collectors at HKD 0.05 per plastic beverage bottle (HKD 2 per kg of plastic beverage bottles). If the plastic beverage bottles sold by the informal collectors are 20 bottles or below, the payment amount from the participating recycling shop and (or) trucks to informal collectors will be calculated based on the remuneration rate per bottle. The upper limit on the quantity of collected plastic beverage plastic bottles that are eligible for receiving the subsidy is 15 tonnes per month for each participating recycling shops and (or) trucks. The subsidy amount will be rounded down to the nearest first decimal place. Designing Hong Kong Limited will review and adjust the subsidy amount with reference to the market scrap value, the operation cost of recycling shops and (or) trucks, as well as the market response.

	Subsidy to recycling shop and (or) recycling truck from the Scheme	Payment to informal collector from recycling shop/ truck	Actual subsidy to recycling shop/ truck
1 plastic beverage bottle	HKD 0.085	HKD 0.05	HKD 0.035
1 kg of plastic beverage bottles	HKD 3.4	HKD 2.0	HKD 1.4
1 ton of plastic beverage bottles	HKD 3,400	HKD 2,000	HKD 1,400
Conversion references			
1 unit of plastic beverage bottles \approx 25g			
1 kg of plastic beverage bottles \approx 40 units of plastic beverage bottles			
1 ton of plastic beverage bottles \approx 40,000 units of plastic beverage bottles			

4. Disbursement Process

Participating recycling shops and (or) trucks should submit the plastic beverage bottle recycling records (i.e. weight record/weight notes/weight invoice) issued by the qualified recycling plants to Designing Hong Kong Limited via a designated E-platform on or before the cut-off day of each phase.

After verifying and auditing the receipts and data by Designing Hong Kong Limited and a third-party audit firm, in accordance with the Subsidy Calculations and Disbursement Mechanism, the amount of subsidy received by each participant would be calculated.

After completing the calculation, Designing Hong Kong Limited will inform the participating recycling shop/ trucks on the total verified weight of plastic beverage bottles output and the amount of subsidy through “Whatsapp”. Participating recycling shops/ trucks have to reply and confirm the mentioned information. After receiving the confirmation from the participating recycling shops/ trucks, the disbursement of subsidy will be issued in form of cheque within ten working days after each cut-off day of the subsidy period. If that day is a public holiday, the disbursement day would be postponed to the next working day. The cheque would be deposited into the bank account provided by participating recycling shops/ trucks.

If the participating recycling shops/ trucks have any dispute regarding the output volume or amount of subsidy, they should inform Designing Hong Kong Limited immediately to follow up and resolve the dispute, as well as to arrange compensation or retrieval of subsidy where needed. If a resolution and/or compensation or retrieval arrangement cannot be made within the payment period, it will be handled in the next payment period.

5. List of qualified recycling plants

This list of qualified recycling plants is recognized by the Scheme. Participant must provide recycling record issued by qualified recycling plants to receive subsidy from the Scheme.

List of qualified recycling plants and contact details is as below.

	Company Name	Contact Person	Contact Number
1	Lau Choi Kee Papers Company Limited	Mr. Lau	2668 3871
2	New Life Plastics Limited	Mr. Rex Wong	5501 0809
3	HanKang Recycling Limited	Mr. Lam	6446 7066
4	Verdant Industrial Limited	Ms. Wong	2443 0949 / 9838 0991

B. Guideline for Audit of Recycling Record

1. Audit Guideline

Designing Hong Kong Limited will verify and audit the recycling records (i.e. weight record/weight notes/weight invoice) submitted by the participating recycling shops and (or) trucks.

2. Requirement of Recycling Records

- i. The recycling records uploaded are clear and could be verified
- ii. Name of the recycling plants must be shown and it must be recognized in the list of qualified recycling plants
- iii. The amount of plastic beverage bottle output declared by the recycling shops and (or) trucks in the E-platform must correlate with the recycling records provided by recycling plants
- iv. The date on the recycling record is correct and within the payment period
- v. The recycling record reference number declared by the recycling shops and (or) trucks must correlate with that stated on the recycling record

3. Follow-up Measure

If a recycling record (i.e. weight record/weight notes/weight invoice) is found to be not in accordance with the requirement stated in **2. Requirement of Recycling Records**, Designing Hong Kong Limited would enquire the recycling plants and verify the information on the receipt.

