

# 2020

## Waste Action Plan for a Circular Economy

Frank Conway, Chair

Price Monitoring Group



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## **About the Price Monitoring Group**

The Price Monitoring Group was established to monitor whether or not prices that householders pay for the collection of household waste fluctuates and if so, by how much. The monitoring is carried out on a monthly basis. Prices are monitored using a mystery-shopping approach to approximately one-third of licensed waste collection firms that operate within the State.

This comprises 19 individual companies, with some firms operating in more than one area. In total, 26 markets are actively monitored.

As price monitoring is not carried out on a whole-of-market basis, the Price Monitoring Group is not in a position to identify the actual firms that are actively monitored.

### **Pricing landscape for residential waste collection is complex**

A majority of the residential waste collection firms offer multiple waste collection packages to their customers. This results in significantly more waste collection packages than firms. For example, most offer variations of annual service charges and lift charge combinations. Others offer a variety of weight limits and different per-kilogram allowances across the main waste categories; waste, recycle and compost. More offer varying pricing arrangements to users that exceed weight limits for waste, recycle and compost. The range of pricing permutations means that in any month, there can be anywhere from 120 – 150 pricing points that are actively monitored, compared and reported.

On a month-by-month basis, some of the firms add and remove various waste collection packages or move specific pricing up and down in an apparent market testing exercise.

### **Meetings and publishing data**

The Price Monitoring Group meets monthly to review the latest market data and report the findings. A copy of the data and comment is published on the Department of Communications, Climate Action and Environment website monthly.

### **Composition of the PMG**

The group comprises representatives from:

- Waste Policy & Resource Efficiency Division
- An economist from the Department of Communications, Climate Action and Environment,
- A statistician from the Central Statistics Office.
- Shelfwatch – an independent price monitoring group and
- Frank Conway, (MoneyWhizz) – independent consumer expert.

**In this submission, the Price Monitoring Group has accepted the invitation to submit using a hybrid approach. In matters that specifically relate to the remit of the PMG; section 19.7, it has addressed those in page 3-6 of this document. Additionally, it has taken a consumer-view approach in respect to the remainder of the contents.**

## 19.7 Consultation Questions - Consumer Protection & Market Monitoring

*The CCPC recommended the establishment of an economic regulator for household waste collection.*

**Q. In your opinion, should an economic regulator be established? In considering your reply it is recommended you consider the detailed rationale set out in the CCPC report, available [here](#).**

A. From a consumer perspective, there are some gaps in the oversight of the waste collection industry, especially in respect to disputes that do require a formal resolution process. At present, consumers do not appear to have a formal process for dispute mediation other than the small claims court, which can appear intimidating to many. This absence of a regulator-type service could place the residential waste collection industry in a sort of 'untouchable' position in the minds many members of the public. This in turn can have far-reaching consequences, including accurate provision of pricing, timely provision of waste collection data and actual charges applied to user accounts. There is also the significant potential for dispute arising from the accuracy of weight lift reporting. For example, on those trucks that collect actual residential waste, each time a waste or recycling bin (or compost bin) is lifted, who validates that the truck's lift device is fully functional? Who verifies that the weighing scales is accurate? While it does not appear to be a question that has arisen in a public forum to date, it has significant potential to become one as the public are encouraged to take a more proactive role in how they can participate in the 'circular economy'.

**Q. If a regulator was to be introduced what powers should the office have? Should they be confined to economic powers?**

A. From a consumer protection perspective and in the context of the remit of the Price Monitoring Group, it is important the prices and weight allowances advertised by licensed waste collection firms are accurate, timely and clear. It is also really important weight calibration devices on waste collection trucks are independently validated and monitored. If a regulator is to be introduced, it would require a high degree of economic regulation to ensure waste collection firms meet the specific requirements set out in the granting of licenses. Additionally, in light of the changing nature of Ireland's national climate targets, additional regulatory power may be necessary to ensure the public are assured that the regulation of the waste collection is proactive. This is especially important in the event of consolidation within the waste collection industry and also in light of the market power waste collection firms currently enjoy at both collection stage and through the processing of waste.

