

**Directorate for Financial and Enterprise Affairs
COMPETITION COMMITTEE**

Annual Report on Competition Policy Developments in Ireland

-- 2018 --

5-7 June 2019

This report is submitted by Ireland to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 5-7 June 2019.

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Ireland

1. Executive Summary

1. 2018 was the busiest year on record for merger notifications to the Competition and Consumer Protection Commission (CCPC). Over the 12 months, the CCPC issued 95 determinations, five of which required commitments to secure approval. The number of complex mergers also increased with a total of 14 extended Phase 1 investigations, three of which required a Phase 2 investigation. The CCPC also completed an investigation into a failure to notify and implement a notifiable merger (gun jumping). This file was referred to the Director of Public Prosecutions who gave direction to prosecute with the hearings taking place in May 2019.

2. Last year the CCPC's activities spanned a number of different sectors including waste, motor insurance, event ticketing, residential care services and bid rigging where business behaviours, structural issues or regulation were distorting particular markets.

3. In the waste sector, the CCPC published a report examining the market from a competition, consumer protection and regulatory perspective. The CCPC examined the current structure and the evolution of the waste collection market, the economic theory behind utility markets, and compared Ireland's market against that of other European countries. Recommendations were made as to the steps that could be taken to ensure that the market delivers the best outcomes for the State, consumers and operators.

4. In 2018, the CCPC continued with its work in the area of detecting bid rigging. In June 2018, the Court of Criminal Appeal increased one of the fines handed down in Ireland's first conviction for bid rigging. An individual and business were convicted in 2017, for bid rigging in the procurement of flooring contracts. The company director's fine was increased from €7,500 to €45,000. The CCPC also has an ongoing investigation into potential bid rigging, in the procurement of publicly funded transport services. During 2018, the CCPC also undertook work to raise awareness about bid rigging in public and private sector procurement. This included hosting a seminar with delegates from the Dutch, Portuguese and Swiss Competition Authorities presenting to representatives from various state sectors who deal with public procurement. Information was also shared between agencies on different methods that are used to detect bid rigging and new screening tools being developed that will be better at detecting patterns. An information booklet and checklist was also developed to assist businesses and individuals in understanding what bid rigging is and the signs to watch out for.

5. Last year we also concluded our examination of potential anti-competitive behaviour by a trade association, Nursing Homes Ireland (NHI). In 2017, the CCPC became aware of a meeting organised by NHI at which collective action against the Fair Deal Scheme was allegedly discussed. The CCPC commenced an examination to determine whether NHI and its members had implemented any of the suggestions made at the meeting, which included collective action to potentially increase the contributions required from nursing home residents, potentially refuse new admissions from acute hospitals and limit the number of new beds made available under the Fair Deal Scheme. Following this examination, in 2018, NHI confirmed that it had not implemented any of the measures discussed and it entered into binding commitments with the CCPC, which provided that it will not engage in discussions with its members in relation to anti-

competitive collective actions and it will not seek to influence the pricing or supply decisions of its members.

6. Since the CCPC was established in October 2014, the organisation's workforce has undergone significant change. Reflecting the evolving nature of markets, enforcement agencies now require skills and experience beyond traditional economic and legal qualifications. The CCPC has created new specialised roles, including a digital forensics unit and broadened team structures such as combining our competition enforcement and mergers functions. As a result of our recruitment drives, we have attracted considerable talent. In 2018, the CCPC filled 23 vacancies, which for an organisation of just over 100 is very significant. Further developments were also made in relation to Irish competition law and the CCPC's enforcement powers. And the CCPC is continuing to work closely with its parent Government Department in the transposition of the ECN+ Directive into Irish law.

7. Over the past four and a half years, the CCPC has been putting in place the building blocks to ensure the success of the organisation in the long term. And with a bolstered staff, several well-progressed investigations and on the cusp of significant legislative change, the CCPC's interventions will have a meaningful impact on markets where consumers and businesses need us most.

