



The Financial Impact of Ireland's Planning System Delays on Irish Consumers

An ALDI Ireland Report
Commissioned by ALDI Ireland

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Foreword

Community is the heart of Ireland. We like to be close to each other, our neighbours, and local services - those people and places that are a central part of our daily lives.

One such local service is the community supermarket. The weekly shop is a core functional and social activity in every home. People want to travel conveniently to their local supermarket and to benefit from value, choice, quality and service when they get there.

Having opened our first Irish store in 1999, we have become ingrained in and closer to communities, shoppers and suppliers in every county throughout the past 24 years of growth. It is a journey which currently sees 160 ALDI stores across the country, with ambitions for more to follow.

That was part of our mission when we first arrived here. Of course, we wanted to offer our customers high-quality products at unbeatable value, but we also wanted to bring our customers on a journey of discovery with us by investing in local suppliers and showcasing the excellent work they do by bringing their products to market - on the shelves in stores convenient to our customers.

Investing in local suppliers means investing in local people and in local businesses. Opening more stores in cities, towns, and villages all over Ireland allowed us to bring more Irish suppliers on the journey with us, offer an increasing number of people a chance to experience something new, and provide good jobs and excellent wages to first hundreds, then thousands of people.

We know this is more important than ever as the country grapples with the effects of the cost-of-living challenge. We are committed to helping our customers and suppliers through this period and will continue to shield and protect them. Furthermore, we have set ourselves the challenge of delivering even more value for Ireland over the coming months and years.

While we believe in ourselves, our staff, and our suppliers, we want to deliver more than words; we want data to back up the undeniable fact that Ireland's grocery market, its communities, and its people are better for having an ALDI store in their community. To that end, we engaged DCU Associate Professor Emeritus Anthony Foley to provide an independent economic analysis of our journey to date. We provided Professor Foley with our own data to inform this report and assess the tangible economic impact that an ALDI store has on the communities it serves.


With the results in, we now have evidence to support what we have always known - that ALDI is a positive force in Ireland. In 2022 alone, ALDI customers in Ireland saved an estimated €182 million due to our lower prices compared to the average prices available



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Colin Breslin, Managing Director,
Buying and Services, ALDI Ireland





elsewhere. In particular, towns in rural Ireland have benefited from ALDI's presence, where we employ over 85% of our staff.

However, while we are delighted with our footprint in Ireland to date and want to continue to bring access to quality food at the lowest prices to more and more people throughout the country, we cannot do it alone. Our momentum is linked to processes which, at times, are not fully within our control. One such process is Ireland's planning system.

A planning system is an essential part of social and economic life. Its efficient functioning is central to how we meet and respond to societal needs and address contemporary challenges. A planning system is about many things. One dimension that is perhaps infrequently considered is how central our planning system is to the cost of living.

Like never before, every cent in every household counts. People are seeking out value and those services which deliver it. Planning authorities at local and national levels are the primary decision-makers on where and when those services are provided.

As the adjudicators of planning applications, their decisions, and the

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time it takes to reach them, are key determinants in meeting local and national needs. Housing, healthcare, education, business, and so many other parts of Irish life are shaped by and, at times, hinge on these determinations.

Against this backdrop, the publication of the Draft Planning and Development Bill 2022 is timely. It affords all of us the opportunity to take stock of what we need from our planning system and what should be done to continuously strengthen it.

As a part of Irish community and economic life, ALDI wants to play its part in this regard. As a business that has been involved in multiple planning applications over the past 24 years, we have an informed perspective. Our experiences have, by and large, been progressive and positive. This paper, prepared in partnership with expert economic input, allowed us to evaluate our experiences more deeply, specifically evaluating 16 planning appeals at national, An Bord Pleanála level over a five-year timeframe (2018 to 2022).

In doing so, one thing stood out: the length of time it can take to get decisions. Planning authorities are statutorily bound to deliver their decisions within specific timeframes. In the case of local authorities,



For every month a planning decision on an ALDI application is delayed, €78,333 per month is lost in savings to local community shoppers. We estimate that every month a planning decision is delayed, €1.7 million per month is lost in spending with our suppliers.

a decision must be reached within eight weeks. For An Bord Pleanála, the statutory timeframe for a decision is 18 weeks.

ALDI's experiences with these timeframes have been inconsistent. As detailed in this paper, in some instances, we have waited up to 91 weeks for decisions. The fundamental reasons for these delays are unclear to us. The consequences of these delays, however, are crystal clear. As this report quantifies, for every month a planning decision on an ALDI application is delayed, €78,333 per month is lost in savings to local community shoppers (see Table 1). Furthermore, we estimate that for every month a planning decision is delayed, €1.7 million per month is lost in spending with our suppliers, more than 330 of whom are local Irish companies.