**Q. Should a new office be set up or should the powers of existing regulator be broadened?**

As no dedicated waste collection regulator exists presently, we view this question to refer to the existing powers that license waste collection firms. In this context, we view the need to provide measures of dispute resolution to the public to be an essential requirement of service provision. We also would see merit in a dedicated resource to accept, process and provide a conclusion to disputes with the power to apply economic sanction and amend regulations as necessary. So, the establishment of a specific resource would be essential. In terms of its positioning within the licensing (and regulatory) framework for waste collection firms, it may be beneficial to grow it out as

required but from onset, if established, it should be done on the basis that it has relevance and authority to be relevant.

**Q. What alternatives are there to setting up a regulator, for example, improved regulatory oversight for customer's complaints? Do you believe the information currently available on kerbside waste collection pricing could be improved, and if yes, how?**

The pricing landscape is highly complex and even those working the 'front lines' at waste collection firms sometimes struggle to explain pricing to the mystery callers working on behalf of the PMG. Waste collection firms must be mandated to ensure they provide accurate and timely pricing information to the public when requested by the public over the phone or on their websites. It is imperative that waste collection firms have adequate measures in place to train their staff and update their websites on the prices they charge.

Some waste collection firms fail on the delivery of accurate household waste collection information. For example, some waste collection firms, have on occasion shown to not have calibrated the lift devices on their trucks. On inspection at a personal level, it transpires that collection dates, bin weights and amounts deducted from user accounts have all been inaccurate. This matter needs to be corrected immediately. Licensed waste collection firms need to be actively reminded of their licensing requirements and ongoing monitoring to ensure they do.

We also feel that in line with best practice, waste collection firms should be required to advise users of their monthly, or at a minimum, annual usage of service with a thorough breakdown of waste and cost included. This should be done by way of a 'push notification'. It could be presented in the form of **Your Annual Statement** and provide users with sufficient data to shop around for better value in the market (where there are competing waste collection firms in operation). This step would make waste generation highly 'visible' to the user and would in all likelihood result in the public having a closer connection to their own waste management behaviour including greater awareness and more active engagement.

Finally, when complaints arise, there really needs to be a balanced mechanism in place that deals with those complaints in a fair and impartial manner. The Chair of the PMG has previously identified that the ultimate disputes mechanism currently could end in the Small Claims Court, which the Chair is aware appears too big, disconnected or confusing for many people. In light of this, a very first action should be the establishment of a complaints resolution procedure.

**Q. Do you believe that the information prepared by the Price Monitoring Group is useful? If No, what changes would you like to see?**

The Chair of the PMG feels the group has raised awareness of the complexity of the market. It has also identified on a regular basis some of the challenges members of the public face when shopping for a waste collection provider. At a minimum, licensed waste collection firms must ensure their staff is fully trained to provide accurate pricing information to the public. The data should be clear, unambiguous and presented in a way that all users could make a fully informed decision on when shopping for a waste collection provider. Websites should also be clear and ideally, information should be presented in a structured format so that the public could compare the market with relative ease. Ideally, due to the complexity of the waste collection market, providers should be

mandated to provide simple calculators that public could use to estimate a total annual cost of service. This is where the accurate reporting of user data would come into full force. For example, Customer X would receive their annual statement from Waste Collection Company Y and then input their data into Collection Company Z to calculate if their total waste package was more or less competitive than other service providers. In other words, it could become a tool to compare the market and shop for around.

In the absence of a calculator being provided on waste collector websites, such a calculator could be centrally provided by an expanded PMG or a waste regulator.

**Q. Given that the last time flat rates fees were identified was July 2018, do you believe the work of the Group should continue? Would you support the Group undertaking whole of market monitoring including publishing prices for household waste collection for all collectors in all areas?**

A. Yes!

**Q. Do you believe there needs to be further oversight of the waste sector from a consumer rights perspective?**

A. Yes.

**Q. Do you believe that a consumer complaints body should be out in place?**

A. Yes

**If yes, what powers would such a body have?**

A. Complaints resolution at a minimum. Directing of licensed firms, sanction if they are in breach of their existing licensing requirements and any future regulation.

**Q. Should it be included within an existing body e.g. CCPC or the National Waste Collection Permit Office? Is further regulation from a consumer perspective of the sector needed?**

A. Open to consideration.

If yes, what measures do you see as necessary for further regulation or what legislation needs to be strengthened?

## What is a ‘Circular Economy’?

Broadly defined, a functioning ‘circular’ economy should meet two basic tests:

1. It preserves and enhances natural resources by controlling the use and management of those finite resources.
2. It optimises the value derived from resources in circulation presently by maximising the recirculation of potential of those resources.