2. Changes to Competition Laws and Policies, Proposed or Adopted

2.1. Summary of new legal provisions of competition law and related legislation

8. In 2018, following a public consultation reviewing certain provisions of the Competition Act 2002, the CCPC's parent Department, the Department of Business, Enterprise and Innovation issued a Ministerial Order revising the financial thresholds at which notification of a merger or acquisition to the CCPC is required. Under the new thresholds which were implemented on 1 January 2019, a merger or acquisition must be notified to the CCPC if, in the most recent financial year:

- The aggregate turnover in the State of the undertakings involved is not less than €60,000,000 (increased from €50,000,000) and;
- The turnover in the State of each of two or more of the undertakings involved is not less than €10,000,000 (increased from €3,000,000).

2.2. Other relevant measures, including new guidelines

9. In November 2018, the CCPC undertook a public consultation to seek views on the introduction of a simplified merger procedure. The aim of the consultation was to seek views from the CCPC's external stakeholders on whether a simplified procedure for the review of certain mergers on the basis that they clearly do not raise competition concerns, should be introduced in the State. This is currently under review by the CCPC.

2.3. Government proposals for new legislation

10. At present Ireland is one of a very small number of European countries that will only allow for a company to be fined if a Court finds that there has been a criminal breach of competition law. The CCPC uses all of its powers and resources to investigate anti-

competitive practices, however, in contrast to European counterparts the CCPC is currently prevented from securing significant enforcement outcomes for non-criminal breaches. The CCPC began to work closely with our parent Government Department in the transposition of the ECN+ Directive.

3. Enforcement of competition Laws and Policies

3.1. Action against anti-competitive practices, including agreements and abuses of dominant positions

3.1.1. Summary of Activities

11. One of the core functions of the CCPC is to enforce competition law and to take legal action when the CCPC believes that the law has been broken. Enforcement work can be divided into two categories:

12. The first relates to hard-core cartels. These are treated as criminal breaches of competition law. As cartels are a criminal breach of the Act, they need to be proven beyond a reasonable doubt. Where the CCPC has enough evidence of a criminal cartel agreement, a file on that case is referred to the Director of Public Prosecutions (DPP) for prosecution on indictment. The CCPC, in conjunction with DPP, operates a Cartel Immunity Programme, which helps uncover cartels and provides witnesses for the criminal prosecution of cartel members. The programme means that a member of a cartel may avoid prosecution, including fines and jail time, if they are the first member to come forward and reveal their involvement in illegal cartel activity before the CCPC has completed any investigation and referred the matter to the DPP. On conviction before the courts, individuals can face prison sentences and both individuals and companies can be fined.

13. The second relates to abuse of dominance and anti-competitive agreements which do not amount to a cartel, for example vertical agreements. These are treated as civil breaches of competition law. Under Irish law, in civil cases the CCPC does not have decision making powers or fining powers. The CCPC can only seek a declaration in Court that the behaviour is unlawful, and secure an injunction directing the undertaking to cease the behaviour.

14. In summary, in 2018, the CCPC:

- Issued three witness summons and 19 formal requirements for information in the course of investigating potential breaches of competition law. In some cases, multiple summons hearings were held under a single summons issued.
- Opened 10 new files and closed 10 relating to potential criminal breaches of competition law.
- Screened 33 complaints relating to potential civil breaches of competition law.
- Carried out 10 competition related investigations and closed 11 (some of these investigations rolled over from 2017).
- Secured commitments from Nursing Homes Ireland following an examination into potential anti-competitive conduct in the private nursing home sector.

- Following a criminal investigation into a failure to notify and implement a notifiable merger (gun jumping), a file was referred to the Director of Public Prosecutions. A second criminal investigation was also opened into a separate gun-jumping transaction.

