

**For discussion on
14 July 2023**

Legislative Council Panel on Environmental Affairs

Implementation of Municipal Solid Waste Charging

PURPOSE

The Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018 (“Amendment Bill”) to implement municipal solid waste (“MSW”) charging was passed by the Legislative Council (“LegCo”) on 26 August 2021. Since then, we have been actively taking forward relevant preparatory work to enable the Government, various stakeholders and the public to prepare for its implementation. This paper reports the progress of various preparatory work, and seeks Members’ views on the implementation date of MSW charging, the proposal on free distribution of designated bags (“DBs”), as well as the proposed adjustment to charging level of construction waste disposal.

OVERALL IMPLEMENTATION STRATEGY AND PROGRESS OF PREPARATORY WORK

Policy Objectives of MSW charging

2. MSW charging sits at the centre of the overall waste reduction strategy of the Government. It encourages the community to reduce waste at source and practise clean recycling by using financial disincentives **with a view to reducing the overall waste disposal amount.**
3. Experiences in Seoul and Taipei City show that it would take years for the public to gradually develop the awareness and habit to practice waste reduction and recycling even upon the implementation of MSW charging. We note that these cities have been emphasising much on education and publicity rather than enforcement to raise public awareness and participation, especially after the initial launch. Similarly, we consider that in Hong Kong, **cultivating the habit of waste reduction and recycling** first and foremost **rather than strict enforcement of the legislative requirements** should be the general approach of implementing MSW charging. It could help making this important waste management initiative more receptive to the public, in particular during the early stage of implementation.
4. The publicity and education plan, enforcement strategy, as well as measures

to improve the community recycling facilities set out in paragraphs 19 to 28 below were formulated with the above two policy objectives in mind. It also follows that to measure the effectiveness of MSW charging, it is more appropriate to **make reference to the changes in the amount of MSW disposed of in the landfills and recyclables collected** through our community recycling facilities as well as other recycling initiatives, rather than the compliance rate of the public in using DBs/ designated labels (“DLs”)¹ when disposing of their waste. In general, overseas experience shows that as the public gradually develop new waste disposal and recycling habits, the per capita MSW disposal would be reduced progressively and the quantity of recyclables be steadily increased. Yet, we expect that it would still take some time before a more noticeable effect in waste reduction and increase in the quantity of recyclables can be observed. Our aim remains to achieve the targets set out in the *Waste Blueprint for Hong Kong 2035* announced by the Government on 8 February 2021, i.e. the medium-term goal is to gradually reduce the per capita MSW disposal rate by 40 to 45% and increase MSW recovery rate to about 55% through implementing MSW charging and other waste reduction and recycling initiatives, as well as developing waste-to-resources/energy facilities.

Retail Network for DBs and DLs (including sales arrangements of DBs and DLs at Public Rental Housing (“PRH”) estates)

5. As the purchase and use of DBs and DLs is the main tool for levying the MSW charge, we are establishing a territory-wide retail network for the sales of DBs and DLs, comprising a few thousands outlets covering supermarkets, convenience stores, pharmacies, houseware stores, online platforms etc. Upon passage of the Amendment Bill, we have conducted more than 40 physical or online briefings for major retail chains, online retailers, the Hong Kong General Chamber of Pharmacy Limited and its members. As of now, we have received applications for authorisation for selling DBs and DLs from 19 retail chains and online retailers comprising around 2 000 outlets and 11 online platforms, expressing their interest in selling DBs and DLs and assisting in the promotion of MSW charging. To further expand our sales network, we are engaging several distributors currently distributing garbage bags and cleaning products to small retailers so as to solicit their

¹ Premised on the “polluter-pays” principle, MSW charges will be levied by either charging through purchasing and using DBs (which come in different sizes, costing around \$0.11/litre) or DLs (if the waste cannot fit into the DBs, costing a flat charge of \$11) or charging by weight-based gate-fee. 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, while charging by gate-fee is applicable to largely oversized 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 will be charged for this kind of MSW.

participation in assisting the nomination of and providing support to a few hundred small stores, including small-to-medium sized pharmacies and houseware stores, to sell DBs and DLs.

6. Although there are convenience stores, supermarkets and pharmacies within or nearby most of the PRH estates, we expect that the PRH residents (especially the elderly) may need further assistance to gradually adapt to MSW charging and develop new waste disposal habits². With this in mind, in addition to the retail outlets to be set up as described above, we have also considered how to provide more facilitation to PRH residents.

