



# BIN CHARGE SURVEY

JANUARY 2018



**PRESENTED BY CLARE DALY TD**  
**REPORT PREPARED BY DEAN MULLIGAN & TRADEMARK**

INDEPENDENTS  CHANGE

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# **Bin Charge Survey – Clare Daly TD**

**Report prepared by Dean Mulligan and  
Trademark**

**January 2018**

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# Contents

	Page
<b>Section 1 Introduction &amp; Methodology</b>	<b>6</b>
<b>Section 2 Context and overview</b>	<b>7</b>
<b>Section 3 Results</b>	<b>12</b>
<b>Section 4 Conclusions</b>	<b>17</b>

## *About the authors:*

Dean Mulligan is a local activist who became involved in campaigning during his time in studying for his BaHons in social and community development. Dean reached out to Clare Daly TD to offer support in campaigns on a variety of social justice issue. Dean became heavily involved campaigns against water charges. Dean played an important role in setting up a successful local campaign to combat the charges. Dean has been a strong advocate on disability rights, and youth issues, along with housing and homelessness campaigns locally. Given the impending bin charges Dean stepped forward to tackle the issue on a local level. He held a public meeting on the issue in August 2017, such consultation led to the development of this research.

Trademark was established in late 2001 by a committed group of activists from the community/voluntary, public and trade union sectors. We are an ethically based not-for-profit organisation which works towards social justice in which the principles of social justice, equality and pluralism are actively pursued. Trademark is the anti-sectarian unit of the ICTU delivering training, research and evaluation on a range of related themes including equality and good relations, human rights and peace and reconciliation.

# SECTION 1

## 1. Introduction

This report details the findings of a survey conducted into the privatisation of waste collection and imposition of bin charges in Dublin Fingal constituency on behalf of Clare Daly TD. The report sets out the context of waste collection in the Republic of Ireland with particular focus on the move towards full marketisation of the sector and the introduction of charges.

## 2. Methodology

**Desk research:** At the outset of the project we conducted a brief review of available literature. This included a range of documentation relating to the 'contracting out' of refuse collection services, privatisation including the right to impose collection charges in Ireland.

**Survey phase:** The survey was conducted between September 2017 and November 2017 in Rivervalley, a suburb of Swords in the Dublin Fingal Constituency. The target population were those living in the Rivervalley constituency and a random sampling approach was adopted with a target of 1000 responses with the final survey including 930 responses.<sup>1</sup>

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<sup>1</sup> Easton, V a& McColl J.H Statistics Glossary v1.1 [<http://www.stats.gla.ac.uk/steps/glossary/>] Simple random sampling is the basic sampling technique where we select a group of subjects (a sample) for study from a larger group (a population). Each individual is chosen entirely by chance and each member of the population has an equal chance of being included in the sample.

## SECTION 2

### 1. Context and overview

The last thirty years has seen a dramatic shift towards the privatisation of public services across the globe. The promises of mass privatization include efficiency savings, reduction in taxes, shrinking the size of the state and better service delivery all created by the profit-seeking behaviour of private managers that will lead to cuts in cost and greater customer satisfaction. Privatization is the global economic phenomenon of the age as governments turn to private sector control of everything from power generation and distribution, utilities such as water, prisons, railroads, education, health and refuse collection.

By the end of the 1980s, sales of state enterprises worldwide had reached a total of over \$185 billion. In 1990 alone, the world's governments sold off \$25 billion in state-owned enterprises. Much to the delight of the OECD 'Working Group on Privatisation and Corporate Governance of State Owned Assets', privatisation is a key driver of growth in the global economy:

The privatisation activities in OECD countries since 2000 have been buoyant by past standards. In the area as a whole privatisation proceeds are estimated to have amounted to at least US\$ 487 billion over the eight year period from 2000 to 2007.<sup>2</sup>

That figure has increased dramatically as the global value of privatizations over the last 2 years has almost matched it at a record \$455 Billion.

In both state and local government the initial moves involved the marketization of services through the promotion of competition largely through the controversial process of competitive tendering.<sup>3</sup> The initial wave of out sourcing followed this 'competitive tendering' process in which contractors competed for, won and then delivered the contract on behalf of the local institution without passing costs onto the local residents. These contracts wouldn't necessarily provide savings for the council as staff were often transferred and the responsibility still lay with the institution to raise the money to fulfil their side of the contract.

