



Submission to the Waste Advisory Group

Time to Modernise Ireland's Domestic Waste Collection Service.

April 2020.

1. Overview.

2. The Irish Congress of Trade Unions is the largest civil society organisation on the island of Ireland representing almost 800,000 workers. Congress see the work underway through the Waste Advisory Group as an opportunity to modernise the often-chaotic arrangements for the collection of domestic waste. It is our view that the state's policy in the area of domestic waste collection requires significant reform. The key finding of the 2018 report by the Competition and Consumer Protection Commission (*The Operation of the Household Waste Collection Market*) is that Ireland is now exceptional within the EU to persist with 'side by side' competition within 'a market area'. The present structure of domestic waste collection in Ireland has resulted in a situation where:

- 23% of all households have no domestic waste collection service;
- There are unsustainable levels of illegal dumping;
- Low pay and poor working conditions are widespread across the sector.

3. It is time to overhaul the way Ireland collects domestic waste. It is our position that the state needs to reform its domestic waste collection policy to ensure that:

- Domestic waste is collected in an environmentally sustainable manner
- Illegal dumping is radically reduced by ensuring that every household is provided with an affordable service
- That workers in the industry earn decent wages and enjoy good terms and conditions of employment

4. In order to achieve these goals, the country needs to adopt a domestic waste collection model in line with EU norms. It is our view that these goals are best realised through the re-municipalisation of the service. In order to ensure that the existing private operators competition rights are not infringed it will be necessary to implement a progressive public procurement process.

5. Changing Times.

6. There is a growing public awareness around the need to organise our economy in an environmentally sustainable manner. This environmental awareness also informs attitudes towards waste. The public increasingly see the need to both, reduce waste drastically and maximise re-cycling. An entirely free-market approach to the collection of domestic waste is not sustainable. In some respects, the waste industry is a microcosm of the dysfunctional effects caused by the increased tendency to commodify services that up until relatively recently had been firmly within the realm of the public service. We need to prioritise environmental concerns, along with the provision of a universal quality service to citizens. The workers in the industry need a fair deal also, accordingly, the

procurement procedures need to be designed to ensure worker welfare is an integral part of a reformed sector.

7. The consensus on the need for change was reflected in the outcome of a campaign ran by three of our affiliated unions (Connect, Fórsa and SIPTU) in the run up the local elections held in 2019. The “More Power to You Campaign”¹ called for a radical overhaul of the Local Authority sector including a greater role for Local Authorities in the provision of domestic waste services. This campaign was supported by all of the main national political parties and received personal endorsements from over 1100 candidates seeking election to the various Local Authorities. In 2019 two motions were passed by Dublin City Council calling for a more active role for that Local Authority in the collection of the domestic waste.

8. Environmental Concerns.

9. One of the key findings of the Competition and Consumer Protection Commission (CCPC) report, referred to in is that nationally 23% of households do not avail of a domestic waste collection service. As a state we are paying ever more in cleaning-up after illegal dumping. (No state agency appears to calculate the annual total costs incurred by the state in respect of same). Side-by-side competition in the domestic waste collection market has resulted in multiples of the trucks over the required number necessary operating in some municipal authorities. The current policy allows for multiple providers to operate within the same municipal area thereby increasing both carbon emissions and traffic congestion in our towns and cities. Illegal burning of waste is also widespread and grossly underestimated, contributing to additional carbon emissions and the release of other pollutants/toxins into the atmosphere. All this is happening at a time when Ireland is failing miserably to achieve our carbon emission reduction targets.

10. Cost to the Household.

11. Up until 1977 Ireland was typical of most European states, i.e. households contributed, through local taxation, to the running of local councils. This changed with the elimination of domestic rates in 1977. Local authorities began a slow withdrawal from domestic waste collection from the late 1980s. Local Authorities typically provided a waiver system which allowed poorer households access to the domestic waste collection service. This ceased when local authorities withdrew from direct provision of the service. The average cost per household in 2018 was €228, an increase of 11% from 2012.

12. Worker Welfare.

13. There are approx. 6,000 workers employed in the domestic waste collection industry. Typically, the rates of pay and the conditions of employment are poor. General operatives

¹ <https://www.forsa.ie/morepower/>

typically earn minimum wage or less and drivers' rates vary between €10-€13 per hour. Outside of one state owned firm, which does provide a very rudimentary occupational pension scheme, we are not aware of the existence of occupational pension coverage in the sector. Sick pay schemes are not a feature of the industry either. Agency workers are an increasing phenomenon within the sector and the workforce is increasingly comprised of foreign nationals. Undoubtedly the state is subsidising low pay in the sector by extending Family Income Support and other social transfers to employees and their dependents.