7. Having discussed with the Housing Department (“HD”) and the Hong Kong Housing Society (“HS”), we plan to **set up dedicated sales points and other sales channels in PRH estates**, including (i) engaging the property management companies (“PMCs”), cleansing or security contractors³ employed by the PRH estates; and / or (ii) other channels such as setting up vending machines (“VMs”) in the PRH estates for selling DBs and DLs. We will also consider offering service fees to PMCs, cleansing or security contractors that sell DBs and DLs based on their sales volume so as to cover their additional expenses and encourage their participation. Tentatively, the above arrangement will be implemented for a period of three years from the date of implementing MSW charging and will be further reviewed afterwards. We will further discuss and agree on the detailed implementation arrangements with the Hong Kong Housing Authority (“HA”), HD, HS and other relevant stakeholders.

8. To further expand the retail network, we are also exploring with PMCs the feasibility of procuring the DBs/DLs on behalf of the residents and/or selling the DBs/DLs at private housing estates under their management. PMCs welcome this arrangement. They will, depending on the preference of relevant Owners’ Committees/Owners’ Associations, purchase DBs on behalf of the residents and provide relevant distribution services. As for DLs, since the expected sales volume will be much lower than that of DBs, residents may purchase them from PMCs when necessary. This arrangement facilitates residents to develop a new habit of using DBs for waste disposal, which in turn enhances compliance rate. Possible confrontation between frontline PMC staff and residents in case of non-compliance or complaints from residents would also be reduced. Similar to the case for PRH

² Upon the implementation of MSW charging, a person has to wrap MSW in DBs or attach the MSW with a DL before depositing the waste (i) at a refuse collection point, (ii) onto a waste vehicle in Government service or a waste vehicle in private use (with compactor), (iii) into a specified bin, or (iv) in a common area of any premises that is used for depositing waste pending removal from the premises for disposal. Otherwise, that person may commit an offence.

³ As the current proposal is a new contractual responsibility, HA will be required to sign supplementary contracts with its PMCs, cleansing and security contractors to engage them to perform the contract responsibility.

estates, we will consider offering service fee to PMCs based on their sales volume to cover their additional operating costs. To encourage waste reduction, each pack of DBs we supply to PMCs for sale will contain fewer than 30 bags.

Establishment of the Manufacturing, Inventory and Distribution (“MID”) System of DBs and DLs

9. To ensure a stable and sufficient supply of DBs and DLs in the market for the public to purchase at ease, we are establishing a comprehensive MID System, which includes DBs manufacturing contracts, DLs manufacturing contracts and logistics coordination service contract (“logistics contract”). For the DBs manufacturing contracts, we conducted an open tender exercise in June 2022 and a total of 26 tenders were received by the closing date. However, the tender prices of all conforming tenders that could fully comply with the technical requirements were much higher than expected. To utilise public financial resources prudently, we subsequently cancelled the tender exercise and re-examined the specifications of DBs and the terms of tender documents in order to reduce the production costs of DBs.

10. We re-invited tenders for DBs manufacturing contracts in March 2023, and a total of 45 tenders were received by the closing date in May 2023. We have basically completed the tender assessment and submitted the tender report to relevant government departments for final approval. The total tender price of the recommended tenders is lower than the original estimate. We have also invited tenders for the logistics contract and the DLs manufacturing contracts in March and May 2023 respectively. We anticipate that all contracts can be awarded by July or August 2023, with a view to commencing the production of DBs and DLs in Q3 2023.

Establishment of the Smart Inventory Management (“SIM”) System

11. In order to achieve more effective management of the manufacturing, inventory, distribution and sales of DBs and DLs, we have also awarded a contract to an information technology contractor in September 2022 to develop a SIM System and relevant mobile application. The SIM System will provide the necessary functions for the authorised retailers of DBs and DLs to place orders and submit their monthly sales records conveniently. It will also help us monitor the delivery of DBs and DLs from the manufacturers to authorised retailers through the logistics service provider, as well as the inventory levels of DBs and DLs at the provider’s warehouses. In addition, the SIM System-related mobile application will facilitate the public to locate nearby retail outlets of DBs and DLs. Members of the public may also make use of the mobile application to report suspected MSW charging non-compliant cases for follow-up by relevant departments. We have completed the system design and are now developing the system, with a view to conducting the

SIM System connection and testing processes with the manufacturers, logistics service provider and authorised retailers starting from the third quarter of this year.