In the case that the receipt is valid, aside from which the participant would be requested to make improvement to ensure that the receipt uploaded must fulfill the requirement, Designing Hong Kong Limited would also increase the audit frequency of the receipt from the participant. Each participant has three chances throughout the whole Scheme. For the fourth time a participant submits an unfulfilled recycling record, the receipt would not be verified, and it shall be directly considered as provision of false recycling record and shall be deemed as **violation**.

Any time if a transaction record cannot be verified, it shall be considered as provision of false recycling record and shall be deemed as **violation**. Any unfulfilled recycling record received afterwards would be directly deemed as violation.

In the event of violation, the case would be handled in accordance with the Penalty Mechanism.

C. Site Inspection Mechanism

1. Aim

To ensure that the frontline recyclables collectors are benefited from the Scheme and ensure that the subsidy is only eligible for PET, HDPE, and PP plastic beverage bottle, Designing Hong Kong Limited would assign inspectors to visit the recycling shops and (or) recycling trucks and perform site inspection, guaranteeing that the purchase price of plastic beverage bottle offered by the recycling shops and (or) recycling trucks are equivalent to the price set by Designing Hong Kong Limited.

2. Form

For recycling shops:

Site Inspection is a surprise check and the recycling shop would not be noticed in advance.

For recycling trucks:

Designing Hong Kong Limited would confirm the schedule of the recycling truck in the coming few days and then select one day to perform site inspection. The recycling truck would not be noticed the

exact date for site inspection.

3. Number of Inspection

Once confirmed being a participant of the Scheme, inspectors may perform site inspection any time within operation time of the recycling shop and (or) recycling truck, until the end of the Scheme. Inspectors would perform site inspection to at least 7 recycling shops and (or) trucks each month.

4. Items for Inspection

Inspectors inspect three items, purchase price of plastic beverage bottle, accuracy of the weighting scale and separation of plastic beverage bottles. Each item must accord to the following description.

a. Purchase price of plastic beverage bottle

- i. The price is no less than the latest designated price.
- ii. The price is clearly displayed on the label.
- iii. The label is put up at prominent positions.
- iv. Visibility of information on the label is not decreased by any damage or stain.

Label sample



Mark down the latest designated price until further notice

b. Accuracy of Scale

- i. The scale can precisely measure the weight of plastic beverage bottle
- ii. Conduct the measurement for 3 times, record the repeated weight as the results
- iii. The acceptable range of error is plus or minus 0.5kg

c. Separation of plastic beverage bottle

- i. Observe whether plastic beverage bottles are placed and separated properly
- ii. Sample 40 items in the designated site and count the number of non-beverage-plastic bottles and other non-designated items; the number should not exceed 5

Any item does not accord to the above description shall be deemed as “violation”.

5. Result of Site Inspection

After completing the site inspection, inspectors would immediately notify the recycling shop and (or) recycling truck whether there is violation.

During site inspection, participant should immediately express any doubt or dissatisfaction regarding the equipment employed, inspection procedure or result. Inspectors may repeat the inspection. If dissatisfaction remains after repeated inspection, inspectors should record the reason on the Site Inspection Form for follow-up action.

Participating recycling shops/trucks may take photographic record for the completed Site Inspection Form.

In the event of violation, the case would be handled in accordance to the Penalty Mechanism.

6. Appeal

Any doubt or dissatisfaction towards inspection result should be expressed immediately during the inspection in accordance to **5. Result of Site Inspection**.

Provided that no doubt or dissatisfaction is expressed and recorded in the Site Inspection Form during site inspection, any appeal afterwards would not be accepted.

After reviewing the result of site inspection and other related factor, Designing Hong Kong Limited shall assign inspectors to perform site inspection again.

In the event of any dispute, Designing Hong Kong Limited’s decision shall be final and conclusive.

D. Penalty Mechanism

1. Scope of Application

Once a recycling shop or recycling truck is confirmed to be a participant of the Scheme, this mechanism is applicable to violation found any time until the end of the Scheme.

2. Violation

Any item for inspection, including purchase price of plastic beverage bottle, accuracy of scale and separation of plastic beverage bottle, does not accord to the description in **Site Inspection Mechanism: 4. Items for Inspection** shall be deemed as violation. Provision of false recycling record shall also be deemed as violation.