15. Following an investigation by the CCPC into a cartel in the flooring sector, the Director of Public Prosecutions appealed the case to the Court of Criminal Appeal. The Court of Criminal Appeal increased a fine handed down to a former director, from €7,500 to €45,000 for engaging in bid rigging in procurement.

16. The CCPC had active investigations that continued into 2018, including into a suspected cartel in the publically funded transport sector, potential price signalling in the motor insurance sector and anti-competitive conduct in the ticketing sector.

3.1.2. Description of significant cases, including those with international implications.

Criminal Investigations

Bid rigging

17. In 2018, the courts increased the fine handed down to a former director, from €7,500 to €45,000 for engaging in bid rigging in the procurement of flooring contracts. This was Ireland's first bid rigging conviction. Bid rigging and procurement continues to be a focus for the CCPC. In addition to an ongoing investigation in the public transport sector, the CCPC hosted a workshop for procurement officials to discuss best practice in screening tools for bid rigging in public procurement. A new guide for businesses was also published aimed at raising awareness of the common signs of bid rigging.

Non-cartel investigations

18. Our motor insurance and event ticketing investigations continued with further evidence gathered. Both of these investigations are now in the latter stages.

Activities of a trade association

- Restaurants Association of Ireland

19. The CCPC commenced a civil competition law investigation into the conduct of the Restaurants Association of Ireland (RAI). The investigation followed several months of engagement with the RAI, during which time the association failed to address concerns identified by the CCPC. In January 2018, the CCPC became aware of public statements made by the RAI, stating that the association had written to its members and recommended the introduction of booking policies, including obtaining non-refundable deposits from customers to counteract 'no show' bookings, and suggesting a deposit amount that should be sought from customers. The nature of this engagement is to bring about compliance. This investigation is continuing into 2019.

- Nursing Homes Ireland

20. In October 2017, the CCPC commenced an examination of potential anti-competitive behaviour by a trade association, Nursing Homes Ireland (NHI). The CCPC became aware of a meeting organised by NHI at which collective action against the Fair Deal Scheme was allegedly discussed. The CCPC commenced an examination to

determine whether NHI and its members had implemented any of the suggestions made at the meeting, which included collective action to potentially increase the contributions required from nursing home residents, potentially refuse new admissions from acute hospitals and limit the number of new beds made available under the Fair Deal Scheme. Following this examination, in 2018, NHI confirmed that it had not implemented any of the measures discussed and it entered into binding commitments with the CCPC, which provided that it will not engage in discussions with its members in relation to anti-competitive collective actions and it will not seek to influence the pricing or supply decisions of its members.

3.2. Mergers and acquisitions

3.2.1. Statistics on number, size and type of mergers notified and/or controlled under competition laws;

- 98 merger and acquisitions were notified which represents an increase of approximately 36% of the number notified in 2017.
- Real estate was the most prominent sector with information & communications, healthcare and financial & insurance services also prominent. There was also increased merger activity in the motor sector and in entertainment and recreation.
- Of the 98 notifications received, 14 nine required an extended Phase 1 investigation. The 14 extended Phase 1 investigations were;

Figure 1.

M/17/056 – Bay Broadcasting/ Classic Rock Broadcasting
M/17/064 – Tetrarch/Citywest M/17/068 – Irish Times/Sappho(Irish Examiner)
M/18/009 – BWG Foods/4 Aces M/18/016 – Trinity Mirror/Northern & Shell
M/18/031 – Uniphar/SISK Healthcare
M/18/042 – Oaktree/Alanis/Lioncor (JV)
M/18/036 – Enva/Rilta*
M/18/053 – Pandagreen/Knockharley Landfill and Natureford*
M/18/063 – Berendsen (Elis)/Kings Laundry*
M/18/067 – LN Gaiety/MCD Productions*
M/18/075 – Irving/Tedcastles *M/18/082 – Goldreed Holdings/Greene Farm*
M/18/089 – Lakeland/LacPatrick*