As Professor Foley states, this is the opportunity cost of delayed decision-making.

Ours is only one perspective. Our purpose in sharing it is to meaningfully contribute to the current debate, offering tangible data and practical insights. We hope that doing so encourages others from business and wider society to offer their perspectives and, furthermore, inform legislators and those in decision-making positions at this relevant time.

In this summary report, Professor Foley provides an executive summary of his findings, outlines ALDI's economic contribution to Ireland and quantifies the estimated impact of delays in the planning system on customers. We then offer insights into ALDI's experiences of the planning system and what these mean for our customers and communities. A full comprehensive economic analysis report, authored by Professor Foley, is available to anyone who would like to find out more.

Colin Breslin

Colin Breslin, Managing Director,
Buying and Services, ALDI Ireland



Executive summary

The primary objective of this research report, commissioned by ALDI Ireland, is to estimate and provide empirical evidence of the tangible financial impact that any delay in assessing ALDI's planning applications has on local communities throughout Ireland.

Secondary objectives are to identify the national and regional economic impact ALDI has and to provide empirical and other material which can contribute to better-informed planning decisions on the provision of new stores.

The methodology involved the receipt and analysis of extensive data from ALDI. In some cases, the research conclusions required economic assumptions due to the lack of empirical material on some activities. These assumptions are identified in the report to facilitate transparency and debate. Where necessary, information is presented in forms which protect commercial sensitivities and confidentiality. However, the inferences drawn from it are included. The planning applications and appeals detailed in the report cover the five-year period 2018 to 2022. The full methodology detail is outlined in Appendix 1.

The approach in this report is primarily to use and present ALDI-specific data already in the public domain, such as overall market share, material from annual financial reports, planning application documents and particular location-specific shopper surveys. Further material consulted includes that already published by ALDI: press releases and national and county economic impact reports.

With regard to this report's primary objective, I estimate that for each month's delay in awaiting a planning decision for a new ALDI store, the local community loses €78,333 in savings that would have arisen from lower prices being available locally – the opportunity cost. Further to providing savings, ALDI supports the local communities up and down the country in various ways; through employment - both direct and indirect - spending substantial sums with local suppliers and supporting multiple charities and community groups.

Ideally, all data used in the report would be up to date at the time of writing and refer to the same period. The report was mainly written in the last quarter of 2022 and so this is the primary reference period. In relation to Kantar data, the data specifically analysed and referred to relates to the 12-week period to 2 October 2022. Data that falls outside of this timestamp will be referenced and reported as such.

You can read my full, detailed report should you require any further information on ALDI's economic impact at the national, regional and local levels and what impact planning delays have on local communities.

Anthony Foley

Anthony Foley, Associate Professor Emeritus of Economics, Dublin City University Business School

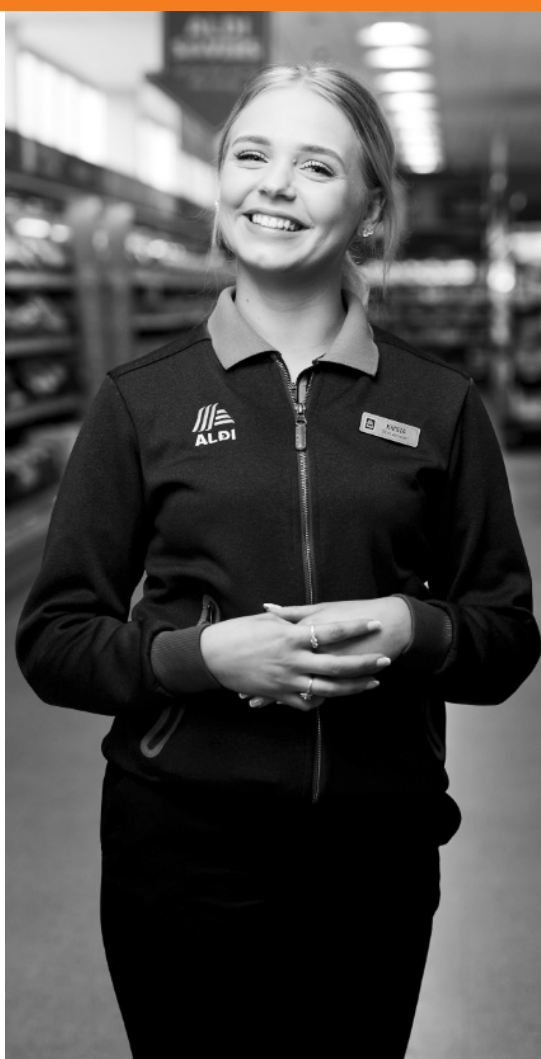


ALDI supports communities up and down the country in various ways; through employment, spending substantial sums with local suppliers and supporting multiple charities and community groups.