If no violation is found by site inspection but other evidence suggests that the participant has violation, Designing Hong Kong Limited shall consider all evidence and make sensible judgement.

In the event of any dispute, Designing Hong Kong Limited's decision shall be final and conclusive.

3. Arrangement of Penalty

In the case of violation regarding the purchase price of plastic beverage bottle and accuracy of scale:

- a. Participant would receive a warning letter and would not acquire subsidy of the corresponding payment period.
- b. Inspectors would be assigned to perform a second site inspection within two weeks.
- c. If continuous violation of the same item is found after performing the second inspection, the participant would be permanently removed and disqualified from the Scheme and any subsidy to it would cease; If no violation is found, subsidy resumes in next payment period.

In the case of violation regarding the separation of plastic beverage bottle:

- a. The participant would receive a verbal warning.
- b. Inspectors would be assigned to perform a second site inspection within two weeks.
- c. If continuous violation is found after the second site inspection, the participant would receive a warning letter and subsidy of that payment period would be deducted according to the proportion of number of non-beverage-plastic bottle and non-designated materials

out of 40 samples taken in the site inspection. The formula of deducting subsidy is stated as follows:

<p>Amount Deducted =</p> <p>Amount of Subsidy × (number of non-beverage-plastic bottle and non-designated materials ÷ 40)</p> <p>*40 is the number of samples to take for site inspection.</p>

- d. Inspectors would be assigned to perform the third site inspection within two weeks. If continuous violation is found after the third site inspection, the participant would be permanently removed and disqualified from the Scheme and any subsidy to it would cease; If no violation is found, subsidy resumes in next payment period.

Handling violation regarding unfulfilled recycling record

If a recycling record is found to be not in accordance to the requirement stated in **Guideline for Internal Audit of Recycling Record: 2. Requirement of Recycling Record**, Designing Hong Kong Limited would enquire the recycling plants and verify the information on the receipt.

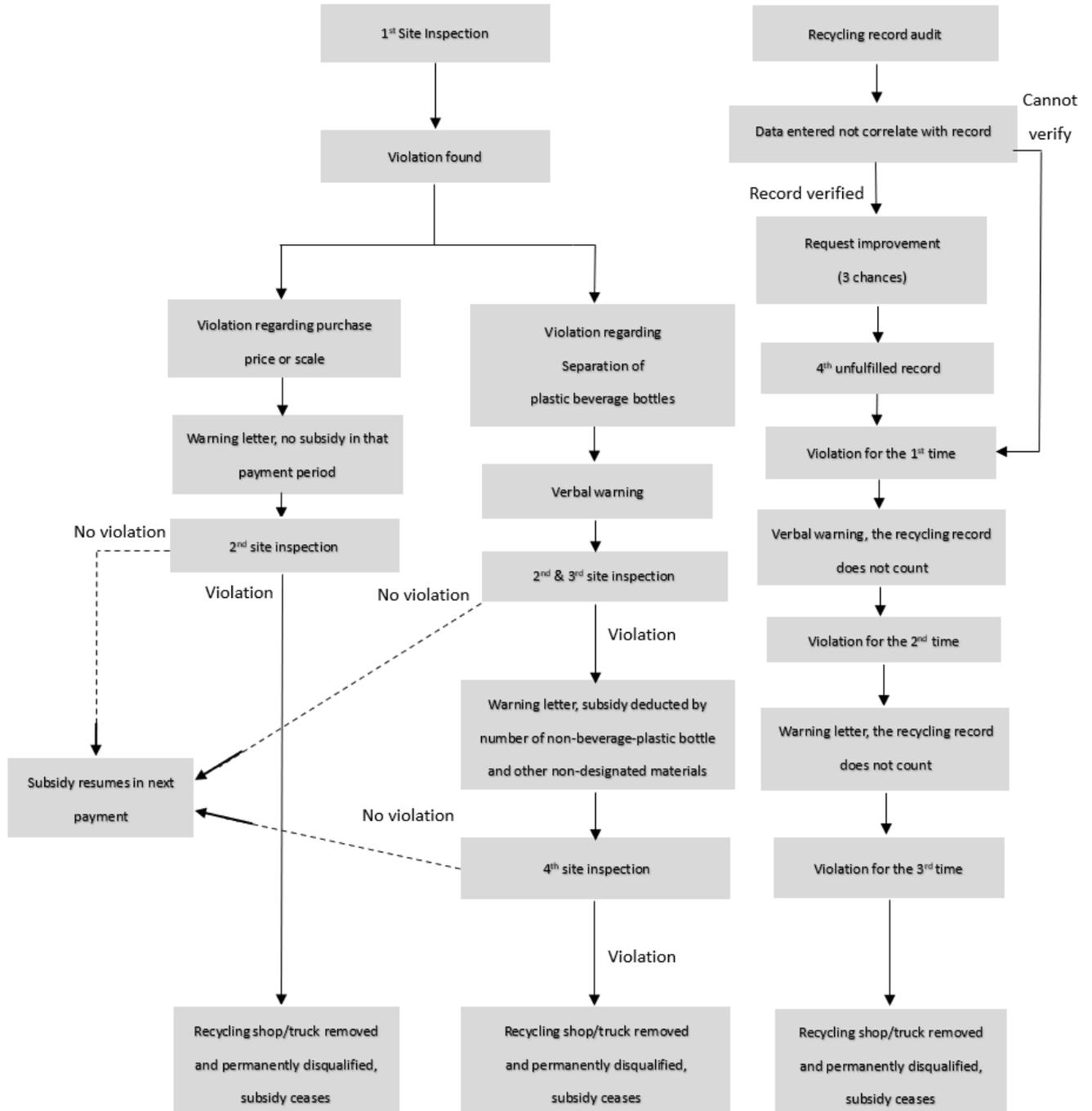
In the case that the receipt is valid, aside from which the participant would be requested to make improvement to ensure that the receipt uploaded must fulfill the requirement, Designing Hong Kong Limited would also increase the audit frequency of the receipt from the participant. Each participant has three chances throughout the whole Scheme. If a participant is found to submit an unfulfilled recycling record for the fourth time, the receipt would not be verified, and it shall be directly considered as provision of false recycling record and shall be deemed as **violation**.

