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For Information

**Progress Report on
Construction Waste Disposal Charging Scheme**

Purpose

This paper presents an update on the progress in implementing the Construction Waste Disposal Charging Scheme (the scheme) and reports the findings from a review of the scheme since the charges for disposal of construction waste were levied on 20 January 2006.

Background

2. The enabling legislation, Waste Disposal (Amendment) Ordinance 2004, for the introduction of the scheme was passed by the Legislative Council on 2 July 2004 and its two subsidiary regulations were passed on 5 January 2005. The scheme was implemented on 1 December 2005 and levying of disposal charges commenced on 20 January 2006.

3. To recap, the scheme comprises the following features: -

- (a) to allow different designated waste disposal facilities, i.e. landfills, sorting facilities and public fill reception facilities, to accept various types of construction waste at different charge rates as follows:

| Designated Waste Disposal Facilities | Type of construction waste accepted | Charge per tonne¹ |
|---|---|-------------------------------------|
| Landfills ² | Containing not more than 50% by weight of inert construction waste ³ | \$125 |

¹ Except for the Outlying Islands Transfer Facilities, the minimum charge load is 1 tonne, i.e. if a load of waste weighs 1 tonne or less, it will be charged as 1 tonne. A load of waste weighing more than 1 tonne will be charged at 0.1 tonne increment. For Outlying Islands Transfer Facilities, the charge is \$12.5 per 0.1 tonne and the minimum charge load is 0.1 tonne.

² If a load of waste contains construction waste and other waste, that load will be regarded as consisting entirely of construction waste for the purpose of calculating the applicable charge.

³ Inert construction waste means rock, rubble, boulder, earth, soil, sand, concrete, asphalt, brick, tile, masonry or used bentonite.

| Designated Waste Disposal Facilities | Type of construction waste accepted | Charge per tonne¹ |
|---|--|-------------------------------------|
| Sorting facilities | Containing more than 50% by weight of inert construction waste | \$100 |
| Public fill reception facilities | Consisting entirely of inert construction waste | \$27 |
| Outlying Islands Transfer Facilities ² | Containing any percentage of inert construction waste | \$125 |

- (b) to require major waste producers, i.e. construction contractors undertaking construction works under contracts with value of \$1 million or above, to open dedicated billing accounts for the contracts and pay waste disposal charges direct to the Government;
- (c) to require other waste producers, including construction contracts with value less than \$1 million and for general construction waste disposal arrangement, to open general billing accounts and pay waste disposal charges direct to the Government; and
- (d) to exempt all construction contracts that were awarded or tenders of which were closed before the commencement of the scheme, i.e. before 1 December 2005.

4. A Tripartite Working Group (TWG)⁴ was established for close liaison with the trade in enabling better understanding of the scheme as well as to discuss and work out the operational details during its implementation. A total of 14 meetings were held from September 2004 to late 2006.

Latest Progress

5. The scheme is a waste reduction measure based on the “polluter pays” principle. Through the scheme, an economic disincentive is introduced to encourage the construction waste producers to reduce, sort, recycle and reuse construction waste. With

⁴ Members of TWG include representatives from the construction trade and waste haulers, covering The Real Estate Developers Association of Hong Kong (REDA), The Hong Kong Construction Association (HKCA), The Hong Kong General Building Contractors Association, Contractor’s Authorized Signatory Association Limited, The Hong Kong Construction Sub-Contractors Association, Hong Kong Kowloon and N.T. Grab-mounted Lorries Association Limited, Hong Kong Dumper Truck Drivers Association, Hong Kong Waste Disposal Industry Association, Hong Kong Kowloon Taxi & Lorry Owners’ Association Limited, Motor Transport Workers General Union and Environmental Contractors Management Association.

the collaboration of the trade, the scheme was successfully launched on 1 December 2005 and it has been running smoothly since we started to levy the charges on 20 January 2006. Up to end 2006, the combined average amount of construction waste disposed of at landfills, sorting facilities and public fill reception facilities was 21,800 tonnes per day (tpd), which represented an overall reduction of around 25% when compared to the average figure of 29,100 tpd in 2005. The average quantity of construction waste disposed of at the 3 landfills was reduced from 6,600 tpd to 4,000 tpd, representing a reduction of almost 40%. The breakdown is given in **Annex**.