Note: * Ongoing investigations carried over to 2019

- Five media mergers were reviewed by the CCPC in 2018. Three were received in 2018 and two carried over from 2017. M/17/056 Bay Broadcasting/Classic Rock Broadcasting, M/17/068 Irish Times/ Sappho (Irish Examiner), M/18/001 CMNL/North Dublin Publications M/18/016 Trinity Mirror/Northern & Shell and M/18/092 FormPress Publishing (Iconic)/assets of River Media
- 95 Determinations were issued which represents a 40% increase compared to 2017. 85 of the determinations were issued in respect of proposed transactions notified during 2018 and the remaining ten were in respect of proposed transactions notified towards the end of 2017 which were carried over to 2018

- While the CCPC did not prohibit any mergers during 2018, formal commitments to alleviate competition concerns were required. The types of commitments obtained from the parties ranged from requirements to divest significant business facilities to restrictions on access to confidential information amongst parties. Formal commitments were obtained from parties in respect of the following cases;

Figure 2.

M/18/009 – BWG Foods/4 Aces
 M/18/031 – Uniphar / SISK Healthcare
 M/18/042 – Oaktree/Alanis/Lioncor (JV)
 M/18/016 – Trinity Mirror/Northern & Shell
 M/18/036 – Enva/Rilta

- The CCPC is required to monitor EU merger activity and, when it considers there is a significant interest to Ireland the CCPC can attend and participate in EU merger advisory committees. In 2018, the CCPC closely followed the European Commission’s investigations into a number of proposed mergers including the following:

Figure 3.

M.8306 Qualcomm, NXP Semiconductors,
 M.8677 Siemens, Alstom
 M.8736 Toohil Telecom, Eircom
 M.8792 T-Mobile NL, Tele2 NL
 M.8084 Bayer, Monsanto
 M.8882 Kennedy Wilson, AXA JV
 M.8900 Wieland Werke, Aurubis & Schwermetall

3.2.2. Summary of significant cases.

M/17/068 – Irish Times/Sappho (Irish Examiner)

21. On 14 December 2017, the CCPC received a notification of a proposed transaction whereby, The Irish Times Designated Activity Company (“ITD”), through its wholly owned subsidiary Palariva Limited, would acquire sole control of Sappho Limited (Irish Examiner) from Landmark Media Investments Limited (“LMI”). Given that each of ITD and LMI carry on a “media business” within the State (as defined in section 28A(1) of the Act), this transaction constituted a “media merger” for the purposes of Part 3A of the Act.

22. The CCPC, on 24 April 2018, following a Phase 2 investigation, cleared the proposed transaction. In the course of the two-phase investigation, the CCPC consulted with a number of third parties, including competitors, advertising customers and industry representative bodies. As part of its assessment of the likely competitive impact of the proposed transaction, the CCPC distinguished between a potential market for readers and a potential market for advertisers given the two-sided nature of the newspaper industry. In

reaching its determination that the proposed transaction will not lead to a substantial lessening of competition, the CCPC analysed the likely competitive impact of the proposed transaction in the following three potential markets:

- The publication and sale of daily national newspapers in the State;
- The sale of daily national newspaper advertising in the State; and
- The sale of online advertising in the State.

23. Following the detailed assessment, the CCPC formed the view that the proposed transaction will not substantially lessen competition in any market for goods or services in the State and issued an unconditional clearance Determination to parties.

M/18/009 – BWG Foods/4 Aces

24. On 31 January 2018, the CCPC received a notification of a proposed transaction whereby BWG Foods Unlimited Company (“BWG”), a wholly owned subsidiary of TIL JV Limited, would acquire the entire issued share capital and thereby sole control of 4 Aces Wholesale Limited (“4 Aces”). 4 Aces is a member of Stonehouse Marketing Limited (“Stonehouse”), a wholesaler-owned Irish marketing and buying group, and Gala Retail Services Limited (“GRSL”), a wholesaler-owned buyer group which also effectively operates as a wholesaler-franchisor.