On the face of it 'competitive tendering' fits the language and ideology of the free market however it includes an important shift in free market dynamics and one that is often ignored:

by putting the right to be a monopoly provider of a service up to auction and awarding that right to the bidder offering the lowest consumer price, competition *for* the market replaces completion *in* the market<sup>4</sup>

2 OECD Privatisation in the 21st Century: Recent Experiences of OECD Countries Report on Good Practices January 2009

3 The Role of Competitive Tendering in the Efficient Provision of Local Services (Local and Regional Authorities in Europe, No 49), Council of Europe 1993

4 Reeves, E and Barrow, M ( ) The Impact of Contracting Out on the Costs of Refuse Collection Services: The Case of Ireland The Economic and Social Review, Vol. 31, April 2000, pp. 129-150

The dilemma facing public institutions creating 'competitive markets' in natural monopolies, is that a privatized monopoly is still a monopoly who are able to exploit that monopoly power for profit and ignore wider social costs as power shifts towards the private sector and away from genuine democratic oversight (weak regulators). Competitive tendering is then almost always followed at a later stage by full privatization.

The evidence for the success or otherwise of contracting out and privatisation focuses almost exclusively on the potential for costs savings and 'efficiency's for the local government.<sup>5</sup> Though others still dispute the claims:

Cost reduction was the key benefit claimed by privatization [but] little support is found for a link between privatization and cost savings.<sup>6</sup>

The ideological bias of many of the studies is evident as they rarely address that these savings are nearly always at the expense of a deterioration in the terms and conditions of workers or service delivery.<sup>7</sup> Or indeed that the move to full privatization is followed by the imposition of user charges.

## 2. Republic of Ireland

In the Republic of Ireland refuse collection has been central to the privatisation agenda<sup>8</sup> and waste collection is now an open market here with many local authorities exiting the household waste collection market. Public provision was maintained by some local authorities, but the majority initially moved to contracting out. The EU has adopted a number of directives regulating waste, for example, on landfilling, end of life vehicles, packaging waste, batteries, etc. The key piece of legislation is the Waste Framework Directive (Directive 2008/98/EC). The polluter pays principle, first adopted by the EU in 1973, 11 is a key principle of EU waste law and policy and Article 191(2) of the Lisbon Treaty states that under the polluter pays principle, the person who causes pollution should be responsible for paying for the cost of the damage. Article 14 of the Waste Framework Directive provides that in accordance with the polluter pays principle, the costs of waste management must be borne by the original waste producer and that this principle applies across all waste streams including domestic waste. EU Directives on waste collection and recycling have been implemented in the Republic of Ireland by the Environmental Protection Agency Act 1992, the Waste Management Act 1996, the Waste Management (Amendment) Act 2001 and the Protection of the Environment Act 2003. Section 31A of the 1996 Act<sup>37</sup> transposes the polluter pays principle into Irish law. Section 31A provides that "[i]n accordance with the polluter pays principle, the costs of waste management shall be borne by the original waste producer or by the current or previous waste holders.

5 S Domberger P Jensen  
*Oxford Review of Economic Policy*, Volume 13, Issue 4, 1 December 1997, Pages 67–78, <https://doi.org/10.1093/oxrep/13.4.67>

6 Bel G and Warner M (2000\*) Does privatization of solid waste and water services reduce costs? A review of empirical studies, *Resources, Conservation and Recycling* Volume 52, Issue 12, pp 1337-1348 Available online 11 October 2008.

7 Kitson, M and Michie, J (1997) *The Political Economy of Competitiveness: Essay on Employment, Public Policy and Corporate Performance*, Routledge

8 Reeves, E (1995) Privatising Local Authority Services in Ireland – Lessons from Experience, *International Journal of Public Sector Management*, Vol 8, No. 4 pp 48-58

By 2012, only three local authorities collecting household waste, they were Galway City Council, Kerry County Council (Killarney Town Council) and Waterford County Council. Of the household waste collected at kerbside, 78% was collected by the private sector in 2011 up from 65% in 2010 and 22% by local authorities down from 35% in 2010 .

Following the global financial crash the Programme for Government 2010 committed the Government to introducing competitive tendering for local household waste collection services. It was at this point that the dual role played by some local authorities as both competitor in their own market and regulator came into question as the Competition Authority argued that it was anti-competitive that local councils could design and then compete for their own tender.

According to the The OECD Competition Committee:

The main reason why local authorities exited the household collection market is their inability to compete with private collectors - due primarily to high labour cost for local authorities to provide collection services relative to the private sector.<sup>9</sup>

The vast majority of the local authorities have now opted for a fully marketised system meaning that they have moved to competition *in* the market rather than competition *for* the market as in competitive tendering, a situation almost unique within the EU. Household waste collection market is estimated to be worth at least €250 million annually.

