

**Business Facilitation Advisory Committee
Task Force on Business Liaison Groups**

Municipal Solid Waste Charging

Purpose

This paper aims to brief members on the charging framework of the Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Ordinance 2021 (Amendment Ordinance) and the latest development for the implementation of Municipal Solid Waste (MSW) charging.

Background

2. MSW charging, as the main driving force behind waste reduction, will not only drive enterprises and the public to practise waste reduction and recycling, but also enhance the quality and quantity of recyclables collected, which in turn facilitates the sustainable development of related industries, gradual green recovery at the moment as well as and the creation of more and diversified green job opportunities. The bill of the Amendment Ordinance to implement MSW charging has been passed by the Legislative Council (LegCo) on 26 August 2021.

Charging Framework

3. Premised on the “polluter-pays” principle, MSW charges will be levied by dual modes of “charging through purchasing and using designated bags or designated labels” (“charging by DBs/DLs”) and “charging by weight-based gate-fee”. The charging mode applicable to a waste producer will depend on the waste collection service adopted by him/her. Graphic of the two charging modes is attached as **Annex A**.

Charging by DBs/DLs

4. The mode of “charging by DBs/DLs” is applicable to most residential buildings, commercial and industrial (C&I) buildings, village

houses, street level shops and institutional premises, accounting for some 80% of the daily MSW disposed of at landfills. Premises which are adopting one of the following refuse collection services would also be subject to the “charging by DBs/DLs” mode –

- (a) waste collected by the waste vehicles of the Food and Environmental Hygiene Department (FEHD) or its contractors;
- (b) waste collected by private waste collectors using waste vehicles with rear compactors; and
- (c) waste disposed of by waste producers themselves or their waste collection staff at FEHD refuse collection points.

5. The DBs, which will be charged at \$0.11 per litre, will be of nine different sizes¹ from 3-litre to 100-litre and in two different designs of t-shirt and flat-top to cater for the needs of different users. As for DLs, they are applicable for oversized waste collected by the FEHD that cannot be wrapped into a DB and a uniform rate of \$11 per piece will be charged. A copy of DB and DL is attached at **Annex B**.

6. We understand that it may be common for members of the public to use plastic shopping bags for daily shopping or other plastic bags as garbage bags. We are now inviting the retail sector to actively consider selling DBs in lieu of plastic shopping bags as provided under the Plastic Shopping Bag Charging Scheme at the cashier after the implementation of MSW charging, so as to achieve the effect of “dual use bags” and further promote re-use and waste reduction. From the overall feedback collected so far, the retail chains are generally supportive of the implementation of “dual use bags”.

Gate-fee

7. For the MSW collected and disposed by private waste collectors using waste vehicles without compactors, a “gate-fee” will be charged based on the weight of MSW. Such MSW comprises largely oversized

¹ Including 3-litre, 5-litre, 10-litre, 15-litre, 20-litre, 35-litre, 50-litre, 75-litre and 100-litre. As regards 240-litre and 660-litre DBs, they will only be sold for use by buildings with chutes.

waste or waste which is irregular in shape generated from C&I premises, e.g. large-sized metal ware and wood panels, etc., accounting for around 20% of the daily MSW as disposed of at landfills. A “gate-fee” based on the weight of MSW disposed of at landfills or refuse transfer stations (RTSs) will be charged for this kind of MSW.

8. To balance the waste load and traffic flow of waste management facilities, the “gate-fee” for MSW disposed of at the four urban RTSs and Northwest New Territories Transfer Station by private waste collectors using waste vehicles without compactor will be \$395 per tonne; and that for other RTSs and landfills will be \$365 per tonne in the future.

Preparatory Work for the Implementation of MSW Charging

9. We are now actively taking forward relevant preparatory work to enable the Government, various stakeholders and the public to prepare for the implementation of MSW charging.

10. The main tasks of the preparation period include:

- (a) Establish a comprehensive "Manufacturing, Inventory and Distribution System" for the supply of DBs and DLs and establish a retail network comprising of few thousand retail outlets;
- (b) Develop a "Smart Inventory Management System" and relevant mobile application to assist in monitoring the inventory and sales of DBs and DLs at retail outlets, and report non-compliant cases related to MSW charging;
- (c) Develop the registration and accounting system and improve the supporting system at waste management facilities for charging gate fees;
- (d) Enhance engagement with different stakeholders, introduce them the latest development of MSW charging, listen to their concerns and formulate Best Practice Guidelines; and

- (e) Continue to conduct Community Involvement Projects and Trial Projects in different premises including public rental housing estates, private estates, "three-nil" buildings, rural areas, single block buildings and commercial and industrial premises. During the trial projects, dummy DBs of different capacities will be provided for participants to try out, and various publicity and public education activities are also organised to enrich participants' understanding of the objectives of MSW charging and its implementation arrangements.

Coverage of MSW Charging

11. In order to uphold the principles of consistency and fairness, and to avoid the operational difficulties that may arise from the phased implementation of the charging scheme, such as the possibility of charge evasion by transferring the waste from a sector subject to charging to another which has yet to be charged, the MSW charging will be fully implemented in all sectors at the same time.

Commencement Date

12. As regards the commencement date of MSW charging, we will consult the LegCo Panel on Environmental Affairs on the specific commencement date for implementing MSW charging subject to the progress of the trial projects on MSW charging and other complementary measures, as well as various aspects of the society. Depending on the progress of the related preparatory work and the latest epidemic situation, our current target is to implement MSW charging in the second half of 2023 the earliest.

13. Members are invited to note the content of this paper.










Environmental Protection Department
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Charging Mechanism of Municipal Solid Waste (MSW) Charging



Designated Bags and Designated Labels

Designated Bags

								
3-litre	5-litre	10-litre	15-litre	20-litre	35-litre	50-litre	75-litre	100-litre
\$0.3	\$0.6	\$1.1	\$1.7	\$2.2	\$3.9	\$5.5	\$8.5	\$11

Designated Labels



\$11 per piece