Enhancing Stakeholder Engagement

12. To facilitate different stakeholders to better understand the arrangements of MSW charging, the Environmental Protection Department (“EPD”) has been organising operational briefings and specialised trainings for stakeholders from various sectors. As of June 2023, we have conducted more than 160 physical or online meetings and briefings, reaching out to about 6,800 stakeholders from various trade sectors to introduce to them the latest development of MSW charging and listen to their concerns.

13. We have been preparing Best Practice Guides (“BPGs”) jointly with working groups comprising stakeholders from trades such as property management, environmental hygiene, recycling, security, etc. A total of eight BPGs for different trades and sectors listed below have been uploaded to the thematic website on MSW charging (<https://www.mswcharging.gov.hk>) to which relevant stakeholders can make reference in gearing up for the implementation of MSW charging –

- Residential Premises with Property Management Organisations;
- Private Waste Collector Trade;
- Rural Villages/Rural Areas;
- Catering Trade;
- Hotel Trade;
- General Commercial and Industrial 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).

14. At the same time, we have been arranging briefings and specialised trainings for frontline staff of the property management, environmental hygiene 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. So far, about 300 training sessions have been planned and progressively rolled out since mid-May 2023. As of now, more than 20 training sessions have been completed. We are also collaborating with the Property Management Services Authority to organise continuous professional development courses related to MSW charging so as to enhance the relevant knowledge of the holders of the Property Management Practitioner Licence.

Trial Projects and Community Involvement Projects related to MSW charging

15. To encourage waste reduction and recycling, and enable the community to prepare for the implementation of MSW charging, EPD has partnered with some 20 government departments and organisations since 2018 to launch trial projects on MSW charging in different sectors (including PRH estates, rural villages, shopping malls, catering trade and government premises) to allow participants to get first-hand experience of the quantity-based charging arrangements. In addition, since 2015, EPD has launched the “Waste Separation Projects to Pave the Path for MSW Charging” (Community Involvement Projects, “CIPs”) funded by the Environment and Conservation Fund. The project allows non-profit making organisations and bodies to try-out MSW charging in different types of premises (including “three-nil” building⁴, C&I premises, single-block buildings, public institutions, residential estates with PMCs, rural areas and other low-density premises).

16. In the trial projects and CIPs, EPD provides dummy DBs of different capacities as requested by the participants to calculate mock MSW charges so that they can experience “Dump Less, Save More” in real settings. Various publicity and public education activities are also organised to enrich participants’ understanding of the objectives of MSW charging and its implementation arrangements, promote valuing resources and reducing waste, and encourage them to practise proper waste separation, waste reduction at source and clean recycling. Although the trial projects and CIPs are voluntary in nature and do not involve real charging, the waste disposal quantity of participating premises generally reduced by about 10% on average.

17. So far, the trial projects and CIPs have covered about 2 200 premises and projects covering some 700 of them are underway and are expected to be completed by end of 2023. Given the trial project and CIPs have already covered extensively different types of premises⁵ in all 18 districts in Hong Kong and also effectively achieved their objectives⁶, we will wrap up all trial projects and CIPs by end of 2023 so as to avoid unnecessary confusion to the public in using authentic DBs and dummy DBs upon the implementation of MSW charging.

⁴ They refer to buildings without Owners’ Committees or residents’ organisation of any kind, and without PMCs.

⁵ Including about 600 “three-nil” buildings, 550 C&I premises (restaurants, offices, shopping malls, industrial buildings, shops), 300 single-block buildings, 200 public institutions (post-secondary schools, secondary/primary schools, government premises, social service units), 300 residential estates with PMCs (PRH estates, subsidised housing, private residential estates), 250 rural and other low-density premises.

⁶ The questionnaire survey of the trial project and CIPs indicated that around 88% of the respondents acknowledged that the trial project/CIPs enable them to gain more understanding and awareness on MSW charging and the “polluter-pays” principle.

18. We will continue to assist proactively all sectors of the community in getting prepared for the implementation of MSW charging. The focus of our work will shift to promoting the BPGs to the stakeholders of different sectors and provide training to relevant frontline staff to facilitate their better understanding of the legislative requirements and guidelines.

