



Mr. Niall McLoughlin
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Waste Policy & Resource Efficiency
Department of Communications, Climate Action & Environment
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Sent by email only to: WPPR@DCCAE.gov.ie

28th February 2018

Re: Consultation on Proposed Amendment to the European Union (Household Food Waste and Bio-waste) Regulations 2015 (S.I. 430 of 2015)

Dear Mr. McLoughlin,

Further to your email of 30th January 2018 and receipt of the proposed amendment to the above-referenced regulations, I offer the following comments on behalf of the IWMA. The IWMA is comprised of 40 members that operate 45 waste companies, 26 of whom collect household waste in Ireland. We estimate that our members collect kerbside waste from 860,000 households, which is about 72% of the market. Our website, www.iwma.ie, provides details of our members.

Overview

The IWMA is concerned that the current consultation process on the proposed amendment is inadequate for a measure that will clearly have serious cost implications for waste companies and consequently for the households that they serve, particularly rural households. We understand that the Minister has already announced publicly¹ that he is introducing legislation that will require the roll-out of brown bins to all households, including those in rural areas. This appears to have pre-determined the outcome of this consultation and we are now concerned that the DCCAE is just 'going through the motions' in this process.

We are also concerned that the measure has been announced in advance of stakeholder consultation and in advance of an independent cost-benefit analysis or a regulatory impact assessment. We reserve the right to legally challenge any change to legislation that is introduced without due process.

¹ Minister Naughten's speech at the Irish Waste Management Conference in Carton House, Maynooth on 28th November 2017, included the following statement:

"I am committed to making the regulatory changes required in order to provide an organic bin service to all communities in Ireland irrespective of their Eircode address."

In the short 4 week timeframe for this consultation, we have asked our members for data and opinions on the costs associated with introducing the proposed measure and we supply the responses in Appendix 1. This is not a comprehensive analysis and some of it is anecdotal at this stage due to the time constraints, but we suggest that it is enough to make you aware that this is a costly option that needs detailed economic, social and environmental analysis before it is considered further. People in rural areas may not want a brown bin when they realise the costs attached, when armed with the knowledge that those costs must be passed on to the consumer.

Currently, two-bin rural area collections appear to be a little more expensive than three-bin urban collections, but adding a third bin to rural collections would increase that differential to the point where it is likely that customers in rural areas will have to pay more than people in urban areas for their waste collection service. That in turn is likely to lead to more people opting out of a waste collection services and managing their waste in other ways, many of which are illegal. We believe that providing waste collection services to all households in the State is a more important goal, than providing brown bins to all those with a collection service. This is just one example of why a full regulatory impact assessment is needed before this measure is considered further.

Existing Brown Bin Roll-out

The Regulatory Impact Assessment² (RIA) for the original legislation that introduced the household brown bin roll-out stated that 67% of people in Ireland live within agglomerations of 500 people or more, based on 2011 census data. The RIA suggested that there were 1,660,111 occupied houses in the State and 1,119,178 of these were in agglomerations of 500 people or more.

In a survey of 24 household waste collection companies serving 1,043,934 million households, carried out by the IWMA in January 2018, we found that 626,060 houses (60%) currently have a brown bin. It was reported in the survey that there were a further 198,700 houses within agglomerations of 500 people or more that do not currently have a brown bin. In some cases this is due to brown bins not being delivered where they are wanted and in other cases, this is due to the refusal of some households to take a brown bin.

Issues to be Resolved

In addition to the 198,700 houses mentioned above, we guess that there are another 50,000 or more houses in agglomerations of 500 people or more that do not have a brown bin and are serviced by waste collectors that were not included in the IWMA survey. We therefore conclude that there are more than 250,000 houses that currently do not have brown bins in obligated areas. In our view, this requires enforcement of both non-compliant waste companies and non-compliant households and this is where we suggest the focus should be at this time. The IWMA has consistently called for better enforcement in this regard and we fully support the enforcement authorities in this task.

An even bigger issue in our view, is the fact that several hundred thousand houses in Ireland have no legitimate waste collection service at all. The numbers involved appear to lie somewhere between 200,000 and 400,000 houses in total, depending on which combination of CSO and EPA data is used. Many of these householders have legitimate ways to manage their wastes, but many are also believed to be availing of backyard burning, fly-tipping, using public litter bins and using unauthorised collectors (the man in the van). This behaviour clearly results in bad environmental outcomes and a move to introduce the roll-out of brown bins in rural areas, at significantly increased costs and related increased prices, will undoubtedly lead to more people opting out of authorised waste collection services.

