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Sent by email only to:

Re: Consultation on Household Waste Collection Market

In relation to the above consultation we have reviewed and support the submission made by the IWMA.

In addition to this we have added a number of comments under the final question other views.

Competition

2.1 In competitive markets consumers benefit from increased levels of innovation, higher service levels, and lower prices. It is therefore important that we understand the factors that impact on competition in the household waste collection market.

(a) In your view, are there distinct local geographic markets in Ireland in the household waste collection market? If so, what characteristics would govern their size and boundaries? Please explain your answer.

As Per IWMA Submission.

(b) What is your view on the level of competition in the household waste collection market in Ireland? Does this vary across the country? Where possible support your views with relevant data, analysis, reports, experience, etc.

As Per IWMA Submission.

(c) Do you think most waste collection service offerings are broadly the same? Is the consumer's choice of provider influenced by factors other than price (e.g. frequency of service, consumer interface, etc.)? If so, are these important considerations for a consumer? Please explain your answer.

As Per IWMA Submission.

(d) In your opinion what would a well-functioning competitive household waste collection market look like in Ireland? For example, number of players, market shares, margin levels, levels of switching, number of operators in any given area/route. Is this in evidence in the market(s) in which you have experience? Please explain your answer.

As Per IWMA Submission.

(e) What in your opinion is the most effective method of market entry? For example, this could be setting up an entirely new household waste collection service, acquiring an existing operator, setting up a joint venture. Please explain your answer.

(f) When an operator is considering entering a new market is the possibility that the incumbent operator could respond by also entering the new entrant's existing markets a key consideration? What are the main factors (e.g. densely populated routes) that are assessed to decide whether the potential of a new market will compensate for the possibility of also losing market share in an existing market? Please explain your answer.

As Per IWMA Submission.

Operational Barriers to Entry

2.2 Where the market is defined at the local authority area level, each household waste collection market would likely display different characteristics in terms of the density and scale of households in that area, the number of treatment facilities and transfer facilities available, and the quality of the road network and level of Local Authority oversight.

(a) Are there any features which are unique to specific local authority area markets that make entry less attractive? Please explain your answer.

As Per IWMA Submission.

(b) What are the barriers to entry to a potential new entrant in a given local authority area market in Ireland (e.g. difficulties in customer switching, access to necessary treatment and transfer facilities, regulatory requirements, or other market characteristics.)? Are any of these disproportionate? Please explain your answer.

As Per IWMA Submission.

(c) What impact, if any, would a concentrated market (e.g. where there is only one or two major household waste collectors) for a local authority area have on the decision to enter such a market? Please explain your answer.

As Per IWMA Submission.

Market Coverage

2.3 Using Central Statistics Office census data and National Waste Collection Permit Office annual returns data the CCPC estimates that 77% of permanently occupied households availed of a household waste collection service in 2016. It is clear therefore that a significant proportion of households have alternative arrangements.

(a) What is your view of the assessment of the current number of households which do not avail of a kerbside waste collection service in Ireland/the area in which you have experience? Please provide any data, analysis, or reports which support your answer.

As Per IWMA Submission.

(b) What in your opinion are the main reasons why households do not avail of a kerbside waste collection service? Are there some areas which do not have access to a waste collection service? If so, why is this the case?

As Per IWMA Submission.

(c) For those consumers who do not/cannot use a household waste collection service, in your opinion are there adequate facilities for centralised waste disposal (e.g. civic amenities, direct to landfill, Pay to use compactors etc.) in Ireland/the area in which you have experience? Please explain your answer.

As Per IWMA Submission.

(d) Does the structure of competition in the market (i.e. side-by-side competition, or tendering for the market) have an impact on household participation in the kerbside waste collection market? Please explain your answer.

As Per IWMA Submission.

Waiver of Waste Collection Charges

2.4 It is our understanding that some local authority areas operate a waiver system (as distinct from the €75 government subvention provided for persons with lifelong/long-term medical incontinence) and that in others, for example, Dublin city, operators continue to offer discounts to previous waiver customers on a voluntary basis.

(a) What local authorities currently operate a waiver, or other form of discount scheme, and what household qualification criteria is currently used for the selection of households which qualify for a waiver scheme?

As Per IWMA Submission.

(b) Do you think that a national waiver scheme should be introduced? Please explain your answer.

As Per IWMA Submission.

(c) What are the potential issues with the implementation of a national waiver scheme?

As Per IWMA Submission.

Landfill and Incinerator Capacity

2.5 In 2016, emergency legislation was invoked by regulatory authorities to make additional landfill capacity available. This development was one of the stated reasons behind the introduction of mandatory incentivised pricing structures in the household waste collection market. Although Ireland's landfill and treatment capacity is outside the scope of the CCPCs current study, we would still like to determine the views of relevant stakeholders.

(a) Is there adequate capacity (landfill and incineration) to deal with Ireland's current and future residual waste generation? Please support your views with relevant data, analysis, or experience.

As Per IWMA Submission.

(b) In your view is there adequate capacity to deal with Ireland's current and future non-residual waste generation? Please support your views with relevant data, analysis, or experience.

As Per IWMA Submission.