25. Following an extended preliminary (Phase 1) investigation, which included Requirements for Information from the parties, the CCPC on 2 May 2018, cleared the proposed transaction with binding commitments.

26. During the course of the investigation, the CCPC identified potential competition concerns in relation to the potential for the exchange of competitively sensitive information arising from the proposed merger. To address this concern, the CCPC required proposals from BWG which included a divestment commitment and firewall and confidentiality commitments. The proposals are intended to prevent the exchange of competitively sensitive information between BWG and GRSL or between BWG and Stonehouse.

27. The CCPC formed the view that the proposals obtained from BWG, which the CCPC took into account and formed part of the basis of its determination, and therefore pursuant to section 20(3) of the Act became binding commitments, were appropriate and effective in addressing the competition concerns.

M/18/016 – Trinity Mirror/Northern & Shell

28. On 9 February 2018, the CCPC received a notification of a proposed transaction whereby, Reach Plc (formerly Trinity Mirror Plc) (“Reach”) would acquire sole control of Northern & Shell Network Limited (“N&S”) and International Distribution 2018 Limited (“IDL”) and joint control of Independent Star Limited (“ISL”). Given that each of Reach, N&S and ISL carry on a “media business” within the State (as defined in section 28A(1) of the Act), this transaction constitutes a “media merger” for the purposes of Part 3A of the Act.

29. The CCPC, on 12 September 2018, following a Phase 2 investigation, cleared the proposed transaction subject to binding commitments. An in-depth investigation was undertaken to establish whether the proposed transaction would result in a substantial lessening of competition in any market for goods or services in the State. In the course of

the investigation, the CCPC identified a potential competition concern in relation to the exchange of competitively sensitive information between Reach, IN&M and ISL, following Reach's acquisition of 50% of the issued share capital of ISL, which could constitute a breach of competition law.

30. To address this concern, the CCPC required Reach to submit proposals to prevent the direct or indirect exchange of competitively sensitive information between: (i) Reach and IN&M and (ii) Reach and ISL following completion of the proposed transaction. The CCPC has concluded that these commitments, which were taken into account as part of its determination, are appropriate and effective in addressing its competition concerns.

M/18/031 – Uniphar/SISK Healthcare

31. On 17 August 2018, following an extensive investigation, the CCPC cleared the proposed acquisition of sole control of SISK Healthcare by Uniphar Public Limited Company (Uniphar), subject to a number of binding commitments. SISK Healthcare, the group name for ROI Healthco IOM 2 Limited and all of its subsidiaries, is involved in healthcare distribution primarily as a distributor of medical supplies to hospitals.

32. Following notification on 26 April 2018, the CCPC undertook an in-depth investigation, including issuing requirements for further information to the parties and market enquiries involving a number of suppliers, customers and competitors of the parties.

33. Uniphar, as an agent, issues invoices on behalf of certain manufacturers/wholesalers of medical supplies giving it access to third parties' prices and trading conditions for specific products. SISK Healthcare has the distribution rights for certain competing brands/products. In the course of the investigation, the CCPC became concerned that following the implementation of the proposed transaction, Uniphar could use its access to third parties' commercially sensitive information to influence the trading decisions of SISK Healthcare.

34. To address these concerns, the CCPC required proposals from Uniphar, which included firewall and confidentiality commitments, specifically relating to orthopaedic products, diagnostic imaging products and custom procedure packs. The commitments were intended to prevent the exchange of competitively sensitive information between Uniphar's pre-wholesale/logistics provision division and SISK Healthcare's wholesale business units following completion of the proposed transaction.

35. The CCPC formed the view that the proposals obtained from Uniphar, which the CCPC took into account and formed part of the basis of its determination, and therefore pursuant to section 20(3) of the Act became binding commitments, were appropriate and effective in addressing the competition concerns.