² Statement of Regulatory Impact Analysis, Waste Management (Household Food Waste Collection) Regulations 2011, Department of Environment, Community and Local Government, Prepared by Indecon, June 2012.

Rural Waste Collections

Some of our members delivered brown bins to the rural areas that they serve and they manage that business in an efficient and cost effective manner. However, in these cases, the companies planned the service in advance to tie in logistically with the wider business. These companies generally use multi-compartment or split vehicles that can take two or three different waste types on a single collection round. These vehicles are specialised and are not used by the majority of waste collectors. These vehicles allow rural routes to be serviced with one vehicle every fortnight.

When conventional trucks are used, rural two-bin routes are normally serviced on a two-week cycle with the recyclables collection one week followed by the residual waste collection the following week on a repeat pattern. Introducing a brown bin collection would result in one extra collection per fortnight at a significant extra cost or alternatively a pattern of recyclables first week, residual waste second week and brown bin waste third week.

Moving to a three week pattern may prove unpopular with householders and without further analysis, including consumer engagement, it is difficult to predict the outcome of such a move. Anecdotally, this sort of waste collection pattern appears to be highly unpopular in parts of the UK, which is why it is not commonplace in Ireland, even in urban areas where three bins are supplied. The public need should be further examined within a full regulatory impact assessment.

Cost Implications

We posed some questions to our members concerning the cost implications associated with the roll-out of brown bins in rural areas. The questions and answers that we received are included in Appendix 1. Whilst the figures vary quite a bit, there is a consistent view that the proposed amendment in the regulations would add significant costs to waste collection in rural areas. This is a very rough analysis in a very short time-frame but we suggest that it points to the need for a detailed cost-benefit analysis as part of a full regulatory impact assessment. Such analysis may find that encouraging, promoting and even subsidising home composting in rural areas may have better social environmental and economic outcomes.

We hope that our submission is informative and we look forward to further engagement on this issue.

Yours Sincerely,



Conor Walsh
IWMA Secretary

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Appendix 1

Questions and Responses from IWMA Members on the Implications of a Full Brown Bin Roll-Out to All Rural Areas

| Respondent Company | Questions and Answers |
|--------------------|--|
| 1 | <p>Rural Area Collection efficiency - Number of houses serviced in a day with a standard refuse collection vehicle in a rural area versus the equivalent in an urban area.</p> |
| A | <p>Households serviced with standard refuse collection vehicle in rural area: 200 to 400 depending on the length of the route, road conditions, distance to tipping location.</p> |
| | <p>Households serviced with standard refuse collection vehicle in urban area: 800 to 1200</p> |
| B | <p>There is a 53% difference between rural areas v urban area daily</p> |
| 2 | <p>Presentation rates for brown bins – rural versus urban.</p> |
| A | <p>Presentation rates on rural routes are typically between 30 to 35%. Presentation rates on urban routes are typically between 60 to 65%</p> |
| B | <p>55% presentation rates for brown bins</p> |
| C | <p>There is a very low take up of people using the brown bin in the urban areas in my county as low as 25% in some cases and this is where they have all been given the bins. For example the last village that is just over the 500 threshold, where we rolled out the brown bin we have 115 customers and only 25 use the bin. I feel this % will be even lower in rural areas as they will have other ways to dispose of this material through dogs or home composting.</p> |
| | <p>I'm not sure why but the householder we find has been far slower to embrace the brown bin compared to when we rolled out the recycling bin back in 2001. This is a constant challenge I think due to the "dirty" nature of the material but I feel our efforts would be best focused on encouraging usage in urban areas where they have few alternatives.</p> |
| G | <p>We have rolled out the brown bin to approx 35,000 domestic customers. Our experience to date has been that there is good presentation of brown bins in the large urban centres and in smaller towns that have used the brown bin for several years. Regular presentation in these areas can be as high as 65%-70% over a 4 week cycle.</p> |
| | <p>However, in one county where we have rolled out brown bins in the largest proportion (per population), we find that the brown bin presentation in the towns is reasonable, the presentation in the rural areas is poor and the average presentation rate for brown bin collections in that county is less than 20%</p> |
| 3 | <p>Cost implications – rural collections v urban collections.</p> |
| A | <p>Typically a brown bin roll out in an urban area would result in a 25% increase in collection costs. In an urban environment you would typically have one additional standard refuse vehicle to collect organic waste for every two standard refuse collection vehicles collecting waste and recycling on an alternate week basis.</p> |
| | <p>A brown bin roll out in a rural area would result in a 50% increase in collection costs as an additional refuse collection vehicle would need to follow the same route as a standard refuse collection vehicle collecting waste and recycling on an alternate week basis due to the distances involved in the routes. Typically these vehicles would not have time to collect on other routes similar to an urban environment.</p> |
| B | <p>Rural Collections cost 20% + more rural v urban collections.</p> |

C There will be a significant extra cost to the householder in rural areas to collect this bin as I like many other waste collectors have set up their RCVs (refuse collection vehicles) to collect two waste streams at present (waste & Recycling) in rural areas and they cannot collect a third. Therefore an extra vehicle and collection crew would have to be deployed to collect this brown bin material. Depending on presentation rates this could be anything up to €200 extra per house per year !!!