Publicity and Public Engagement

19. To prepare the public for the implementation of MSW charging, we will roll out a territory-wide publicity and public education campaign through the Environmental Campaign Committee. Under the theme of “Recycle More, Dump Less, Save More”, the campaign will be carried out by phases starting from the third quarter of this year until end of 2024. In addition to publicity for the general public, we will also roll out promotion activities for specific groups, such as chambers of commerce, students, ethnic minorities, the elderly, foreign domestic helpers and residents of “three-nil” buildings and rural villages.

20. For instance, we will prepare promotional videos in different languages for foreign domestic helpers and promulgate these publicity materials in their social media groups. For elderly, we will prepare advertisement for broadcasting in the radio programmes that are targeted for the elderly. As for students, we will prepare comics and other publicity materials that are reader-friendly for their easy understanding. We will tailor as far as possible the publicity materials for different target groups.

21. The publicity campaign will be carried out in three phases, starting from August this year until about half a year after the launching of MSW charging. Phase I will first focus on promoting the commencement date of MSW charging, the culture of “Recycle More, Dump Less, Save More” and best practices for various sectors. Phase II will promulgate the charging mechanism, how the community can prepare for it, etc. The timing of launching this phase is subject to the actual commencement date of MSW charging. Phase III will be launched two months before the commencement of MSW charging to publicise the retail network of DBs and DLs, as well as encourage the public to comply with the legislative requirements. We will regularly review the publicity campaign having regard to statistics of enquiries to evaluate its effectiveness and determine if adjustment to the overall publicity plan is needed.

22. To complement the publicity campaign, EPD has upgraded its customer service centre and set up a dedicated hotline to handle public enquiries on MSW charging after the announcement of the implementation date, as well as to allow the public to report non-compliance cases after its implementation.

23. At the same time, the Green Outreach in EPD will provide outreaching support to the community on waste reduction and recycling initiatives, and remind the public to comply with the relevant legislative requirements. Through launching promotion activities and providing on-site demonstrations, the Green Outreach will coach the public and frontline property management and cleaning workers on meeting the legal requirements.

Risk-based Enforcement Strategy

24. Experiences in Seoul and Taipei City show that public awareness and participation during the initial launch of MSW charging is critical to its smooth implementation. Intensive and strict enforcement actions during the early implementation stage may not be the best approach to ensure compliance bearing in mind that the public need time to adapt to this new charging scheme. In this connection, we have undertaken to put in place a six-months phasing-in period after the commencement of MSW charging when verbal warnings will be given as far as possible instead of taking enforcement actions. We are prepared to further extend this period to, say, one year depending on how the public is changing their waste disposal behaviour. During this period, we will focus on (i) publicity and public education for promoting compliance; and (ii) gathering intelligence/statistics on compliance situation for planning enforcement actions. We will focus on handling complaint cases with site inspections en-routed or at black spots with reoccurring complaints. As a general practice, frontline staff at relevant waste reception points will conduct visual screening as to whether the waste handed over to them has been properly wrapped in DBs or affixed with DLs (for oversized waste), and will reject any non-compliant waste that does not comply with the legislative requirements. Based on enquiry/complaint referrals and intelligence received from the general public, PMCs, waste handlers and other stakeholders, we will draw up a list of black spots for conducting stepped-up inspection and enforcement.

25. While publicity and education will be the focus in the phasing-in period, we will issue verbal warnings to non-compliant cases as appropriate, and enforcement actions will be taken in cases where the nature or magnitude of the offence calls for enforcement, e.g. if the offender repeatedly contravenes the law despite warnings given. For severe black spots with significant adverse impact to the community, ad-hoc enforcement actions may be conducted even during phasing-in period.

26. After the phasing-in period, enforcement actions will be taken on a risk-based approach, with particular attention given to black spots. Specifically, frontline staff will continue with the visual screening at the waste reception points and reject non-compliant waste. In addition, we will conduct surveillance and enforcement actions, including routine inspections and ambush operations at the

black spots as identified from complaints/reports on non-compliant cases from frontline cleansing staff, waste collection contractors, PMCs, the general public etc. We will liaise and coordinate the enforcement plan with relevant departments, in particular the Food and Environmental Hygiene Department (“FEHD”) on fly-tipping control in public places as well as the HD and HS for PRH estates.

27. As mentioned above, experiences in other cities show that compliance rate will only gradually improve with time. It is expected that fly-tipping problem is likely to aggravate with the implementation of MSW charging in the initial period. Our proposal at paragraph 7 above to facilitate PRH residents to conveniently purchase DBs or DLs should help alleviate the problem in PRH estates⁷. As for other public places, FEHD will step up their enforcement actions against fly-tipping. We hope that with the extensive sales network of DBs and DLs, together with continuous publicity and education and enforcement actions where appropriate, will steadily enhance the compliance rate over time as residents gradually adjust their waste disposal behaviour.

