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## **ACE Paper 24/2023**

***For information on 6 November 2023***

### **Report on the 43<sup>rd</sup> Waste Management Subcommittee Meeting**

#### **INTRODUCTION**

At the meeting on 10 October 2023, the Waste Management Subcommittee discussed the “Implementation of Municipal Solid Waste (MSW) Charging”. For details of the subject, please refer to ACE-WM Paper 2/2023 at *Annex*.

#### **KEY DISCUSSIONS**

##### *Implementation of MSW Charging and Compliance*

2. Members expressed concern about the potential non-compliant cases and fly-tipping problems after the implementation of MSW charging. EPD was suggested to review the compliance situation and effectiveness of public education and enforcement strategy in facilitating the change in waste disposal behaviours of the public after the implementation of MSW charging. Members also raised questions on frontline operational arrangements for different sectors such as the property management companies, cleansing contractors as well as shopping malls (including those adjacent to or situated in residential building complex), and suggested EPD to maintain close liaison with the trade members concerned to ensure they fully understand the arrangement and legislative requirements of MSW charging.

##### *Community Recycling Network*

3. Members observed that, there seemed to be comparatively fewer community recycling facilities in some residential areas. EPD was encouraged to continue to expand the community recycling network and to strengthen their publicity effort to keep the public informed of the recycling facilities available.

### *Food Waste*

4. EPD was suggested to increase the coverage of food waste recycling facilities, especially the smart recycling bins with odour control technology, for the general public. To encourage food waste recycling, EPD should share with the public the experiences in previous trial projects and useful tips to facilitate residents to bring their food waste for recycling, such as recommending the appropriate reusable containers for storing and disposing of food waste.

### *Publicity and Public Education*

5. Members reminded that EPD should strengthen their publicity and public education efforts for different target groups including the new immigrants, as well as non-local tertiary and post-graduate students. Members also highlighted the importance of collecting recyclables in good quality, and hence suggested that EPD should strengthen the promotion of clean recycling.

6. Members noted the preparatory work undertaken by the EPD for the implementation of MSW charging and were supportive to the waste reduction and recycling initiatives. The above key discussions are reported to the ACE for information.

**WMSC Secretariat  
October 2023**



33/F, Revenue Tower, 5 Gloucester Road, Wan Chai, Hong Kong  
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**ACE-WM Paper 2/2023**  
***For discussion on 10 October 2023***

## **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. After consulting the LegCo Panel on Environmental Affairs (“EA Panel”) at its meeting on 14 July 2023, the Government has decided that MSW charging will be implemented on **1 April 2024**. This paper explains the implementation strategy of MSW charging and updates Members on the progress of various preparatory work, the proposal on free distribution of designated bags (“DBs”), as well as the proposed adjustments to charging levels 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 practise 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 extend the community recycling network 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 network as well as other recycling initiatives, rather than the compliance rate of the public in using designated bags (“DBs”) / designated labels (“DLs”)<sup>1</sup> 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 reduce progressively and the quantity of recyclables steadily increase. 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; the long-term target is to develop adequate waste-to-resources/energy facilities to move away from the reliance on landfills.

*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. So far, 20 retail chains and online retailers, comprising around 2 000 outlets and 11 online platforms, have submitted applications to sell DBs and DLs and assist in the promotion of MSW charging. Liaison meetings with the retailers have already

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<sup>1</sup> 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.

been conducted and we are finalising the retail sales arrangement. 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 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 near most of the PRH estates, we expect that PRH residents (especially the elderly) may need additional assistance to gradually adapt to MSW charging and develop new waste disposal habits<sup>2</sup>. 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 contractors<sup>3</sup> 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 to their residents. 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 DBs/DLs on behalf of the residents and/or selling DBs/DLs at private housing estates under their management. PMCs that we have sounded out 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 either PMCs or the retail network when necessary. We consider that this arrangement could facilitate residents to develop a new habit of using DBs for waste disposal, which in turn would enhance compliance rate. Possible

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<sup>2</sup> 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.

<sup>3</sup> 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.

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 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”).

10. Tenders for DBs manufacturing contracts were invited in March 2023, and a total of 45 tenders were received by the closing date in May 2023. We have awarded a total of nine contracts (with different combinations of DBs of different sizes) to four suppliers on 21 August 2023. We anticipate that the contractors could commence the production of DBs in October 2023. Besides, the logistic contract was awarded on 1 August 2023 and the contractor is setting up the warehouses, logistic vehicle fleets and the on-line bulk purchase platform. The tender assessment of the DLs manufacturing contracts has completed and we expect to award the tender in October 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 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 testing processes with the manufacturers, logistics service provider and authorised retailers starting from the 3<sup>rd</sup> 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 August 2023, we have conducted more than 190 physical or online meetings and briefings, reaching out to about 7,200 stakeholders from various trade sectors to introduce to them the latest development of MSW charging and listen to their concerns.

13. We have prepared 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 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).

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, about 50 training sessions have been completed (including six sessions for PRH frontline staff, 40 sessions for PMC trade, two sessions for cleansing trade and one session for hotel sector 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 been partnering 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” buildings<sup>4</sup>, 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. As of 1 October 2023, the trial projects and CIPs have covered about 2 200 premises and projects covering some 400 of them are underway. Given these projects have already covered extensively different types of premises<sup>5</sup> in all 18 districts in Hong Kong and also effectively achieved their objectives<sup>6</sup>, we will wrap them up 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.