In broad terms, the idea of a circular economy is as old as time itself. For example, during the Bronze Age, minerals were extracted, moulded and used to their maximum potential for the benefit of mankind. Items were also transferred between generations due to the extraordinary effort it took to create them in the first place. This general practice, while evolutionary in nature was broadly sustained until the mid to late 20<sup>th</sup> Century in Ireland as a result of low economic growth and personal wealth levels.

Today, we live in a society that is often described as ‘throw-away’. This refers to the growing trend of a large proportion of food, clothing, transport, communications, entertainment and other items that are produced for a very limited lifespan. In other words, the clothing we wear is not designed to last for long periods of time as consumer preference is for clothing that is seasonal, cheap and disposable. The same applies to the production and consumption of food; it is sold so cheaply, vast quantities end up being wasted!

## Stakeholders

In an Irish context, there are two primary ‘circular economy’ stakeholders:

1. Users
2. Producers

Beyond that, there are many key sub-stakeholders and influencers that will impact the effectiveness of any broad approach to drive a ‘circular economy’ culture shift including:

1. Government
2. Manufacturers
3. Employers
4. Labour Unions
5. Waste Collection Firms
6. Retailers
7. Wholesalers
8. County Councils
9. Schools
10. Airlines
11. Fuel producers and suppliers
12. Transport Organisations
13. Financial Services Organisations
14. Farm Organisations and many more!

Each stakeholder will have distinct views on the purpose and benefit of a ‘circular economy’. They will also have various motivations to support, influence and even object to various aspects of any ‘circular economy’ initiatives.

At a macro level, users broadly desire goods at the most competitive price so producers will seek out production and distribution methods that deliver goods and services cheaply. Producers, in order to maximise market share or become a market disruptor will 'innovate' production methods that undercut competitors, even if those production and delivery methods are not the most beneficial in a circular-economy context.

Regardless of whether it is user or producer, any multi-year waste action plan must be balanced on the capacity of each stakeholder to facilitate change through a comprehensive process of communication and support.

## **The main question—to what degree would the public sign up to and participate in a truly 'circular economy'?**

A majority of people are in favour of protecting the environment.

However, it is not fully clear if the public have been asked the question about their willingness to make the necessary changes to make a fully functional 'circular economy' a reality.

Throughout the history of humankind, there is little evidence that humans have voluntarily taken steps that would lead to or be perceived as regressive or even a slowing down in its search for progress, advancement and 'self-improvement'. In other words, humankind does not normally or willingly submit to actions that would be viewed as costly to their way of life; 'climate-conscious' teenagers may not be willing to pay the 'circular economy' price by willingly forgoing the latest fashion item is just one example.

There is always a risk that the public will sign-up to the concept of participating in a 'circular economy' so long as the price of signing up remains relatively abstract and the cost, on a personal basis is perceived to be minimal. This cost includes social as well as financial. However, when it comes to real cost and real change, the reaction could be very different, especially if it is not adequately communicated.

It is more likely that the culture shifts that need to take place in the context of the 'circular economy' will need to be driven by the authorities using a mix of rewards and penalties in order to drive significant cultural change. And this Government-led approach should be all encompassing, covering user and producer to drive maximum change. Ongoing education and push notification should form a central plank of developing and maintaining broad awareness. Highly optimised websites, infographics, video content as well as other channels must be made readily available to ensure the public are saturated with best practice steps and activities.

Incentivised measures to assist the public migrate from long-established practices or to make painful changes to how they live presently will also be necessary to not only reduce the financial cost at a personal level but also, to increase participation.

## **Defining the problem**

It would seem reasonable that a large percentage of the public (user and producer) have a relatively good understanding of the issue of 'climate change'. It would also seem reasonable to expect that the public should have a basic level of understanding of the arguments climate experts have presented as to the consequences of 'climate change'; warming of the global atmosphere, rising sea levels, more violent weather events and so forth. Finally, there appears to be a high degree of evidence that the public are broadly aware that human activity has played a significant role in the conditions that have led to climate change.

Actions – the public also seem to be aware that in order to have a beneficial impact on climate change factors, they will need to take some personal actions, including many lifestyle changes. For some people, this might be recycling plastics better, for others, it might mean reducing food waste and for more, it might mean recycling



various household items or extending product life by up-cycling a broad range of items. To many people, the personal actions are varied and diverse.