However the given number of operators in any given area varies across the country through they tend to follow a rural – urban split in which one operator monopolises rural routes and three or four compete in larger urban areas:

In both international and in-country comparisons the OECD has found “the price of [Waste Collection] was one- to two-fifths lower in areas where competitive tendering rather than side-by-side competition is used.”<sup>10</sup>

As far back as the Local Government (Financial Provisions) (No.2) Act 1983 local authorities could charge for household waste collection and disposal. Charging schemes have been mandatory in Ireland since 2005 and within this marketised system waste collection is paid for by households and although some private operators had practiced a flat fee this is currently being phased out as customers renew or enter new contracts.<sup>11</sup>

Under the new arrangement, waste collectors will be given the flexibility to offer a range of incentivised pricing options to their customers such as standing charges, charges per lift or per kilo; charges by weight band; weight allowance charges; or a combination. This has been introduced so as to

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9 OECD Policy Roundtables Waste management Service DAF/COMP(2013)26

10 Ibid 28

11 Protection of the Environment Act 2003 (2003 Act) inserted s.75 into the 1996 Act giving local authorities the power to charge for waste services under the 1996 Act. Previous to this local authorities charged for waste services under the Local Government (Financial Provisions) (No.2) Act 1983. The 2003 Act also gave local authorities power to stop collecting household waste if charges under s.75 of the 1996 Act or



confirm to the 'polluter pays' principle and incentivise reduction in waste and an increase in recycling.

<sup>12</sup> As such waste collection charges are set by operators.

And neither local authorities nor the state are involved in the setting of waste charges and further there is no national regulatory body charged with overseeing the issue of waste charges.

As regards support for low income families, the OECD has stated that under the current arrangements the shift to private waste collection:

has introduced inequalities that have yet to be addressed and most private providers of waste collection do not waive the costs for low income groups<sup>13</sup>

The Ombudsman has found that waiver schemes are at best inconsistently applied by local authorities and providers and that where the waste collection service is fully privatised in particular:

local authorities surveyed take the view that their obligations towards low-income households are somehow diminished or non-existent by virtue of the involvement of a private operator<sup>14</sup>

The Ombudsman found in the same report that the Department's view is that there is no legal obligation:

on either a local authority or a private operator to provide a waiver scheme where that operator is delivering a fully privatised waste collection service

At the moment despite calls from the Ombudsman there are no plans to introduce a national waiver scheme as the government believes it would negatively interfere with the open market for waste collection. However, the industry group the Irish Waste Management Association (representing 70% of the industry) have agreed that a free allowance will be given to customers who need to dispose of incontinence pads.

One of the additional drawbacks to the market in waste collection has been a significant increase in 'back yard burning' and 'fly tipping' with over 50% of local government authorities reporting them as significant issues ( this includes illegally exporting waste to Northern Ireland where land fill gate fees are at one tenth of the level of the fees in the south )<sup>333</sup>

The introduction of user charges and pay as you go services here and elsewhere is also however another move away from the principle of universalism and the welfare state where progressive,

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under the Local Government (Financial Provisions) (No.2) Act 1983 are not paid (s.33 of the 1996 Act

12 A number of local authorities operate household waste collection charge waiver schemes for low income households.

13 OECD Public Management Reviews 2008 Towards an integrated public service Publication date: 06 June 2008

14 Waste Collection Charges & Low-Income Households - Summaries of Submissions Received [www.ombudsman.ie](http://www.ombudsman.ie) accessed

redistributive taxation and seamless provision of social welfare are provided for all in a connected social system based upon the concept of a social contract.

User charges are based upon the idea of 'selectivity' which assumes that the state targets support to those unable to secure the particular provision in their own right, but that this should not be provided to others. Selectivity is a cornerstone of neoliberal economics, wherein markets are introduced into every possible aspect of life with the primary purpose:

of transferring wealth from individuals to corporations and central to the dismantling of the post second world war settlement. It is rare that the case for selectivity is not accompanied by the case for privatisation.<sup>15</sup>

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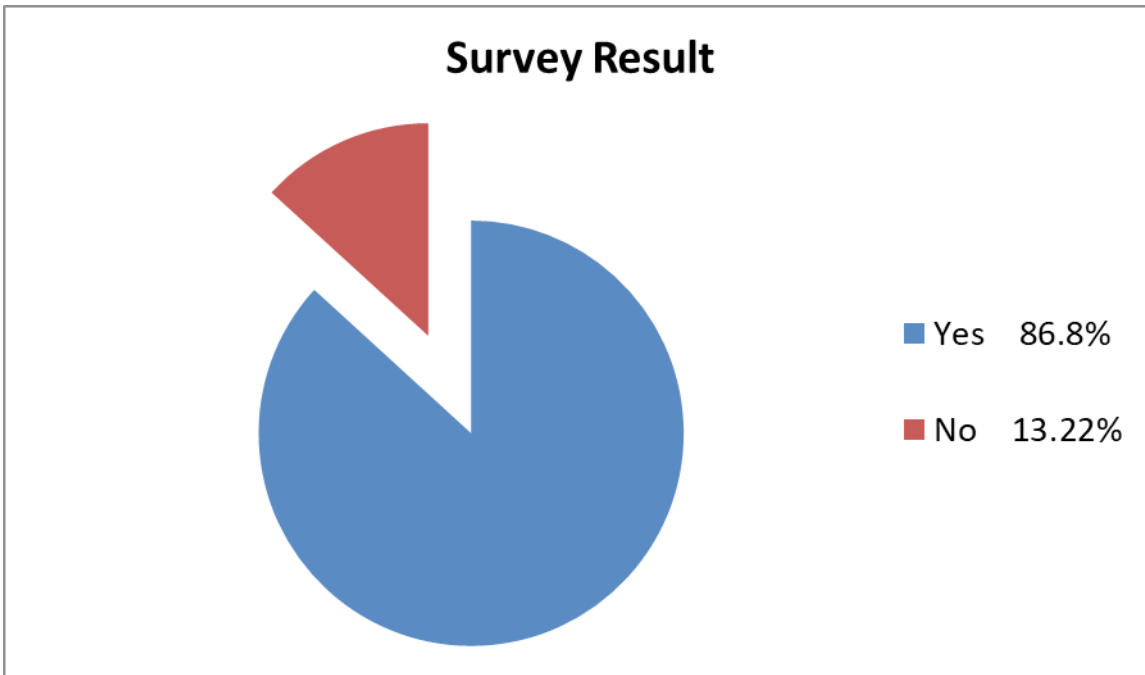
<sup>15</sup> Danson, M, McAlpine, R. Spicker, P. and Sullivan, W (2013) The Case for Universalism: Assessing the Evidence Class Policy Paper Policy Paper, pp26