M/18/042 – Oaktree/Alanis/Lioncor (JV)

36. On 12 September 2018, the CCPC cleared - subject to binding commitments - the acquisition by Oaktree Capital Group LLC ("Oaktree"), of 50% of the issued share capital of Lioncor Developments Limited ("Lioncor") from Alanis Capital Limited ("Alanis") which ultimately conferred joint control of Lioncor on Oaktree and Alanis.

37. The relevant parties included: Oaktree; Alanis; and Lioncor. Oaktree is a global alternative and non-traditional investment management firm. Its investments in the State include operational retail assets, office developments assets, sites for residential

development as well as other distressed assets. Alanis is involved in property asset and development management in the State. Lioncor Developments Limited is a residential property development management company which provides development management services to companies that own residential development sites. During the course of the investigation, the CCPC identified potential competition concerns in relation to potential anti-competitive vertical information sharing CCPC arising from the proposed merger. To address this concern, the CCPC required proposals from Oaktree and Alanis which included confidentiality commitments. The proposals are intended to strengthen existing measures to prevent the exchange between Lioncor and each of Oaktree and Alanis of confidential information of third-party customers of Lioncor.

38. The CCPC formed the view that the proposals obtained from Oaktree and Alanis, which the CCPC took into account and formed part of the basis of its determination, and therefore pursuant to section 20(3) of the Act became binding commitments, were appropriate and effective in addressing the competition concerns.

M/18/036 – Enva/Rilta

39. On 4 May 2018, the CCPC received a notification of a proposed transaction whereby Enva (Exponent Private Equity LLP, through Enva Irish Opco Limited) would acquire sole control of the Rilta Group (consisting of Richardstown Investments Limited, Grangerath Investments Limited, Noah Investments Limited and their subsidiaries).

40. The CCPC, on 20 December 2018, following a Phase 2 investigation, cleared the proposed transaction subject to binding divestment and access commitments. A significant two-phase investigation was undertaken to establish whether the proposed transaction would result in a substantial lessening of competition in any market for goods or services in the State.

41. Both Enva and the Rilta Group supply non-hazardous and hazardous waste management services. As a result, the CCPC analysed the likely competitive impact of the proposed transaction across multiple waste management markets. This detailed investigation included surveys of a considerable number of third parties, such as competitors, customers and regulatory bodies.

42. The CCPC identified competition concerns arising from the proposed transaction affecting three markets in State involved in the supply of: (i) hazardous oily tank and interceptor waste collection and treatment services, (ii) hazardous waste lubricant oil collection and treatment services and (iii) hazardous contaminated soil collection services.

43. To address the CCPC's concerns, the CCPC required the parties to submit proposals providing both a structural and behavioural remedy. Under the structural remedy, Enva must sell its entire EPA-licensed facility at John F. Kennedy Industrial Estate, John F. Kennedy Road, Naas Road, Dublin 12. Under the behavioural remedy, Enva must also accept hazardous waste, lubricant oil and hazardous contaminated soil from any party subject to certain provisions.

44. Following detailed consideration and further analysis, including market testing, the CCPC concluded that these commitments were sufficient to address the identified competition concerns.

4. The Role of Competition Authorities in the formulation and implementation of other policies

45. The CCPC promotes competition in many different ways. We highlight areas of the economy where competition is restricted, we publish reports on how competition may be improved in certain sectors, we advise Government Departments and other State agencies on competition issues relevant to their work, including procurement and tendering for public contracts, and in particular, the CCPC comments on proposed legislation and responds to public consultations.

46. Within the CCPC, the Advocacy function deals with both competition and consumer protection matters and in 2018, the CCPC issued 12 formal consultations responses, held 20 meetings and sent three letters to government, regulators and law makers. The CCPC also appeared before two Joint Oireachtas Committees.

