



Wrap up meeting 28-10-2009

COST RECOVERY SYSTEM



Scope of the indirect fee regime

- The indirect fee regime should be implemented in all Croatian ports that are open to public traffic
- The indirect fee regime shall apply to ship related waste



Exemptions

- Subject to specific conditions ships or ports can apply for a special regime or an exemption
(part 2 of the presentation)



Characteristics

- Basic principal: each ship that arrives in a port (which is not exempted) has to contribute a fixed amount per entry (waste due), irrespective of whether they discharge waste or not.
- In principle there is no limitation for the volume they can discharge as long as it is MARPOL Annex I and Annex 5 wastes.

No limits

- The purpose is to encourage the vessel to discharge all waste
- Abuse of the system must be prohibited
- This must be done based on experience
- A limit or a table of limits is dangerous, it can encourage misuse
- The contractor is compensated for relative low discharges by taking into account a factor for each collection



Calculation of fees

- The fee as regards to the ships is a fixed amount depending on the category, type and size of the ship.

Compensation for contractors

- The compensation as regards to the contractors consist of 3 elements:
 - A fixed amount per period for the availability of the facilities
 - An amount per collection of waste
 - An amount per collected m³ of waste.



Fee for Port Authority

The fee as regard to the Port Authority is to cover the associated supporting costs of the Port Authority.

Tariff for liquid waste (1)

- The tariff is based the market price per m³ HRK 710 (Euro 100) and the market price per arrival HRK 355.

Tariff for liquid waste (2)

tariff per arrival	HRK
1 <= 500	178
2 501-1000	284
3 1001-1500	320
4 1501-2500	355
5 2501-10000	391
6 >10000	426

Tariff for solid waste (1)

- A starting point for setting the tariffs should be the market price per m³ and the market price per arrival.
- However during the data collection we did not receive a reliable market price and could not use the same methods as for liquid waste for the building of the new tariff for solid waste.

Tariff for solid waste (2)

HRK	Average	New structure
0-500	358	363
501-1000	458	475
1000-1500	583	475
1500-2500	760	775
2500-10000	889	875
over 10000	987	900

Charges per arrival

HRK	Liquid	Solid	Administrative costs	Total
1 <= 300	178	363	57	598
1 <= 1000	284	475	56	815
2 1001-1500	320	475	56	851
3 1501-2500	355	775	56	1.186
4 2501-10000	391	875	56	1.322
5 >10000	426	900	56	1.382

Process for fixing tariffs

- Study gives a starting point
- Port Authorities assemble information for the calculation of the tariffs
- Collectors provide information
- The ministry calculates and sets the tariffs
- Political decision
- First year is not perfect
- Evaluation and change in second year

Compensation

- Fixed part and variable part
- Fixed part for maintaining the demanded service
- Fixed part is 20% of calculated budget
- Variable part calculated in production units
- Production unit is:
 - Number of collected m3
 - Number of extra collections (standard = 1)

Fixed part of the compensation

- The fixed part is for the availability of the demanded services
- It is a compensation for investments
- It is part of the compensation and does not come on top of it.
- Each year a budget is made based on expected number of arrivals and the tariff.
- The fixed compensation is calculated as part of the budget.



Part 2

- Special regime and exemptions



Special regime

- Ship/boat below 12m/15GT/12 persons
- Small passenger ships and taxi boats transporting passengers and cargo to islands
- Harbour craft



Exemptions

- For ships
- For ports





Ships in scheduled traffic (1)

- Criteria for granting exemption
 - Scheduled
 - Regular
 - Frequent