

# Charge!



CIWM President and lifelong waste policy and planning consultant, **David C Wilson**, reflects on the challenges of devising the right policies to charge households for solid waste management services

Resourcing the Future in June was the best conference I have been to for many years. Part of the "buzz" around the event was that Defra was clearly in listening mode, as it worked up the first draft of its new Resources and Waste Strategy. We discussed in depth many of the available policy options, with the notable exception of pay as you throw (PAYT) which, in response to a question, Shaun Gallagher told us has been ruled out of consideration by ministers.

The overall theme for my presidential year has been waste management as the forgotten utility service. The collection and safe disposal of municipal solid waste is part of the necessary infrastructure underpinning modern society. But unlike other utilities, such as clean and dirty water, electricity and gas, transport and telephone and broadband internet, paying explicitly for their solid wastes would stick in many peoples' throats.

So not only is it very much "taken for granted", but it is also the only one of the UK's utility services which has not been privatised, perhaps because there was no large windfall available to government. The responsibility for providing the service, and for raising the revenue to pay for it, remains firmly with local authorities; although actual service provision is

often contracted out to the private sector.

Of course, we do pay for our solid waste services, but that charge is usually hidden as part of a wider portfolio of services. Most council tax bills do tell us how much goes to various services, but you need to be diligent to find the information, and we do not have the choice as to which services we pay for and which not. Similar payment systems are used in most countries, raising revenue either through local charges (often a property tax) and/or by transfer from national government (again, we pay for that via nationally collected taxes). But, in the UK, transfers from national to local government for all services will have decreased by 60 percent between 2010 and 2020, and many authorities will cease to receive any transfer payments at all.

UK local authorities and their service delivery partners have innovated impressively over recent years to provide acceptable levels of waste services at less cost. This often involves asking households to change behaviour, such as by separating more types of materials for recycling; or using a separate food waste collection bin, where building up and then maintaining both participation and capture rates is often a struggle; or by adapting to a smaller bin, or to say a three- or four-weekly, rather than a one- or two-weekly collection frequency, for residual wastes.

Looking around the world, there are many ways of paying. Most of these are indirect, as in the UK; others involve more explicit, direct charging for the solid waste management service – I always found it surprising that this was standard practice in the former Soviet block countries under communism, but not generally then in the capitalist "West". A separate direct charge may be made by the local authority or it may be collected by the service provider. Both tend to suffer from low payment rates – certainly in the UK, one would expect cries of "but we pay for that already via council tax". If the service is withheld from some householders due to non-payment, then unfortunately there are several options available to them for "self-management" – for example, pirating a neighbour's bin or a street litter bin; taking waste into work; illegal dumping (fly-tipping); or open burning.

One work around to increase payment rates is to collect waste fees with other utility charges, where willingness to pay is greater. There are numerous cases of co-collection with electricity or water charges, but an interesting (if tangential) example from my recent work is in Kigali, the capital







A public meeting to raise awareness of the new waste collection service in a district of Maputo, Mozambique, and to foster a willingness to pay. Experience shows that even very poor communities are willing to pay where they can see the benefits – which generally means primary waste collection services, to get the waste out from underfoot, where the health benefits to your children are clear. Source: © GIZ/AGRESU

of Rwanda, where payment rates of more than 95 percent are achieved through co-collection with the local charge for security patrols, which given the recent history of genocide is a service people are willing to pay for.

However, with many direct charging systems, the householder still pays a flat rate (perhaps depending on the size or value of their property), irrespective of how much waste they present for collection. In PAYT, the payment varies at least in part according to usage, which may be measured for example by receptacle volume, frequency of collection or actual weight. Until recently, it has been relatively uncommon outside of the US and the Republic of Ireland. It has, however, gradually become more popular over the last 20 years with local authorities elsewhere in Western Europe, with numerous research, demonstration or wider projects in Austria, Belgium, Denmark, Germany, Italy, the Netherlands, Spain and Switzerland.

In these cases, it is most often applied to residual mixed waste to give an explicit financial incentive to encourage households to reduce wastes and to reuse or segregate their dry recyclables and/or food waste.

## Does PAYT Work?

DOES PAYT actually work? The evidence base is increasing, including a recent review of case studies for an EU report on Best Environmental Management Practice in the waste sector.<sup>1</sup> The case that I will use here is from an early adopting local authority, the County of Aschaffenburg, with 173,000 inhabitants in central Germany, for which more than 20 years of data are available.<sup>2</sup> The PAYT scheme, comprising a basic fee, a collection fee and a weight-based fee, was introduced in stages from 1995, coinciding with the closure of the local landfill site and motivated by a desire to reduce the high fees for using a neighbouring incinerator.