47. Key areas of focus in 2018 included:

- **Legislation:** At present Ireland is one of a very small number of European countries that will only allow for a company to be fined if a Court finds that there has been a criminal breach of competition law. The CCPC uses all of its powers and resources to investigate anti-competitive practices, however, in contrast to European counterparts the CCPC is currently prevented from securing significant enforcement outcomes for non-criminal breaches. The CCPC began to work closely with our parent Government Department in the transposition of the ECN+ Directive. Our external activity last year in this area included:
 - Competition law: Presentation to the Joint Oireachtas Committee on Business Enterprise and Innovation on the proposal for a Directive to empower competition authorities to be more efficient enforcers.
 - Management Advisory Committee: The Chair of the CCPC outlined to the Committee, which is made up of senior officials in our parent Government Department, the details of the ECN+ Directive and its impact on Ireland's competition enforcement regime.
- **Household waste collection market:** Last year the CCPC published a report examining the waste market from a competition, consumer protection and regulatory perspective, examining the current structure and the evolution of the waste collection market, the economic theory behind utility markets, and comparing Ireland's market against that of other European countries. Recommendations were also made as to the steps that could be taken to ensure that the market delivers the best outcomes for the State, consumers and operators. The below activity related to the publication of this report:
 - Minister for Communications, Climate Action and the Environment: Meeting to present the findings of the CCPC report and the rationale for the recommendations.
 - Department of An Taoiseach: Meeting on the findings of the CCPC report as part of the work being undertaken by the Department on sectoral regulation.
 - County and City Management Association: Meeting to present the findings of the CCPC report with a focus on the introduction of economic regulation and developing a competition model that included tendering for the market.

- **Legal reform:** The CCPC has long advocated for reform of the legal profession. Following enactment at the end of 2015 of the Legal Services Regulation Act, an independent regulator of the legal profession, the Legal Services Regulatory Authority was set up in 2016. The CCPC considers that the Act provides a basis for significant further reform of the legal profession. The below activity supported the CCPC's efforts to advocate for legal reform:
 - Legal education and training: Meeting with the Legal Services Regulatory Authority representatives to review their consultation on education and training covering standards, appropriate content and range of providers.
- **Proposed Directive on Unfair Trading Practices in agriculture:** The CCPC has concerns in relation to the proposed European Directive on Unfair Trading Practices in agriculture. The CCPC is of the view that a sector specific regulator would be best positioned to deliver Government policy in this area. Engaging with stakeholders and monitoring developments with regards to the Directive and the potential implications for the CCPC is high on our advocacy priorities. Our activity last year in this area included:
 - Department of Agriculture: Two meetings on the CCPC's statutory remit in the food sector in the context of legislative work underway at EU level on the food supply chain.
 - Joint Committee on Agriculture, Food and the Marine: Presentation and discussion on the content of the proposed Directive and the designation of an enforcement authority.
 - Department of Agriculture: Letter addressed to the Minister for Agriculture to explain the CCPC's view of the proposed Directive in relation to its objectives and the appropriateness of assigning the CCPC as the competent authority to enforce the proposed Directive.
- **Motor Insurance sector:** In 2018, we continued to invest resources into our motor insurance investigation, our advocacy work and also into the provision of consumer information in this area. Our activity last year in this sector included:
 - Department of Finance and Department of Justice: Meeting to outline the CCPC's views on the development of government insurance databases as part of the work of the Cost of Insurance Working Group, and the potential impact on competition in the market.

5. Resources of the Competition and Consumer Protection Commission

5.1. Resources Overall (current numbers and change over previous year):

48. At the end of 2018, 102 staff members were employed by the CCPC, which represents a 12% increase on 2017. (At the end of 2017, 90 staff members were employed at the CCPC.)

5.1.1. Annual budget (in your currency and USD):

49. The CCPC is funded by way of an annual grant from the Department of Business, Enterprise and Innovation, and also an industry levy in respect of specific consumer

information and education functions in the financial services sector. In 2018, the CCPC's total income was €12,226,000. As the CCPC is a dual agency for competition and consumer protection, many functions have a dual mandate including Criminal Enforcement, Advocacy, Legal Services, Corporate Services, Organisational Development and Communications. Budgets are not apportioned between competition and other functions/activities.