Improving Community Recycling Facilities

28. Waste reduction and recycling go hand in hand. We expect that with the implementation of MSW charging, there will be an increased demand for community recycling facilities from the public so as to minimise the charge they have to pay. EPD has been expanding its community recycling network GREEN@COMMUNITY, which now has over 160 collection points. We are now in the process of setting up smaller scale Recycling Stores in 50 PRH estates to further help PRH residents to reduce the MSW charges payable by practising more frequent recycling. Upon the implementation of MSW charging, the public may redeem certain number of DBs by handing over a specified quantity of recyclables to any GREEN@COMMUNITY collection points so as to encourage their greater participation in recycling. We are also expanding the central collection of food waste, which accounts for 30% of the daily MSW disposed of at landfills. Trial schemes are being implemented in PRH estates, with the target of collecting food waste from 100 blocks by the end of 2023 as stated in the 2022 Policy Address. As regards food waste from restaurants at ground level, starting from April this year, we have been trying out food waste collection in “Restaurant Clusters”, i.e. areas that are concentrated with restaurants, in Yuen Long District and Tai Po District so as to collect food waste generated from smaller-scale restaurants in a cost effective way. The service will be gradually expanded to other districts. Finally, also announced in the 2022 Policy Address, we plan to introduce a legislative proposal to require, by end of 2024, the PMCs or owner’s organisations of major housing estates and single-block buildings with relatively large number of flats to collect

⁷ HA/HD stands ready to deploy additional security guards to patrol the common areas of PRH estates to help mitigate the potential fly-tipping problem during the initial period of implementation.

separated recyclables and pass them to recyclers for processing, thereby providing a more convenient means for the residents to practise recycling.

Implementation Date of MSW Charging

29. Based on the progress of various preparatory work as set out above, we can implement MSW charging by end of 2023 as planned. Nonetheless, we note that some sectors, such as the cleansing service providers, have been appealing for postponing the implementation, in view of the expected large quantity of waste that will be disposed of around Christmas and Chinese New Year, as well as the manpower shortage during Chinese New Year. We therefore propose to **implement MSW charging on 1 April 2024**, which signifies a major milestone in waste management in Hong Kong.

30. Considering that there may be an increase in waste disposal before the launch of MSW charging, we have liaised with FEHD to, having regard to actual circumstances and needs, place large waste collection bins adjacent to “three-nil” buildings in urban areas and set up extra designated junk points in rural areas as a temporary measure to facilitate the public to dispose of their household waste as necessary.

Assistance for Persons requiring Additional Support to adapt to MSW Charging

31. When scrutinising the Amendment Bill, the Bills Committee suggested that the Government should distribute free DBs to the general public during the initial stage of implementation of MSW charging to facilitate them to adapt to the charging arrangements.

32. We understand that the public may need time to adapt to MSW charging and adjust their waste disposal habits progressively. Nonetheless, we are also mindful of calls in the community that the Government should be prudent in the use of public resources and should focus on assisting households that genuinely require more support in adapting to MSW charging, such as residents of “three-nil” buildings, rural village houses and PRH estates. Indeed, many of the “three-nil” buildings and rural village houses are old buildings without proper building management hence their residents might require longer time and more support to adapt to MSW charging as compared with those living in residential buildings with PMCs. As for residents of PRH estates, they account for about 30% of the Hong Kong’s population with grassroots as the majority, and many of whom are the elderly. They might also need more backing to adapt to MSW charging and change their habits.

33. With the above in mind, after consulting relevant Council members and

district representatives with rounds of discussions, we recommend to supply free DBs to **households of PRH estates, “three-nil” buildings and rural village houses** during the initial stage of implementation of MSW charging. The proposed arrangements are set out below –

Distribution targets: around 850,000 PRH households under HA and HS + around 150,000 households in “three-nil” buildings + around 50,000 rural village houses = total of around 1.05 million households

Distribution period, size and quantity of DBs: 20 nos. (to encourage waste reduction) of 15L DBs per month for each target household for six months

Distribution arrangements: HA/HD and HS will assist in distributing DBs to PRH households. As for households in “three-nil” buildings and rural village houses, subject to further discussion with the Home Affairs Department (“HAD”) on the *modus operandi*, the agreement of the District Service and Community Care Teams (“Care Teams”) in the respective districts and village representatives or Rural Committees, Care Teams and the village representatives or rural committees can participate and assist in carrying out the work. We will sort out detailed implementation arrangements with relevant parties such as HA/HD, HS, HAD and Care Teams, etc.

