

**立法會**  
**Legislative Council**

LC Paper No. CB(1)705/16-17(03)

Ref. : CB1/PL/EA

**Panel on Environmental Affairs**

**Meeting on 27 March 2017**

**Updated background brief on introduction of  
municipal solid waste charging in Hong Kong  
prepared by the Legislative Council Secretariat**

**Purpose**

This paper provides updated background information on the introduction of municipal solid waste ("MSW") charging in Hong Kong. It also gives a brief account of the views and concerns expressed by Members when the subject was discussed by relevant committees of the Legislative Council ("LegCo").

**Background**

Municipal solid waste disposal and collection

2. MSW comprises domestic, commercial and industrial solid waste, and excludes construction and demolition waste, chemical waste and other special waste. According to the waste statistics published by the Environmental Protection Department ("EPD"), 15 102 tonnes of solid waste were landfilled each day in 2015, of which around 67% (10 159 tonnes) were MSW.<sup>1</sup>

3. At present, the Food and Environmental Hygiene Department ("FEHD") or its contractors provide direct waste collection services for most residential buildings managed by property management companies, including public housing estates and various institutional premises. Waste collected from these

---

<sup>1</sup> See "Monitoring of Solid Waste in Hong Kong – Waste Statistics for 2015":  
<https://www.wastereduction.gov.hk/sites/default/files/msw2015.pdf>.

sources is conveyed to landfills or refuse transfer stations ("RTSs") without any charges levied on the waste producers. Commercial and industrial ("C&I") establishments are not serviced by FEHD. Their waste, as well as that of some residential buildings, is collected and delivered to landfills or RTSs by private waste collectors. A charge is payable by private waste collectors for MSW delivered to RTSs.<sup>2</sup>

### Municipal solid waste reduction through a mandatory charging scheme

4. Based on the Policy Framework on the Management of Municipal Solid Waste (2005-2014),<sup>3</sup> the Administration published in May 2013 the "Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022" ("2013 Blueprint") which set a target of reducing MSW disposal rate by 40% on a per capita basis by 2022. The introduction of MSW charging is one of the key policy tools in the Blueprint to drive behavioural changes for waste reduction.

#### *Public engagement exercises in 2012 and 2013*

5. In early 2012, the Administration consulted the public on MSW charging as an option to incentivize waste reduction. In the light of the consultation findings, the Administration affirmed that a quantity-based MSW charging system should be the broad direction in pursuing MSW reduction. The Administration then invited the Council for Sustainable Development ("SDC") to conduct a second-stage public engagement exercise on the implementation framework of the MSW charging scheme.<sup>4</sup> SDC's report on the public engagement exercise is hyperlinked in the **Appendix**.

---

<sup>2</sup> The charge was originally imposed to enable the Government to recover at least the marginal cost for handling waste delivered to RTSs by private waste collectors. Other than that, no charge is required for MSW disposed of at landfills. Separately, individual charging schemes are in place for the disposal of chemical waste, construction waste and clinical waste in Hong Kong.

<sup>3</sup> The Administration published the Policy Framework in December 2005, which set out a comprehensive strategy consisting of a series of tried and proven policy tools and measures to tackle the waste problem, with emphasis of the way forward on MSW management for the decade from 2005 to 2014 on community participation and the "polluter pays" principle.

<sup>4</sup> SDC was established by the Chief Executive as one of the initiatives to promote sustainability in Hong Kong. Members of SDC are appointed by the Chief Executive and include people with experience and expertise in the environmental, social and business sectors, as well as senior government officials. SDC is a forum for exchanging views on key issues related to Hong Kong's long-term sustainability.

### *Framework for municipal solid waste charging*

6. In its report, SDC recommended that (a) for equity and in line with the "polluter pays" principle, MSW charging should be implemented across the board for all sectors in one go; (b) the charging mechanism should be built upon the existing MSW collection and disposal system so as to minimize adverse impacts on environmental hygiene; and (c) the level of charges should be directly related to the quantity of waste disposed of by MSW producers.