Key findings

ALDI is a relatively large player in the Irish grocery market with a significant market share.¹ As such, the retailer has a substantial economic impact at national, regional and local levels. ALDI's presence in Ireland increases competition in the grocery market, encourages price competition and innovation and increases product choice. These factors combine to enhance consumer utility and geographic access, which improves shopper convenience.



Employment

In 2022, ALDI provided 4,650 jobs throughout its stores, regional distribution centres and head office and spent €156 million on wages for the year.

Further to providing direct employment via its operations, ALDI also generates an estimated total of 14,707 jobs. These are comprised of direct jobs as detailed above (4,650), indirect (5,555, excluding services inputs), construction (300) and induced (4,202).

In contrast to the retail sector, ALDI is committed to paying the Living Wage as measured by the Living Wage Technical Group. The average wage of an ALDI employee is €33,500 per annum and greatly exceeds the average wage across the retail sector.

ALDI has a presence in each of the 26 counties with high employment levels in Cork, over 850 employees, which relates to a large number of stores and the location of the regional distribution centre in Mitchelstown; Dublin, 673, which relates to the number of stores; and Kildare with 600 employees due to the locations of the corporate headquarters and regional distribution centre.

ALDI's regional employment spread is much better than total employment. 85.5% of ALDI employment is located outside Dublin, compared to 69.8% for total employment and 74.2% for all retail and wholesale employment.

1: 11.7% in the 12 weeks to 19 February 2023, Kantar Grocery market share

Savings foregone by planning decision delays

The total or aggregate saving in a locality generated by lower prices in a new ALDI store depends on the share of the local market held by the new ALDI store and the volume of business. The research indicates that these vary between locations.

On average, we estimate that a new ALDI store would generate annual local area savings to the local population of €940,000 with a 10% price gap and including a 20% displacement from other ALDI stores (€78,333 per month based on 2022 analysis).

The report estimates that the annual financial savings for shoppers using a new ALDI store in a locality equates to €624. This is based on an assumption of a 10% price gap for a shopper spending €150 per week is €624, with 20% displacement.

Supporting local suppliers

In 2022, ALDI purchased approximately €1.1 billion in goods and services from Irish suppliers. This has a substantial indirect economic impact. ALDI is committed to sourcing products from within Ireland. Evidence of this is that ALDI won the “best supporter of local suppliers” award at the National Grocery Retail Awards in 2021 and 2022. This award recognises its commitment to its 330 local food and drink suppliers.

ALDI also operates a ‘Everyday Irish, Everyday Amazing’ campaign to support local sourcing and runs the annual ‘Grow with ALDI’ programme in conjunction with Bord Bia. This supplier development initiative works with small and medium Irish producers, who are invited to participate in a series of capability development workshops and includes a promotional listing in ALDI. The programme began in 2018, and ALDI has spent about €8 million on it to date.

We estimate that, if decisions for the planning applications detailed in this report were taken in line with the statutory guidelines, ALDI would have spent an additional €103 million with Irish suppliers over the five-year period 2018 to 2022.



Supporting local communities

ALDI supports local communities through its Community Grants Programme, which began in 2016 and has awarded grants to over 1,000 charities and community groups.

ALDI's social activities include partnerships with Barnardos and its Early Years Services in fundraising; the donation of surplus food to FoodCloud; free used battery collection service in conjunction with WEEE, which supports the Laura Lynn Foundation; sponsorship and support of the Irish Cancer Society and, up to 2021, support of Foróige. ALDI donated €125,000 to Foróige in 2021.

To date, ALDI has donated 2.9 million meals to FoodCloud, has issued more than €535,000 worth of community grants, and has pledged to raise €2 million by 2024 for charity partner Barnardos. Additionally, in excess of €1.4 million has been raised for Barnardos since partnering in 2020.



Environment and sustainability

The ability to undertake economic activity and manage a business within the constraints of environmental and sustainability factors is an important operational issue. ALDI is well advanced on this issue and operates in three key areas: climate change, energy efficiency and waste management.