By 1999, the residual waste collection had fallen threefold, from 165kg per capita in 1995 to 55kg per capita, and it has remained stable since then. The 67 percent reduction in residual waste between 1995 and 1999 under the "PAYT effect", compared to an average 19 percent reduction for Germany as a whole. Current recycling rates are among the highest in Europe, at 86 percent. The waste fee paid

by households in 2013 was less than that before full PAYT introduction in 1997.

This case study does cite a good level of citizen's awareness as one of the success factors, but does not otherwise report on any transitional difficulties due to non-compliance. Enforcement did play a prominent role when a simplified weight-based PAYT system using pre-paid sacks was introduced in Flanders, Belgium.<sup>3</sup> Household waste that was illegally dumped was examined for clues to ascertain who had owned the waste (from letter envelopes and other post with an address on them) and offenders were heavily fined. This example shows the importance of a mix of instruments.

The UK stands out as one country that has legislated against the use of PAYT by local authorities for general household waste – although charges can be made for both commercial waste and garden waste collection. Some early research projects in the 2000s, to monitor variations in waste generation between householders used barcodes in bins, which the *Daily Mail* dubbed "the spy in the bin".

Despite such campaigns, the Labour government listened to representations by local authorities and the resources and waste sector and introduced quite limited legislation that would have allowed ten PAYT demonstration projects to test different approaches. However, even this first step never happened, with the *Daily Mail* claiming victory when the then Secretary of State for Local Government, Eric Pickles, repealed the legislation shortly after the coalition government took power in 2010. Despite rapid changes in the mass gathering of data over the last 10 years, which should make the tagging of bins a relative non-issue in comparison to other privacy concerns, it appears that PAYT for household wastes is still politically unpalatable.

## Who Pays What?

THE IMPLICIT assumption in the discussion so far is that it is right and proper that local authorities, and ultimately households through council tax, or whatever future alternative may be devised, should pay for all the costs of municipal solid waste management. That assumption was challenged some 30

years ago when the concept of extended producer responsibility (EPR) was first introduced and, in many EU countries, the packaging supply chain among others now pays for the management of "its own" waste streams. This may

*The Daily Maily said "spy in the bin"... this is how the Jouurnal illustrated that at the time...*



be done either directly by paying all the costs of a parallel collection and management system (such as in Germany) or indirectly by paying local authorities to do the job on their behalf (as in France).

It is well-known that the UK system for implementing the EU EPR directives is unique: for many years, packaging producers were able to meet their targets predominantly through recycling of easy to collect transit packaging (eg, from supermarkets), and even now they contribute only around 10 percent to the total costs for collection, recycling and disposal of post-consumer packaging wastes. In principle, the new EU Circular Economy Package should change that, through its requirement that producers should cover the full costs – but with Brexit, it all depends on how the UK governments decide to implement the new requirements.

Our sector is waiting with baited breath for the publication of Defra's new Resources and Waste Strategy. This is Government's opportunity to steer us onto a new and sustainable course. To achieve that, the Strategy will need to bring together an innovative and integrated package of strong and varied policy instruments. Many of us would like to see PAYT included in that, at least to allow demonstration projects to test ideas and to develop a robust evidence base; but realistically, it appears that we will remain with "one hand tied behind our back".

So, here's hoping that the Strategy will deliver on real EPR, with teeth, that will move the financial burden of collecting, recycling and disposing of packaging and other products in the municipal waste stream from local authorities to the producers and supply chain. Of course, we as householders will still pay,

but at least we will have an incentive to reduce that payment by modifying our behaviour as consumers. If we cannot have PAYT, let us at least have PAYB (pay-as-you-buy). ■

David C Wilson has worked as a waste and resource management consultant in the EU and in emerging economies since the 1970s and has been a Visiting Professor at Imperial College London since 2000. He was the editor-in-chief and lead author for UNEP and ISWA's Global Waste Management Outlook.

## References:

1. Zeschmar-Lahl, B.; Schoenberger, H.; Styles, D.; Galvez-Martos, J.L. (2016). Background Report on Best Environmental Management Practice in the Waste Management Sector. Report for the European Commission's Joint Research Centre, Seville, 2016. [Online] <http://www.bzl-gmbh.de/de/sites/default/files/WasteManagementBackgroundReport.pdf>
2. Morlok, J., Schoenberger, H., Styles, D., Galvez-Martos, J.-L. and Zeschmar-Lahl, B. (2017). The Impact of Pay-As-You-Throw Schemes on Municipal Solid Waste Management: The Exemplar Case of the County of Aschaffenburg, Germany. *Resources* 2017, 6, 8. [Open access] doi:10.3390/resources6010008
3. Delatter, C. and Carpintero, A. (2015). Waste management policy in Flanders – from 18% to over 70% separate collection in 20 years. Case Study 8, in UNEP and ISWA, *Global Waste Management Outlook*, Ed. Wilson, D.C., pp 260-266. [Online] <http://web.unep.org/ourplanet/september-2015/unep-publications/global-waste-management-outlook>