7. Based on SDC's recommendations, the Administration has adopted the following framework in mapping out the implementation details for MSW charging:

- (a) for MSW disposal through FEHD's direct collection service, the ultimate goal is to implement charging "by household using pre-paid designated garbage bags";
- (b) as some residential buildings using FEHD's direct collection service may require time for residents to reach a consensus on the implementation details of waste charging, a transitional period will be provided during which these residential buildings will be allowed to adopt a charging mechanism on the basis of "by volume of waste disposed of by the building";
- (c) for residential buildings and village houses not covered by FEHD's direct collection service, residents must use designated garbage bags for disposing of MSW at refuse collection points; and
- (d) for MSW disposal through private waste collectors, a "gate fee" based on the weight of waste disposed of will apply at landfills and RTSs.

8. A working group comprising senior representatives of EPD, FEHD, Housing Department and Home Affairs Department ("the Working Group") has been convened by EPD to steer and coordinate the preparatory work, which includes drafting the enabling legislation, formulating implementation plans, and developing complementary systems, such as modifications at MSW reception points, installation of technical systems and development of technical specifications for the designated garbage bags.

### Pilot schemes on municipal solid waste charging

9. In order to collect further public opinions and accumulate practical experience for implementation of MSW charging in future, EPD had conducted

two pilot schemes in seven residential housing estates with property management companies, and two rural villages. In parallel, with the support of FEHD and the Electrical and Mechanical Services Department, EPD launched a pilot scheme in July 2015 to test out the charging mechanism of "by volume of waste disposed of by the building". Under the latter pilot scheme, a small number of refuse collection vehicles were retrofitted to install automated bin-counting systems for assessing the technical feasibility of that charging mechanism.

#### Director of Audit's Report No. 65

10. In October 2015, the Director of Audit completed a review of the Administration's efforts in managing MSW, and the relevant report was published in the Director of Audit's Report No. 65 ("Audit Report"). The Public Accounts Committee of LegCo noted from the Audit Report that the Administration had failed to meet the original time target for putting in place an MSW charging scheme, and urged for expeditious implementation of the initiative, with a view to meeting the waste reduction targets set out in the 2013 Blueprint.

#### **Major views and concerns expressed by Members**

11. The Panel on Environmental Affairs ("EA Panel") discussed MSW charging with the Administration and SDC at various meetings held between January 2011 to January 2017. The Establishment Subcommittee and Finance Committee also discussed related issues when they considered a staffing proposal for the implementation of MSW charging on 23 June 2015 and 20 November 2015 respectively. The Public Accounts Committee held two public hearings on 7 and 29 December 2015 to receive evidence on the findings and observations of the Audit Report. The major views and concerns expressed by Members are summarized in the ensuing paragraphs.

#### Charging mechanism

12. Members generally supported the introduction of MSW charging in Hong Kong. Compared to charging at the household level, they considered that a charging mechanism based on the volume of waste disposed of by a building might not provide adequate economic incentives for individual waste producers to reduce waste, and might be unfair to households that produced less waste. Some Members suggested a hybrid charging system, under which individual households could choose to either use pre-paid designated garbage bags, or pay the MSW charge on the "by building" basis. There was also a view that the Administration should consider implementing MSW charging on different

waste sources (i.e. domestic, commercial and industrial sources) in phases.

13. SDC acknowledged that the "by building" charging mechanism might be less effective in reducing waste as individual households would not be directly charged for the waste they produced. However, some property management companies had expressed grave concerns that charging at the household level might give rise to littering or fly-tipping, and they might encounter difficulties in tracing the sources of waste or performing surveillance against fly-tipping. Having considered stakeholders' feedback to the public engagement exercise, SDC recommended introducing a transitional period for a maximum of three years, during which residential buildings might adopt the "by building" mechanism, with the ultimate goal of implementing charging by household using pre-paid designated garbage bags. As it was difficult for the community to reach a consensus on which sector MSW charging should be applied to first, SDC recommended that charging should be implemented across the board for all sectors in one go.