## SECTION 3 RESULTS AND ANALYSIS

This section outlines the results of the survey based upon 930 responses and is followed by a brief discussion of the findings.

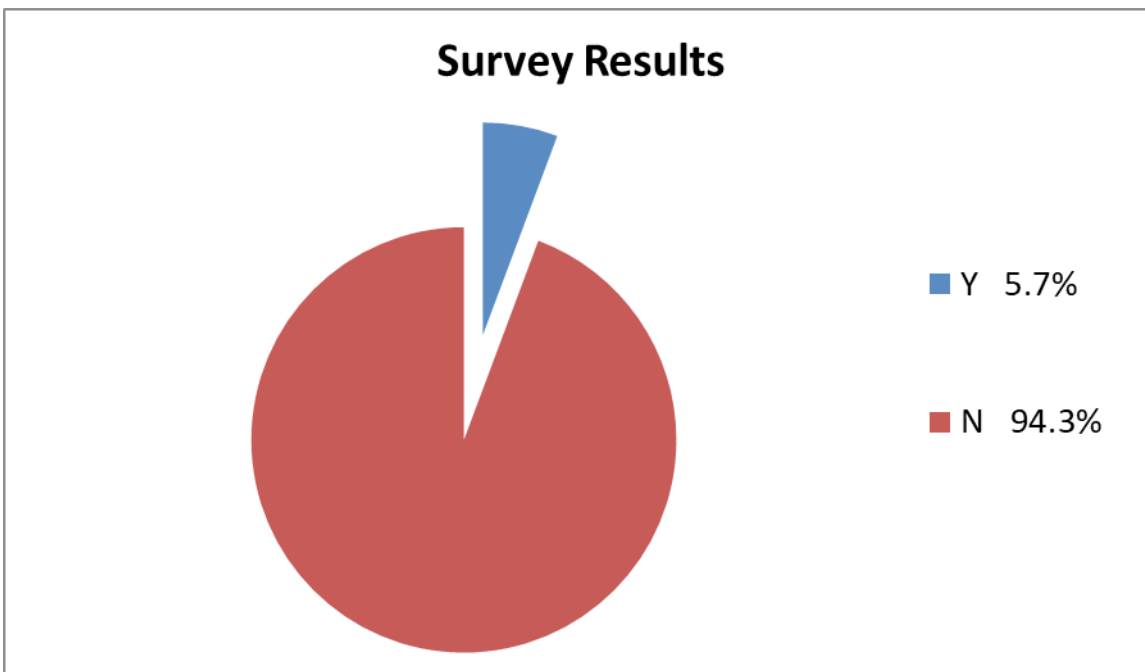
### Question 1

*Do you think bin charges are too expensive?*



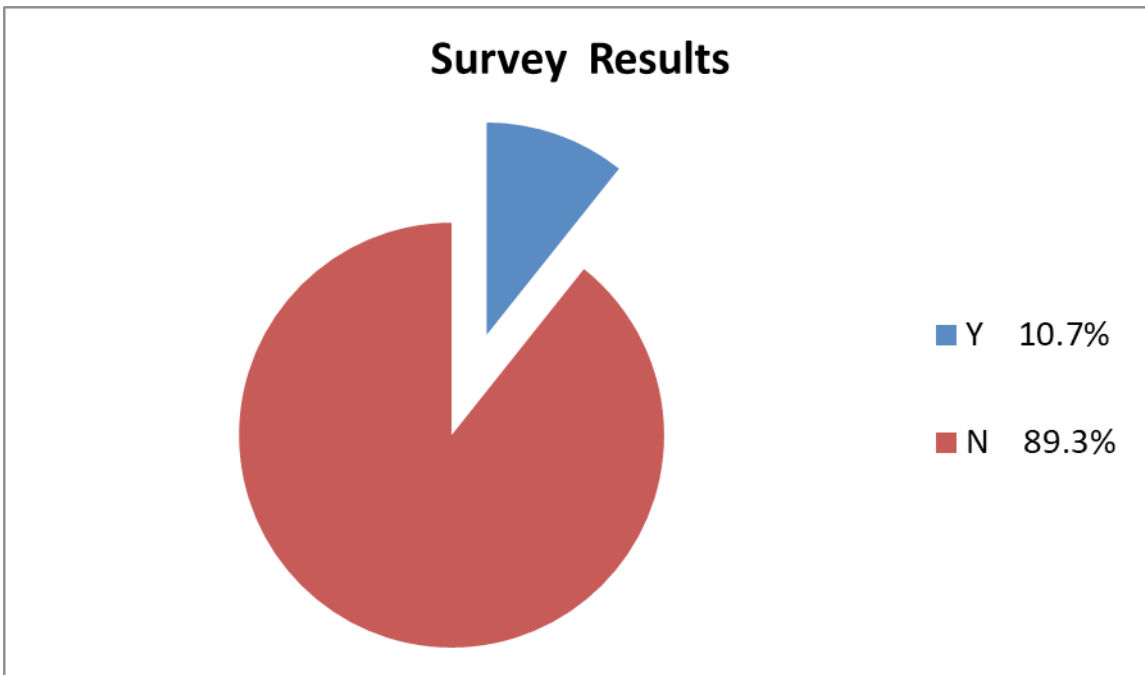
