

PROPER WASTE MANAGEMENT PLAN NEEDED



Dr. G.T.W. SRIYANI
Solid waste management has been a significant challenge in Sri Lanka, causing various environmental, health, and social issues. One of the most notable waste management incidents in Sri Lanka was the collapse of the Meethotamulla garbage dump in Colombo in April 2017. The collapse resulted in multiple deaths, displacement of families, and environmental damage.

The dump had been overfilled for years, and its collapse highlighted the urgent need for better waste management practices. Due to unknowing of the solid waste management practices, the citizens of the country face severe issues especially with single-use plastics. Improper disposal of plastic waste leads to littering, clogged drainage systems, and pollution of water bodies and natural habitats.

In recent years, there have been cases of waste being illegally imported into Sri Lanka under the guise of recycling. This has raised concerns about environmental pollution and public health risks associated with the mismanagement of imported waste. In some regions, there is a lack of awareness about the importance of proper waste management and the environmental impact of improper disposal. This contributes to littering and poor waste handling practices.

A team of the academic staff of the Management and Finance Faculty, Ruhuna University is involved in the project of Techno-Economic-Societal Sustainable Development Training in Sri Lanka (TESS) which focuses mainly on solid waste management. This project is co-funded by the European Union through its ERASMUS+ Capacity Build-

ing in Higher Education Programme. It aims to develop new interdisciplinary educational programmes and redesign existing programmes in solid waste management by sharing the knowledge and experience of European Universities and Sri Lankan Universities. The primary coordinator of the project is the University of South-Eastern Norway. Sri Jayewardenepura University, Moratuwa University, Jaffna University, Vocation-

ary Vice Chancellor, Centre for International Affairs Director, and Management and Finance Faculty Dean representing the university. Similarly, the primary coordinator of the TESS project, a team from the University of South Eastern Norway, Professors and Senior Lecturers from other partner universities attended this event. In addition, Provincial Secretary, District Secretaries of Matara and Galle, Local Government Southern Province Commissioner, representatives from Janathakshana GTE Ltd., Harishchandra Mills Pvt. Ltd., DSI Industries, Bats Lanka Pvt. Ltd., Haritha Lanka Pvt. Ltd., Business Development Service organisations, and several solid waste based entrepreneurs also participated.

Under the arm of the APEX body, a commercial unit pertaining to each district in Southern Province was established to integrate the solid waste based entrepreneurs, enhance solid waste based value additions, and stimulate the inactive points of the solid waste value chain in the province. Further, several awareness sessions on solid waste management practices were done by the TESS team of University of Ruhuna for the University community as well as to the stakeholder groups in solid waste management. In future, it has planned to hold several knowledge dissemination and technology sharing sessions with the collaborations of the partner universities of the project for the officers and municipalities and local governance regarding solid waste management practices.

Dr. G. T. W. Sriyani, Senior Lecturer, Ruhuna University

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al Technology University, Nova de Liaboa University, Technical University of Denmark and Essex University are also partners in the project.

As a team of University academics, we studied the solid waste management issue in Sri Lanka and especially the Southern Province. Presently, Sri Lanka emits more than 9,000

MT of solid waste daily (Report of Ministry of Health, 2022), and the rate of waste generation increases by 1.2% each year. The per capita of solid waste per day was about 1kg in the Colombo Municipal Council, 0.75 kg in other Municipal Councils, 0.60 kg in Urban Councils and 0.40 kg in Pradeshiya Sabhas. Out of the 9,000MTs of solid waste, 60% are decomposed materials, and the rest is non-decomposed.

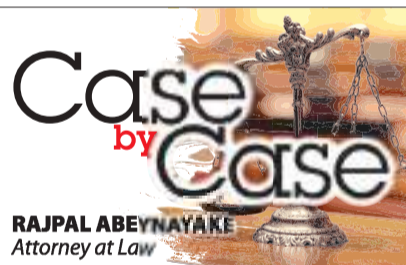
The waste collection in the municipal areas of Galle, Matara, and Hambantota districts in Southern Province is estimated as 32 MT/Day, 30-35 MT/Day, and 10 MT/Day respectively. Rapid urbanization, industry operations, domestic, and human activities accelerate the solid waste generation further. While gradual increase in waste

generation happens, lacking a proper mechanism for collecting all the solid waste in municipal areas, treatment process, value additions, stakeholder collaboration, and poor attitudes of people cause this solid waste issue to continue.

To initiate integrated efforts to manage solid waste, the TESS team of the University of Ruhuna initially propagates cross-sector collaboration among the stakeholders such as

Dr. G. T. W. Sriyani, Senior Lecturer, Ruhuna University

Overzealous tax assessors stumped in SC



In this case a professional who offered his professional services as a partner in an accountancy firm found that he had been taxed on a pro rated basis for the outgoings, or what went into his 'product' or services. These outgoings that are basically Company expenses can be deducted when charging tax, but the partner of the firm concerned found himself in a curious situation in which the firm was taxed anyway notwithstanding these expenses.