#### Charging level

14. Members opined that the MSW charge should be set at a level that was sufficient to drive behavioural change towards waste reduction, and the relevant revenue should be ploughed back to assist the development of the recycling industry. Some Members were concerned about the financial impact of MSW charging on low-income families, and considered that concessionary arrangements and relief measures should be worked out for the grassroots. The Administration took note of Members' views and advised that while relief measures were not common in cities that had implemented MSW charging and might lead to controversies, it would explore ways to address the needs of people with financial hardship and work out relevant details at a later stage.

15. Some Members expressed concern about potential charge evasion by C&I establishments in composite commercial/residential buildings. Some Members, on the other hand, considered that as charges for waste collection had already been included in government rates, the rates should be reduced concurrently with the implementation of MSW charging to address the C&I sector's concern about "double levy".

16. The Administration advised that it was envisaged that the charging level of C&I waste would be broadly similar to that of domestic waste, and hence charge evasion was unlikely to occur on the basis of differential charging. The Administration would continue to work with the stakeholders of C&I establishments and consider providing incentives to them to facilitate source separation and recycling of waste, which would help reduce their waste disposal and cost arising from MSW charging.

17. At the meeting on 18 December 2012, EA Panel passed three motions which respectively demanded that, if the Administration was to introduce quantity-based waste charging: (a) the rates should be lowered concurrently to avoid double levy; (b) a phased and progressive charging approach should be adopted and a "free of charge" policy should be adopted in the first phase; and (c) the charging should be based on the "revenue-neutral" principle, and the charges so collected should be rebated to those users who had succeeded in reducing waste.

#### Measures to prevent fly-tipping

18. Members were worried that MSW charging would aggravate littering and fly-tipping, especially in buildings without property management companies. They urged the Administration to step up public education on waste reduction, ensure effective enforcement against non-compliance, and review its manpower needs, in tandem with the implementation of MSW charging.

19. The Administration responded that it would put in place complementary measures including stepping up monitoring and enforcement actions against fly-tipping in buildings without property management companies. According to the findings of the pilot scheme on MSW charging conducted in seven residential estates, building management bodies/owners' corporations would play a critical role in determining the effectiveness of MSW charging in waste reduction. The Administration would consult stakeholders on the implementation details of MSW charging. As enforcement of MSW charging might give rise to additional manpower needs, the Administration would develop a manpower plan covering staff in various departments during the preparation of the legislative proposals.

#### Interdepartmental coordination

20. Members stressed the importance of interdepartmental coordination to the effective implementation of MSW charging. In particular, as public education was crucial in promoting waste reduction, they considered that representatives from the Education Bureau should be co-opted to the Working Group for MSW charging.

21. The Administration responded that the departments involved in the Working Group generally agreed with the policy direction of MSW charging, and had been maintaining close communication for the purpose. They were also aware of the need to adjust their existing systems and work procedures in support of MSW charging. Apart from the Working Group, the Administration

had put in place other mechanisms to enhance high-level coordination across bureaux/departments.

### **Council questions**

22. Hon Vincent FANG and Hon CHAN Hak-kan asked questions relating to the public consultation on MSW charging conducted in 2012 and the pilot scheme on MSW charging conducted in 2014 at the Council meetings of 21 March 2012 and 4 June 2014 respectively. The questions and the Administration's replies are hyperlinked in the **Appendix**.

### **Latest development**

23. The Administration will brief EA Panel on the implementation arrangements for MSW charging at the meeting on 27 March 2017.