6. In order to strengthen our efforts in managing construction waste generated from the public sector, the Government introduced a new requirement in December 2005 requiring contractors of all public works contracts to prepare and implement an Environmental Management Plan (EMP). Under the EMP, arrangement for and conducting on-site sorting of construction waste is mandatory under the relevant contractual provision and payment item. In addition, we discussed with the construction trade⁵ to introduce appropriate waste management measures to the private sector. These efforts also contributed to the above reduction of construction waste disposed of at the waste disposal facilities.

7. The handling and processing of account applications have been managed in a smooth and effective manner. By the end of 2006, the Environmental Protection Department (EPD) received more than 12,500 applications for opening accounts, including about 9,100 applications (73%) for exemption accounts; 1,100 applications (9%) for billing accounts for construction work contracts with a value of \$ 1 million or above; and 2,300 applications (18%) for construction work contracts with a value less than \$1 million and general construction waste disposal arrangement. The revenue collected up to the end December 2006 amounted to \$55 million.

8. With the implementation of the scheme, EPD has also stepped up enforcement control action against illegal disposal of construction waste. Between January and December 2006, EPD conducted about 5,000 regular inspections and ambushes at blackspots known for such activities. In connection with the fly-tipping of construction waste, a total of 8 convictions were made in accordance with the Waste Disposal Ordinance and 6 fixed penalty notices were issued. In addition, we have been liaising closely with Government departments and the private sector, including the property management sector, to implement measures to prevent illegal dumping. Although there was a significant increase in complaint cases on fly-tipping activities in 2006, from 365 cases in 2005 to 1,587 in 2006 (1,546 cases from 20 January to 31

⁵ The Government discussed with the trade through a Task Force under the former Provisional Construction Industry Co-ordination Board [PCICB, now established as Construction Industry Council (CIC)].

December 2006), we noted that most of the complaint cases were small scale roadside dumping activities. The daily average of fly-tipped construction waste handled by various Government departments⁶ was about 35 tpd in 2006, which represented around 0.2% of the total construction waste disposed of at the designated waste disposal facilities per day. There was no indication of increase in large scale fly-tipping activities in rural or remote areas.

9. Moreover, in order to send a strong message to the trade that the Hong Kong community is also keeping a close eye, EPD is developing a pilot construction waste fly-tipping spotter scheme. Certain districts will be selected for trial, such as those with high number of fly-tipping complaints. The programme will be publicized and spotters will be recruited from the selected districts. It is envisaged that this pilot spotter scheme will be launched later in 2007.

10. The Government has prepared a set of guidelines for undertaking enforcement actions to guard against malpractices in the disposal of construction waste at designated waste disposal facilities. In particular, regular inspection checks are carried out to identify any malpractice of disguising construction waste as municipal solid waste (MSW) for disposal at landfills. Up to December 2006, some 350 vehicle loads of MSW were identified to be carrying construction waste. This represented about 0.14% of the total construction waste loads during the same period. These vehicles were rejected for entry to the landfills for disposal. EPD had issued 26 written warnings and 104 verbal warnings during the checking operations at landfills; whereas Civil Engineering and Development Department had also issued 6 warning letters to users delivering mixed construction waste into public fill reception facilities. We will continue to maintain vigilant control against such malpractices.

11. Overall speaking, the scheme has been successfully introduced and is considered to be an effective measure in the reduction of construction waste.

Conclusion

12. Members are invited to note the above latest progress.

Environmental Protection Department
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⁶ The Government departments involved include Highways Department, Food and Environmental Hygiene Department, Agriculture, Fisheries and Conservation Department, Lands Department, and Civil Engineering and Development Department.