Table 1. Competition and Consumer Protection Commission Budget 2018

Budget	2018 (euro)	2018 (US Dollars)
Exchequer	€10,126,000	\$11,330,000 (approx.)
Levy	€2,100,000	\$2,330,000 (approx.)
Total	€12,226,000	\$13,660,000 (approx.)

5.1.2. Number of employees

Table 2. Number of employees

Lawyers	10
Economists	16
Other professionals	20*
Other Support Staff	56**
Total Staff	102

Note: * 11 Criminal investigators, 2 forensic IT investigators, six advocacy staff and a Member of the Commission. ** Other staff are not assigned specifically to competition functions, but work across the organisation

5.2. Human Resources

50. The main Divisions that are specifically responsible for competition enforcement are as follows:

- Competition Enforcement & Mergers – 18 staff.
- Criminal Enforcement* – 11 staff.
- Legal Services – six staff.
- Other professionals: The CCPC employs two forensic IT investigators whose roles are primarily concerned with competition enforcement investigations, six staff members work in the CCPC's advocacy function. Advocacy staff members have a dual competition and consumer role. Three members of the Commission also oversee both competition and consumer protection related work.

5.3. Period covered by the above information

51. The above information covers the period 1 January 2018 to 31 December 2018.

6. New Reports and Studies on Competition Policy Issues

6.1. The Household Waste Collection Market

52. The CCPC published a report assessing the household waste collection market in Ireland. The CCPC was asked to conduct this report following a Dáil debate and subsequent ministerial request under Section 10 (4) of the Competition and Consumer Protection Act 2014.

53. The CCPC's report examines the market from a competition, consumer protection and regulatory perspective. The report examines the current structure and the evolution of the waste collection market, the economic theory behind utility markets, and compares Ireland's market against that of other European countries. Recommendations are also made as to the steps that could be taken to ensure that the market delivers the best outcomes for the State, consumers and operators.

54. The CCPC's analysis found that the household waste collection market exhibits characteristics of a natural monopoly, including strong local economies of density and scale, high fixed costs and a large cost advantage for a single operator.

55. In developing recommendations, the CCPC looked to the experiences of other European countries. In the EU countries the CCPC surveyed, the State has maintained a high level of control, either by managing the collection of waste directly or by contracting it, by competitive tender, to the private sector. In Ireland, although there are multiple bodies tasked with regulation and enforcement activity in this sector, regulation generally relates to environmental policy. The state has few sector-specific economic levers to ensure that its strategic policy on waste collection service for households is delivered and that environmental goals are achieved. Introducing economic regulation would remedy this, and would also allow for standards of consumer protection to be equal to those of other utilities. While not underestimating the challenge of this change to the market as it is currently structured, we believe that it would allow the market to work better for all parties into the future.

6.2. Recommendations included

- Establish an economic regulator for household waste collection, with consideration to be given to the function of the regulator in relation to economic licensing, data collection and analysis, market design and consumer protection.
 - A review is undertaken of the Government's 2012 policy document, "A Resource Opportunity: Waste Management Policy in Ireland". The CCPC suggests that this review could be usefully informed by the evidence collected in the course of this study and that the review be conducted in the context of the recommendation to establish an economic regulator.
 - Ensure that all of the State's resources are co-ordinated to deliver optimal outcomes for this market. The introduction of a new regulatory regime should also have a central objective to use these existing bodies in a manner that creates efficiencies, wherever possible. Consideration should also be given to utilising and extending existing structures to create a new regulatory regime.
56. The CCPC also considered the manner in which the sector can be best managed and made a number of recommendations for policymakers to consider in this regard.
57. The full report is available [here](#)