34. While MSW charging is premised on the “polluter-pays” principle, which means the responsibility to reduce waste should be borne by the whole community without exception, we appreciate that MSW charging may have greater impact on people with more financial needs. In this connection, as undertaken when the LegCo was scrutinising the Amendment Bill, we will provide a subsidy of \$10 per person per month⁸ to recipients of the Comprehensive Social Security Assistance and Old Age Living Allowance after the implementation of MSW charging.

Follow-up Legislative Work

35. To complement the preparatory work of MSW charging, the then Secretary for the Environment has appointed 1 September 2022 as the day on which certain provisions of the Amendment Ordinance shall come into operation, which include provisions relating to establishing registration arrangements for gate-fee etc. The Director of Environmental Protection and the Director of Food and Environmental Hygiene have also published notices in the Gazette on 20 May 2022 to specify requirements for DBs/DLs (e.g. designs, sizes, etc.) and the prescribed signs and

⁸ Making reference to past data, the average daily waste disposal volume of a three-member household is about 13 litres. Assuming that, on average, each family uses a 10-litre DB for waste disposal per day, the average monthly cost of purchasing DB will be about \$0.11/litre x 10-litres DB per day x 30 days = \$33 or about \$10 per person per month.

ways of exhibitions for various waste vehicles, refuse collection points and specified bins. Details of the above subsidiary legislation are set out in LegCo Brief (file reference: EP CR 9/65/3/4).

Adjustments to Charging Levels of Construction Waste Disposal

36. In order to promote waste reduction and recycling in the construction industry, the Construction Waste Disposal Charging Scheme (“CWDCS”) has been implemented since 2006. Different types of construction and demolition materials are charged differently according to their inert content⁹. The charging level of landfills is the highest, while that for public fill reception facilities is the lowest. The charging level of sorting facilities (accepting construction waste containing more than 50% by weight of inert construction waste) is in between that of landfills and public fill reception facilities. The existing construction waste disposal charges for landfills, sorting facilities and public fill reception facilities are \$200 per tonne, \$175 per tonne and \$71 per tonne respectively. The CWDCS provides financial incentive to encourage construction waste producers to reduce and sort their waste, which has proven to be an effective means in promoting waste reduction and recycling at source. In 2021, about 53,000 tonnes per day (tpd) of construction waste was generated in Hong Kong, of which about 49,400 tpd was recovered for reuse, i.e. a recovery rate of as high as 93%. This included about 22,000 tpd of construction waste transferred to local works projects for direct reuse and about 27,400 tpd of reusable inert construction waste received by public fill reception facilities, thus effectively alleviating the pressure on the landfills.

37. Upon implementation of MSW charging, the gate fee for MSW disposed of at the landfills will be charged at \$365 per tonne. To prevent any deliberate mixing of MSW and construction waste to avoid paying the charge difference, as well as cost considerations, we propose to adjust the charging level of construction waste disposal on the commencement date of MSW charging. The proposed adjustments include (i) increasing the landfill charge from \$200 per tonne to \$365 per tonne so as to align with that of MSW charging¹⁰; (ii) increasing the sorting charge from \$175 to \$340 per tonne to maintain the current price differential of \$25 per tonne between the landfill charge and the sorting charge; and (iii) increasing the public fill charge

⁹ The public fill reception facilities accept construction waste containing 100% of inert construction waste. Sorting facilities accept construction waste containing more than 50% by weight of inert construction waste. Landfills accept construction waste containing not more than 50% by weight of inert construction waste.

¹⁰ We have consulted Members on the proposal to raise the landfill charge for construction waste to align with the MSW gate fee (i.e. \$365 per tonne) at the meetings of the LegCo Panel on Environmental Affairs and the Subcommittee to Study Policy Issues Relating to Municipal Solid Waste Charging, Recovery and Recycling on 25 April 2022 and 6 June 2022 respectively.

from \$71 per tonne to \$87 per tonne. As the public fill charge level will be kept at lower level, it should provide greater financial incentive for waste producers to carry out on-site sorting, thereby reducing the construction waste to be disposed of at the landfills or sorting facilities. We have consulted the major stakeholders of the trade in early 2023 and they did not raise any objections to the proposed new construction waste disposal charging level¹¹.