ALDI Ireland has been carbon neutral since 2019. This involves using renewable electricity, using greener refrigerant gases and purchasing carbon offsets. The carbon offset activities include the removal of plastics from oceans, forest protection in Brazil, greener cleaner cookstoves in Ghana and supporting solar energy in India.

ALDI has a packaging goal to reduce the role of plastic. Its current pledges include that, by 2025, 100% of its own-brand packaging will be either reusable, recyclable or compostable, and own-brand packaging material relative to sales will decrease by 15%.

Since 2015, ALDI has been certified to ISO 50001 Energy Management System, an internationally recognised best practice standard, which drives energy efficiency and helps reduce negative environmental impact.



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Planning applications and appeals: The impact on consumers



ALDI has a network of 160 stores covering every county in Ireland. Our expansion ambitions aim to further expand this network.

Each store we seek to build involves a detailed, expertly informed and thoroughly prepared planning application. The application is made in the first instance to the relevant local authority of the location in question, which has a [statutory objective](#)² to reach a decision within eight weeks.

If the decision of the local authority is, for whatever reason/s, appealed to An Bord Pleanála (ABP), a new process commences. ABP has a [statutory objective](#)³ to decide cases within 18 weeks.

Table 1 on the page below summarises our planning appeals experience at An Bord over Pleanála level over the five-year period 2018 to 2022.

The economic analysis set out in this paper estimates that in 2022, based on prices and sales data for that year, €78,333 is lost in savings to local community shoppers every month a planning decision on an ALDI application is delayed.

It should be noted that the delay metric used is measured against the statutory objective period of the respective decision-makers, specifically an 18-week statutory decision-making period for An Bord Pleanála.

It should also be noted that requests for further information can be made as part of the planning appeals process.

2: Planning and Development Act 2018

3: An Bord Pleanála

Case studies

Kilkenny

Castlecomer, Co Kilkenny: as per Table 1 below, the decision of Kilkenny County Council to grant permission for this store application was appealed to ABP on 8 March, 2021. Over two years later, and 91 weeks after the statutory deadline, the appeal was rejected with planning approval confirmed.

Our report estimates that this delay in the ABP process resulted in consumer savings forgone to shoppers of almost €1.6 million.

Cavan

Cootehill, Co Cavan: as per Table 1 below, the decision of Cavan County Council to grant permission for this store application was appealed to ABP where on 28 February, 2022, with a decision due under statutory guidelines by 4 July, 2022.

Regrettably, over a year later, the decision remains outstanding with the savings loss to consumers currently standing at €1,082,232.

Clare

Shannon, Co Clare: as per Table 1 below, the decision of Clare County Council to grant permission for this store application was appealed to ABP on 3 June, 2021. On 22 September, 2022 - 50 weeks after the statutory due date - the application was refused.

This over 11-month delay is estimated to have resulted in savings forgone of €901,860.

TABLE 1: An Bord Pleanála appeals involving ALDI (2018 to 2022)

To 31 Aug 2023

Application county	Application location	Date of appeal	Due decision date <small>Per 18 week statutory guideline</small>	Date of ABP decision	ABP decision	Delay in weeks <small>To 31 Aug 2023</small>	Delay in months	Savings foregone in months	Savings foregone total
Carlow	Tullow	26 Apr 22	30 Aug 22	Outstanding	Pending	52	11.97	€78,333	€937,934.61
Cavan	Cootehill	28 Feb 22	04 Jul 22	Outstanding	Pending	60	13.82	€78,333	€1,082,232.24
Clare	Ennis	06 Oct 21	09 Feb 22	30 Nov 22	Granted	42	9.67	€78,333	€757,562.57
Clare	Shannon	03 Jun 21	07 Oct 21	22 Sep 22	Refused	50	11.51	€78,333	€901,860.20
Cork	Kinsale	09 Mar 23	13 Jul 23	Outstanding	Pending	7	1.61	€78,333	€126,260.43
Cork	Tower	30 Nov 21	05 Apr 22	22 Sep 22	Refused	24	5.53	€78,333	€432,892.89
Cork	Blackrock	18 Jan 21	24 May 21	26 May 22	Refused	52	11.97	€78,333	€937,934.61
Dublin	Finglas	27 Jun 22	30 Nov 22	Outstanding	Pending	39	8.98	€78,333	€703,450.95
Dublin	Clonsilla	09 Feb 23	15 Jun 23	Outstanding	Pending	11	2.53	€78,333	€198,409.24
Galway	Monivea Road	11 Oct 21	14 Feb 22	09 Nov 22	Refused	38	8.75	€78,333	€685,413.75
Kilkenny	Castlecomer	08 Mar 21	12 Jul 21	11 Apr 23	Granted	91	20.95	€78,333	€1,641,385.56
Louth	Ardee	03 Dec 20	08 Apr 21	11 May 21	Granted	4	0.92	€78,333	€72,148.82
Limerick	Dooradoyle	05 Jan 23	11 May 23	Outstanding	Pending	16	3.68	€78,333	€288,595.26
Limerick	Moyross	23 Nov 22	29 Mar 23	Outstanding	Pending	22	5.07	€78,333	€396,818.49
Limerick	Roches Street	16 Feb 21	22 Jun 21	17 Aug 21	Granted	8	1.84	€78,333	€144,297.63
Monaghan	Monaghan Town*	01 May 18	04 Sep 18	07 Mar 19	Granted	26	5.99	€78,333	€468,967.30