### Question 2

**Are people aware of what the bin charges legislation will mean?**



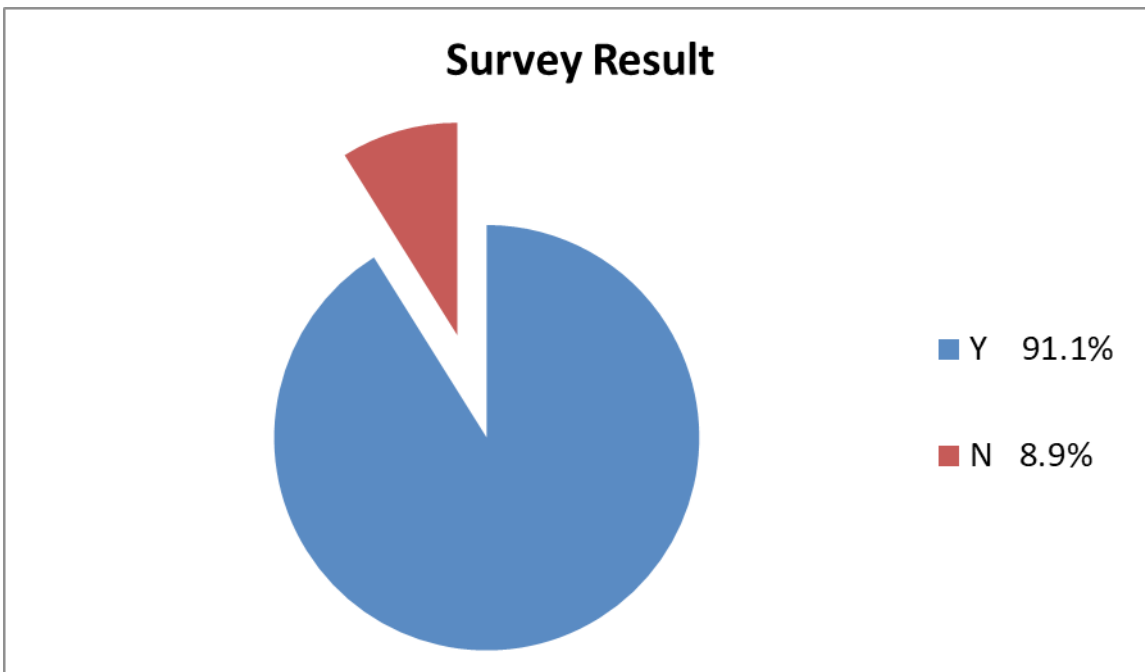
### Question 3

***New legislation allows for waste management companies to dictate the price for their service. Do you agree this will increase competition?***



