

New Waste Collection Charging Arrangements to further encourage waste prevention and improve recycling of food and other recyclable materials from the waste stream

The attached briefing from DCCAIE sets out the background and present position re revisions to Waste Charging arrangements.

From a D/PER perspective, the main points are:

- (i) This is a matter for the Minister and Department of Communications, Climate Action and Environment who has secured Government agreement to the revised arrangements, following extensive consultation with interested parties
- (ii) Minister Naughten has given a commitment to establish a pricing watchdog monitoring unit that will provide monthly reports on pricing developments and ask the Competition & Consumer Protection Commission to report on the operation of the household waste collection market.
- (iii) From a D/PER perspective, our position is that whatever measures are taken must support a competitive waste collection market in which prices reflect economic costs
- (iv) Minister Naughten has given a public commitment to introduce an annual support of €75 for persons with lifelong/long-term medical incontinence. This is estimated to cost €6.75m.
- (v) There is no existing Exchequer provision for this support scheme and funding will need to be discussed as part of Budget 2018

Briefing for D/PER 5 July, 2017

The issue: New Waste Collection Charging Arrangements to further encourage waste prevention and improve recycling of food and other recyclable materials from the waste stream

The response:

- The new framework will give waste collectors the flexibility to continue to offer, or to introduce, a range of incentivised pricing options, which encourage householders to reduce and separate their waste, while choosing the service-price offering that best suits their circumstances and allows them to manage their costs
- These options include elements or combinations of per-lift, per-kilogramme, weight-bands, weight allowances and standing charges. This offers the widest choice to consumers to help them manage their costs. About half of households are already on these types of offerings so the general public is familiar with these options.
- Mandatory nationwide per-kilogramme charging is not being introduced.
- However, 'all-in flat rate' charging for household waste will start to be phased-out by waste collectors as customers renew or enter new service contracts from September onwards.
- The system will change for the less than 50% of households who pay a flat charge regardless of how much they throw away, but it will not change overnight. Contracts stand and remain. The new system will be phased in over the next 15 months. The Government does acknowledge that there is a concern about a sudden or massive hike in charges under the guise of a new system and understands there is this concern and it is a legitimate fear people may have. Therefore, it has been agreed to put in place a watchdog that will monitor prices.

- It should be noted that the existing level of waste charges, which people are seeking to preserve, is the result of an open and competitive market. The 12-month industry voluntary arrangement essentially held those prices at that level while the Government reviewed the introduction of pay-per-kilogramme charging. The new arrangements announced by the Minister encourage innovation and competition between operators and enhance choice for consumers. They do not reduce the competitive pressures on waste collectors to ensure that they are offering competitive services.
- An annual support of €75 will be introduced for persons with lifelong or long-term medical incontinence. This will help people meet the average annual cost of disposal of incontinence products. The details and arrangements of this support will be finalised later this year, after further consultation with the stakeholder groups.
- The amount of waste sent to landfill has increased in the last two years. In 2016, there was insufficient capacity to dispose of residual waste and emergency powers were invoked by the regulatory authorities to make additional landfill capacity available.
- All waste collectors will be required to start rolling-out food/organic “brown” bins to all communities nationwide with a population greater than 500 people. This will help more households divert waste away from their standard black bins.
- An information and awareness campaign will also be implemented by the Department (by end July) and the Regional Waste Management Planning Offices (later this summer & autumn). It will take account of the new approach to charging.
- On the one hand, the aim is to assist householders to both reduce and segregate their waste. The alternative is to consider new landfills or expanding the use of current landfill sites. On the other hand, we need to allow the 67 collectors the flexibility to offer householders a range of charging options. Households, as consumers, choose the option that suits their circumstances.

- Charges remain a matter between those companies and their customers, subject to compliance with all applicable environmental and other contract and consumer legislation.

Additional Briefing Material

EU Policy on Waste

- Ireland has an obligation under the Waste Framework Directive to recycle 50% of household waste by 2020. (Ireland is currently achieving 45%.)
- New EU Circular Economy Targets currently being negotiated in Brussels include a proposal to limit landfill to 10% of municipal waste generated by 2030.
- There is significant economic, employment and climate benefits arising from the preparing for reuse/recycling and recovery of waste as opposed to disposing of waste in landfill.

National Policy on Waste

- A principle of national waste policy since 1998 has been that the level of waste charges should vary according to usage.
- Phasing-out of ‘all in flat rate charges’ for residual or ‘black bin’ household waste is consistent with national Government waste policy.
- Landfill is the least environmentally sustainable waste management method.
- Exploiting the potential of waste as a resource – less to landfill, more prevention, recycling and recovery – will contribute to the creation of employment and alternative energy options.
- Households on plans which have a variable charge element, such as per lift or some form of weight/usage based charging, generate significantly less waste.
- Waste Collection in Ireland is serviced by private companies, who operate in a competitive market, and the state has no role in setting prices.
- All decisions on the pricing of individual services will remain a matter for waste collection companies.
- Existing available waste management capacity to accommodate the level of waste being generated is under pressure and this situation will become critical from 2020.

- The State had to intervene on a number of occasions in 2016 to ensure that there was adequate disposal capacity for residual municipal waste.

Background

- As the waste industry began releasing its proposed prices under pay-by-weight in June 2016, there was significant political concern about the reported increases in waste bills for certain customers.
- On foot of this, the Government agreed to defer per-kilogramme charging for 12 months. The waste industry also made a voluntary agreement for 12 months that customers would pay no more for the same level of service than they were paying in June 2016.
- The introduction of pay-by-weight charging in mid-2016 was reviewed by the Department, relevant regulatory bodies and industry stakeholders.
- These arrangements, including the voluntary ‘price arrangement’, are now coming to an end on 1 July 2017.
- Research has shown that ‘all-in flat fees’ are the least successful pricing structure in terms of households preventing waste.
- Following consultations with representative groups and industry, a support is being introduced for persons who require lifelong or long term medical incontinence wear. The support will take the form of a financial subvention based on average annual disposal costs for medical incontinence wear.