

**Business Facilitation Advisory Committee
Wholesale and Retail Task Force**

Municipal Solid Waste Charging

Purpose

This paper aims to brief Members on the charging framework and legislative requirement of the Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Ordinance 2021 (Amendment Ordinance) and implementation of municipal solid waste (MSW) charging in the business sector.

Background

2. Sitting at the centre of the overall waste reduction strategy of the Government, MSW charging aims to provide financial incentives to encourage the community to treasure resources, proactively reduce waste at source and practise clean recycling with a view to reducing the overall waste disposal amount. Upon the implementation of MSW charging, the quality and quantity of recyclables will be enhanced, which in turn facilitates the sustainable development of recycling related industries and the creation of green employment. At the LegCo Panel on Environmental Affairs meeting held on 14 July 2023, Members supported our proposal to implement MSW charging on **1 April 2024**.

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. Premises which are adopting one of the following refuse collection services would be subject to the “charging by DBs/DLs” mode –

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

5. The DBs, which will be charged at \$0.11 per litre, will be of nine different sizes 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. DBs of 240-litre and 660-litre are also available and mainly sold for use by residential premises with refuse chutes. Considering some C&I premises, such as food factories and hotels, also have genuine needs in the usage of 240-litre and 660-litre DBs, the Environmental Protection Department (EPD) will establish a dedicated application and approval process and consider each application based on its operational need. As for designated labels (DLs), they are applicable for oversized waste collected by 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**.

Charging by Weight

6. For the MSW collected and disposed by PWCs using RCVs without rear compactors, a “gate-fee” will be charged based on the weight of the MSW. Such MSW comprises largely oversized waste or waste which is irregular in shape generated from C&I premises, and also some private residential buildings. A “gate-fee” based on the weight of MSW

disposed of at the four urban refuse transfer stations¹ (RTSs) and North West New Territories Transfer Station is set at \$395 per tonne; and that for other RTSs and landfills is set at \$365 per tonne.

Legislative requirement

7. Under “charging by DBs/DLs”, any working staff of a business organisation shall not deposit waste that is not properly wrapped in DBs or affixed with DLs (i.e. non-compliant waste (NCW)), at the following waste reception areas/enforcement points:

- (a) RCVs with rear compactors or PWCs;
- (b) FEHD RCPs/bin sites²; or
- (c) communal waste reception areas of their located building, such as refuse rooms on individual floors, staircase landings, central refuse collection points and oversized waste reception areas,

otherwise, it constitutes an offence.

8. It also constitutes an offence if the working staff of a business organisation handovers NCW to the personnel providing waste collection and removal services at enforcement point (a) and (b) above, such as waste handler/contractor staff of the FEHD for managing the daily operation of RCPs or drivers and waste handler of RCVs.

9. In addition, apart from any person who disposes of the waste, the legislation above is also applicable to any person who causes or permits another person to commit the offence, for instance, the manager of a shop who instructs a frontline staff to dispose of waste in a non-compliant manner.

10. Any person who contravenes or causes others to contravene the above-mentioned legislation on MSW charging will be subject to a fixed penalty of \$1,500 under the Fixed Penalty (Public Cleanliness and

¹ The four urban RTSs are Island East Transfer Station, Island West Transfer Station, West Kowloon Transfer Station and Shatin Transfer Station.

² No person shall deposit trade waste exceeding 100 litres in quantity at the FEHD RCPs per day.

Obstruction) Ordinance (Cap. 570). Prosecution by way of summons may also be brought against serious or repeated offenders. The penalties are as follows:

- (a) on the first conviction — a fine at level 4 (\$25,000) and imprisonment for 6 months; and
- (b) on a subsequent conviction — a fine at level 5 (\$50,000) and imprisonment for 6 months.

Implementing MSW Charging in the Business Sector

11. The successful implementation of MSW charging relies on the support and participation of stakeholders from various trade sectors. To prepare for MSW charging, the business sector should firstly determine the applicable charging modes for their premises according to the existing waste collection arrangements in their premises, such as the type of RCVs, or the use of RCPs/ bin sites, and the disposal method(s) of oversized waste, etc. Please refer to the section on Charging Framework (paragraphs 3 – 6 refer) for details. If a catering premises or shop uses the waste collection service provided by its located building, it will follow the charging mode of that building.

12. The business sector should also provide their staff with appropriate trainings and formulate relevant guidelines, specifying the scope of work for their staff in different positions, and arrange briefings for new staff and circulate relevant notices regularly to ensure that they have a clear understanding on the relevant legislative requirements and are familiar with the guidelines, as well as the corresponding work procedures and arrangements.

