



Room 924, 9th floor, Murray Building, Garden Road, Central, Hong Kong  
Tel : 2848 2606 Fax : 2530 5264  
香港中環花園道美利大廈9樓924室 • 電話 : 2848 2606 傳真機 : 2530 5264

Room 2006, 20th floor, Murray Building, Garden Road, Central, Hong Kong  
Tel: 848 2551 Fax: 845 9489  
香港中環花園道美利大廈20樓2006室 • 電話 : 848 2551 傳真機 : 845 9489

**(ACE Paper 56/97)**  
**for advice**

## **Provision of Waste Transfer Services at Refuse Transfer Stations to Private Waste Collectors**

### **PURPOSE**

This paper seeks Members views on a proposal to extend the service at selected refuse transfer stations (RTS) to privately collected waste at a cost to the users. The proposal provides an option for private waste collectors - it is entirely **voluntary**.

### **BACKGROUND**

2. The "Waste Disposal Plan 1989" committed the Government to provide a network of refuse transfer stations (RTS) for transferring both *publicly* and *privately* collected waste as part of the long term waste disposal strategy. The network of RTSs facilitates the distribution of wastes among the three strategic landfills and reduces the overall transportation costs to the community and the environmental nuisance associated with the transportation of waste.

3. Before mid 1997, there were only three operating RTSs, namely Kowloon Bay Transfer Station at Kowloon Bay, Island East Transfer Station (IETS) at Chai Wan and Shatin Transfer Station. Their combined capacity was only adequate to provide services to publicly collected waste, i.e. waste collected and delivered by the Urban Council and the Regional Council.

4. At present, private waste collectors deliver waste directly to landfills for disposal. The waste comprises mainly commercial waste, industrial waste, construction waste and some household waste.

### **PROVISION OF WASTE TRANSFER SERVICE TO THE PRIVATE SECTOR**

5. Upon the commissioning of the West Kowloon Transfer Station (WKTS) on West Kowloon Reclamation and the Island West Transfer Station (IWTS) at Kennedy Town in mid 1997, there is an increase in the handling capacity of the RTS network. This provides an opportunity for the Government to extend the waste

transfer service to the private sector. The proposed waste transfer service will provide a **voluntary** alternative disposal means to private waste collectors and help save their transportation cost, turnaround time, etc.

6. As a trial scheme, we intend initially to open only two RTSs to privately collected waste. We have selected the WKTS and the IETS.

7. RTSs are designed to accept **household, commercial and industrial wastes** only. Construction waste or other waste types will **not** be accepted at the RTSs.

8. It is our policy to recover the cost of service provision, where possible. The Government will therefore adopt the "user pays principle" in providing this new waste transfer service to those private waste collectors who choose to deliver their waste to the RTSs. Those private waste collectors who choose not to use the RTS facilities may continue with their existing practice of delivering their waste directly to the three strategic landfills.

#### **ENVIRONMENTAL BENEFITS**

9. RTSs are designed and operated to very high environmental standards. The use of RTSs to transport the waste in bulk to landfills reduces of traffic and vehicle emissions caused by long haulage of waste by small waste collection vehicles from the waste source to landfills. Therefore, it is considered beneficial to the community, from an environmental point of view, to promote the use of the RTS service among the private waste collectors to realise these environmental benefits.

#### **PROPOSED SERVICE FEES**

10. In accordance with the "user pays principle", a service fee will be levied on all private waste collectors who choose to use the RTS service. The service fee will only apply to privately collected waste acceptable at the RTSs. There is no intention to impose the service fees to cover waste collected by or on behalf of the Municipal Councils.

11. In order to encourage the utilisation of the RTSs by private waste collectors, the Government has taken a conscious decision not to charge users the full cost of providing the service. Instead, we aim to merely recover the marginal cost of providing the additional services. When fixing the fee levels, the Government will take into account the potential savings (e.g. distance from landfills, tunnel fees etc.) to private waste collectors on using the RTS services. The service fees will be set at a commercially attractive level that will provide financial incentive to the private waste collectors.

12. The service fee will be levied on a per tonne basis. The proposed normal charge rates for the IETS and WKTS are \$85/tonne and \$65/tonne respectively. However, discounted rates at \$65/tonne for IETS and \$50/tonne for WKTS are proposed to apply to any private waste deliveries made during non-peak hours to be specified by the Government.

13. It should be noted that the proposed RTS service fee is a service fee payable for using the transfer service at RTSs only. The service fees do not cover the landfill disposal charge which the Government intends to collect in future. RTS users will need to pay the landfill charge on top of the RTS service fee when the landfill charging scheme is in place.

14. Those private waste collectors who choose to use the RTS service will have to apply and register with the Government in advance as an account holder. The account holder is required to submit a security deposit to the Government as a guarantee for the payment of the service fees. The account holder will be billed on a monthly basis according to the total tonnage of waste delivered to the RTSs during the accounting month.

#### **RTS SERVICE FOR THE MUNICIPAL COUNCILS**

15. The opening of the IETS and WKTS to accept privately collected waste would not affect the waste transfer service currently provided to the Provisional Municipal Councils. It is because the commissioning of the IWTS has reduced the publicly collected waste intake at IETS considerably. The WKTS was designed to have the capacity to accept privately collected waste.

16. Furthermore, we have designed the system to minimise the likelihood of interference with the operations of the Provisional Municipal Councils. The service fee for private waste collectors is set at two levels, for peak and non-peak hours. The non-peak hour rate is about 23% lower than the peak hour rate, and it is expected that most private waste collectors will deliver that waste during these times. The peak hour rate will apply during those periods when most publicly collected waste is delivered to the RTSs.

#### **PROPOSED REGULATION ON THE PROVISION OF RTS SERVICE TO THE PRIVATE SECTOR**

17. To give legal effect to the proposed RTS service and to enable the Government to collect the service fees from private waste collectors, a regulation is proposed to be made under section 33(1)(j) of the Waste Disposal Ordinance (Cap. 354). The proposed regulation will provide for the following :-

- (a) method of payment - users will have to pay the fees by an account billing system, which requires prior application and registration;

- (b) security deposit - account holders will be required to pay a security deposit to the Government as a guarantee for the payment of fees;
- (c) payment of RTS service fees - any private waste collector who uses a refuse transfer station will be required to pay the Director of Environmental Protection the appropriate fee, and
- (d) exclusion - notwithstanding (c) above, no fees shall be payable by the Provisional Urban Council and the Provisional Regional Council.

#### **IMPLEMENTATION**

18. We plan to commence the proposed waste transfer service to private waste collectors in early 1998.

#### **ADVICE SOUGHT**

19. Members are requested to comment on the provision of the proposed RTS service to the private sector.

*Planning, Environment and Lands Bureau  
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