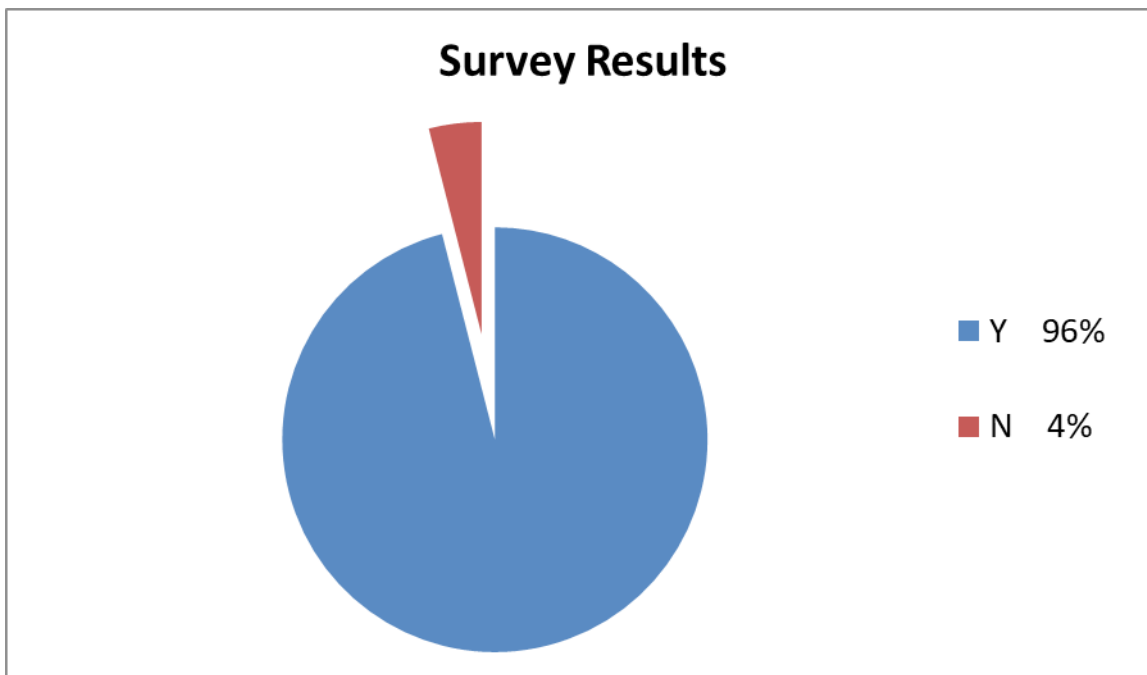
### Question 3 (a)

***...or simply drive up cost as companies will dictate the price?***



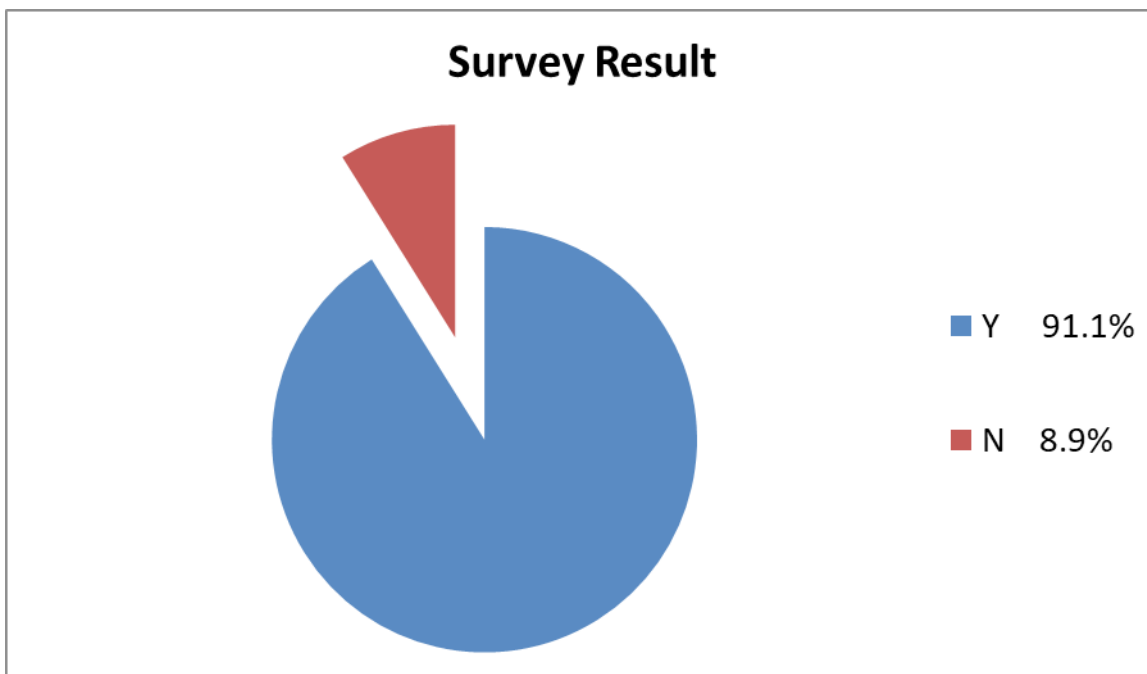
**Question 4.**

***There is not set minimum price per kilo or maximum levy in the new legislation. Do you think there should be more regulation?***



