The Chartered Institution of Wastes Management

Republic of Ireland Centre

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For the Attention of: Household Waste Collection, CCPC, Bloom House, Railway Street, D01 C576, Ireland.

Submission via e-mail to:

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CIWM Ireland Submission to the Competition and Consumer Protection Commission (CCPC) Public Consultation – The Irish Household Waste Collection Market

CIWM

Ireland Centre

Introductory Remarks:-

The Chartered Institution of Wastes Management (CIWM), Ireland Centre (CIWM Ireland) wishes to make the attached submission in relation the Competition and Consumer Protection Commission (CCPC) public consultation on The Household Waste Collection Market.

CIWM Ireland is one of ten CIWM Centres comprising of c.5,000 waste management professionals working in all sectors and levels of the industry. CIWM Ireland numbers 127 members.

We have prepared responses to each of the questions posed (1 to 7), in the consultation document in the following submission.

We have copied the questions and provide our comments in blue font below each question. Attached to the submission is a relevant supporting document and links to others within the body of the response.

On behalf of CIWM Ireland, can I thank you for the opportunity to provide our members collective view.

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CIWM

Inspiring excellence in resource management

CIWM Ireland Submission:-

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.

Yes, there is urban and rural aspect. Scale and distance to waste markets would be governing factors as well as long established customer loyalty. Rural areas tend to have minimal population turnover that are disbursed with low population densities over large geographical areas.

(b) What is your view on the level of competition in the household waste collection market in Ireland? Side by side competition is good in urban areas. In rural area's competition is less due to higher transport costs and poorer customer density. In addition, that rural households tend to look after their own waste management needs e.g. Use Civic Amenity Site/Recycling Centres or share bins, etc. Does this vary across the country? Yes, see aforementioned. Where possible support your views with relevant data, analysis, reports, experience, etc. Please see attached - CIWM Submission in relation to 2014 Regulation of Household Waste Collection - Consultation Document.

(c) Do you think most waste collection service offerings are broadly the same? From a macro perspective Yes – household waste management. Is the consumer's choice of provider influenced by factors other than price (e.g. frequency of service, consumer interface, etc.)? To a point, yes. But cost is the overriding factor. Sometimes, the consumer has no choice e.g. apartment dwellers, where the estate management company makes the decision. If so, are these important considerations for a consumer? Yes, but from the multiple choices in charging offered, it's difficult for the household customer to decide which are more important than others. Please explain your answer. Please click here to access Department of Communication, Climate Action and Environment (DCCAE) information on the nature of Household Waste Collection charging systems.

(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.

We are not directly involved in the provision of household services. But each of us are customers. We would say, Yes, but it's not transparent, it is confusing with 45 service offerings in play across the choice of charging systems of Pay per Weight, Pay Per Volume, Pay Per Use and Pay Per Bag. Click here to refer to DCCAE Price Monitoring Group Reports

(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. There is no one single method. These are the market options and each and all are business decisions to be taken by the entrant.

(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. Yes, this is how it works, or meant to work in a competitive market– where the household customer has choice.

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.

No. Household waste collection markets do not follow local authority administrative area boundaries. It's a national free market, With some waste management companies operating nearly nationwide using side by side competition. Refer to attached document.

(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.

Please refer to our answer to 2.2 (a)

(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.

Too small a market leads inadvertently to monopolisation. Our colleagues in Northern Ireland where tendering for the household waste collection market is in place offer that opinion. Competitors that do not win the first offer, do not survive to offer competition when the next tender comes round. The household waste collection market in Ireland consists of 68 permit operators – National Waste Collection Permit Office web register (Click on link). They are cases investigated by the former Competition Authority which you as the new body for same will have on file. Recent acquisitions have seen the potential for monopolisation to occur. This risk has been managed by you directing some of the household collection market to be sold to competitors.

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.

Refer to CIWM Submission in relation to 2014 Regulation of Household Waste Collection - Consultation Document. See EPA National Waste Report 2012 – unmanaged household waste. Click on link.

(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?