TOTAL €9,776,164.54

**Monaghan Town store granted permission on 7 March, 2019, discussions continue at local level regarding commencement of construction.*





Recommendations

1

We welcome commitments in the Draft Planning and Development Bill 2022 to review the statutory timeline against which ABP must reach a decision, and the introduction of financial penalties on ABP where decisions are not taken within the statutory timeline. We acknowledge recent remarks by the interim chair of ABP concerning existing staffing and resources not being at the required levels.

Any revision to the statutory timeline must take account of this feedback. Therefore, in advance of the Draft Bill being enacted, we are calling on the Minister for Housing, Local Government and Heritage to publish:

- a) Resourcing plans for ABP, detailing the level of investment which is being made available to ABP to enhance its resources, details on its renewed hiring plans including a breakdown of new hires with relevant planning experience, and a timeframe over which new hires will be made;
- b) The revised statutory mandatory timelines which he proposes ABP must adhere to under the Bill for public consultation and legislative debate in advance of the Bill's finalisation, to include the specific phases he envisages any new timelines being applied from;
- c) Details of the proposed financial penalty model which ABP will be subjected to, including specific financial amounts and the rationale of these amounts for public consultation and legislative debate in advance of the Bill's finalisation.



We welcome the introduction of financial penalties on ABP where decisions are not taken within the statutory timeline

2

We welcome the commitment under the Draft Planning and Development Bill to subject ABP to performance penalties when failing to reach decisions under the agreed timelines. We also call on the Minister to extend this system to local authorities. Financial penalties alone will not solve the issue of planning decision delays. However, they can serve to enhance overall performance management and incentivise efficient practices.

We recognise views expressed at the Oireachtas Committee pre-legislative scrutiny stage that the application of such penalties must be considered against the context of existing staff resourcing constraints. Therefore, alongside the Committee's recommendation that there would be tiered timelines, we would go further and suggest there would be tiered timeline penalties also.

The longer the delay, the larger the penalty. Supporting guidelines could be developed to oversee such a system with all information published online to aid transparency.

3

In the Oireachtas Committee on Housing, Local Government and Heritage's report on the Draft Planning and Development Bill 2022, we support recommendation 39, that the policy formulation role of Local Authorities and Local Councillors be fully respected and strengthened. We firmly believe that the ultimate evidence of a fully functioning planning system is one in which Local Government is fully funded, trained and empowered to adjudicate on planning decisions in a fair and timely manner, and in which appeals to ABP are at an absolute minimum.

We recommend that the Minister for Housing, Local Government and Heritage prescribe in Ministerial regulations that the National Oversight and Audit Commission, the statutory body established under the Local Government Act 2014 to oversee the local government sector, evaluates and publishes annually the performance indicators of each local authority as it pertains to its planning functions.

These should include details on the number of planning applications received, processed, the duration of time decisions taken within, adherence to the statutory timeline, and other relevant information to enhanced transparency and performance.

4

A request for the proper resourcing of Local Authorities to assist with pre-planning engagement ahead of planning submissions.



Methodology and time frame for the analysis

The primary objective of this research project is to estimate and provide empirical evidence of the tangible financial impact that the delays in planning applications are having on local communities.

The methodology used to estimate this is as follows: the average turnover in an ALDI store is identified. This average is applied to a new ALDI store, and an allowance is made for the displacement of some of this expenditure from existing ALDI stores. An assumption is then made on the difference in cost of the new ALDI store purchases relative to the average cost in the rest of the retail network. Based on the above, potential savings to consumers from a new ALDI store are estimated.

