



Advisory Group on a 'Waste Action Plan for a Circular Economy'

Meeting Wednesday 15 April 2020

Discussion Note – Waste Collection Market

The topic for discussion at this meeting, which will take place on-line using the Zoom application, will be the structure of the waste collection market. As set out in the **Public Consultation Waste Action Plan for a Circular Economy (December 2019)**, the waste collection market in Ireland is predominantly serviced by private companies with only one local authority still involved in the collection of household waste.

Under existing legislation (the Waste Management Act 1996 (as amended) and associated regulations), the role of central Government is to set the policy and legislation to protect the environment and human health. The regulation and enforcement of waste collection are the responsibility of the relevant local authority under sections 33, 34 and 35 of the Waste Management Act 1996. Under Section 34 of the Waste Management Act a waste collector, other than a local authority, must have a permit to collect waste for the purpose of reward, with a view to profit or otherwise in the course of business, and must comply with the conditions of that permit.

Waste Collectors must hold a valid waste collection permit issued by the National Waste Collection Permit Office (NWCPO) in order to collect waste. A standard set of conditions is attached to each permit which seek to govern the activity in a flexible and responsive manner to control waste collection and contribute to the achievement of Regional, National and EU waste objectives. This system, which allows for multiple operators competing for market share,

is known as side-by-side competition or competition in the market and is almost unique to Ireland. Since moving towards this system of household waste collection, and in parallel with significant regulatory and structural reform, Ireland has seen a significant improvement in performance towards our EU targets.

Franchise bidding or competition for the market is more common across the EU. This system, whereby a municipality / local authority or group of authorities invite tenders from private operators to bid for the exclusive right to collect waste or certain streams of waste within their functional area, is considered by some to be a more effective means of ensuring that guaranteed levels of performance are delivered – in terms of economic, social or environmental outcomes.

A Regulatory Impact Analysis (RIA) published by the Department in July 2012 considered the introduction of franchise bidding for household waste collection. The RIA identified a number of risks associated with the introduction of franchise bidding / competition for the market and ultimately recommended that the current market structure of side-by-side competition should be retained, subject to the regulation of household waste collection being significantly strengthened. A range of measures were introduced under **A Resource Opportunity (2012)** to do this (see Annex 1 to **Public Consultation Waste Action Plan for a Circular Economy** for a summary of these measures).

More recently, report of the **Competition & Consumer Protection Commission (CCPC) on the Household Waste Collection Market (September 2018)**, recommended the introduction of an economic regulator with responsibility for, inter alia, market design, including the possibility of introducing targeted competitive tendering for certain areas.

Some questions to consider:

- How are the current market structures working and how could they be improved in your opinion?
- What specific issues would or could be addressed through the introduction of a system of franchise bidding?

- If you favour the introduction of franchise bidding, how would the transition process be managed, in terms of, for example:
 - Area - pilot areas or national roll out;
 - Market structure – local authority areas, groups of local authorities, regions (i.e. aligned with Regional Waste Management Plans);
 - Timing - A phased or single-point changeover approach;
 - Treatment of existing permit holders;

Further Reading:

Altering the Structure of Household Waste Collection Markets A

Discussion Document (Department of the Environment, Community and Local Government, June 2011).

IWMA Submission to Department of Environment, Community and Local Government In relation to Altering the Structure of Household Waste Collection Markets A Discussion Document June 2011 (IWMA, September 2011).

http://iwma.ie/wp-content/uploads/2017/11/110902_501.00181.00004_Household-Waste-Market-Consultation_IWMA_Final.pdf

The Regulation of Household Waste Collection Consultation Document, (Department of the Environment, Community and Local Government, November 2013).

<http://www.epa.ie/pubs/epasub/Household%20Waste%20Consultation%20Doc%20Nov%202013.pdf>

Competition & Consumer Protection Commission (CCPC) Report on the Household Waste Collection Market (CCPC, September 2018).

<https://www.ccpc.ie/business/wp-content/uploads/sites/3/2018/10/The-Operation-of-the-Household-Waste-Collection-Market.pdf>

Public Consultation Waste Action Plan for a Circular Economy

(Department of Communications, Climate Action and Environment, December 2019).

https://dcca.gov.ie/enie/environment/consultations/Documents/26/consultations/Waste_Action_Plan_for_a_Circular_Economy.pdf