38. We plan to publish in the Gazette and submit to the LegCo for approval by negative vetting in October this year, the subsidiary legislation to adjust the charging level of construction waste disposal (**Annex I**) and the commencement notice to appoint 1 April 2024 as the implementation date of MSW charging (**Annex II**).

ADVICE SOUGHT

39. Members are invited to take note of the progress of various preparatory work for implementing MSW charging, and offer views on the proposed implementation date, the proposal on free distribution of DBs and the proposed adjustments to charging levels of construction waste disposal. Upon seeking Member's agreement on the implementation date of MSW charging, we will continue to work with relevant parties, including government bureaux/departments and other stakeholder groups, to finalise the detailed implementation arrangements.

Environment and Ecology Bureau (Environment Branch)
Environmental Protection Department
July 2023

¹¹ From February to March 2023, we have consulted and approached more than 10 key stakeholders, including the Government works departments, the Construction Industry Council, the Hong Kong Green Building Council and different trade organisations or associations that cover representatives from major and small to medium sized contractors, real estate developers, the waste haulers, etc. There was broad consensus that the current charging level of construction waste disposal should be adjusted to complement the implementation of MSW charging and there were no objections to the proposed new charging levels.

Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Amendment of Schedules) Notice 2023

(Made by the Secretary for Environment and Ecology under section 25 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354 sub. leg. N))

1. Commencement

This Notice comes into operation on 1 April 2024.

2. Waste Disposal (Charges for Disposal of Construction Waste) Regulation amended

The Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354 sub. leg. N) is amended as set out in sections 3 to 6.

3. Schedule 1 amended (charges for disposal of construction waste at landfills)

(1) Schedule 1, Part 2, item (a)—

Repeal

“\$200”

Substitute

“\$365”.

(2) Schedule 1, Part 2, item (b)—

Repeal

“\$20”

Draft

Substitute

“\$36.5”.

- (3) Schedule 1, Part 2, item (c)—

Repeal

“\$200”

Substitute

“\$365”.

4. Schedule 2 amended (charges for disposal of construction waste at refuse transfer stations)

Schedule 2, Part 2, items (a), (b) and (c)—

Repeal

“\$20”

Substitute

“\$36.5”.

5. Schedule 3 amended (charges for disposal of construction waste at sorting facilities)

- (1) Schedule 3, Part 2, item (a)—

Repeal

“\$175”

Substitute

“\$340”.

- (2) Schedule 3, Part 2, item (b)—

Repeal

“\$17.5”

Substitute

Draft

“\$34”.

- (3) Schedule 3, Part 2, item (c)—

Repeal

“\$175”

Substitute

“\$340”.

6. Schedule 4 amended (charges for disposal of construction waste at public fill reception facilities)

- (1) Schedule 4, Part 2, item (a)—

Repeal

“\$71”

Substitute

“\$87”.

- (2) Schedule 4, Part 2, item (b)—

Repeal

“\$7.1”

Substitute

“\$8.7”.

- (3) Schedule 4, Part 2, item (c)—

Repeal

“\$71”

Substitute

“\$87”.

- (4) Schedule 4, Part 2, item (d)—

Repeal

Draft

“\$7.1”

Substitute

“\$8.7”.

Secretary for Environment and
Ecology

[date]

Draft

Explanatory Note

This Notice amends Schedules 1 to 4 to the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354 sub. leg. N) (**Regulation**) to increase the charges imposed in respect of construction waste accepted for disposal at the following waste disposal facilities—

- (a) landfills specified in Part 1 of Schedule 1 to the Regulation (section 3);
- (b) refuse transfer stations specified in Part 1 of Schedule 2 to the Regulation (section 4);
- (c) sorting facilities specified in Part 1 of Schedule 3 to the Regulation (section 5); and
- (d) public fill reception facilities specified in Part 1 of Schedule 4 to the Regulation (section 6).

Draft

Annex II

**Waste Disposal (Charging for Municipal Solid Waste)
(Amendment) Ordinance 2021 (Commencement) Notice
2023**

Under section 1(2) of the Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Ordinance 2021 (25 of 2021), I appoint 1 April 2024 as the day on which the uncommenced provisions of the Ordinance come into operation.

Secretary for Environment and
Ecology

[date]