

Press Release

Hong Kong 27th July, 2022



**“Neighbourhood Bottle Reward Scheme”
reveals key strategies for collection of plastic beverage bottles**

Launch of the SMRF Awards

The *Drink Without Waste* campaign today launched a report of the Recycling Fund sponsored “Neighbourhood Bottle Reward Scheme” The report is available online:

https://drinkwithoutwaste.org/wp-content/uploads/2022/07/Neighbourhood-Bottle-Reward-Scheme-Report_English.pdf. Live recording of the forum is available at:
https://bit.ly/NHS_forum_video

The consultants reviewing the pilot scheme identified that **bulk collection through existing networks of cleaners** is an effective channel for collecting large quantities of plastic beverage bottles. They recommended support with financial incentives and allocation of space for collecting and sorting recyclable materials.

The report is expected to inform the future PPRS for plastic bottles. The report shows that the scheme illustrates the immense potential of existing collection and recycling networks. As a result of the scheme's success, it collected close to 50 million bottles in 11 months. In its last month, it collected over 210 tonnes, nearly 20% increase in collection over the previous month.

The pilot scheme cost was 10.5 cents per bottle returned: A five-cent incentive was paid to cleaners and other collectors for each bottle returned, and another 3.5 cents was paid to recyclers for handling the logistics. The administration costs of the scheme was 2 cents. The pilot scheme was funded with a HK\$5.6m subsidy by the Recycling Fund.

The chairman of the Single-Use Beverage Packaging Working Group, and general manager of the *Drink Without Waste* campaign initiative, **Paul Zimmerman**, stated in his welcome remarks: “Support for the 400,000 cleaners in Hong Kong and facilitation of their daily recycling work with incentives and space will dramatically improve the recovery of recyclable materials in Hong Kong.”

To recognize building managers and cleaners who operate space where recyclable materials are sorted and stored in buildings and neighbourhoods - “Small Material Recovery Facilities” or SMRFs – the *Drink Without Waste* campaign launched the SMRF Awards and called on the community to nominate cleaners and building managers who do an excellent job separating different materials.

Report author **Dr. Benjamin Steuer** and co-author **Helga Vanthournout** explained their seven key recommendations for improving recycling rates in Hong Kong:

- **Financial incentives are effective.** Individuals and organizations may be enticed to engage in collection activities even with a small incentive. It may be particularly helpful to those already involved in cleaning and recycling activities, whether formally or informally.

免「廢」暢飲

Drink Without Waste

Drink Without Waste Limited
20A, Wing Yee Commercial Building
5 Wing Kut Street, Central, Hong Kong
香港中環永吉街5號永宜商業大廈 20A

- The effectiveness of a **PPRS** is improved as collectors are incentivised and recyclers are paid explicitly instead of relying solely on market value, which can be volatile and lead to recyclers dropping out of the program.
- **Bulk collection points are required.** The collection network relies on household, building, and street cleaners. Most building cleaners drop off large volumes (400 units on average per transaction) and are unable to feed individual bottles into a reverse vending machine (RVM) or manually count them. Bulk collection points should be included in a future collection network supporting a PPRS.
- **Existing networks of large-volume collectors and recyclers are effective.** These networks collect significant volumes of used plastic bottles. The recycler already has relationships with cleaners who collect and supply the materials, with processors who buy the materials (and with the transporters with whom they interface), and with the neighbourhood. In addition to newly developed agents, future programs should include such agents as nodes in the network.
- **Size matters.** Since beverages are consumer products, collection points for used packaging must be relatively close to consumption points. It is important to strike a balance between proximity and logistics. As proximity increases collection rates, it can also drive up logistics costs, because of difficulty of access and number of stops. Storage space is also an issue. There are those 'pop-up' recyclers who set up shop in residential areas, but remove all materials by the end of the day.
- **Space and other support matter.** It is important to have support from those who own and manage Hong Kong spaces. It is often not possible to add bulky activities like plastics collection to commercial space rented or leased. FEHD, Lands Department, Housing Authority, and Property Management Office may condone the use of public or private space. By creating Tolerated Areas for recyclers with a fixed location and Hawker Licenses for mobile recyclers, such uses could be regularised.
- **A chain of custody benefits all actors.** Providing transparency and verification of the recycling flow to reassure the Hong Kong public and increase their desire to return beverage packaging. Bulk collection systems with a strong chain of custody can also benefit consumer-focused collection channels.

