

**Subcommittee on
Waste Disposal (Designated Waste Disposal Facility)
(Amendment) Regulation 2004 and
Waste Disposal (Charges for Disposal of Construction) Waste Regulation**

**List of follow-up actions arising from the discussion
at the meeting on 3 December 2004**

Please find Administration's response as follows: -

Views expressed by Members	Administration's Response
<p>(1) To review the proposed disposal charge for refuse transfer stations in outlying islands which is currently set with reference to the landfill charge of \$125 per tonne. The proposed fee level may not be appropriate for wasteload containing 100% inert materials.</p>	<p>The Refuse Transfer Stations (RTS) on outlying islands are very small set ups and are established mainly for collection of municipal solid waste. Wastes collected are taken to landfills in containers for disposal. The cost of disposal is therefore \$125 per tonne. Under normal circumstances, only very little construction waste is generated on outlying islands. To save the local residents having to transport the small quantities of construction waste to other designated disposal facilities, we decided to allow such wastes to be disposed of at these RTS. It is not economical to establish special reception facilities at the outlying islands for collection of construction wastes. Such facilities would tip the balance in the cost recovery formula and cause unfairness to other users. In view of the relatively smaller amount of construction waste generated by residents on the outlying islands, the scale used to measure the applicable charge is thus adjusted to \$12.5 per 0.1 tonne. Where larger quantities are involved, the usual practice is for the local contractors to take the waste away by boat which will in turn be taken to public fill reception areas by vehicles and charged at \$27 per tonne.</p>

Views expressed by Members		Administration's Response
(2)	To alert the trades about the confusion which may arise if a billing account for a contract with a value for \$1 million or above is used to cover other contracts each with a value under \$1 million. To also discuss with them the desirability and practicability of using separate billing accounts for contracts with a value of \$1 million or above and contracts each with a value under \$1 million.	A meeting has been held with the trades on 6 December 2004. The trades agreed that an account set up under a contract with a value of \$1 million or above would be used solely for settling the charges arising from that contract concerned. Such accounts would not be used to settle charges arising from contracts of a value of less than \$1 million. The trades also accepted that a validity period be imposed on billing accounts set up solely for contracts with a value of \$1 million or above.
(3)	To consider imposing a validity period on billing accounts for contracts with a value of \$1 million or above if these accounts are also used to cover other contracts each with a value under \$1 million.	
(4)	To consider applying a uniform rate of deposit for all billing accounts, including those with a contract value under \$1 million, to avoid possible disputes.	At the meeting held on 6 December 2004, the trades considered that adopting a two-tier system for deposits for billing accounts would be more acceptable than applying a flat rate of deposit for all billing accounts. Under this two-tier system, the deposit for the disposal of construction waste generated from a contract of a value of \$1 million or above would be charged at a minimum of \$15,000 for 200 chits. If additional chits are required, additional deposit on a pro-rata basis would be paid. For contracts of a value less than \$1 million, the deposit would be calculated at \$300 per chit. The Hong Kong Construction Association accepted the proposal, while the Contractor's Authorised Signatory Association Ltd. and the Hong Kong General Building Contractors Association Ltd. also accepted the proposal with reluctance but continued

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	<p>to express their view that this would increase administration costs and hold up a large sum of deposit for contracts with little construction waste generated.</p> <p>In this context, Members may wish to note that the Administration has acceded to the trades' request of extending the payment period from 30 to 45 days (counting from the date of the payment demand note issued by the Director of Environmental Protection at the end of each billing month) to provide further relief. The Administration considers that the above package of measures should be adequate in addressing the trade's concern over possible cash flow problems. The Construction Waste Disposal Charging Scheme including the deposit arrangement will be subject to review six months following its implementation and regularly thereafter.</p>

6 December 2004
Environment, Transport and Works Bureau