13. Moreover, the management agent of C&I premises (e.g. general C&I buildings, shopping malls and wet markets, etc.) should make good use of the preparatory period prior to the implementation of MSW charging to assist tenants in getting ready, such as enhancing communication, dissemination of information related to MSW charging and waste reduction to tenants, organising publicity and education activities, as well as conducting regular review / reporting on the implementation and operation

of MSW charging in the premises and collecting feedback from stakeholders after the implementation of MSW charging.

Implementing “Charging by DBs/DLs”

14. The business sector should purchase DBs of appropriate size/DLs for disposing of waste from a few thousand sales points and online platforms authorised by the EPD. The sales arrangement will be uploaded to the EPD’s thematic website for MSW Charging (<https://www.mswcharging.gov.hk>). In general, individual tenants (e.g. offices, shops or restaurants, etc.) within a C&I premises are required to wrap their waste in DBs before disposing of it at the communal waste reception areas of the premises. The management agent of the premises should work with the cleansing contractors to delineate the communal waste reception areas in the premises (e.g., staircase landings, refuse rooms on individual floors/ground floor, central refuse collection point, and oversized waste reception areas, etc.) according to the waste collection arrangements of the premises, and display signages of the EPD at prominent locations (The signages would be available at the thematic website for MSW charging for download) to remind tenants that they are required to properly wrap their waste using DBs or affix it with designated labels when disposing of waste at these reception areas. The management agent and cleansing contractor of the premises are required to ensure that all the waste handed over to the PWC deploying RCVs with rear compactor has been wrapped in DBs. Suitable measures should be undertaken by the management agent to promote and monitor the compliance of the tenants.

15. Individual tenants in a C&I premises may generate chemical or clinical waste in the course of operating their business. Such wastes are not subject to control by the relevant legislation on MSW charging, and so tenants are not required to use DBs or DLs for the disposal of such wastes, which, on the other hand, must be transported in suitable containers to specific treatment facilities for disposal with the charges paid in accordance with their respective regulations.

16. For hotels, depending on their operational needs, cleansing workers are not required to line each litter container in the hotel room or

common area with DBs in advance. Instead, they could use large size DBs (e.g. 100-litre DBs) for collecting and properly wrapping all the waste. If a hotel is partly rented to shop tenants, then these shop tenants must properly wrap their waste in DBs before disposing at the central refuse collection point of the hotel.

17. For single-occupier premises³, it is also not required to line each litter container in the premises with DBs in advance. Again, they could use large size DBs (e.g. 100-litre DBs) for collecting and properly wrapping all the waste which could then be handed over to the PWCs that collect waste using RCVs with rear compactors

Implementing "Charging by Weight"

18. When a person needs to dispose of waste at a waste disposal facility, registration for the "gate fee" account is required. There are two types of "gate-fee" billing accounts, namely "Type A Account" and "Type B Account". "Type A Account" is mainly applicable to PWCs with RCVs registered in their names. "Type B Account" is mainly applicable to large scale waste producers which may deploy the registered vehicles of "Type A Account" holders to deliver waste to the waste disposal facilities, and then pay the relevant fees direct to the EPD. In this way, the "Type B Account" holders do not need to pay back the "gate-fee" to the "Type A Account" holders.

19. The management agents of C&I premises are not required to instruct cleansing workers to check whether the waste disposed of by individual tenants has been wrapped properly in DBs or affixed with DLs. They can provide cleansing workers with ordinary garbage bags to collect and dispose of the above-mentioned waste just like the practice before the implementation of MSW charging. The management agents should discuss with tenants the arrangements for apportioning the "gate-fee" and formulate guidelines or rules for the apportionment mechanism(s) for tenants' reference.

³ A single-occupier premises refers to a premises managed, used, and/or operated by a single organisation to provide various services, and the premises is either a standalone building or group of buildings. Generally speaking, single-occupier premises include schools with independent buildings and their dormitories, C&I buildings, private hospitals, and social welfare institutions operating in independent buildings, etc., without individual floors/units rented out to other individual tenants.

Waste Reduction and Recycling

20. Implementation of MSW charging provides more incentives for the business sector to put waste reduction at source and clean recycling into practice, which in turn reduces the overall expenditures on MSW charging.

21. The business sector should review their existing waste separation and recycling facilities and consider necessary enhancement, e.g. increasing the types of recyclables to be collected. They should also ensure the items collected are properly separated and suitable for recycling. The recyclables should then be delivered to reliable recyclers downstream for subsequent handling and recycling.