### **Relevant papers**

24. A list of relevant papers is set out in the **Appendix**.

Council Business Division 1  
Legislative Council Secretariat  
21 March 2017

## Introduction of municipal solid waste charging in Hong Kong

## List of relevant papers

Date	Event	Paper
24 January 2011	Meeting of the Panel on Environmental Affairs ("EA Panel")	Legislative Council Brief on "Update on the progress of the key initiatives in the 'Policy Framework for the Management of Municipal Solid Waste (2005-2014)'" issued by the Environment Bureau/Environmental Protection Department on 4 January 2011 (File Ref: <a href="#">EP 86/03/175A</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)1509/10-11</a> )
19 January 2012	Meeting of EA Panel	Consultation Document on "Strengthening Waste Reduction: Is Waste Charging an Option?" provided by the Administration (LC Paper No. <a href="#">CB(1)819/11-12(01)</a> )  Administration's paper on "Public Consultation on Municipal Solid Waste Charging" (LC Paper No. <a href="#">CB(1)855/11-12(05)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)1219/11-12</a> )
18 December 2012	Meeting of EA Panel	Administration's paper on "Waste reduction through municipal solid waste charging: way forward" (LC Paper No. <a href="#">CB(1)276/12-13(01)</a> )  Minutes of meeting (LC Paper No. <a href="#">CB(1)568/12-13</a> )



Date	Event	Paper
25 November 2013	Meeting of EA Panel	<p>Administration's paper on "Council for Sustainable Development's Public Engagement on Municipal Solid Waste Charging – 'Waste Reduction by Waste Charging. How to Implement?'" (LC Paper No. <a href="#">CB(1)314/13-14(03)</a>)</p> <p>Minutes of meeting (LC Paper No. <a href="#">CB(1)772/13-14</a>)</p> <p>Administration's follow-up paper (LC Paper No. <a href="#">CB(1)591/13-14(01)</a>)</p>
16 December 2013	Meeting of EA Panel	<p>Minutes of meeting (LC Paper No. <a href="#">CB(1)1103/13-14</a>)</p>
25 February 2015	Meeting of EA Panel	<p>Administration's paper on "Framework proposal for implementation of municipal solid waste charging" (LC Paper No. <a href="#">CB(1)560/14-15(08)</a>)</p> <p>Minutes of meeting (LC Paper No. <a href="#">CB(1)726/14-15</a>)</p>
23 June 2015	Meeting of the Establishment Subcommittee	<p>Administration's paper on "Proposed creation of two supernumerary posts of one Administrative Officer Staff Grade B (D3) and one Administrative Officer Staff Grade C (D2) in the Environmental Protection Department for three years with immediate effect upon approval by the Finance Committee to lead a new Waste Management (Special Duties) Division" (<a href="#">EC(2015-16)3</a>)</p> <p>Minutes of meeting (LC Paper No. <a href="#">ESC110/14-15</a>)</p>
20 November 2015	Meetings of the Finance Committee	<p>Minutes of meetings (LC Paper No. <a href="#">FC163/15-16</a>) (LC Paper No. <a href="#">FC164/15-16</a>)</p>

Date	Event	Paper
23 January 2017	Meeting of EA Panel	Administration's paper on "2017 Policy Address – Policy initiatives of Environment Bureau: Environmental protection" (LC Paper No. <a href="#">CB(1)451/16-17(01)</a> )

**Hyperlinks to relevant documents:**

Organization	Document
Environment Bureau	<a href="#">Hong Kong Blueprint for Sustainable Use of Resources 2013-2022</a>
Council for Sustainable Development	<a href="#">Invitation for Response Document entitled "Waste Reduction by Waste Charging · How to Implement?"</a>  <a href="#">Report on the Public Engagement Process on Municipal Solid Waste Charging</a>

**Hyperlinks to relevant Council Questions:**

Date	Council Question
21 March 2012	<a href="#">Press release</a> on Council question (oral) raised by Hon Vincent FANG
4 June 2014	<a href="#">Press release</a> on Council question (oral) raised by Hon CHAN Hak-kan