The approach taken by the report author is to refer to the “average” situation. Depending on various factors, such as the number and type of existing grocery operators in a new locality, the actual savings per new ALDI store will be either higher or lower than the average.

The available data is imperfect, and it is necessary to make assumptions about various variables. These are clearly identified in the report. In some cases, alternative scenarios are presented.

It is necessary to refer to some data issues. Kantar is a significant source of data on the grocery market and is generally used in public discussions of the grocery market. However, it has its own limitations in that it does not track Specialbuys, health and beauty or baby products, plants and flowers or convenience/food-to-go.

There is also information available on individual companies from financial accounts and one must be conscious of what constitutes the content of the different sales aggregates of publicly available sources when making assessments. As such, part of the explanation for differing amounts presumably refers to the composition of the total. Kantar data refers to grocery sales, while the financial accounts data refers to total sales, which, in the case of ALDI, includes the “middle aisle” or special buys products such as hardware and clothing.

In addition, the different data sources use different data collection methodologies. Kantar uses a sample survey methodology, which is based on a panel of 5,000 Irish customers. ALDI’s financial accounts data refers to actual sales in a particular period. The Kantar data underestimates the market in some respects.

Ideally, all data used in the report would be up to date at the time of writing and refer to the same period. The report was mainly written in the last quarter of 2022 and so this is the primary reference period. In relation to Kantar data, the author specifically analysed and refers to data in the 12-week period to 2 October 2022. Data that falls outside of this timestamp will be referenced and reported as such.

The planning appeals detailed in the report cover the five-year period 2018 to 2022. The report also takes account of decisions which remain outstanding in 2023.

About ALDI Ireland



- ALDI was voted as the most reputable supermarket in Ireland by Irish shoppers according to the 2023 RepTrak Ireland Report.
- ALDI Ireland employs over 4,650 people and operates a network of 160 stores across the country, with stores in each county in the Republic of Ireland.
- ALDI has pledged to invest €320 million over the next three years (2022-2024) in a bid to further accelerate its share of the Irish grocery market.
- ALDI also plans to on expand its store network in Dublin, resulting in an investment of €73 million in 11 new stores with the creation of 350 new full-time jobs over the next five years.
- ALDI Ireland increased its hourly pay rates for store colleagues from 1 February 2023, maintaining its position as Ireland's best paying supermarket. ALDI pays all store assistants up to €16.00 an hour, with a market leading entry rate of €13.85 an hour.
- ALDI currently stocks over 1,800 products and works with over 330 Irish suppliers. In addition to this, ALDI has invested more than €8 million in its Grow with ALDI supplier development programme since 2018, which provides an opportunity to Irish food and drink companies to gain a listing in ALDI's 160 stores.
- ALDI works closely with a number of national charities including Barnardos, FoodCloud, and the Irish Cancer Society. To date, ALDI has donated 2.9 million meals to FoodCloud, equating to a saving of over 1.2 million kgs of food from going to waste. This also benefits the environment with an equivalent saving of 3.9 million kgs of CO₂.
- ALDI has pledged to raise €2 million by 2024 for charity partner Barnardos to help support vulnerable children and families across Ireland. To date, in excess of €1.4 million has been raised for Barnardos since partnering in November 2020.
- ALDI partners with local communities and charities across Ireland in donating Community Grants each year to help fund local causes and has donated over €535,000 to more than 1,000 local charities through the programme to date.
- ALDI is the official fresh food partner of the IRFU and sponsor of ALDI Play Rugby, a programme that encourages school children to lead healthy and active lifestyles.
- ALDI is a verified member of Bord Bia's national sustainability programme Origin Green, Ireland's pioneering food and drink sustainability programme.
- ALDI has achieved Business in the Community Ireland's Business Working Responsibly mark, one of the leading independently audited standards for CSR and Sustainability certification in Ireland.
- ALDI was awarded Best Supporter of Local Suppliers at the 2022 National Grocery Retail Awards as well as ALDI Cahersiveen being awarded the title of Discounter Store of the year.
- ALDI won the Lean Leadership Award at the Lean Business Awards 2022 in recognition of the strides it has made across both operational and enterprise excellence.
- ALDI was awarded the Communication award at the Chambers Ireland Sustainable Business Impact Awards 2022 in recognition of its Corporate Responsibility strategy, 'Better Everyday'.
- ALDI was announced as Gluten Free Retailer of the Year at the 2022 FreeFrom Food Awards, along with 46 product wins across multiple FreeFrom categories.