14. Legislative Reform and Public Procurement.

15. Congress believes that an environmentally sustainable service can only be achieved through amending the 1996 Waste Management Act. Ultimately it would be more economical for local authorities to provide the service rather than have the state, through a number of agencies, incur the costs of: policing, regulating and ultimately cleaning up after market failure. The CCPC report found that the provision of a domestic waste collection service was 'a natural monopoly'. There is a compelling logic for a service deemed to be 'a natural monopoly' to be provided by the state. At a very minimum local authorities must be permitted to tender for provision of the service, but for this to happen side-side competition within a municipal area must be eliminated and replaced with a procurement procedure for the entire municipal 'market'. The EU Commission has developed Green Public Procurement Criteria² and Socially Responsible Public Procurement Guidelines³ which can ensure that the most progressive procurement procedures are adopted by local authorities. Such a tendering regime should also include worker protection clauses that currently exist under the current Public Service Stability Agreement. The establishment of a Sectoral Employment Order could ensure minima pay, and terms and conditions of employment are established in the industry. Performance clauses should also be included in contracts to regulate the environmental performance of waste collection operators and ensure minima labour standards are adhered to. Public procurement rules enable contracting authorities to exclude poorly performing operators from procurement procedures. This could thereby operate as a powerful motivator to ensure regulatory compliance. The implementation of effective public procurement processes is legally sound and will avoid the distortion of competition.⁴

² European Commission, Environment, GPP Criteria. Available at < http://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm> (date accessed 20th February 2019).

³ European Commission, "Buying Social A Guide to Taking Account of Social Considerations in Public Procurement" (2010) p 9 available at < <https://europadecentraal.nl/wp-content/uploads/2013/01/Handbook-Buying-Social.pdf>> (date accessed 17th February 2019).

⁴ European Commission, "Strategic Public Procurement: Facilitating Green, Inclusive and Innovative Growth" 12(3) European Procurement & Public Private Partnership Law Review (2017) at 219. at p 219.

16. Provision of Community Bins.

17. We need to radically reduce the number of bins in our cities. People in terraced housing are forced to have an array of bins adorning the front of their houses. Contrast figure 1. Inner city Cork with figure 2. Amsterdam.



Fig 1



Fig 2

This necessary transformation can only be achieved through a single provider of service for a municipal area.

18. Household Obligation.

19. Ireland is unique in the EU in designing an extreme free market model that has resulted in almost 1 in 4 households having no domestic waste collection service. Arguably, it is this situation from which the majority of issues surrounding illegal dumping, stem. There are undoubtedly many households who utilise publicly owned waste facilities for the disposal of domestic waste, however, there are plenty who burn their waste or dispose of their waste in an illegal fashion. The recent pandemic has highlighted the need to ensure that all households have access to and avail of a domestic waste collection service.

20. It would be preferable to oblige households to engage a service provider but this may be politically sensitive. The only pragmatic way in which such a regime would be tenable is for the provision of a subsidised service, as existed when local authorities provided waivers for poorer households with the municipal area. The provision of a subsidised service is best suited to a local authority led service.

21. Reform rather than Enhanced Regulation.

22. The terms of reference of the CCPC study of *The Operation of the Household Waste Collection Market* in 2018 were limited in scope. They provided for an assessment of “the nature and scale of consumer and operator issues in the household waste collection

market and consideration of the introduction of an enhanced regulatory regime [that could] efficiently address these issues”. Enhanced regulation will not address the principle issues highlighted in this submission. It will not for example, ensure universal household coverage, nor will it address worker welfare issues. This can only be achieved by ‘normalising’ the state’s policy via the adoption of standard EU procurement/tendering procedures. A structural approach is required to ensure that the state is not dealing with market failure issues ‘after the fact’.

23. Discussion Paper.

24. Congress notes the assertion in the *Discussion Note – Waste Collection Market, April 15* that “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”. We would dispute any causal relationship between side-by-side competition and the impressive targets that we have achieved in re-cycling. This has in the main been attributable to the waste streaming regime that has been put in place at household level.

25. Recommendations

26. In conclusion Congress recommends a move to a tendering ‘for the market’, through a progressive public procurement process thus eliminating side-by-side competition. We recommend that this be trialled initially in the Dublin area and then extended to the entire country. This respects the competition rights of existing providers who, along side local authorities would be entitled to ‘tender for the market’.