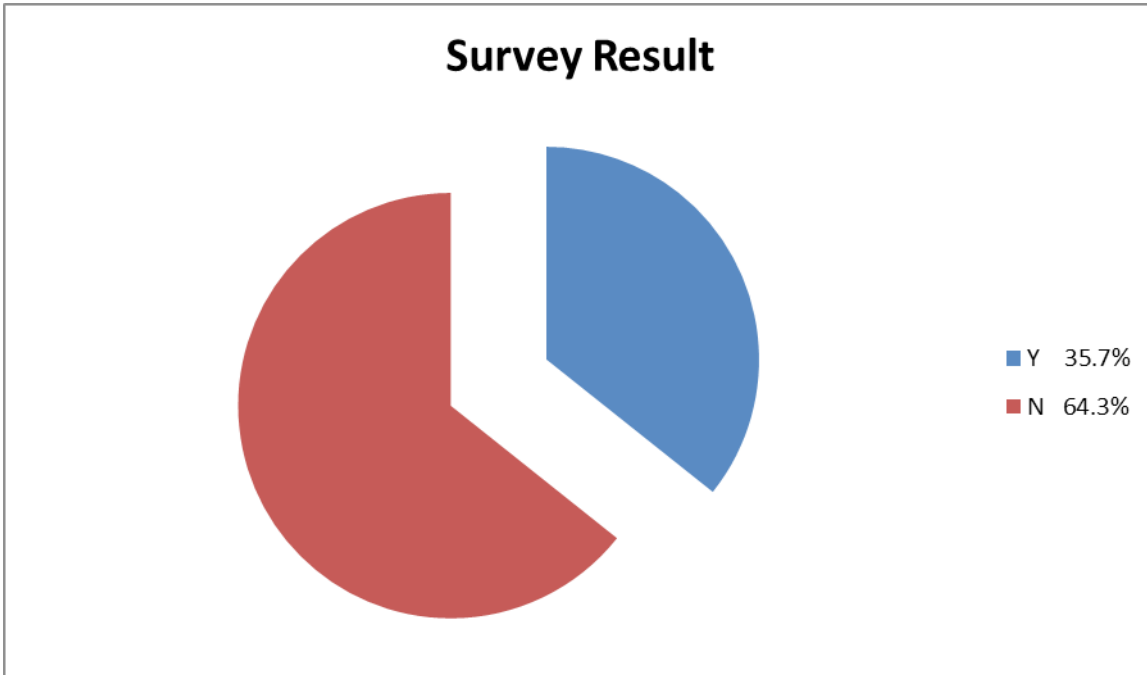
**Question 5**

***Would you prefer the council to bring waste management service back into public ownership?***



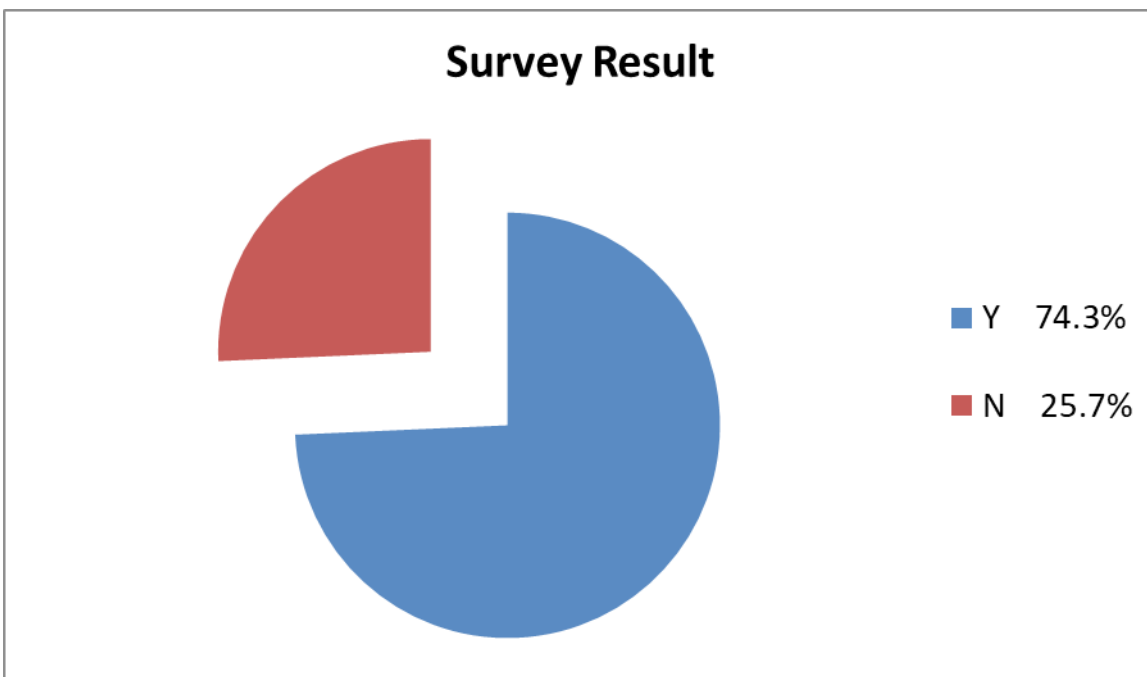
### Question 6

***Does your current waste management company provide you with adequate information and advice regarding recycling effectively?***