**It is not clear if the public fully understand the enormity of the challenge that lies ahead for the country as a whole and them personally. On this basis, it is important that the enormity of the challenge is presented in as relevant a manner as soon as possible.**

## Define and visualise the BIG goal

First, with Ireland at serious risk of falling well short of its climate targets, it is imperative the public are made aware of this. A first action should be for Government to make this data readily available and also, the consequences. At the moment, there is little evidence the public have any idea of what is coming down the tracks or the enormity of the climate challenge they are signed up to.

A **National Climate Target** could be developed and presented to the public. This data should be presented in simplest form, perhaps in the context of the National Debt Clock in USA which presents the level of national debt owed by the citizens of that country.

It will be very important to continuously inform users and producers of the collective impact of their actions as doing so will shift an important narrative; them and us! The purpose of this tactic is to deflect the cost of inaction from Government to users and producers. This is not an insignificant consideration in an era of growing populism and activism. For example, it is really important any Circular Economy initiative and resulting targets, actions or penalties are communicated to the public as early as possible in order to minimise any potential rejection of circular economy participation.

## Personalise the data

Second – at a household level, waste information that should be readily available is not.

A high percentage of Irish households currently use a waste collection firm. Firms that do so are licensed by the State. As part of receiving their waste collection license, those firms are required to provide ongoing, detailed analysis of waste collection to their customers.

Where the Price Monitoring Group comes in: The **Price Monitoring Group** has noted that some waste collection firms do not report such information accurately. Here, it is imperative that licensed waste collection firms have weight / lift devices monitored and calibrated annually by the State to ensure they accurately measure, record and report to user accounts. This should be carried out in the same way retail outlets or car fuel outlets have their weighing scales and pumps calibrated.

Additionally, in order to elevate the value of this data, waste collection firms should be required, on an annual basis (for example, at account renewal) to send a **push-notification** and include an annual waste production breakdown (legislate / regulate if necessary) to the residential user.

The purpose of this exercise is to:

1. Make waste production information at a household level relevant and visible.
2. Create a connection to a National Waste Target
3. Create a sense of purpose and urgency

Whether or not there are individual targets set at household level for recycling is something that may need to be considered. The same applies to non-residential users and producers.

What is important in this process is that users and producers are made aware that individual actions matter and it is through the constructive use of available data that change is possible.

## Make recycling more accessible and local

Within some urban areas, various green / recycling centres that were used by area residents to dispose of a range of organic waste and were popular with the public disappeared.

Their presence created a sense that recycling was local and locals appeared to engage. The disappearance has made the notion of recycling more disconnected and in some quarters, more abstract. Whether it was grass clippings in summer, leaves in autumn and Christmas trees in winter, it created a sense of community. Perhaps it is again time to revisit the idea of a local green / recycling facility as a means of collective engagement at a community level...and also, of community wellbeing. In addition to compost-type items, such a centre could be used as the nucleus for a community-based social enterprise facility to encourage greater product recycling innovation. This could have the added benefit of serving as a community-based initiative for education, support and communication.

## Central sponsor

At present, there are many stakeholders that are actively engaging in myriad activities that coalesce around the central environment protection theme. But like an orchestra with many highly talented musicians, it still requires a skilled conductor to organise and deliver. In the context of the very significant environmental challenge Ireland faces, a very tight grip on communications and actions will be necessary to enforce and deliver some highly aggressive targets. The only stakeholder with the power and scope to do this is the State. Whether or not this is organised via existing structures or a new division is secondary. What is important is that Government leads the way in the nudge and push of users and producers to get Ireland onto the right track.

## Communications

A whole-of-market communications approach will be required to deliver the urgency of the 'circular economy' objectives. But beyond the delivery of key messages, it is also critical, as identified earlier the core purpose of the 'circular-economy' is clearly and simply defined so that the public can readily grasp what they are being asked to do. Communications experts will have their own delivery approaches but what the public is likely to want to know is:

- **Purpose** – why is the action being taken?
- **Process** – how can users and producers take action?
- **Price** – what is the cost of not taking action (immediately and in the future)

## Budget

Without a long-term approach and sufficient funding to underpin a robust and dynamic communications strategy, it is difficult to predict the level of participation and adherence. Using a whole of market approach delivered via omni channel, the long-term investment should be significant. How this is funded is a separate matter. One approach could employ a sliding 'polluter pays' approach with a central and initial focus on wholesale producers and users.

