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for information

**Proposal to Increase the Charges for the Collection and Disposal of
MARPOL Wastes at the Chemical Waste Treatment Centre**

Introduction

This paper informs Members of the proposed increase in charges for the collection and disposal of MARPOL wastes at the Chemical Waste Treatment Centre (CWTC).

Background

2. Under the International Convention for the Prevention of Pollution from Ships 1973 as amended by the 1978 Protocol (MARPOL Convention), ships are restricted from discharging wastes containing oil or noxious chemicals (MARPOL Annex I and Annex II wastes) into the sea. The Convention has been extended to Hong Kong. The CWTC functions as the reception facility for MARPOL Annex I and II wastes.

3. In line with the polluter pays principle, we have implemented a charging scheme for the collection and disposal of MARPOL wastes at the CWTC since August 1995. Under this scheme, users are charged directly accordingly to the quantity and type of MARPOL waste treated at the CWTC.

4. The Merchant Shipping (Prevention and Control of Pollution) (Charges for Discharge of Polluting Waste) Regulation provides for charges payable to the Director of Marine for the collection and disposal of MARPOL wastes at the CWTC. The initial charges were set in 1995 at levels recovering approximately 20% of the Variable Operating Cost (VOC) of the CWTC and the full departmental administrative costs. The MARPOL charges, except that for disposal of oily waste, were last revised on 20 December 1996 to achieve a VOC recovery rate of 25%. We did not increase the disposal charge for oily waste because an improvement to the oil fraction processing equipment in 1996 had brought about a cost reduction and consequently an increase in VOC recovery rate for this item.

Proposed Charges for 1997/98

5. We propose to increase the charges for the collection and disposal of MARPOL wastes at the CWTC as indicated in Annex A to take into account the following :

(a) Increase in cost recovery rate :

We propose to increase the VOC recovery rate from 25% to 31% for all types of MARPOL wastes in 1997-98. The Government will continue to absorb 69% of the VOC, as well as the full fixed operating cost and capital cost of the CWTC.

(b) Inflation adjustment for the year :

The operational charges paid to the CWTC operator are adjusted by 7% according to the movement of the Consumer Price Index (B).

6. For oily waste, the proposed fee increases in 1997-98 for collection and disposal are \$112 and \$50 per cubic metre respectively. This represents an aggregated increase for treating oily waste of approximately 21% compared with the 1996-97 charge rate.

7. For the collection and disposal of other MARPOL wastes such as noxious liquid substances and sludge, the overall aggregated increase as compared with the 1996-97 charge rates is about 30%. The quantities of these wastes are small, representing no more than 1% of the total MARPOL waste intake at the CWTC, the proposed fee increase is unlikely to have any impact on the shipping industry.

Implementation

8. We intend to implement the new charges on 9 January 1998.

Public Consultation

9. The Port Operations Committee will be consulted at a meeting to be held on 21 October 1997.

Planning, Environment and Lands Bureau
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