Cost, Bin sharing, use of public facilities and illegal disposal e.g. backyard burning, etc. Please refer to CIWM Submission in relation to 2014 Regulation of Household Waste Collection - Consultation Document

(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.

Yes, if you have transport. 145 Civic Amenity Facilities are available nationwide – source EPA 2014 report on National Municipal Waste Recovery Capacity Report and some 1700 bring sites for waste glass and cans. Click on link for more information.

(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. Yes – cost is deterrent factor.

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?

Only one local authority provides household waste collection services directly – Killarney Town Council. Post TUPE of former Council household collection customers to the private sector, Waivers have been phased out we believe.

(b) Do you think that a national waiver scheme should be introduced? Please explain your answer. No. But there should be social payment in cases where people are unable to pay for their household waste collection.

(c) What are the potential issues with the implementation of a national waiver scheme? Cost and administration in a competitive market.

Refer to CIWM Submission in relation to 2014 Regulation of Household Waste Collection - Consultation Document.

Landfill and Incinerator Capacity

2.5 In 2016, emergency legislation was invoked by regulatory authorities to make additional landfill capacity available[1]. 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.

No. We are very reliant on other member states incinerator capacity for RDF treatment as a by-product of residual waste treatment. See 2016 NTFS export data for amber list wastes - Click on link.

(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.

No. The last published report National Municipal Waste Recovery Capacity by the EPA on behalf of DECLG now the DCCAE, is now out of date. See answer to 2.5 (a) and refer to the Ireland 2040 Our Plan – National Planning Framework that indicates significant population growth but no mention on how to manage the waste. Please click on links for further information.

(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.

Yes, it's an integral part of the waste management industry. Greater household waste management for mixed dry recyclables and brown bin will see greater diversion of waste from landfill towards recycling and energy recovery (R1 -incinerators).

(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.

Yes. Most plants have a long term payback and lifetime (25 years for incinerators, etc.).

(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.

Very little, as its too confusing to work out and see the incentive to use the other bins. Refer to likely causes of failure to introduce pay by weight charging – click to access for DCCAE Review of the Obstacles the Hindered the Planned Introduction of Pay by Weight Charging on 2016.

(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?

Improved up to date data on waste growth, better classification of waste and its sources. Manage the risk with accurate and updated waste model that captures all key factors, improved sanity checks on the data. Cross reference data to similar waste management markets in fellow Member States.

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[2]. 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.

Yes, to a point, but they system to do so is confusing (who to you first complain too, pricing is not readily transparent, certain area's such as in rural parts of Co. Wicklow only have one Collector) its slow and cumbersome and costly should they want to take their own action. It could be more user friendly.

. (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.

We would suggest that they have a positive impact. They ensure that those entering the household waste market are committed and professional as they require the applicant to make a significant financial investment.

(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.

None. As we understand that these regulations do not restrict the number of collectors.

(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.

Early indications is that there is little or no impact (other than addition cost of PPW equipment). None have exited the market as of yet.

(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.

Whilst organic bins (aka brown bins) are offered by Collectors to their household customers, take up is questionable. Organic bins that are in use are also suffering with poor quality at collection due to cross contamination of bins by householders. We wonder if there has been a cost benefit analysis completed on this. What is the carbon footprint of collecting sparse rural brown bins versus the impact of not collecting them? Refer to Cre website for further information. Click on link.

(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 pointed out in our response to 2.1 c, apartment dwellers are limited in their actions depending on the nature of the collection service offered. Anecdotally it is noted that segregation options are poor. Make provision of segregation bins or means to do so, mandatory on apartment management companies.

(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.

We would suggest that this would put the market into turmoil. Any collector who is currently collecting, or recently purchased collections from local authorities would most likely take this to the courts

(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.

Yes. Given changes there is more joined up thinking and sharing of resources and information. They are loopholes where performance could improve, such as apartment waste management, awareness and education, waste prevention, etc. However, given household collection market dynamics and policy/legislation trying to keep pace it's an ever ending challenge it appears.

End of submission.