Any time if a transaction record cannot be verified, it shall be considered as provision of false recycling record and shall be deemed as **violation**. Any unfulfilled recycling record received afterwards would be directly deemed as violation.

In the case of **violation** regarding provision of false recycling record:

- a. The participant would receive a verbal warning and the corresponding transaction record would not be counted in the output volume.
- b. If violation is found for the second time, the participant would receive a warning letter and the corresponding transaction record would not be counted in the output volume.
- c. If violation is found for the third time, the participant would be permanently removed and disqualified from the Scheme and any subsidy to it would cease.

Please refer to the following flowchart for penalty procedure.



E. Mechanism for Complaints Handling

1. Scope of Application

This mechanism is applicable to handle complaints about the purchase price of plastic beverage bottle offered by recycling shops/ trucks, accuracy of the scale, separation of plastic beverage bottle or issues related to the Scheme.

This mechanism does not apply to handle any other complaint, for example, about noise or illegal parking, or complaint about recycling shops and recycling trucks that does not participate in the Scheme.

2. How to Complain

The public may lodge a complaint through the complaint hotline established by Designing Hong Kong Limited by phone or communication software “WhatsApp”.

The number of complaint hotline would be displayed on the label of the Scheme.

3. Complaint Handling Procedure

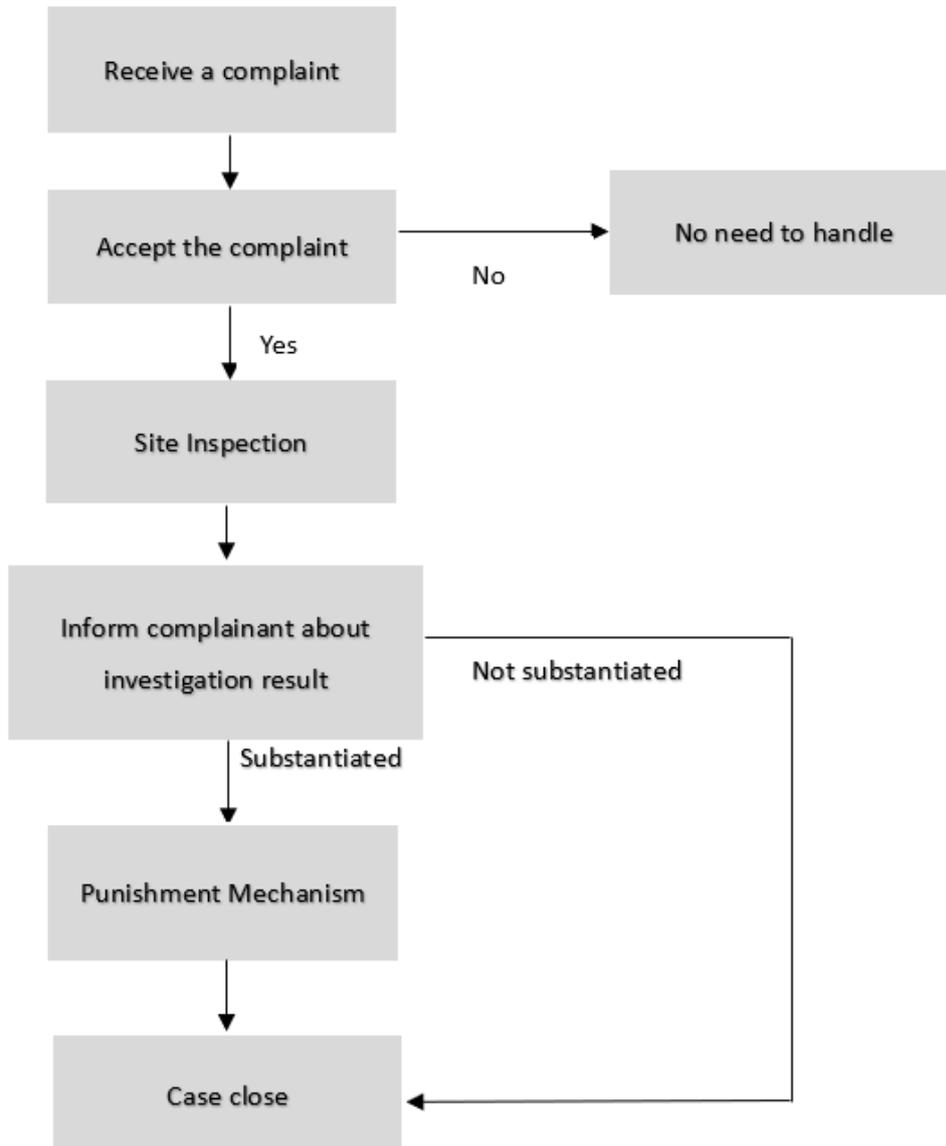
When a complaint is received, date, name of complainant, contact, target recycling shop and (or) recycling truck, location, details of complaint, photo and recordings (if any) would be recorded for future investigation. If the complainant is not able to provide his/ her identity and contact method, the complaint would not be accepted.