22. As regards the handling of food waste which is a major concern of the catering trade, the person-in-charge (PIC)/management staff of the catering premises can implement various measures to avoid and reduce food waste, such as purchasing the right amount of ingredients, following the "first-in-first-out" principle in using ingredients, making good use of surplus food or food trimmings for other dishes, donating surplus food, etc. For food waste that cannot be avoided, the PIC/management staff of the catering premises should conduct proper separation at source, and arrange for the inevitable food waste temporarily stored in recycling bins to be delivered for recycling. Since 2021, the EPD has provided food waste collection services for free through the Pilot Scheme on Food Waste Collection for premises with concentrated catering premises (such as shopping malls, hotels, clubs, cooked food centres, etc.). In addition, the EPD is gradually setting up food waste collection points near locations where street-level catering premises are concentrated, such as FEHD's RCP, street corners and back alleys at suitable locations, to facilitate smaller scale catering premises to participate in food waste recycling.

Support to the Business Sector

23. We have prepared Best Practice Guides ("BPGs") jointly with working groups comprising stakeholders from trades such as property management, environmental hygiene, recycling, security, etc. The following BPGs have been uploaded to the thematic website for MSW

charging mentioned in paragraph 14 to which relevant stakeholders can make reference in gearing up for the implementation of MSW charging –

- Catering Trade;
- Hotel Trade;
- General C&I Buildings (e.g. office buildings and multi-storey factory buildings for sale/letting);
- Shopping Malls/Wet Markets; and
- Single-occupier Premises (e.g. educational institutions, private hospitals and factories without any parts rented out to third parties).

24. At the same time, we are arranging briefings and specialised trainings for frontline staff of the property management, environmental hygiene, catering, hotel and other relevant trades to assist them in better understanding the relevant legal requirements and BPGs, and provide recommendations to them on suitably adjusting their frontline operational arrangements. The business sector could make good use of the various training programmes and materials provided by the EPD to train their frontline staff in preparation for the implementing MSW charging.

25. Business organisations may also find useful tips and information about MSW charging on our thematic website (paragraph 14 refer). They could also contact the EPD by phone at 2838 3111 or by e-mail at maw_hotline@epd.gov.hk in case of any enquiries.

Advice Sought

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

Environmental Protection Department
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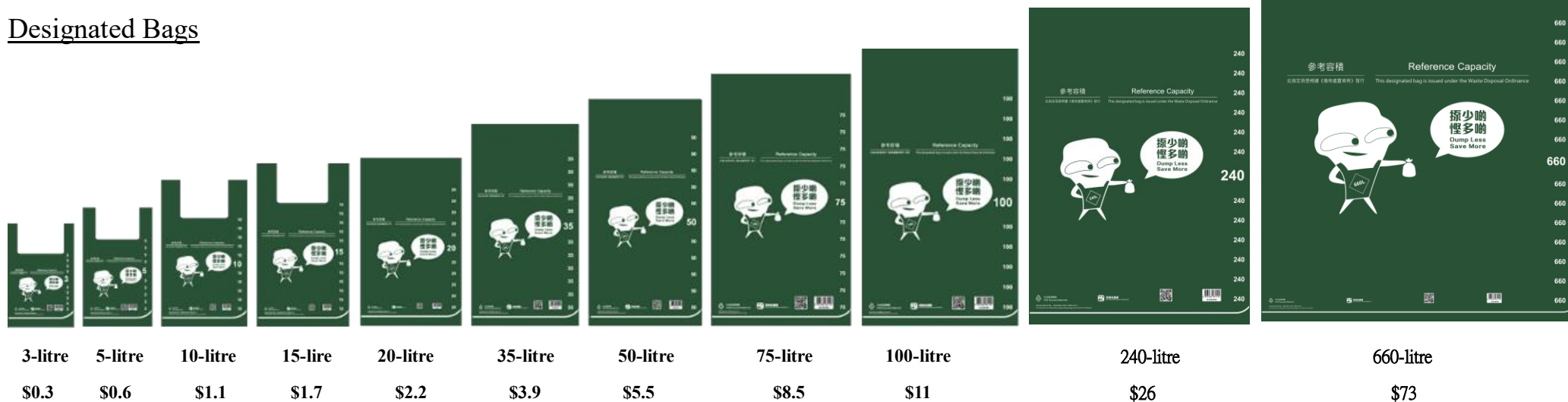
Charging Mechanism of MSW Charging

<p>MSW Charging Modes</p>	<p>(i) Charging by designated bags/designated labels</p> 		<p>(ii) Charging by weight through "gate-fee"</p> 
<p>Waste Collection Services Used</p>	<p>Collected by the Food and Environmental Hygiene Department (FEHD)</p>  <p>FEHD's refuse collection vehicles (RCVs)</p>  <p>FEHD's refuse collection points (RCPs)</p>	<p>Collected by private waste collectors (PWCs)</p>  <p>RCVs with rear compactors</p>	<p>Collected by PWCs</p>  <p>RCVs without rear compactors</p>

Annex B

Designated Bags and Designated Labels

Designated Bags



Designated Labels



\$11 per piece