**Legislation** – As a member of the European Union and active participant in all aspects of pan-EU trade, there are a range of critical recycling issues that impact the public locally but which originate 'somewhere else'. For

example, on the matter of many plastics used as a central feature of the ‘fast-fashion’ industry and food industry, the public often point to the “unavoidable” use of non-recyclable plastics in wrapping and packaging. This is a very valid concern as in such cases; a majority of such plastics originate outside of Ireland or fall within pan-EU guidelines on one form or another. Without a truly integrated, pan-EU approach to such basic issues, it is likely that both producers and users can hide behind such situations to delay making any change to their own day-to-day behaviours. This is just one aspect of a complex and diverse web of considerations that require, at various levels, EU, top-down approach in order to create a streamlined, no-escape ‘circular economy’ framework. The same applies to national and even local authorities.

**Enforcement** – due to the enormity of the challenge, compliance with existing rules is more important than ever. The public will seek confirmation that for their own adherence to a broad range of climate-related targets, non-compliance will carry a heavy price. Much as the State has successfully led the change in behaviour such as smoking or driving under the influence of alcohol, it must now direct that energy to changing user and producer behaviour across a wide part of the circular economy landscape. This must include rigid enforcement and also, significant sanction.

## Remove confusion

**Guidance:** Plastic has become an environmental lightning rod. Increasingly, climate action ambassadors cite the proliferation and damage caused by plastic across large swathes of the environment, including in the air and in our oceans. The public appear to be more and more aware of the negative impact plastic can have. However, there are many stumbling blocks that should be easily remedied to ensure greater plastic recycling. One of the simplest but most frustrating issues users face is legibility of guidance. On many items that carry the ‘recycling triangle’ the various numbers contained within those triangles are often completely illegible. Even people with 20/20 vision are sometimes unable to decipher those numbers. People often ask if the number is a ‘3’ or an ‘8’, or a ‘1’ or a ‘7’. In a nutshell, it appears to be the result of sloppy manufacturing but the end-result is a confused public. This issue needs to be resolved.

**Waste Collection Performance (Scorecard)** – because the existing waste collection market operates across Ireland on a free-market basis and without direct regulation, it is inevitable that various companies employ varying methods of sorting and disposing of materials (waste, recycle, compost). Internationally, there is some evidence that some waste collection firms are less efficient and more wasteful in the waste management approaches they employ. This leads to varying amounts of material that householders correctly sorted and disposed of using the recycling bins provided being contaminated by general waste. In some situations, this happens as a result of on-site inefficiency.

Such incidents can result in a significant undermining of public confidence; that their individual actions are making little difference. On this basis, in order to ensure maximum recycling adherence by waste collection firms, a material-in-material-out (MIMO) approach should be developed and deployed by the relevant authorities. The purpose of the MIMO approach would be to ensure public confidence and also, drive better behaviour.

The establishment of a waste collector MIMO scorecard would serve a number of useful purposes; to allow the public to conduct a more thorough investigation of the most effective waste collection firm to serve their personal needs and to eliminate a convenient hiding space for inefficient waste collection firms.

## Minimise social disruption

Due care must be given to the social impact a truly circular economy may bring about. For example, in many parts of Ireland, the State and other authorities must factor in critical issues such as solid-fuel production and

use at both a user and producer level. If we take just one example; a senior citizen dependent on a fixed income (the State pension), there is no incentive to migrate away from using turf as a source of fuel. The same (broadly) applies to other forms of solid fuel where users have an emotional attachment and also, a financial dependence of them to heat their homes. At the producer level, turf cutting has become a source of seasonal income for contractors. Even at a more industrial level, turf forms a major part of local employment. There are many sub-stakeholders that will object and lobby to win 'grandfather' right of exemption from new rules if proposed. This temptation to seek 'grandfather' exemptions should be carefully factored into the overall waste action plan for a circular-economy approach.

There are also far more significant societal considerations; some may be tempted to argue that a waste action plan for a circular economy could be biased against the rural 'way of life'. This will lead to varying degrees of objection and even active rejection of some activities designed to improve the national 'circular economy' performance.