Designing Hong Kong Limited accepts complaints that this mechanism is applicable to, in accordance to **1. Scope of Application**. Designing Hong Kong Limited shall handle other complaints depending on the situation.

Once the complaint is accepted, Designing Hong Kong Limited would carry out the investigation within three working days. When the investigation is completed, Designing Hong Kong Limited would inform the complainant about the investigation result and arrangement of follow-up measures.

In the event of a complaint found substantiated, Designing Hong Kong Limited would handle the case in accordance to the **Penalty Mechanism** if necessary.

Please refer to the following flowchart for complain handling procedure.



4. Arrangement for Complaint Investigation

Designing Hong Kong Limited would assign inspectors to perform site inspection within two weeks after accepting a complaint. The site inspection is a surprise check and the recycling shop and (or) recycling truck would not be noticed in advance.

Designing Hong Kong Limited may apply other reasonable investigation method as it deems appropriate.

In the event of any dispute, Designing Hong Kong Limited’s decision shall be final and conclusive.

5. Follow-up Procedure

In the event of a complaint found substantiated, or any violation, is found, regardless of whether being mentioned in the complaint, the case would be handled in accordance to the **Penalty Mechanism**.

F. Latest Information

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Website
<https://drinkwithoutwaste.org/>



“Neighbourhood Bottle Reward Scheme”
<https://drinkwithoutwaste.org/resources-new/>

“Neighbourhood Bottle Reward Scheme” hotline and WhatsApp: +852 9545 5107

“Neighbourhood Bottle Reward Scheme” email: neighbourhoodrewardscheme@gmail.com