He appealed the tax assessor's assessment but the Board of Review rejected the appeal whereupon he appealed in the Court of Appeal. But he had no luck there either, and lodged a final appeal with the Supreme Court. (Rodrigo v. The Commissioner General of Inland Revenue - SLR - 384, Vol 1 of 2002 [2002] LKSC 35; (2002) 1 Sri LR 384 (August 2, 2002)).

Here is how the Supreme Court judgement summaries the circumstances of the appeal. Referring to the firm the judgement states:

"This is an appeal from the judgement of the Court of Appeal dated 22. 10. 1999.

"Along with the local currency earned by the firm, which amounted to Rupees 12,151,367, it had gross receipts amounting to Rupees 27,348,041. In the returns furnished by the partnership it claimed a sum of Rupees 21,798,656 as total expenditure which sum included the sum of Rupees five million paid to other accountancy bodies who were sub-contractors supplying services in the business, which earned foreign currency for the partnership."

The firm made profits but the income — as considered in the assessment of the tax assessor — was cut up into two streams, being the income or profits earned providing services domestically, and the income earned providing services to a foreign clientele.

The judgement states:

"Section 3 of the Act refers to the income chargeable with tax and subsection (a) refers to the profits from a profession. Section 3 (a) of the Act reads as follows:

"For the purposes of this Act, 'profits and income' or 'profits' or 'income' means -

(a) the profits from any trade, business, profession or vocation for however short a period carried on or exercised."

Out of the outgoings of any business concern, certainly expenses that are incurred in the production of profits is considered an outgoing, it had been ruled in decided cases. Though there may even appear to be some ambiguity in the relevant Sections of the Inland Revenue Act it's clear from decided law that "expenses in production of profits are outgoings." These outgoings are exempt from tax, the relevant Section states clearly.

To excerpt from the relevant section of the judgement:

"The Dictionary meaning of the word 'disbursement' explains it as 'expenditure' (The Oxford English Dictionary, 2nd edition, volume 4, p. 726) which has a limited meaning than the word 'outgoing'. If I may repeat Chief Justice Basnayake's reasoning in the Hayley's case (supra), "All outgoings are not expenses incurred in the production of the profits or income; but all expenses incurred in the production of the profits or income are outgoings..."

(The relevant reference for the Hayley's case is: (1961) 65 NLR 174.)

It's clear that the relevant Section of the Inland Revenue Act does not so much as envisage a situation in which income streams should be cut up and seen as separate for purposes of taxes.

The whole issue here it seems is some sort of assiduous desire for the assessors to tax for expenses where income that's not taxable is earned. It's as if the assessors think it's 'nothing but equitable and fair.' If taxes are exempt for a certain type of income — as with income from foreign clientele in this case — the assessors have reasoned that expenses should not be deducted from profits for tax purposes for that segment of the business.

But there is no such provision in the law. Though our own law does not address the issue at all, the Supreme Court in this instance referred to Indian law as a guideline.

The law in India is clear. If there are two segments or streams of income the common expenses for all segments are

tax deductible including for the income stream segment which is tax-exempt for some reason.

The Supreme Court judgement states:

"Admittedly, there are no similarities between the Indian Tax Act and our Act. However, that does not bar us from considering an established principle, which has been accepted by the Indian Courts. Thus, Kanga and Palkhivala in Law and Practice of Income Tax (volume 1, 8th edition, 1990, p. 482) refers to the above situation in the following terms:

"Where an assessee carries on an indivisible business and a part of its profits is not liable to tax, the entire expenditure incurred for the purpose of the business should be allowed, although a part of the expense may have been incurred for earning the non-taxable profits."

But the Court ruled that certain incomes which are not profits are not liable for tax deductions and for example expenses related to specifically earned income that's exempted from tax cannot be allowed tax deductions.



The judgement states:

"If any part of the expenses could be clearly identified as having being expended for the purpose of deriving money not being profits or income liable to tax, such amount could not be deducted in terms of section 24 (1) (g). Specific expenses relating to the earning of exempt income are given as an example for such a situation. In fact, the appellant agreed that the following amounts, being direct expenses relating to the earning of exempt income, would have to be disallowed meaning that such income cannot be classed as profits."

In summing-up it would be useful to reiterate the following:

The Supreme Court judgement reiterated that the income earned by the Company is indivisible and what's earned in one endeavour cannot be subdivided and seen as separate means of income for tax purposes. However, as stated, there is also added legislation in the Act that disallows tax deductions for expenses that are specifically dedicated to earning tax exempt income.