At a very basic level, authorities must identify an effective message and channel to communicate the overall purpose of the circular economy approach to the public. It must also factor in economic remedies to minimise personal and community cost.

## **The importance of education and constant communication**

Where the public wish to play their part in the 'circular economy' many may not know where to begin. They may also forget aspects of best practice and may need periodic reminders of how they are doing.

On this basis, educational supports should form the backbone of actions they can take to play their part. But not just education as a prescriptive approach, it should be education with a practical meaning. For example, when it comes to food waste, Ireland has an enormous food waste problem. On this basis, it is important that central education resources such as MyWaste are fully supported. Additionally, supply chains and even producers should be actively encouraged to educate the public on how to reduce waste. But where waste is happening, developing strategies for making the waste visible can provide an important touch-point to make waste relevant to those creating it. So it is applied education on the ways to reduce waste and also, education on the amount of waste that is generated. This is what education should encompass; a 'how-to' reduce waste and a visible 'look here' when people fail to act!

## Summary

The public will have a natural desire to understand the long-term goals of any waste action plan for a circular economy and benefits to them and their families. Making the concept of a 'circular economy' meaningful, relevant and desirable is key to long-term public buy-in. It must be simplified and made highly relevant on an individualised basis. It must have broad awareness; that taking individual actions can be beneficial to personal well-being, economic sustainability and environmental protection.

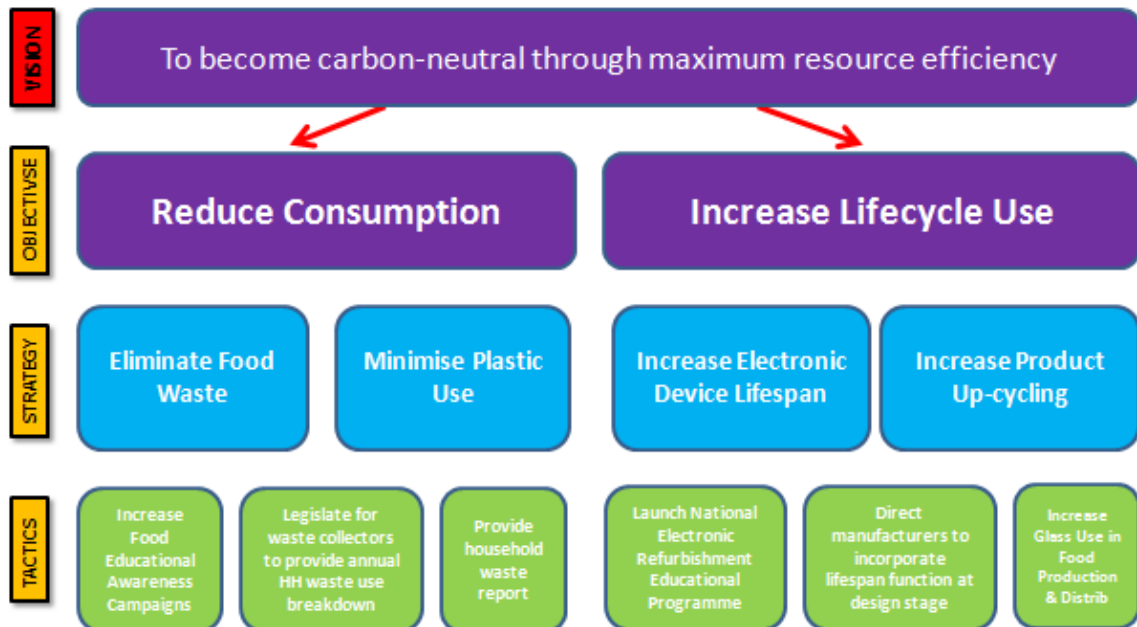
Moving beyond the household, it is equally important the State leads an educational, preventative, interventionist and enforcement role. Only the State has the power to nudge and push behavioural change. Lacking a State lead, it is difficult to anticipate any significant cultural change from how users and producers approach issues presently.

Finally, it is really important that any circular economy initiative is constructed and presented on the basis of a long-term partnership between participants and organisers rather than on a more divisive 'them-and-us' approach.

## Appendix A

Example of Waste Action for a Circular Economy VOST

# Waste Action Plan for a Circular Economy



**The strategies and tactics provided are examples of the activities and are non-exhaustive.**