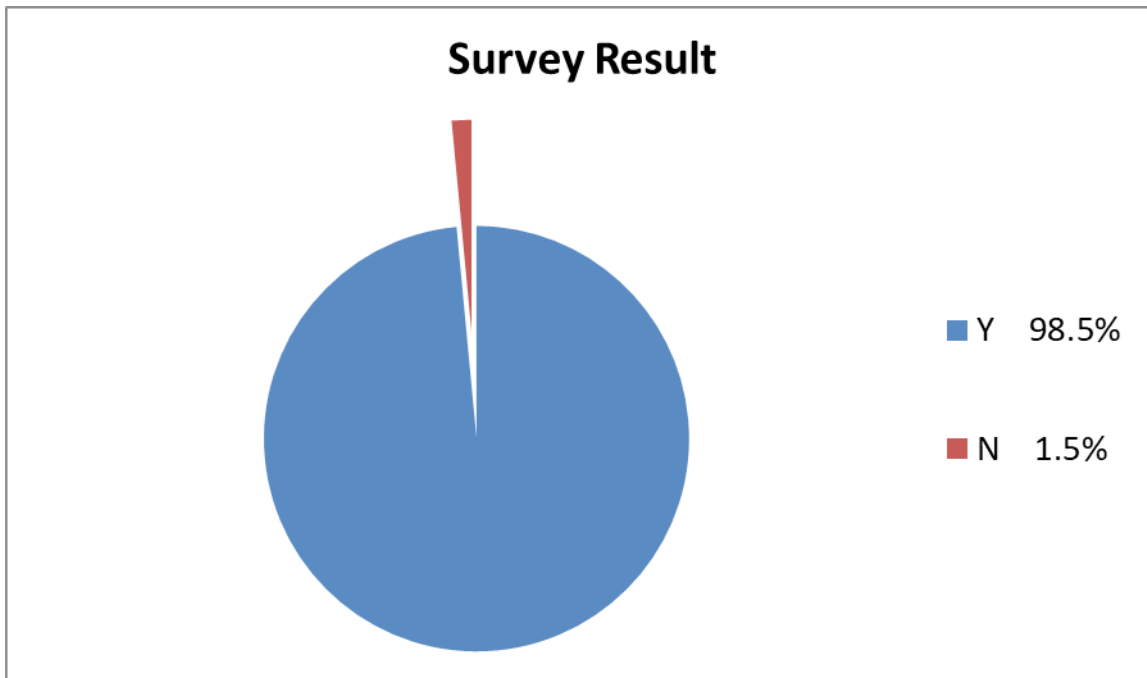
### Question 7

***Would you like more information in relation to recycling with respect to appropriate times for each waste disposal bin in your household? i.e. green bin items, brown bin (if applicable) and black bin waste.***



## Question 8

***Would you support the establishment of a not-for-profit cooperative bin service for the Fingal area.***



## SECTION 4

### CONCLUSIONS

As stated in the Introduction, this survey is primarily concerned with introduction of bin charges and a new waste collection regime across Ireland, though in this instance in the constituency of Dublin Fingal, specifically the suburb of Rivervalley in Swords.

The findings of the survey suggest that large numbers of people are unhappy with charges for waste collection and that whilst people are largely unaware of the implications of the new legislation they are not convinced that an open market will lead to increased competition, reduced prices and a better service.

In fact a vast majority of respondents (91.1%) feel that the new regime will simply allow private providers to drive up price. This is compounded by a belief amongst respondents that additional regulation is needed to place limits on the amount that companies can charge.

In regards to Q5. 91% wanted waste collection to be brought back into public ownership and in Q8. a staggering 98% answered yes to the suggestion that waste collection should be not-for-profit even if outsourced from local government to a cooperative enterprise.

These answers seem to speak to an increasing discomfort with the neo liberal agenda of privatization of the state's core functions and supports a growing trend in support for the re-nationalisation and re-municipalisation of services.<sup>16</sup>

A recent *Yougov* pole in the UK for example showed that support for re-nationalisation in some circumstances was overwhelming

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<sup>16</sup> In the last 15 years 235 cities in 37 countries have brought water services back under public control [[www.remunicipalisation.org](http://www.remunicipalisation.org)]



# NOTES

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