The judgement states:

"The earnings in foreign currency were exempted from income tax in terms of section 15 (ccc) of the Act. The other earnings were taxable. With regard to the ascertainment of profits and income from any source, deductions are allowed in terms of section 23 (1) of the Act in respect of outgoings and expenses that are incurred. However, in terms of section 24 (1) (g) of the Act, money, which was not expended for the purpose of producing the income not liable to tax, cannot be deducted."

The Court arrived at the conclusion that the Court of Appeal has arrived at the proper deduction that direct expenses for foreign currency earnings ought not to be deducted for tax purposes. But deductions of the Company's common expenses, if the outgoings were computed based on a ratio of earnings between the earnings in foreign currency and the earnings in local money, enabled deductions on a pro rated basis. Court concluded that charging on a pro rated basis on the basis of such a formula is wrong, and is not allowable under Sections 23 (1) and 24 (1) (g) which does not permit such taxation for outgoings to be made on a pro rated basis.

The judgement states: "In the circumstances, while the Court of Appeal was quite rightly of the view that the fees earned in foreign currency are entitled to be exempted without any deductions for the expenses attributable to the earning thereof, the Court of Appeal was not justified in its conclusion that such expenses could be disallowed in computing the divisible profits of the partnership. Thus, the answer to the 2nd question, which was before the Court of Appeal, should have been in the negative".

For the aforementioned reasons, the appeal was allowed and the judgement of the Court of Appeal dated 22. 10. 1999 was set aside with costs.

Malinda
The Morning Inspection



A canvas for a mind-brush



Horton Plains

Years ago I made an observation: open wounds are for blood-letting, open words are for love-letting. Word play, nothing more, one might say, but probably a victim of the timeless trap of writers falling in love with their words, I used it as the title of a collection of poetry published in 2014: 'Open words are for love-letting...'

Six years ago I named an album made of photographs taken during a clan trip to Maha Eliya or Horton Plains, 'Open words are for love-letting; open spaces a canvas for a mind-brush.'

Memories are made to pop up in social media and those images returned wrapped in the coolness of the place and the warmth of the company. Those landscapes have I, along with good friends, inhabited off and on many times. We soaked it all in. One particular night the skies were so clear that we just lay down outside our tent, identifying constellations and being awed by satellites and shooting stars.

Maybe it was just one satellite and a single shooting star. Maybe we were just ignorant, but it was very much like the following verse in 'Home on the Range,' the Kansas state anthem since 1947 composed by violinist Daniel Kelley to lyrics penned by Dr. Brewster Higley:

*How often at night, when the heavens were bright,
With the light of the twinkling stars
Have I stood here amazed, and asked as I gazed,
If their glory exceeds that of ours.*

The poet Ruwan Bandujeewa had already known, long before I did, that there were canvases that anticipated mind-brushes. And this is how he painted it:

*On either side of the river
from a long time ago
two mountains rise
bound in love*

*They cast gaze
on the other's face
and nothing else
have they done*

*And yet now and then
from mountain eyes
tear drops roll
down to the river below*

*They burst out
and as thin streams roll
and gather at the river,
this is apparent.*

I had seen those tears while making my way from 'World's End' to Belihuloya with my friends one rainy afternoon. Kanishka Goonewardena, Jayantha Jayman, my brother Arjuna and two AFS students from the USA, Cameron Shaw and Ethan Shauer and I trudged along the narrow path that took us to the Nagrak and later Nonpareil estates and eventually to the Haputale-Colombo Road. The rain relented, the mists lifted and we could see silver streaks rolling down the mountain sides. Only, we didn't think 'tears.' We didn't see 'faces.' We saw the river into which they rolled, the Belihul Oya. Now I know what I didn't know then, thanks to Ruwan Bandujeewa whose worlds must have got lodged somewhere in the mind and surfaced quietly to be extrapolated into this line, 'open spaces [constitute] a canvas for a mind-brush.'

Come to think of it, all spaces, open and otherwise, can be painted. Those things that seem cluttered (in contrast to the faces of mountains 'streakable' with tears for example) can be repainted. The objects, crude though they may be, can be rearranged. There are no barriers to imagination. We can turn anything and everything into a canvas. The entire world if we so wish. Societies. Political economies. Even doctrines can be (and are!) doctored, after all.

Perhaps the more sensible course of action is to use the mind-brush to un-clutter simply by sweeping away imperfection, impurity and defilement.

There's another way. Simply close your eyes and you can if you so wish call upon all the canvases you need along with a full palette of colours and brushes to paint with. In other words, we can create the spaces we need and manufacture the instruments necessary for (re) colouring.

malindadocs@gmail.com
www.malindawords.blogspot.com

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