Following the launch of the report, two panels discussed strategies for collection of plastic beverage bottles and the outlook of Hong Kong's PPRS.

Panel discussion #2: Small Material Recovery Facilities (SMRFs) are essential for recycling

Panellists included Danice Wong, Senior Officer – Policy & Research of Business Environment Council, Patrick Chu, Senior Property Manager of Jones Lang Lasalle Management Services Limited and Phoebe Leung, Senior Property Manager of Swire Properties.

Panel members discussed how to best utilize built space on properties and in common areas for recycling. It is important to establish synergy between property management, cleaning companies, cleaners, residents, and collectors on effective recycling. To support the upcoming

免「廢」暢飲

Drink Without Waste

Drink Without Waste Limited
20A, Wing Yee Commercial Building
5 Wing Kut Street, Central, Hong Kong
香港中環永吉街5號永宜商業大廈 20A

MSW charging and PRS, government is urged is to mandate or tolerate space for recycling. Government policies on building design should be adjusted to support waste collection and recycling.

Panel discussion #3: How Hong Kong can prepare for a PRS for beverage containers

Panellists included Frank Schepers, General Manager of New Life Plastics, Gary Fong, General Manager of Success Grand Environmental Ltd and Steve Deng, representative Public Affairs, Communications & Sustainability Director of The Coca-Cola Company.

The panel discussed macroeconomic factors and challenges faced by the waste and resource management industry, and the opportunities for bulk recovery. To apply the model of Neighbourhood Scheme to the whole of Hong Kong, collection networks are best consolidated to minimize duplication of trucking routes. To limit the impact of the PRS for plastic bottles on consumer prices, there is need to coordinate logistics among recyclers and transporters to optimise truckloads avoid unnecessary duplication of costs.

About Drink Without Waste

The *Drink Without Waste* initiative is led by the Single-Use Beverage Packaging Working Group, a coalition of beverage manufacturers and importers, waste handlers and recyclers, institutions, retailers and NGOs in Hong Kong. The Working Group seeks to reduce the volume of used beverage packaging going to waste by 70 to 90%. For more information, please visit <https://drinkwithoutwaste.org/>

About Dr. Benjamin Steuer, Hong Kong University of Science and Technology

Dr. Benjamin Steuer is an assistant Professor at the Division of Environment and Sustainability within the Hong Kong University of Science and Technology. His main research is centred on the Circular Economy and waste recycling in Hong Kong and mainland China. Active in the field since 2012, he has conducted major research projects in China, in parts financed by the European Union, on ship recycling, e-waste recycling and the informal recycling sector.

About Helga Vanthournout, Wealth of Flows Consulting

Helga Vanthournout is the founder of Wealth of Flows Consulting, a Hong Kong based consultancy specialised in circular economy, solid waste policy, and environmental strategy. The firm has a strong pedigree in international strategic management consulting, circular economy thought leadership, and turning business and environmental interests into a joint pursuit. Its team is dedicated to helping organisations find the straightest path towards circular models.

“Any opinions, findings, conclusions or recommendations expressed in this material/ event do not reflect the views of the Government of the Hong Kong Special Administrative Region, or the Advisory Committee on Recycling Fund or the Recycling Fund Secretariat.”

「本資料／活動所表達的任何意見、發現、結論或建議，並不代表香港特別行政區政府、回收基金諮詢委員會或回收基金秘書處的意見。」