(c) Does the structure of the household waste collection market (side-by-side competition, or tendering for the market) have an impact on investment in landfill and incineration facilities? Please explain your answer.

As Per IWMA Submission.

(d) Is access to a sufficient long-term volume of waste a key factor in the development of appropriate waste management and treatment capacity (e.g. requirement for long-term supply arrangements to facilitate investment in treatment facilities)? Please explain your answer.

As Per IWMA Submission.

(e) In your opinion, what impact will the current array of incentivised charging structures by operators have on Ireland's residual waste generation and waste streaming by households? Please explain your answer.

As Per IWMA Submission.

(f) In your view what measures, if any, could be introduced to ensure that Ireland has adequate landfill and incinerator capacity to deal with Ireland's current and future residual waste generation?

As Per IWMA Submission.

Regulatory Environment

2.6 Ireland's overarching policy objectives in the waste management and waste collection markets are set by the Department of Communications, Climate Action and Environment. Local authority area waste management planning and enforcement is co-ordinated by three lead authorities for the Southern, Eastern and Midlands, and Connacht/Ulster areas.

2.7 Currently, the National Waste Collection Permit Office is mandated with issuing household waste collection permits in accordance with the Waste Management Collection (collection permit) Regulations. The responsibility for enforcing the conditions of the collection permits falls to individual local authorities.

(a) In your view are consumers adequately protected by the current regulatory environment (e.g. regulation of operator conduct, adequate complaints resolution procedures, ability to switch to an alternative provider, transparency of pricing etc.)? Please explain your answer.

As Per IWMA Submission.

(b) What impact, if any, do the current household waste collection permit regulations relating to the weighing of household and apartment waste have on the decision to enter a specific market? Please explain your answer.

As Per IWMA Submission.

(c) What impact, if any, do the current household waste collection permitting regulations and food bio regulations have on the number of household waste collection operators in the State? Please explain your answer.

As Per IWMA Submission.

(d) What impact, if any, has the introduction of the new regulations which effectively prohibit the offering of flat-fee charging structures had on market entry by operators? Please explain your answer.

As Per IWMA Submission.

(e) What are your views of the roll-out of a dedicated bin for organic household waste in Ireland? Please support your answer with experience or relevant data.

As Per IWMA Submission.

(f) The current waste collection permit regulations apply to waste collected from households and apartments. In your view, what, if any, enhancements to the current regulations would be appropriate for apartment collection? Please explain your answer.

As Per IWMA Submission.

(g) In your opinion, what impact could tendering for specific markets (i.e. competition for the market) have on the household waste collection market in Ireland? Please explain your answer.

As Per IWMA Submission.

(h) In your opinion, are the current regulatory and enforcement regimes in the household waste collection market adequate? What, if any, changes to these regimes would be appropriate? Please explain your answer.

As Per IWMA Submission.

Other Views

2.8 Please provide any further views you may have on the household waste collection market in Ireland.

The Household collection market in Ireland is serviced by a large number of very efficient aggressive competitive operators who are all eager to expand their business at every potential opportunity.

Local Authorities

Most of the private household operators have grown by purchasing customers from the exiting public sector authorities.

These local authorities were operating at similar price points as are still available today many years later, and the main reason for the local authorities exiting was the unsustainable losses been incurred from the provision of waste services.

On this basis we would argue that any attempt to bring the industry back under public control would result in an increased cost to the consumer.

We would also argue that the control of the waste needs remain with the private operator to enable them to investment in the critical infrastructure projects required.

Waiver Scheme

If a Waiver Scheme is to be considered it should be viewed in a similar fashion as any other type of social welfare entitlement and the best value for money for the tax payer has to be the funding of this by government and the provision of the service to be carried out by the private sector.

Any attempt to bring the waste sector under public control for the inclusion of a waiver system is going to result in a huge burden on the tax payer as

1. The cost of providing the service to waiver customers will be higher than the private sector can provide.
2. Public sector involvement will result in an inefficient higher cost of service for normal domestic customers.

Competition For The Market

Our view is that competition for the market will result in less medium to long term genuine competition and will therefore expose the domestic consumer to higher costs.

Any competition will lead to a lengthy expensive tendering process with a lot less operators remaining in the market.

The unsuccessful tenders will not have the required scale of operations to remain in the waste sector, and will not be in a position to re enter the market at a later date.

This will result in the consumer been totally dependent on a number of large private operators (possible foreign) who will have the entire Irish market to themselves with no option available to ensure competitive pricing and adequate service levels.

It is our belief that competition for the market will result in the waste industry been controlled by a few large companies with minimal reinvestment and contribution to the local economies that they operate in.

The few large remaining operators will after time be the only option available to the commercial market as due to the market size in this country all operators are servicing

both domestic and commercial sectors in order to have the scale required to survive in such a capital intensive industry.

This will result in the commercial sector incurring large price increases that will be again passed on to the everyday consumer.

As a result of a recent large scale acquisition in the waste industry the competition authority reviewed the market and approved the acquisition.

Large scale investment has been made by the private sector in recent years but we feel the industry has to be given the reassurance that the market is free from any interference for a minimum of 7 years, to allow the funding and investment that are required to move the industry forward for the next 20 years.