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 have rolled out a territory-wide publicity and public education campaign through the Environmental Campaign Committee. Under the theme of “Recycle More, Dump

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

<sup>5</sup> 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.

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



Less, Save More”, the campaign has been launched in mid-August 2023 and will continue until end of 2024.

20. In addition to publicity for the general public, there will also be 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. 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. Phase I has already started in mid-August, focusing 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 be launched in mid-November this year to promulgate the charging mechanism, how the community can prepare for it, etc. Phase III will be launched two months before the commencement of MSW charging, i.e. February 2024, 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-compliant cases after its implementation.

23. At the same time, the Green Outreach of EPD has commenced promotion work in mid-August this year by providing outreaching support to the community on waste reduction and recycling initiatives, and reminding 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. Moreover, 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, Care Teams can also participate in the promotion of MSW charging by setting up promotion booths or distributing leaflets during their regular household visits.

#### Risk-based Enforcement Strategy

24. As explained in paragraph 3 above, 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 still 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 in paragraph 7 above to facilitate PRH residents to conveniently purchase DBs or DLs should help alleviate the problem in PRH estates<sup>7</sup>. As for other public places, FEHD will step up their enforcement actions against fly-tipping.

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<sup>7</sup> 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.

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.

### Expanding Community Recycling Network

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 Recycling Stores in 50 PRH estates to further help PRH residents to reduce the MSW charges payable by practising more frequent recycling. These stores will be progressively opened starting from December 2023. The public can earn GREEN\$ on submission of designated recyclables to any GREEN@COMMUNITY collection points. Upon the implementation of MSW charging, the public may also redeem certain size of DBs with GREEN\$ so as to encourage their greater participation in recycling. At the same time, we are also expanding the central collection of food waste, which accounts for 30% of the daily MSW disposed of at landfills. The “Trial Scheme on Food Waste Collection in PRH Estates” has been implemented in 100 blocks of PRH estates as of September 2023, six months earlier than the target set out in the 2022 Policy Address. We are refining its operation mode and preparing for its expansion to more PRH estates progressively. As for food waste from restaurants at street level, we have been collaborating with the FEHD to conduct a trial at four refuse collection points (“RCPs”) to collect food waste from nearby restaurants since November 2022, and we have started expanding the trial to up to 33 RCPs in phases since August 2023. In addition, we have been setting up mobile food waste collection points in areas concentrated with street-level restaurants to facilitate food waste recycling for smaller-scale restaurants. Currently, this initiative is being implemented in the Tai Po and Yuen Long districts, and will be expanded to more districts in the 4<sup>th</sup> quarter of 2023. 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 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. After consulting the LegCo EA

Panel in July 2023, we have decided to implement MSW charging on 1 April 2024, signifying 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 LegCo 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 (including transitional housing). 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 the LegCo EA Panel, we will 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 arrangements are set out below –

**Distribution targets:** around 850 000 PRH households under HA and HS + around 10 000 transitional housing + around 150 000 households in “three-nil” buildings + around 50 000 rural village houses = total of around 1.06 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:** Our logistic service provider will provide distribution service of DBs to “three-nil” buildings and transitional housing, while HA/HD and HS will assist in distributing DBs to PRH households. As for households in rural village houses, we will further liaise with the Rural Committees and engage village representatives to 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 Rural Committee, 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 month<sup>8</sup> to recipients of the Comprehensive Social Security Assistance and Old Age Living Allowance after the implementation of MSW charging.

#### *Adjustments to Charging Levels of Construction Waste Disposal*

35. 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 content<sup>9</sup>. 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 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.

36. 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

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<sup>8</sup> 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.

<sup>9</sup> 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.

per tonne so as to align with that of MSW charging<sup>10</sup>; (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 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 also the LegCo EA Panel on 14 July 2023, and they did not raise any objections to the proposed new construction waste disposal charging level<sup>11</sup>.

### Follow-up Legislative Work

37. To prepare for implementing 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, including 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 ways of exhibiting them on various waste vehicles, RCPs and specified bins.

38. We plan to publish in the Gazette and then submit to the LegCo for approval by negative vetting on 18 October this year the commencement notice to appoint 1 April 2024 as the implementation date of MSW charging (**Annex I**) and the subsidiary legislation to adjust the charging level of construction waste disposal (**Annex II**).

## **ADVICE SOUGHT**

39. Members are invited to take note of the progress of various preparatory work for implementing MSW charging. EPD will continue to work with relevant parties, including government bureaux/departments and other stakeholder groups, to finalise the detailed implementation arrangements.

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<sup>10</sup> 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 EA Panel 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.

<sup>11</sup> 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. We also consulted the LegCo EA Panel on 14 July 2023. 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.

**Environment and Ecology Bureau (Environment Branch)**  
**Environmental Protection Department**  
**September 2023**

**Draft**

**Annex I**

**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]



**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”

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## **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**

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“\$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**

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“§7.1”

**Substitute**

“§8.7”.

Secretary for Environment and  
Ecology

[date]

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# 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).