I know there is no appetite out there with customers to pay any more for their waste collection service especially if they feel it is been forced on them due to new regulations . With a major problem in the areas of paper and plastic recycling prices at present leading to increase costs which may eventually have to be passed on to the customer this further additional burden of brown bin cost would be a step too far.

D To provide this service we would have to charge rural customers 30% more and there would be to have a take up rate of 80%. This has not been achieved by any collector. If the take up was lower we would have to be charging far greater, up to 100% more if the presentations rates were below 20%.

F We don't have any detailed analysis done but I spoke to our Commercial Manager and we estimate that it would double the vehicle time on rural routes which would mean that rural customers would likely be charged extra €5-10 per month fixed service charge.

G If we had to provide a compost collection service to all our customers - it would involve the deployment of 9 additional RCVs plus the supply and delivery of brown bins. Taking into account, the additional labour, fuel, etc. costs, we estimate that it would add an extra €150 per annum to the household waste management bill, allowing for a 5 year write off of the capital expenditure.

4 Any other relevant technical or economic data.

For Company A to provide brown bins to all of our customers in rural areas the additional capital cost implications would be as follows. Inevitably these costs would have to be passed back onto the customer through increased rates;

| | |
|--|---------------------|
| Purchase of 50,000 bins @ €20 per bin | = €1,000,000 |
| Delivery of 50,000 bins @ €10 per bin | = €500,000 |
| <u>5 additional Vehicles to provide additional collections</u> | <u>= €1,000,000</u> |
| Total Capital Spend Required | = €2,500,000 |

A The lead time to purchase vehicles is typically 12 months which would impact on when the service could be provided to customers.

On some of our rural routes we utilise twin pak collection vehicles to collect Mixed Dry Recyclables and Organic bins on the same vehicle. The cost of this type of vehicle versus a standard refuse collection vehicle is approximately 35% more expensive and the lead time to build is approximately 16 months from date of order. Running costs for a twin pak vehicle as opposed to a standard refuse collection vehicle is 20% more.

B Overall, there are hidden costs that the Minister may not be aware of such as licence fees, software fees, back office costs, diesel costs, employee's costs and waste treatment charges, etc.

C Over the past 10 years together in partnership with my local authority through our civic amenity sites we have supplied approx 2,000 home composters at a subsidised rate to householders mainly in rural areas where there was no brown bin collection service. This was a very well received initiative and I feel that this further reduces the need to provide a separate collection service. People we have surveyed are very happy to home compost and its made so much easier in rural areas where they have gardens to accommodate the composter.

D Even if it was viable or subsidised, we use a dual collection service in rural areas, and within the planned timeframe it is not possible purchase the required trucks and have them operational by July 2018, there is almost a one year lead in time to getting a new trucks, between having to fit lifting gear and bodies and pay by weight.

E Most rural collections are collated by twin compartment trucks one collection every two week to try keep their collection cost down ,an average collection would be two hundred customers on each route a lot of these collections can be up to two hours away from our depot to our first bin collected ,if regulation was to be introduced by the minister to collect brown bin in rural areas we would now need to send out a separate truck and crew to collect these bins , when you do the figures it would put a minimum break even cost of 180 euro a year onto each customer's bill.

We expect that the presentation in rural areas would still remain low and that the (negative) environmental impact (of extra trucks servicing) would vastly outweigh any benefit accruing – along the same lines that it would be uneconomical for public transport to service every road in the country.

G We have already committed to collecting waste and recycling in twin-pack RCVs. The existing composting collections are serviced by a conventional RCV and it is more economical to collect two waste streams at once. However, we collect from commercial organisations as well in the “500+ agglomeration” towns. But, outside of these towns, there are hardly any commercials – it would involve a lot of kms travelled to collect very little organic waste.

5 **Estimated Cost difference** – between rural collections and urban collections.

A Three bin urban is 15 to 20% less costly than a two bin rural collection route.
Two bin rural collection is 50% less costly than a three bin rural collection

B 20%+ difference extra in cost to provide the same service to rural areas v urban areas.

G As detailed above, we estimate that it would add an extra €150 per annum to the household waste management bill.